



11<sup>th</sup> August, 2016

BSE Limited  
Department of Corporate Services  
Phiroz Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

Dear Sir,

**Subject: Annual Report for the Financial Year 2015-16**

**Ref: Security Code 533018**

With reference to captioned subject, please find enclosed herewith the Annual Report for the Financial Year 2015-16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the Members at the 18<sup>th</sup> Annual General Meeting of the Company as per the provision of the Companies Act, 2013.

Kindly take the note of the same.

Thanking you,

Yours faithfully,  
For **Simplex Mills Company Limited**

*Shekhar*  
**Shekhar R Singh**  
Director

Encl.: as above

CIN-L65900MH1998PLC116585

Simplex Mills Compound, 30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk, Mahalaxmi (E), Mumbai - 400011.  
T : 2308 2951-54 F : 2307 2773  
E : mills@simplex-group.com W : www.simplex-group.com



**18<sup>TH</sup>**  
**ANNUAL REPORT**  
**2015-2016**

# SIMPLEX MILLS COMPANY LIMITED

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## Board of Directors

Shri O.D.Purohit (expired on 15.02.2016)  
Shri K.C. Murarka (appointed w.e.f. 01.02.2016)  
Shri S.G.Shukla  
Smt. Sita Sunil  
Shri Shekhar R Singh  
Shri Pradeep S.Chonkar  
Smt. Fatima Fernandes

## Statutory Auditors

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

## Secretarial Auditors

M/s. Manish Ghia & Associates  
Company Secretaries  
Mumbai

## Banker

State Bank of India, Mumbai

## Corporate Identification Number (CIN)

L65900MH1998PLC116585

## Registered Office

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

## Share Transfer Agent

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

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Annual General Meeting of the Company will be held on Tuesday, the 9th August, 2016 at 12.30 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400001.

## NOTICE

NOTICE is hereby given that the Eighteenth **ANNUAL GENERAL MEETING** of the Members of **SIMPLEX MILLS COMPANY LIMITED** will be held on Tuesday, the 9th August, 2016 at 12.30 p.m. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001 to transact the following businesses:-

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Smt. Sita Sunil (DIN 00041722), who retires by rotation and, being eligible, offers herself for re-appointment.
3. Ratification of Appointment of Statutory Auditors:

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

**“RESOLVED THAT** pursuant to the provisions of Section 139 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the appointment of M/s. Vijay Rungta & Co, Chartered Accountants, Mumbai (ICAI Registration Number 111427W), as Auditors of the Company be and is hereby rectified to hold the office from the conclusion of this AGM till the conclusion of the Nineteenth AGM of the Company, on a remuneration as may be fixed by the Board of Directors.”

### Special Business

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

**“RESOLVED THAT** pursuant to the provisions of the Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the

time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri K. C. Murarka (DIN 00157829), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st February, 2016 in terms of Section 161(1) of the Companies Act, 2013 read with Article 141 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st January 2021, not liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted as the Articles of Association of the Company in substitution, and to entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committees thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to Section 186 and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made

thereunder, as amended from time to time, the consent of the Company be and is hereby accorded to invest/acquire the securities of any body corporate by way of subscription/purchase or otherwise, upto a sum of ₹ 3,00,00,000/- (₹Three Crore Only), notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (the collectively transactions) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or

otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transactions.”

For and on behalf of the Board of Directors

**Shekhar R Singh**  
Director

Mumbai, 6<sup>th</sup> May, 2016

CIN L65900MH1998PLC116585

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

# SIMPLEX MILLS COMPANY LIMITED

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## 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. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
  2. The Explanatory Statement pursuant to the provision of Section 102 of the Companies Act, 2013 (the Act), in respect of **Item Nos. 4, 5 and 6** of the Notice dated 6th May, 2016 is appended hereto.
  3. The details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ( the Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting (AGM), forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
  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 be remain closed from Tuesday, the 2nd August, 2016 to Tuesday, the 9th August, 2016 (both days inclusive) for the purpose of the Eighteenth AGM or any adjournment thereof.
  6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM of the Company.
  7. The Members who hold shares in physical form are requested to notify any change in their address to the Company's Share Transfer Agent, Freedom Registry Limited, having its office at Plot No. 101/102, 19th Street, MIDC, Satpur, Nashik-422007. The Members who hold shares in dematerialized form are requested to notify any change in their address to their respective Depository Participants.
  8. Corporate members intending to send their Authorized Representatives to attend and vote at the Meeting are requested to ensure that the Authorized Representative carries a duly certified true copy of their Board Resolution.
  9. The Draft Articles of Association of the Company will be open for inspection between 10.00 a.m. to 6.00 p.m. on all working days at the Registered Office of the Company upto the date of the AGM of the Company.
  10. As a part of Green Initiative, allows Company to go for paperless compliances by sending Notice, Annual Report and other related documents by e-mail to the Member. Many of the Members have registered their e-mail address and we thank them for the same. Members, who have not registered their e-mail address so far, may, as a support to this initiative, register their e-mail address by sending an e-mail to 'support@freedomregistry.in' quoting their Name, Folio No. / DP ID / Client ID and e-mail address to be registered with us for enabling us to send documents in electronic form.
  11. **Voting through Electronic means**
    - I In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time the Company is pleased to provide Members facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the Eighteenth AGM. The business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The facility for voting, either through electronic voting system or through ballot/polling paper shall also be made available at the venue of the AGM. The Members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
- The instructions for Members voting electronically are as under:

- (i) The voting period begins on Thursday, the 4th August, 2016 (10.00 a.m.) and ends on Monday, the 8th August, 2016 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of the Monday, the 1st August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Members.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 Digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

<b>Dividend Bank Details OR Date of Birth</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository of the Company please enter the Member Id / Folio Number in the Dividend Bank details field as mentioned in instruction no. iv.
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

<b>Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>

# SIMPLEX MILLS COMPANY LIMITED

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- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non- Individual Members & Custodians:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries regarding e-voting, you may refer the Frequently Asked Questions at [www.evotingindia.com](http://www.evotingindia.com) under help section.
- II The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of the Monday, the 1st August, 2016.
- III Shri Manish L. Ghia, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- V The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.simplex-group.com](http://www.simplex-group.com) and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- VI All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 6.00 p.m.) on all working days, upto and including the date of the AGM of the Company.



## **EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under **Item Nos. 4, 5 and 6** of the accompanying Notice dated 6th May, 2016.

### **Item No. 4**

The Board of Directors at its meeting held on 1st February, 2016, appointed Shri K. C. Murarka as an Additional Director under Section 161(1) of the Act read with Article 141 of the Articles of Association of the Company in the category of Independent Non-Executive Director of the Company for five consecutive years under Section 149 of the Act with effect from 1st February 2016. His appointment is subject to the approval of the Shareholders.

In terms of the provisions of Section 161(1) of the Act, Shri K. C. Murarka holds office upto the date of this AGM.

The Company has received a notice from a Member proposing Shri K. C. Murarka as a candidate for the office of Director of the Company. Copy of the draft letter for appointment of Shri K. C. Murarka as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Your Directors therefore consider that Shri K. C. Murarka has fulfilled the conditions specified in the Act and under Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management and the requisite consent, pursuant to Section 152 of the Act has been filed by Shri K. C. Murarka.

Shri K. C. Murarka has more than 35 years of experience in the field of Chemical industry. Your Directors are of the view that the Company would benefit from his knowledge and experience. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri K. C. Murarka as an Independent Director.

Shri K. C. Murarka does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Shri K. C. Murarka, being an appointee, none of the Directors of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

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

### **Item No. 5**

The existing Articles of Association (AoA) of the Company is based on the provision of the Companies Act, 1956 which are no longer in full conformity with the Companies Act, 2013 (New Act). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act, several regulations of the existing AoA of the Company require alteration/deletions. Given this position, it is considered expedient to wholly replace the existing AoA with a new AoA.

It is thus expedient to adopt a new AoA (primarily based on Table F as set out under the Companies Act, 2013), in place of existing AoA of the Company instead of amending the AoA by alteration/incorporation provisions of the Companies Act, 2013.

The copy of proposed set of Articles of Association of the Company is available on the Company's website for perusal by the Members.

None of the Directors and/or their relatives are in any way, financial or otherwise, interested or concerned in this resolution.

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

### **Item No. 6**

The Company is constantly reviewing possible opportunities for expansion of its business operations in order to achieve greater financial flexibility and to enable optimal financial structuring to facilitate speedy implementation of various projects of companies.

Pursuant to Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, the Company can make loans, give guarantees, provide securities to and make investments in the securities of any other person/other bodies corporate to the extent of

# SIMPLEX MILLS COMPANY LIMITED

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60% of its paid up share capital and free reserves and security premium account or 100% of its free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made, guarantees given and securities provided exceeds the aforesaid limits, prior approval of the Shareholders is required by way of a special resolution.

In order to enable the Company to invest/make loans/provide guarantees/security, it is considered necessary to obtain the approval of the Members to

make loan/invest/provide guarantees/security, for an amount not exceeding ₹ 3,00,00,000/- ( ₹ Three crore only) under the aforesaid provisions of Section 186 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives is in any way, financial or otherwise, interested or concerned in this resolution.

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

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## **DETAILS OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

### **Re-appointment of Smt. Sita Sunil (Item No. 2)**

Smt. Sita Sunil joined the Board of the Company on 8th June 2009. She is also a Director on the Board of Simplex Papers Limited, Shrinathji Flour Mills Private Limited, Twentyfirst Century Management Services Limited and Twentyfirst Century Shares and Securities Limited.

Smt. Sita Sunil is a commerce graduate and having more than ten years of experience in the field of Marketing.

Smt. Sita Sunil does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Smt. Sita Sunil as a Director.

Except Smt. Sita Sunil, being an appointee, none of the Directors of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 2.

The Board recommends the Resolution at Item No. 2 of the Notice for your approval.

### **Appointment of other Director (Item No. 4)**

For the details of Shri K. C. Murarka, please refer to the above Explanatory Statement in respect of the Special Business set out at Item No. 4 of the Notice of the AGM pursuant to Section 102 of the Companies Act, 2013.

For and on behalf of the Board of Directors

**Shekhar R Singh**  
Director

Mumbai, 6<sup>th</sup> May, 2016

CIN L65900MH1998PLC116585

### **Registered Office:**

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

## DIRECTORS' REPORT

To  
The Members,

Your Directors present the Annual Report, together with the Audited Accounts for the year ended 31st March, 2016.

### FINANCIAL RESULTS

(in ₹)

	2015-16	2014-15
Loss before Depreciation, Finance Costs, Exceptional Items and Taxation	<b>(40,69,490)</b>	(1,54,76,911)
Less: Depreciation	<b>13,97,503</b>	41,29,118
Less: Finance Costs	<b>65,93,100</b>	49,11,501
Loss before Exceptional Items and Tax	<b>(1,20,60,093)</b>	(2,45,17,530)
Less: Exceptional Items (net)	<b>47,77,549</b>	4,79,99,981
Loss before Tax	<b>(1,68,37,642)</b>	(7,25,17,511)
Less: Current Tax	-	-
Loss after Tax for the year	<b>(1,68,37,642)</b>	(7,25,17,511)
Less: Adjustments relating to Fixed Assets	-	3,29,80,891
Balance brought forward from previous year	<b>(18,23,15,689)</b>	(7,68,17,287)
Balance carried forward	<b>(19,91,53,331)</b>	(18,23,15,689)

### DIVIDEND

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

### OPERATIONS

Your Company has reported total income of ₹ 15,39,605/- and net Loss after tax of ₹ 1,68,37,642/- during the year ended 31st March, 2016.

### PUBLIC DEPOSITS

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

### LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (the Act) are given in the notes to the Financial Statements.

### DIRECTORS

Shri O. D. Purohit ceased to be a Director with effect from 15th February, 2016 due to sad demise. The Board places on record its deep appreciation for the valuable services and guidance given by Shri O. D. Purohit during his tenure

as a Director of the Company and conveyed the heartfelt condolence to the members of the bereaved family.

Shri K. C. Murarka was appointed as an Additional Director of the Company in the category of Independent Director with effect from 1st February, 2016 under Section 161(1) of the Act read with Article 141 of the Articles of Association of the Company. Shri K. C. Murarka holds office upto the date of forthcoming Annual General Meeting (AGM).

Smt. Sita Sunil, Director of the Company who retires by rotation at the forthcoming AGM and, being eligible, offer herself for re-appointment.

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

### ADOPTION OF NEW ARTICLES

The Act has necessitated changes in the Articles of Association of the Company. It is accordingly proposed that a new set of Articles of Association be adopted by the Members and a Resolution to this effect is included at Item number 5 in the Notice of the AGM. The Board recommends the Resolution for adoption by the Members.

# SIMPLEX MILLS COMPANY LIMITED

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## BOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## NUMBER OF MEETINGS OF THE BOARD

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

## REMUNERATION AND NOMINATION POLICY

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

## FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

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

## PARTICULARS OF EMPLOYEES

During the year, there were no employees in the Company and therefore none of the employee was in receipt of remuneration as prescribed in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure III** and forms a part of this Report.

## AUDITORS

At the Sixteenth AGM held on 6th August, 2014, M/s. Vijay Rungta & Co., Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of that AGM until the conclusion of the 3rd consecutive AGM to be held thereafter (subject to ratification of the appointment by the Members at every

AGM held after that AGM).

In terms of the first proviso to Section 139 of the Act read with the Rule 3(7) of Companies (Audit and Auditors) Rules, 2014, the appointment of the auditor shall be subject to ratification by the Members at every Annual General Meeting till the expiry of the term of the Auditor. Accordingly, the appointment of M/s. Vijay Rungta & Co, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company, is placed for ratification by the Members.

In this regard, the Company has received a certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Act.

## COST AUDIT

As there was no production during the year 2015-2016, no cost audit required to be carried out.

## SECRETARIAL AUDIT

A Secretarial Audit was conducted during the year by the Secretarial Auditor, Shri Manish L Ghia of M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai, in accordance with provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached as **Annexure I** and forms part of this Report.

## CORPORATE GOVERNANCE

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

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act and the Listing Regulations, on the basis of information placed before them, the Directors state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and the loss of the Company for the said period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. the annual accounts have been prepared on a going concern basis;
- v. the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. there is a proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and that the provisions of Section 188 of the Act are not attracted. Thus disclosure in form AOC-2 is not required. Further, there are no materially significant related party transactions made by the Company with Promoters and Directors or other designated persons which may have a potential conflict with the interest of the Company at large.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure II**.

#### **STOCK EXCHANGE**

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2016-17 has been paid.

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

During the year, under review, the Company has not carried out any manufacturing activity and hence the Directors have nothing to report under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with reference to Conservation of Energy & Technology Absorption. There was no foreign exchange earnings and outgo during the year under review.

#### **DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT**

There were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **ACKNOWLEDGMENT**

Your Directors place on record their appreciation for the assistance and support extended by all government authorities, financial institutions, banks, consultants, solicitors, employees and shareholders of the Company.

For and on behalf of the Board of Directors

**S. G. Shukla**

**Shekhar R Singh**  
Directors

Mumbai, 6th May, 2016

## SECRETARIAL AUDIT REPORT

For the financial year ended on 31<sup>st</sup> March, 2016

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

To,  
The Members,  
**Simplex Mills Company Limited**  
Mumbai

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the audit period)**;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act,

1992 (SEBI Act):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (effective up to 14th May 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period)**;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period)**;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)**;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period)**; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1st December, 2015;
- (vi) There are no laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable

clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (effective from 1st July, 2015);
- (ii) The Listing Agreements entered into by the Company with BSE Ltd., Mumbai (effective up to 30th November, 2015).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines, etc. mentioned above except as under:

- a) the Company has appointed Internal Auditor as required under Section 138 of the Act; however, the Company is yet to filed form MGT-14 for the same.
- b) the Company does not have a Managing Director or Whole-time Director or Manager or Chief Executive Officer; Chief Financial Officer; and Company Secretary (the Whole-time Key Managerial Personnel) as required under Section 203 of the Act;

**We further report that** the Board of Directors of the Company is duly constituted with Non-Executive Directors and Independent Directors. However as already stated herein before, the Company does not have an Executive Director (Managing/Whole-time Director).The changes in the composition of the Board of Directors that took place during the period under

review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period there were no major corporate events having bearing on the affairs of the Company.

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

**For Manish Ghia & Associates**  
Company Secretaries

**Manish L. Ghia**  
Partner  
FCS 6252 C.P. No. 3531

Mumbai, 6th May, 2016

To,  
The Members,  
**Simplex Mills Company Limited**  
Mumbai

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

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

#### **Annexure A**

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

**For Manish Ghia & Associates**  
Company Secretaries

**Manish L. Ghia**  
Partner  
FCS 6252 C.P. No. 3531

Mumbai, 6th May, 2016

# SIMPLEX MILLS COMPANY LIMITED

FORM NO. MGT - 9

Annexure II

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016  
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the  
Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

1	CIN	L65900MH1998PLC116585
2	Registration Date	21st September, 1998
3	Name of the Company	Simplex Mills Company Limited
4	Category / Sub-Category of the Company	Company having Share Capital
5	Address of the Registered office  Contact details	30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai 400011 Tel No. 022-23082951 E-mail : mills@simplex-group.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Share Transfer Agent, if any	Freedom Registry Limited Plot No. 101/102, 19th Street, MIDC, Satpur, Nashik – 422007 Tel No. 0253-2354032 E-mail : support@freedomregistry.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Wholesale of Textiles	4641	99.19

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of Shares held	Applicable Section
1	NIL				



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2015]				No. of Shares held at the end of the year [As on 31.03.2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	89630	-	89630	2.98	89170	-	89170	2.97	-0.01
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2071656	658	2072314	69.07	2072314	-	2072314	69.07	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total A(1)</b>	<b>2161286</b>	<b>658</b>	<b>2161944</b>	<b>72.05</b>	<b>2161484</b>	<b>-</b>	<b>2161484</b>	<b>72.04</b>	<b>-0.01</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub- Total(A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoters</b>									
<b>(A)=(A)(1) + (A)(2)</b>	<b>2161286</b>	<b>658</b>	<b>2161944</b>	<b>72.05</b>	<b>2161484</b>	<b>-</b>	<b>2161484</b>	<b>72.04</b>	<b>-0.01</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Fund / UTI	357	-	357	0.01	102	-	102	0.00	-0.01
b) Banks / FI	-	4843	4843	0.16	-	4843	4843	0.16	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	448760	-	448760	14.96	448760	-	448760	14.96	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	<b>449117</b>	<b>4843</b>	<b>453960</b>	<b>15.13</b>	<b>448862</b>	<b>4843</b>	<b>453705</b>	<b>15.12</b>	<b>-0.01</b>

# SIMPLEX MILLS COMPANY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2015]				No. of Shares held at the end of the year [As on 31.03.2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non – Institutions</b>									
a) Bodies Corporate	21164	2584	23748	0.79	19222	2534	21756	0.72	-0.07
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	209765	144604	354369	11.81	214353	142723	357076	11.90	0.09
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (HUF, Clearing Members, Foreign Nationals, NRI, Trust)	5043	1411	6454	0.22	5043	1411	6454	0.22	-
<b>Sub – Total (B)(2)</b>	<b>235972</b>	<b>148599</b>	<b>384571</b>	<b>12.82</b>	<b>238618</b>	<b>146668</b>	<b>385286</b>	<b>12.84</b>	<b>0.02</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>685089</b>	<b>153442</b>	<b>838531</b>	<b>27.95</b>	<b>687480</b>	<b>151511</b>	<b>838991</b>	<b>27.96</b>	<b>0.01</b>
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2846375</b>	<b>154100</b>	<b>3000475</b>	<b>100</b>	<b>2848964</b>	<b>151511</b>	<b>3000475</b>	<b>100</b>	<b>-</b>

## ii. Shareholding of Promoter

Shareholder's Name	Shareholding at the beginning of the year [As on 01.04.2015]			Shareholding at the end of the year [As on 31.03.2016]			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
<b>A. Individual</b>							
a. Nandan Damani	42547	1.42	-	42547	1.42	-	
b. Nandan Damani HUF	153	0.01	-	153	0.01	-	
c. Kamladevi Devratan Bagri	243	0.01	-	243	0.01	-	
d. Nalini Somany	311	0.01	-	311	0.01	-	
e. Sandip Somany	2302	0.08	-	2302	0.08	-	
f. Sanjay N Damani	12253	0.41	-	12253	0.41	-	
g. Shashi A Patodia	4765	0.16	-	4765	0.16	-	
h. Shreelekha N Damani	26571	0.89	-	26571	0.88	0.01	
i. Sumita Somany	25	0.00	-	25	0.00	-	
j. Surendra Kumar Somany	460	0.01	-	-	-	-	
<b>B. Bodies Corporate</b>							
a. Lucky Vyapaar and Holdings Pvt. Limited	98256	3.27	-	98256	3.27	-	-
b. Simplex Realty Limited	1470000	48.99	-	1470000	48.99	-	-
c. New Textiles Pvt. Limited	251505	8.38	-	251505	8.38	-	-
d. Shreelekha Global Finance Limited	252553	8.42	-	252553	8.42	-	-
<b>Total (A+B)</b>	<b>2161944</b>	<b>72.05</b>	<b>-</b>	<b>2161484</b>	<b>72.04</b>	<b>-</b>	<b>-0.01</b>

## iii) Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year [As on 01.04.2015]		Cumulative Shareholding during the year [01.04.2015 to 31.03.2016]	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	2161944	72.05		
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	Change in the Category of Promoter			
At the end of the year			2161484	72.04

# SIMPLEX MILLS COMPANY LIMITED

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 01.04.2015]		Cumulative Shareholding during the year [01.04.2015 to 31.03.2016]		
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
<b>1. Life Insurance Corporation of India</b>					
a. At the Beginning of the Year	378869	12.63	-	-	
b. Changes during the Year	No change during the year				
c. At the end of the year	-	-	378869	12.63	
<b>2. The Oriental Insurance Company Limited</b>					
a. At the Beginning of the Year	50940	1.70	-	-	
b. Changes during the Year	No change during the year				
c. At the end of the year	-	-	50940	1.70	
<b>3. National Insurance Company Limited</b>					
a. At the Beginning of the Year	18830	0.63	-	-	
b. Changes during the Year	No change during the year				
c. At the end of the year	-	-	18830	0.63	
<b>4. VSL Securities Private Limited</b>					
a. At the Beginning of the Year	14842	0.49	-	-	
b. Changes during the Year	No change during the year				
c. At the end of the year	-	-	14842	0.49	
<b>5. Jerambhai Karamshibhai Kakadia</b>					
a. At the Beginning of the Year	6756	0.23	-	-	
b. Changes during the Year:					
<b>Date</b>	<b>Reason</b>				
03.04.2015	Buy	49	0.00	6805	0.23
08.05.2015	Buy	510	0.01	7315	0.24
05.06.2015	Buy	50	0.00	7365	0.24
19.06.2015	Buy	25	0.00	7390	0.24
10.07.2015	Buy	51	0.00	7441	0.24
07.08.2015	Buy	245	0.01	7686	0.25
14.08.2015	Buy	51	0.00	7737	0.25
04.09.2015	Buy	191	0.01	7928	0.26
09.10.2015	Buy	148	0.01	8076	0.27
31.12.2015	Buy	58	0.01	8134	0.27
05.02.2015	Buy	100	0.00	8243	0.27
26.02.2015	Buy	99	0.00	8333	0.27
c. At the end of the year				8333	0.27
<b>6. Girishkumar Kanjibhai Vaghasia</b>					
a. At the Beginning of the Year		5118	0.19	-	-
b. Changes during the Year:					
<b>Date</b>	<b>Reason</b>				
24.04.2015	Sale	1	0.00	5717	0.19
26.06.2015	Buy	122	0.00	5839	0.19
17.07.2015	Buy	469	0.02	6308	0.21
07.08.2015	Sale	25	0.00	6283	0.21
12.02.2016	Buy	50	0.00	6333	0.21
c. At the end of the year		-	-	6333	0.21

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 01.04.2015]		Cumulative Shareholding during the year [01.04.2015 to 31.03.2016]	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>7. Ganesh Shankar Dwivedi</b>				
a. At the Beginning of the Year	5254	0.18	-	-
b. Changes during the Year:	No change during the year			
c. At the end of the year	-	-	5254	0.18
<b>8. Laxmi Devi Damani</b>				
a. At the Beginning of the Year	4612	0.15	-	-
b. Changes during the Year	No change during the year			
c. At the end of the year	-	-	4612	0.15
<b>9. Mahendra Kumar Jain</b>				
a. At the Beginning of the Year	4500	0.15	-	-
b. Changes during the Year	No change during the year			
c. At the end of the year	-	-	4500	0.15
<b>10. Mahesh KanjibhaiVaghasiya</b>				
a. At the Beginning of the Year	3865	0.13	-	-
b. Changes during the Year	No change during the year			
c. At the end of the year	-	-	3865	0.13

# SIMPLEX MILLS COMPANY LIMITED

## v. Shareholding of Directors and Key Managerial Personnel

For Each of the Director	Shareholding at the beginning of the year [As on 01.04.2015]		Cumulative Shareholding during the year [01.04.2015 to 31.03.2016]	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>O. D. Purohit</b>				
At the beginning of the year	24	0.00	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	-	-	24	0.00
<b>S. G. Shukla</b>				
At the beginning of the year	71	0.00	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
At the end of the year	-	-	71	0.00

For Each of the Director and KMP	Shareholding at the beginning of the year [As on 01.04.2015]		Cumulative Shareholding during the year [01.04.2015 to 31.03.2016]	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>Chief Financial Officer</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
At the end of the year	-	-	-	-
<b>Company Secretary &amp; Compliance Officer</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/Decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
<b>At the end of the year</b>	-	-	-	-

Shri K. C. Murarka, Shri Shekhar R Singh, Smt. Sita Sunil, Shri Pradeep S. Chonkar and Smt. Fatima Fernandes did not hold any share during the year.

## V) INDEBTEDNESS

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

( in ₹ )

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	7,45,14,022	-	7,45,14,022
ii) Interest due but not paid	-	1,80,683	-	1,80,683
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>7,46,94,705</b>	<b>-</b>	<b>7,46,94,705</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	13,01,000	-	13,01,000
Reduction	-	-	-	-
<b>Net Change</b>	<b>-</b>	<b>13,01,000</b>	<b>-</b>	<b>13,01,000</b>
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	7,58,15,022	-	7,58,15,022
ii) Interest due but not paid	-	59,09,096	-	59,09,096
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>8,17,24,118</b>	<b>-</b>	<b>8,17,24,118</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

( in ₹ )

Sr. No.	Particulars of Remuneration	Managing Director
	Gross Salary	-
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	Others, specify	-
5	Others, please specify	-
	<b>Total (A)</b>	<b>-</b>

# SIMPLEX MILLS COMPANY LIMITED

## B. Remuneration to other Directors

### 1. Independent Directors

( in ₹ )

Sr. No.	Particulars of Remuneration	Name of Director			Total Amount
		Shri O. D. Purohit	Shri S. G. Shukla	Shri K.C. Murarka	
	Fee for attending Board/Committee Meetings	750	1000	250	2000
	Commission	-	-	-	-
	Other, please specify	-	-	-	-
	<b>Total (B)(1)</b>	<b>750</b>	<b>1000</b>	<b>250</b>	<b>2000</b>

### 2. Other Non - Executive Directors

( in ₹ )

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		Shri Shekhar R Singh	Smt. Sita Sunil	Shri Pradeep S. Chonkar	Smt. Fatima Fernandes	
	Fee for attending Board/Committee Meetings	1000	500	1000	1000	3500
	Commission	-	-	-	-	-
	Other, please specify	-	-	-	-	-
	<b>Total (B)(2)</b>	<b>1000</b>	<b>500</b>	<b>1000</b>	<b>1000</b>	<b>3500</b>
	<b>Total (B)= (B)(1) + (B)(2)</b>					<b>5500</b>

## C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Director / Manager

( in ₹ )

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	-as % of profit	-
	-others, specify	-
5	Others, please specify-	-
	<b>Total (C)</b>	<b>-</b>



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

*NIL*

# SIMPLEX MILLS COMPANY LIMITED

Annexure III

## PARTICULAR OF EMPLOYEES

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

Sr. No	Requirements of Rule 5	Details																
i	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	No remuneration was paid to Directors except sitting fees.																
ii	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	No increase in remuneration of Directors.																
iii	The percentage increase in the median remuneration of employees in the financial year	NIL																
iv	The number of permanent employees on the rolls of company	NIL																
v	The explanation on the relationship between average increase in remuneration and Company performance	NIL																
vi	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	NIL																
vii	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	<table border="1"> <thead> <tr> <th>Particulars</th> <th>31<sup>st</sup> March, 2016</th> <th>31<sup>st</sup> March, 2015</th> <th>Variation</th> </tr> </thead> <tbody> <tr> <td>Market Capitalization (₹ in Crs)</td> <td>2.4</td> <td>3.55</td> <td>-32%</td> </tr> <tr> <td>Price Earnings Ratio</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Closing rate of Share at BSE Ltd. (₹)</td> <td>8.00</td> <td>11.80</td> <td>-32%</td> </tr> </tbody> </table> <p>The Company has not made any Public issue or Rights issue of securities in the last 15 years, so comparison have not been made of current share price with public offer price.</p> <p>The Company's shares are listed on BSE Limited.</p>	Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	Variation	Market Capitalization (₹ in Crs)	2.4	3.55	-32%	Price Earnings Ratio	-	-	-	Closing rate of Share at BSE Ltd. (₹)	8.00	11.80	-32%
Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	Variation															
Market Capitalization (₹ in Crs)	2.4	3.55	-32%															
Price Earnings Ratio	-	-	-															
Closing rate of Share at BSE Ltd. (₹)	8.00	11.80	-32%															
viii	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	NIL																

<b>Sr. No</b>	<b>Requirements of Rule 5</b>	<b>Details</b>
ix	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	NIL
x	The key parameters for any variable component of remuneration availed by the directors	The Directors are not getting any variable component during the year.
xi	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year; and	NIL
xii	Affirmation that the remuneration is as per the remuneration policy of the Company	There was no remuneration paid to Directors except sitting fees.

For and on behalf of the Board of Directors

**S.G.Shukla**

**Shekhar R Singh**  
Directors

Mumbai, 6<sup>th</sup> May, 2016

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian textiles industry is one of the largest and oldest sectors in the country and among the most important in the economy in terms of output, investment and employment. The sector employs nearly 35 million people and after agriculture, is the second-highest employer in the country. The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. Its importance is underlined by the fact that it accounts for around 5 percent of Gross Domestic Product, 14 percent of industrial production, 9 percent of excise collections, 18 percent of employment in the industrial sector, and 16 percent of the country's total exports earnings. Thus, the growth and all round development of this industry has a direct bearing on the improvement of India's economy.

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 percent FDI in the Indian textiles sector under the automatic route. Some of initiatives taken by the government to further promote the industry are as under:

- The government has taken a number of initiatives for the welfare and development of the weavers and the handloom sector. Under revival, reform and restructuring (RRR) package, financial assistance to the tune of ₹ 1,019 crore has been approved and the Indian government has released ₹ 741 crore .
- Encouraged by the turnaround in textiles exports, the Government of India plans to set up a US\$ 60 billion target for the current financial year, a jump of over 30 percent from the previous financial year.
- Technology Mission on Cotton (TMC), Technology Upgradation Fund Scheme (TUFS) and Setting up of Apparel Training and Design Centres (ATDCs)
- Setting up two design centres in Gujarat in collaboration with National Institute of Fashion Technology.
- Setting up a Handloom Plaza in Ahmedabad with an estimated investment of US \$ 24.6 million.
- Revival plans of the mills run by National Textiles

Corporation (NTC). Already, for the revival of 18 textile mills, US \$2.21 million worth of machineries has been ordered for the upgradation and modernisation of these mills.

- Scrapping of the Textile Committee cess being collected from the textile and textile machinery industry under the Textile Committee Act.

### OUTLOOK, OPPORTUNITIES AND THREATS

The Indian textiles industry has a significant presence in the Indian economy as well as in the international textile economy. Its contribution to the Indian economy is manifested in terms of its contribution to the industrial production, employment generation and foreign exchange earnings. The industry also contributes significantly to the world production of textile fibres and yarns including jute. In the world textile scenario, it is the largest producer of jute, second largest producer of silk, third largest producer of cotton and cellulosic fibre/yarn and fifth largest producer of synthetic fibre/yarn. Textile Industry is providing one of the most basic needs of people and hold importance; maintaining sustained growth for improving quality of life. A strong raw material production base, a vast pool of skilled and unskilled personnel, cheap labour, good export potential and low import content are some of the salient features of the Indian textile industry. Which gives the opportunities to the Company force expanding its business.

### RISKS AND CONCERNS

The Company's risk management strategy encompasses the proper and in-depth identification, assessment and prioritization of risks, followed by speedy mobilization of resources to minimize, monitor and control the probability of unfortunate events. The Company has a comprehensive risk management system in place, which enables to recognize and analyse risks early and to take the appropriate action.

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

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has adequate internal control systems and is in process of further strengthening the existing internal control systems. The financial statements are

reviewed periodically by the management. Adherence to Internal Control Systems is ensured by detailed Internal Audit program so that the assets are correctly accounted for and the business operations are conducted as per laid down policies and procedures.

#### **FINANCIAL AND OPERATING PERFORMANCE**

During the year under review, the Company has reported total income of ₹ 15,39,605/- as compared to ₹ 17,90,356/- in the previous year. The Company has registered a net loss of ₹ 1,68,37,642/- as against a net loss of ₹ 7,25,17,511/- in the previous year.

#### **CAUTIONARY STATEMENT**

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

# SIMPLEX MILLS COMPANY LIMITED

## 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 and customers and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is given below:

### 2. BOARD OF DIRECTORS

#### a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2016, the Board comprises of six Non –Executive Directors.

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

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

During the year ended 31st March, 2016, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

27th May, 2015, 5th August, 2015, 6th November, 2015 and 1st February, 2016.

#### Attendance of Directors at Board Meetings during 2015-16 and Directorship(s) and Committee Chairmanship(s) / Membership (s) of other companies as on 31st March, 2016

Name	Category	No. of Board Meetings held - 4	No. of Directorships and Committee Chairmanship(s) / Membership(s)			Attendance at AGM held on 5th August, 2015
		Attended	Other Directorship*	Committee Chairmanship(s)**	Committee Membership(s)**	
<sup>1</sup> Shri O. D. Purohit	Independent	3	4	2	-	No
<sup>2</sup> Shri K. C. Murarka	Independent	1	2	-	-	NA
Shri S. G. Shukla	Independent	4	-	3	-	Yes
Smt. Sita Sunil	Non-Executive	2	2	-	-	Yes
Shri Shekhar R Singh	Non-Executive	4	1	-	1	Yes
Shri P. S. Chonkar	Non-Executive	4	1	-	-	Yes
Smt. Fatima Fernandes	Non-Executive	4	1	-	-	Yes

There are no inter-se relationships between the Board Members.

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

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

<sup>1</sup> Ceased to be a Director w.e.f. 15th February, 2016.

<sup>2</sup> Appointed as an Additional Director w.e.f. 1st February, 2016.

### 3. AUDIT COMMITTEE

During the year ended 31st March, 2016, 4 (four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

27th May, 2015, 5th August, 2015, 6th November, 2015 and 1st February, 2016.

The composition of the Audit Committee and the number of meetings attended by each Member during the year ended 31st March, 2016 is as follows:

Name of the Member	Designation	No. of Meetings held - 4
		Attended
<sup>§</sup> Shri S. G. Shukla	Chairman	4
<sup>*</sup> Shri O. D. Purohit	Member	3
<sup>#</sup> Shri K. C. Murarka	Member	1
Shri Shekhar R Singh	Member	4

<sup>§</sup>Appointed as a Chairman w.e.f. 1st February, 2016.

<sup>\*</sup>Ceased to be a Member w.e.f. 15th February, 2016.

<sup>#</sup>Appointed as a Member w.e.f. 1st February, 2016.

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

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

The terms of reference of this Committee includes those specified under Regulation 18 read with Part C of Schedule II of the Listing Regulations in consonance with the provisions of Section 177 of the Companies Act, 2013 (the Act). The brief descriptions of terms of reference are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment / re-appointment / replacement, if required, of Statutory Auditors, fixation of audit fees and approval of payments for any other services;
- Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of sub-3 (c) of Section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Un-modified opinion(s) in draft audit report.
  - Reviewing with management, quarterly financial statements before submission to the Board for approval;
  - Review and monitor the Auditor's independence and performance and effectiveness of Audit process;
  - Reviewing performance of Statutory Auditors;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors;
  - To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm length pricing basis

# SIMPLEX MILLS COMPANY LIMITED

and to review and approve such transactions subject to the approval of the Board;

- To review the functioning of the Whistle Blower mechanism; and
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

## 4. NOMINATION AND REMUNERATION COMMITTEE

During the year ended 31st March, 2016, 2(two) Nomination and Remuneration Committee meetings were held. The dates on which the said meetings were held as follows:

27th May, 2015 and 1st February, 2016.

The composition of the Nomination and Remuneration Committee and the number of meetings attended by each Member during the year ended 31st March, 2016 is as follows:

Name of the Member	Designation	No. of Meetings held - 4
		Attended
<sup>§</sup> Shri S. G. Shukla	Chairman	2
*Shri O. D. Purohit	Member	1
<sup>#</sup> Shri K. C. Murarka	Member	1
Shri Shekhar R Singh	Member	2

<sup>§</sup>Appointed as a Chairman w.e.f. 1st February, 2016.

\*Ceased to be a Member w.e.f. 15th February, 2016.

<sup>#</sup>Appointed as a Member w.e.f. 1st February, 2016

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

- Succession planning of the Board of Directors and other Senior Management Employees;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration for

the directors and Key Managerial Personnel and other Senior Management Employees;

- Review the performance of the Board of Directors and other Senior Management Employees in accordance with the criteria laid down; and
- To oversee the matters pertaining to HR Policies.

## REMUNERATION TO DIRECTORS

The Non –Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. The Nomination and Remuneration Policy, which was approved by the Board is available on the Company's website and a copy of the Policy is attached as **Annexure –A**.

### Details of remuneration paid to Directors during the year ended 31st March, 2016:

(Amount in ₹)

Name	Salary, Perquisites & Allowances	Sitting fees
Shri O. D. Purohit	Nil	750/-
Shri K. C. Murarka	Nil	250/-
Shri S. G. Shukla	Nil	1,000/-
Smt. Sita Sunil	Nil	500/-
Shri Shekhar R Singh	Nil	1,000/-
Shri P. S. Chonkar	Nil	1,000/-
Smt. Fatima Fernandes	Nil	1,000/-

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year ended 31st March, 2016, 4 (four) Stakeholders Relationship Committee Meetings were held. The dates on which the said meetings were held are as follows:

27th May, 2015, 5th August, 2015, 6th November, 2015 and 1st February, 2016.

The composition of the Stakeholders Relationship Committee and the number of meetings attended by each Member during the year ended 31st March, 2016 is as follows:



Name of the Member	Designation	No. of Meetings held - 4
		Attended
<sup>§</sup> Shri S. G. Shukla	Chairman	4
<sup>*</sup> Shri O. D. Purohit	Member	3
<sup>#</sup> Shri K. C. Murarka	Member	1

<sup>§</sup>Appointed as a Chairman w.e.f. 1st February, 2016.

<sup>\*</sup>Ceased to be a Member w.e.f. 15th February, 2016.

<sup>#</sup>Appointed as a Member w.e.f. 1st February, 2016.

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

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

- non-receipt of dividends
- non-receipt of shares in demat account
- non-receipt of annual report
- any other matter of Shareholder /Investor grievance

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

Smt. Fatima Fernandes is Compliance Officer of the Company.

### Investor Relations

The following table shows the nature of Complaints/Grievances received from the Shareholders during the year ended 31st March, 2016, all of which have been resolved during the year.

Nature of Complaints / Grievances	No. of Complaints/ Grievances
Non-receipt of share certificates-(received directly)	Nil

There are no Shareholders complaints pending as on 31st March, 2016.

### 6. INDEPENDENT DIRECTORS' MEETING

During the year under review, Independent Directors met on 1st February, 2016, inter- alia, to discuss:

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

# SIMPLEX MILLS COMPANY LIMITED

## 7. GENERAL BODY MEETINGS

Annual General Meeting (AGM)

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

Financial Year	Date of AGM	Time	Location of the Meeting	Special Resolution
2012-2013	07.08.2013	12.30 P.M.	M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001	NIL
2013-2014	06.08.2014	12.30 P.M.		NIL
2014-2015	05.08.2015	12.30 P.M.		NIL

## 8. DIRECTORS

Resume and other information regarding the Directors seeking appointment/re-appointment as required by Regulation 36(3) of the Listing Regulations has been given in the Notice of the forthcoming AGM annexed to the Annual Report.

## 9. DISCLOSURES

### a) Related party transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The details disclosure as required by the Accounting Standards (AS18) on material significant related party transactions has been made in the notes to the Financial Statements.

### b) Compliance by the Company

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

### c) Familiarization Programme for Independent Director

At the time of appointment, a formal letter of appointment is given to Independent Directors which inter-alia explain the role, functions, duties and responsibilities expected from them as a Director of the Company. The Company conducts structure orientation programmes for the Independent Directors to understand and get updates on the business and operations of the Company on a continuous basis.

### d) Vigil Mechanism/Whistle-blower Policy

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

### e) Code of Conduct

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

### f) Disclosure of Accounting Treatment

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

### g) Disclosure of Risk Management

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

### h) CEO/CFO Certification

As per requirement of Regulation 33 of the Listing Regulations, the certificate from Smt. Fatima Fernandes and Shri Pradeep Chonkar, Directors, on the financial statements of the Company for the year ended

31st March, 2016 was placed before the Board.

**i) Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2016 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

shareholding pattern of the Company along with other relevant information useful to investors on the website.

c. At present, the Company does not make presentation to Institutional Investors and Analysts.

d. The Management Discussion and Analysis is given separately in this Annual Report.

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

The Company has adopted a Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The said code, inter-alia prohibits purchase/sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company.

**10. MEANS OF COMMUNICATION**

a. The quarterly, half-yearly, nine months and full year results are published in The Financial Express (English edition) and Mumbai Lakshdeep (Regional edition).

b. The Company has its own website i.e. **www.simplex-group.com** and has been uploading financial results and quarterly

**12. GENERAL INFORMATION FOR SHAREHOLDERS**

i. <b>Date, Time and Venue of forthcoming AGM</b>	Date : Tuesday, 9th August, 2016 Time : 12.30 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later. Venue : M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
ii. <b>Financial Calendar (2016-2017)</b>	<ul style="list-style-type: none"> <li>• First Quarterly Results - Upto 15th August, 2016</li> <li>• Second Quarterly Results - Upto 15th November, 2016</li> <li>• Third Quarterly Results - Upto 15th February, 2017</li> <li>• Annual Results - Upto 30th May, 2017</li> </ul>
iii. <b>Date of Book Closure</b>	From Tuesday, the 2nd August, 2016 to Tuesday, the 9th August, 2016 (both days inclusive)
iv. <b>Dividend payment date</b>	N.A.
v. <b>Listing on Stock Exchange</b>	BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai- 400 001
vi. <b>Security Code ISIN</b>	533018 INE457H01019

# SIMPLEX MILLS COMPANY LIMITED

vii. **Market Price Data** The monthly high and low quotations of shares traded on the BSE from April, 2015 to March, 2016 are as follows:

Month	Volume (No.of shares)	Price (₹)		BSE Sensex	
		High	Low	High	Low
April, 2015	674	11.21	8.42	29,094.61	26,897.54
May, 2015	161	9.26	8.40	28,071.16	26,423.99
June, 2015	157	8.80	8.80	27,968.75	26,307.07
July, 2015	730	10.11	7.95	28,578.33	27,416.39
August, 2015	760	11.02	9.47	28,417.59	25,298.42
September, 2015	29	9.47	9.00	26,471.82	24,833.54
October, 2015	149	9.00	9.00	27,618.14	26,168.71
November, 2015	1	8.60	8.60	26,824.30	25,451.42
December, 2015	457	8.17	7.15	26,256.42	24,867.73
January, 2016	501	8.26	7.86	26,197.27	23,839.76
February, 2016	100	8.00	8.00	25,002.32	22,494.61
March, 2016	189	8.14	7.75	25,479.62	23,133.18

## viii) Share Transfer Agent

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

## ix) Share Transfer System

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

## x) Shareholding Pattern as on 31st March, 2016

Category	Number of shares held	Percentage of Shareholding
<b>(A) Shareholding of Promoter and Promoter Group</b>	<b>21,61,484</b>	<b>72.04</b>
<b>(B) Public shareholding</b>		
<b>(1) Institutions</b>		
(a) Mutual Funds/ UTI	102	0.00
(b) Financial Institutions/ Banks	4,843	0.16
(c) Insurance Companies	4,48,760	14.96
<b>(2) Non-Institutions</b>		
(a) Bodies Corporate	21,756	0.72
(b) Individuals -		
i. holding nominal share capital up to ₹ 2 lac	3,57,076	11.90
ii. holding nominal share capital in excess of ₹ 2 lac	-	-
(c) Non Residents	6,342	0.22
(d) Directors and their Relatives	112	0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>8,38,991</b>	<b>27.96</b>
<b>TOTAL (A)+(B)</b>	<b>30,00,475</b>	<b>100</b>

### Distribution of Shareholding as on 31st March, 2016

Category	Number of Shareholders	Percentage of Total Number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	5128	97.60	2,24,028	7.47
501 to 1,000	63	1.20	43,693	1.46
1,001 to 5,000	48	0.91	96,326	3.21
5,001 to 10,000	3	0.06	19,920	0.66
10,001 & above	12	0.23	26,16,508	87.20
<b>Total</b>	<b>5254</b>	<b>100</b>	<b>30,00,475</b>	<b>100</b>

#### xi) Dematerialization of Shares and Liquidity

About 94.86 percent shares have been dematerialized as on 31st March, 2016.

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

Not Applicable

#### xiii) Plant

Village-Shivni,  
Opp. Shivni Shivpur Railway Station,  
Dist. Akola-444101, Maharashtra

#### xiv) Address for Investor Correspondence

a) Simplex Mills Company Limited  
30, Keshavrao Khadye Marg, Sant Gadge  
Maharaj Chowk, Mumbai- 400011  
Tel. : (022) 2308 2951  
Fax : (022) 2307 2773  
E-mail : mills@simplex-group.com  
Website : www.simplex-group.com

#### b) Freedom Registry Limited

##### Registered Office

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

Tel. : (0253) 2354032

Fax : (0253) 2351126

E-mail : support@freedomregistry.in

##### Liasioning Office

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

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

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the Code of Conduct for the year ended 31st March, 2016.

For Simplex Mills Company Limited

Mumbai, 6th May, 2016

**S.G.Shukla**  
Director

**CERTIFICATE ON CORPORATE  
GOVERNANCE**

To  
The Members of  
Simplex Mills Company Limited

We have examined the compliance of the conditions of Corporate Governance by Simplex Mills Company Limited, for the year ended 31<sup>st</sup> March 2016 as stipulated in Chapter IV of the Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), pursuant to the Listing Agreement with 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 Chapter IV of the Listing Regulations.

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

For **Vijay Rungta & Co.**  
Chartered Accountants  
Firm's registration number: 111427W

**Ajay J. Rungta**  
Partner  
Membership No. F- 40333

Mumbai May 6th, 2016

## **NOMINATION AND REMUNERATION POLICY**

### **PREAMBLE**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and other employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, the Board of Directors (the Board) of Simplex Mills Company Limited (the Company) at its meeting held on 10th May, 2014 re-constituted the existing Remuneration Committee by changing its nomenclature as Nomination and Remuneration Committee in order to align with the terms of the provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder (the Act) and revised Clause 49 (IV) of the Listing Agreement with Stock Exchange now Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and subsequent amendments thereto from time to time.

The policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors at its meeting held on 12th November, 2014.

### **OBJECT AND PURPOSE**

This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The policy is framed with the objective(s):

- That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the Company;
- That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- That the remuneration to Directors, Key Managerial Personnel, and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working

of the Company and its goals;

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

### **APPLICABILITY AND GOVERNING LAW**

This policy is applicable to all Directors viz: Executive, Non-Executive and Independent, Key Managerial Personnel, Senior Management Personnel and other employees of the Company.

This policy shall be governed by the Act read with Rules made thereunder, as may be in force for the time being as well as the Listing Regulations or such other Rules/Regulations, as may be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

# SIMPLEX MILLS COMPANY LIMITED

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## DEFINITIONS

In this policy unless the context otherwise requires:

“**Act**” shall mean the Companies Act, 2013 and the Rules and Regulations notified thereunder.

“**Board of Directors**” or “**Board**” in relation to the Company means the collective body of the Directors of the Company.

“**Company**” means Simplex Mills Company Limited.

“**Directors**” means Directors of the Company.

“**Independent Director**” means a Director referred to in Section 149 (6) of the Companies Act, 2013.

“**Key Managerial Personnel**” (KMP) in relation to a Company means

- i. the Chief Executive Officer, or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time Director;
- iv. the Chief Financial Officer; and
- v. such other officer as may be prescribed under the Act.

“**Senior Management Personnel**” mean employees of the company who are members of its core management team excluding Board of Directors including the functional/vertical heads.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall have minimum three Directors as members and out of which not less than one half shall be Independent Directors. The Nomination and Remuneration Committee comprises of following Directors:

Shri S.G.Shukla	Non- Executive Independent Director	Chairman
Shri K. C. Murarka	Non- Executive Independent Director	Member
Shri Shekhar R Singh	Non- Executive Director	Member

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

## ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee inter-alia will be the following:

- Identify person who is qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performances;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Employees;
- Devising a policy on Board diversity;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-executive Directors and also the Independent Directors; and
- Decide/approve details of fixed components and performance linked incentives along with criteria.

## APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

### i. Appointment criteria and qualifications

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board about his/her appointment.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of



seventy years with the approval of the Shareholders of the Company.

## ii. **Term/Tenure**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

## iii. **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## iv. **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

## v. **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **REMUNERATION FOR DIRECTOR, KMP AND SENIOR MANAGEMENT**

The general features of Remuneration for Director, KMP and Senior Management Personnel are as under:

- The remuneration/compensation/commission etc. to the Whole-time Director, Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation/commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director and Managing Director shall be in accordance with the provisions of the Act and the rules made there under.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director and Managing Director.
- This Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

## i. **Remuneration to Whole-time / Executive / Managing Director**

### **Fixed pay**

The Whole-time Director, Managing Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of

the Committee. The break- up of the pay scale and quantum of perquisites including employer's contribution to Provident and Pension Fund, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

## **Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

## **Provisions for excess remuneration**

If any Whole-time Director/Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, or without the prior approval of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **ii. Remuneration/Commission to Non - Executive/ Independent Director**

### **Remuneration/Commission**

The remuneration/commission shall be in accordance with the provisions of the Act and the Rules made thereunder.

## **Sitting Fees**

The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding and lodging expenses shall be reimbursed to the Directors.

## **Commission**

Commission may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1(one) percentage of the profits of the Company computed as per the applicable provisions of the Act.

## **Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

## **Review**

This Policy shall be reviewed by the Board of Directors on its own and/or as per the recommendations of the Nomination and Remuneration Committee, as and when deemed fit.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Simplex Mills Company Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Simplex Mills Company Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2016, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

1. During the year, the Company has accumulated losses and its net worth has been fully eroded. This

situation, along with other matters set forth in Note no. 24 & 25, indicate the existence of an uncertainty that may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reason stated in the said notes.

Our opinion is not modified in respect of the aforesaid matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in Paragraphs 3 of the Order to the extent applicable.
  2. As required by Section 143 (3) of the Act, we report that:
    - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
    - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operative effectiveness of such controls, refer to our separate report in Annexure 'B' and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 22 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - i. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Vijay Rungta & Co.**  
**Chartered Accountants**

Firm's registration number: 111427W

**Ajay J. Rungta**  
Partner

Membership number: 040333  
Mumbai  
6th May, 2016

# SIMPLEX MILLS COMPANY LIMITED

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**Annexure 'A' to the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2016 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.**

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. According to information and explanation given to us, during the year, the management conducted physical verification of certain fixed assets in accordance with its policy of physical verification in a phased manner. In our opinion, such frequency is reasonable having regard to the size of the Company and the nature of its fixed assets. As explained to us, the discrepancies noticed on physical verification as compared to book records maintained, were not material and have been properly dealt with in the books of account.
- c. Based on the audit procedure performed and according to the records of the company, title deeds of all the immovable properties are held in the name of the company.
- ii. As explained to us, management conducted physical verification of stocks of raw materials, finished goods and stores and spares at reasonable intervals during the year, as also as at the balance sheet date. In our opinion and according to the information and explanations given to us, the frequency of verification is reasonable. On the basis of our examination of records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- iii. a. The Company has not granted loans to any parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph

3(iii)(a,b&c) of the Order is not applicable to the Company in respect of receipt of the principal amount and interest.

- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 of the Act. However with respect to the compliance of section 186 of the Act, aggregate of loans granted by the Company are in excess of the maximum permissible limits for loans as specified in section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act, and the rules framed there under.
- vi. As information and explanation given to us, by the management, the provisions for maintenance of the cost records under Section 148(1) of the Act are not applicable to the Company as there was no manufacturing activity during the year under review.
- vii. a. According to the information and explanations given to us, the Company was regular during the year in depositing undisputed statutory dues including Provident Fund, Income tax, Sales tax, Customs duty and Excise duty with the appropriate authorities. According to the information and explanation given to us, as at the balance sheet date, the Company has no undisputed statutory dues of a material nature which remained unpaid for a period exceeding six months from the date on which they were payable.
- b. According to the information and explanation given to us, as at the balance sheet date, the Company has not deposited dues of excise duty aggregating to ₹ 2,61,53,603/- on account of the following disputes pending before authorities:

**Excise**

Period to which dues relate	Pending before	(₹)
1984-85 and 1995 to 1996	Assistant Commissioner	49,13,695
1981-84, 1981-95, and 2004	CESTAT	1,52,86,878
1981 to 1984	High Court	59,53,030
	<b>Total</b>	<b>2,61,53,603</b>

- viii. 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.
- ix. According to the information and the explanations given to us, the Company has not raised any money by way of Initial/further public offer (including debt instruments) and term loans during the year. Accordingly, Para 3(ix) of the Order is not applicable.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year under report.
- xi. As per the information and explanations given to us, no managerial remuneration has been paid or provided during the year.
- xii. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore provisions of the clause 3(xii) of the order are not applicable to the company.

- xiii. In our opinion and as per the information and explanation given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. The company has not made any preferential allotment or private placement of shares or partly/fully convertible debentures during the year, therefore reporting under clause 3(xiv) shall not be applicable.
- xv. According to the information and explanation given to us and on an overall examination of financial statement of the company, we report that company has not entered in to any non-cash transactions with director or persons connected with him.
- xvi. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Vijay Rungta & Co.**  
**Chartered Accountants**  
 Firm's registration number: 111427W

**Ajay J. Rungta**  
 Partner  
 Membership number: 040333  
 Mumbai, 6th May, 2016

# SIMPLEX MILLS COMPANY LIMITED

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## **Annexure 'B' to the Independent Auditors' Report of the even date.**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

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

We have audited the internal financial controls over financial reporting of Simplex Mills Company Limited ('the Company') as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of

# SIMPLEX MILLS COMPANY LIMITED

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on “the

internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For Vijay Rungta & Co.  
Chartered Accountants**

Firm's registration number: 111427W

**Ajay J. Rungta**

Partner

Membership number: 040333

Mumbai, 6th May, 2016



# SIMPLEX MILLS COMPANY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	31.03.2016 ₹	31.03.2015 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
Share capital	2	3,00,04,750	3,00,04,750
Reserves and surplus	3	(6,87,94,243)	(5,19,56,601)
		<u>(3,87,89,493)</u>	<u>(2,19,51,851)</u>
<b>2. Non-Current Liabilities</b>			
Deferred tax liability (net)	4	-	-
<b>3. Current Liabilities</b>			
Short-term borrowings	5	8,17,24,118	7,45,14,022
Trade payables		23,36,375	18,23,741
Other current liabilities	6	1,75,77,181	65,93,046
Short-term provisions	7	-	7,13,774
		<u>10,16,37,674</u>	<u>8,36,44,583</u>
<b>TOTAL</b>		<u><b>6,28,48,181</b></u>	<u><b>6,16,92,732</b></u>
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
Fixed assets			
Tangible assets	8	4,78,20,571	5,61,39,969
Long-term loans and advances	9	21,09,383	20,83,780
		<u>4,99,29,954</u>	<u>5,82,23,749</u>
<b>2. Current Assets</b>			
Trade receivables	10	11,19,299	54,496
Inventories	11	2,98,934	3,07,815
Cash and cash equivalents	12	26,07,056	5,91,898
Short-term loans and advances	13	88,61,935	23,94,488
Other current assets	14	31,003	1,20,286
		<u>1,29,18,227</u>	<u>34,68,983</u>
<b>TOTAL</b>		<u><b>6,28,48,181</b></u>	<u><b>6,16,92,732</b></u>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** 1  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** 1 TO 30

As per our report of even date attached

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

**Ajay J. Rungta**  
Partner  
Membership No.F - 40333  
Mumbai, 06th May, 2016

For and on behalf of the Board

**S.G.Shukla**  
**Shekhar R Singh**  
Directors

Mumbai, 06th May, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	2015-16 ₹	2014-15 ₹
<b>I. Revenue from operations</b>	<b>15</b>	<b>10,67,786</b>	4,66,733
<b>II. Other income</b>	<b>16</b>	<b>4,71,819</b>	13,23,623
<b>III. Total Revenue (I+II)</b>		<b>15,39,605</b>	17,90,356
<b>IV. Expenses</b>			
Purchase of stock-in-trade	17	10,28,280	-
Changes in inventories of work-in-progress, finished goods and stock-in-trade	17	8,881	16,38,328
Employee benefits expense	18	3,58,664	1,02,79,169
Finance costs	19	65,93,100	49,11,501
Depreciation	8	13,97,503	41,29,118
Other expenses	20	42,13,270	53,49,770
<b>Total Expenses</b>		<b>1,35,99,698</b>	2,63,07,886
<b>V. Loss before exceptional items and tax (III-IV)</b>		<b>(1,20,60,093)</b>	(2,45,17,530)
<b>VI. Exceptional items</b>	<b>21</b>	<b>47,77,549</b>	4,79,99,981
<b>VII. Loss before tax (V+VI)</b>		<b>(1,68,37,642)</b>	(7,25,17,511)
Current tax		-	-
<b>VIII. Loss for the period</b>		<b>(1,68,37,642)</b>	(7,25,17,511)
<b>Earnings per equity share [nominal value of share ₹ 10/- each]</b>			
Basic		(5.61)	(24.17)
Diluted		(5.61)	(24.17)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** 1  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS** 1 TO 30

As per our report of even date attached  
For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay J. Rungta**  
Partner  
Membership No.F - 40333  
Mumbai, 06th May, 2016

For and on behalf of the Board  
**S.G.Shukla**  
**Shekhar R Singh**  
Directors

Mumbai, 06th May, 2016

# SIMPLEX MILLS COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Loss Before Exceptional Items and Tax	(1,20,60,093)	(2,45,17,530)
Adjustment for :		
Depreciation	13,97,503	41,29,118
Interest expense	65,92,986	49,11,501
Interest income	(98,521)	(1,37,653)
Loss on sale of fixed assets	34,124	-
Balances written back (net)	(3,24,955)	(1,41,759)
	<u>76,01,137</u>	<u>8,761,207</u>
<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>	<b>(44,58,956)</b>	<b>(1,57,56,323)</b>
<b>(Increase)/Decrease in:</b>		
Trade receivables	(10,64,803)	37,304
Inventories	8,881	26,92,903
Short-term loans and advances	(1,73,599)	25,70,101
Other current assets	90,565	71,132
Long-term loans and advances	(25,603)	18,52,858
Trade payable	7,64,564	(3,94,187)
Other liabilities	1,10,62,420	(48,55,922)
Long-term provisions	-	(1,50,46,846)
Short-term provisions	(7,13,774)	(33,50,099)
	<u>99,48,651</u>	<u>(1,64,22,756)</u>
<b>CASH GENERATED FROM /(USED IN) OPERATIONS</b>	<b>54,89,695</b>	<b>(3,21,79,079)</b>
Direct taxes paid	(10,439)	(21,164)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES BEFORE EXCEPTIONAL ITEMS</b>	<b>54,79,256</b>	<b>(3,22,00,243)</b>
Exceptional items	-	(4,85,13,118)
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(A) 54,79,256</b>	<b>(8,07,13,361)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of fixed assets	21,10,222	2,17,74,000
Interest received	97,239	2,77,505
Inter corporate deposits given	(62,88,669)	-
<b>NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES</b>	<b>(B) (40,81,208)</b>	<b>2,20,51,505</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net change in borrowings	72,10,096	6,39,59,663
Interest paid	(65,92,986)	(49,11,501)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>(C) 6,17,110</b>	<b>5,90,48,162</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C) 20,15,158</b>	<b>3,86,306</b>
<b>CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR</b>	<b>5,91,898</b>	<b>2,05,592</b>
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR</b>	<b>26,07,056</b>	<b>5,91,898</b>
<b>Cash and cash equivalents comprise of :</b>	<b>As on</b>	<b>As on</b>
	<b>31-Mar-16</b>	<b>31-Mar-15</b>
Balances with banks :		
- in Current accounts	15,66,229	5,53,399
- in Fixed deposit	10,07,372	-
Cash on hand	4,213	9,257
Earmarked balance with bank	29,242	29,242
	<u>26,07,056</u>	<u>5,91,898</u>

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS - 1 TO 30

As per our report of even date attached  
For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay J. Rungta**

Partner

Membership No. F- 40333  
Mumbai, 6th May, 2016

For and on behalf of the Board

**S.G.Shukla**

**Shekhar R Singh**

Directors

Mumbai, 6th May, 2016

# SIMPLEX MILLS COMPANY LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### CORPORATE INFORMATION

Simplex Mills Company Limited ("the Company") is in trading of textile products (i.e. clothes and fabrics). 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. The GAAP comprises mandatory Accounting Standards notified by the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies have been consistently applied.

#### (ii) Revenue recognition:

Sales of goods are recognized on dispatch of goods to customers, or when substantial risks and rewards of ownership are transferred by the Company.

#### (iii) Tangible fixed assets:

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

#### (iv) Capital work-in-progress:

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

#### (v) Inventories:

Stores and spare parts are valued at cost. Process stock is valued at estimated cost. Raw materials are valued at cost or market rate, whichever is lower. Finished products and waste are valued at cost or market rate whichever is lower, whereas the sold quantity is valued at contract rates. (Cost includes direct cost and overheads). Cost of finished goods and work-in-process is ascertained by applying the absorption cost basis. Traded goods are valued at cost or net realizable value, whichever is lower.

#### (vi) Borrowing costs:

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

#### (vii) Depreciation:

Depreciation is provided on all fixed assets (excluding furniture and office equipments) on straight-line method and on furniture and office equipments on the written down value method based on the useful life of the assets as prescribed in the Schedule II to the Companies Act, 2013 and for the assets acquired prior to 1st April, 2014, the carrying amount as on 1st April, 2014 is depreciated over the remaining useful life based on the useful life of the assets as prescribed in the Schedule II to the Companies Act, 2013.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

### **(viii) Retirement benefits:**

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

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

### **(ix) 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.

### **(x) 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. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior years may no longer exist or may have decreased.

### **(xi) Provisions and contingent liabilities:**

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

### **(xii) Cash and cash equivalents:**

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

### **(xiii) Use of estimates:**

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

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016	31.03.2015
	₹	₹
<b>2. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
31,00,000 Equity shares of ₹ 10/- each	<u>3,10,00,000</u>	<u>3,10,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
30,00,475 (Previous year 30,00,475) Equity shares of ₹10/- each fully paid up	<u>3,00,04,750</u>	<u>3,00,04,750</u>
<b>Total Issued, subscribed and fully paid up share capital</b>	<u>3,00,04,750</u>	<u>3,00,04,750</u>

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

Particulars	31.03.2016		31.03.2015	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	30,00,475	3,00,04,750	30,00,475	3,00,04,750
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>30,00,475</b>	<b>3,00,04,750</b>	30,00,475	3,00,04,750

### b. Terms/rights attached to the equity shares

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

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

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Simplex Realty Limited	14,70,000	48.99	14,70,000	48.99
Life Insurance Corporation of India	3,78,869	12.63	3,78,869	12.63
Shreelekha Global Finance Limited	2,52,553	8.42	2,52,553	8.42
New Textiles Private Limited	2,51,505	8.38	2,51,505	8.38

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹	31.03.2015 ₹
<b>3. RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b> - Backward area incentive	25,00,000	25,00,000
<b>GENERAL RESERVE</b>	12,78,59,088	12,78,59,088
<b>(SURPLUS) IN THE STATEMENT OF PROFIT AND LOSS</b>		
Opening balance	(18,23,15,689)	(7,68,17,287)
Loss for the year	(1,68,37,642)	(7,25,17,511)
Less: Adjustment relating to fixed assets	-	(3,29,80,891)
<b>Closing balance</b>	<b>(19,91,53,331)</b>	<b>(18,23,15,689)</b>
<b>Total Reserves and Surplus</b>	<b>(6,87,94,243)</b>	<b>(5,19,56,601)</b>
	31.03.2016 ₹	31.03.2015 ₹
<b>4. DEFERRED TAX LIABILITY</b>		
<b>Deferred tax liability</b>		
Difference between tax depreciation and depreciation charged for financial reporting	10,20,829	21,47,991
<b>Gross deferred tax liability</b>	<b>10,20,829</b>	<b>21,47,991</b>
<b>Deferred tax assets</b>		
1. Provision for gratuity	-	1,95,205
2. Provision for leave benefits	-	25,351
3. Unabsorbed depreciation	23,38,448	22,98,352
4. Carried forward business losses	3,60,65,019	3,19,89,164
<b>Gross deferred tax assets</b>	<b>3,84,03,467</b>	<b>3,45,08,072</b>
<b>Net deferred tax liability/(asset)*</b>	<b>-</b>	<b>-</b>
* Deferred tax asset not recognised.		
	31.03.2016 ₹	31.03.2015 ₹
<b>5. SHORT-TERM BORROWINGS</b>		
(Unsecured, repayable on demand)		
Loans and advances taken from related parties	8,17,24,118	7,45,14,022
	<b>8,17,24,118</b>	<b>7,45,14,022</b>

# SIMPLEX MILLS COMPANY LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016	31.03.2015
	₹	₹
<b>6. OTHER CURRENT LIABILITIES</b>		
<b>Other Liabilities</b>		
Advance received from customers	61,10,152	32,30,152
Unpaid fractional shares entitlement	29,242	29,242
Statutory dues	7,01,735	6,70,808
Liability for expenses	7,21,204	13,46,595
Other liabilities	1,00,14,848	13,16,249
	<u>1,75,77,181</u>	<u>65,93,046</u>
	31.03.2016	31.03.2015
	₹	₹
<b>7. SHORT-TERM PROVISIONS</b>		
<b>For employee benefits</b>		
Gratuity	-	6,31,731
Leave benefits	-	82,043
	<u>-</u>	<u>7,13,774</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 8. TANGIBLE ASSETS

		(In ₹)										
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st April, 2015	Additions during the year	Deductions during the year	As at 31st March, 2016	Upto 31st March, 2015	Provided during the year	Transferred to retained earnings	On deductions during the year	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015	
Land	3,76,89,402	-	-	<b>3,76,89,402</b>	-	-	-	-	-	<b>3,76,89,402</b>	3,76,89,402	
Buildings	4,43,82,473	-	1,02,66,627	<b>3,41,15,846</b>	2,63,00,526	12,77,657	-	34,89,078	<b>2,40,89,105</b>	<b>1,00,26,741</b>	1,80,81,947	
Plant, Machinery and Computers*	3,71,469	-	-	<b>3,71,469</b>	3,52,894	-	-	-	<b>3,52,894</b>	<b>18,575</b>	18,575	
Furniture, Fixtures and Equipments	8,50,843	-	-	<b>8,50,843</b>	8,08,300	-	-	-	<b>8,08,300</b>	<b>42,543</b>	42,543	
Vehicles	12,14,094	-	3,47,880	<b>8,66,214</b>	9,06,592	1,19,846	-	2,03,534	<b>8,22,904</b>	<b>43,310</b>	307,502	
<b>Total</b>	<b>8,45,08,281</b>	<b>-</b>	<b>1,06,14,507</b>	<b>7,38,93,774</b>	<b>2,83,68,312</b>	<b>13,97,503</b>	<b>-</b>	<b>36,92,612</b>	<b>2,60,73,203</b>	<b>4,78,20,571</b>	<b>5,61,39,969</b>	
Previous Year	15,94,87,855	-	7,49,79,574	8,45,08,281	4,52,39,552	41,29,118	3,29,80,891	5,39,81,249	2,83,68,312			

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

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹	31.03.2015 ₹
<b>9. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Capital advances	18,15,260	18,15,260
Security deposits	2,94,123	2,68,520
	<u>21,09,383</u>	<u>20,83,780</u>

	31.03.2016 ₹	31.03.2015 ₹
<b>10. TRADE RECEIVABLES</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	60,171	54,496
Others	10,59,128	-
	<u>11,19,299</u>	<u>54,496</u>

	31.03.2016 ₹	31.03.2015 ₹
<b>11. INVENTORIES</b>		
(As valued and certified by the management)		
Finished goods (including waste)	2,98,934	3,07,815
	<u>2,98,934</u>	<u>3,07,815</u>

Finished products and waste are valued at cost or market rate whichever is lower, whereas the sold quantity is valued at contract rates.

	31.03.2016 ₹	31.03.2015 ₹
<b>12. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
In current accounts	15,66,229	5,53,399
In fixed deposit	10,07,372	-
Cash on hand	4,213	9,257
Earmarked balance with bank	29,242	29,242
	<u>26,07,056</u>	<u>5,91,898</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	31.03.2016 ₹	31.03.2015 ₹
<b>13. SHORT-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advance income tax (net of provisions for taxation)	2,77,073	2,66,634
Loans to employees	-	1,00,000
Value added tax receivables	15,35,847	15,35,847
Balances with government authorities	7,31,900	4,58,525
Other advances	28,446	33,482
Inter corporate deposits	62,88,669	-
	<b>88,61,935</b>	<b>23,94,488</b>
	31.03.2016 ₹	31.03.2015 ₹
<b>14. OTHER CURRENT ASSETS</b>		
Interest accrued on deposits	21,430	20,148
Prepaid expenses	3,612	43,189
Others	5,961	56,949
	<b>31,003</b>	<b>1,20,286</b>
	2015-16 ₹	2014-15 ₹
<b>15. REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
Sale of products		
Finished goods	8,658	2,70,559
Traded goods	10,59,128	-
<b>Other operating revenue</b>		
Waste sales	-	1,97,624
<b>Revenue from operations (gross)</b>	<b>10,67,786</b>	<b>4,68,183</b>
Less: Excise duty	-	1,450
<b>Revenue from operations (net)</b>	<b>10,67,786</b>	<b>4,66,733</b>
<b>Details of products sold</b>		
Finished goods		
Cloth	8,658	39,125
Yarn	-	2,31,434
	<b>8,658</b>	<b>2,70,559</b>
Traded goods		
Cloth	10,59,128	-
	<b>10,67,786</b>	<b>2,70,559</b>

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
<b>16. OTHER INCOME</b>		
<b>Interest on</b>		
Bank deposits	28,215	-
Inter corporate deposits	98,521	-
Others	20,111	1,37,653
Sundry balances written back (net)	3,24,955	-
Sales tax refund	-	7,35,605
Insurance claims	-	12,513
Miscellaneous receipts (including scraps)	17	4,37,852
	<u>4,71,819</u>	<u>13,23,623</u>

	2015-16 ₹	2014-15 ₹
<b>17. INCREASE/(DECREASE) IN INVENTORIES</b>		
<b>Closing stock</b>		
Finished goods	2,98,934	3,07,815
	<u>2,98,934</u>	<u>3,07,815</u>
Less:		
<b>Opening stock</b>		
Process stocks	-	13,72,201
Finished goods	3,07,815	5,73,942
	<u>3,07,815</u>	<u>19,46,143</u>
<b>Decrease in stock</b>	<u>(8,881)</u>	<u>(16,38,328)</u>
<b>Details of purchase of traded goods</b>		
Cloth	<u>10,28,280</u>	-
<b>Details of inventory</b>		
<b>Finished goods</b>		
Cloth	2,81,399	2,90,280
Waste	17,535	17,535
	<u>2,98,934</u>	<u>3,07,815</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
<b>18. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	3,25,327	99,86,325
Contribution to provident and other funds	9,970	1,35,234
Staff welfare expenses	23,367	1,57,610
	<b>3,58,664</b>	<b>1,02,79,169</b>

### 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) Pension Scheme 1995

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

	2015-16 ₹	2014-15 ₹
Provident fund	9,970	1,02,562
Pension fund	-	32,672
	<b>9,970</b>	<b>1,35,234</b>

#### 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, as there are no employees as at balance sheet date actuarial valuation was not done in respect of the aforesaid defined benefit plans of gratuity and leave encashment for the year.

	2015-16 ₹	2014-15 ₹
<b>Actuarial assumptions</b>		
Discount rate	-	8.00%
Salary escalation rate	-	5.00%
Attrition rate	-	0.50%

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
<b>GRATUITY</b>		
<b>A. Changes in value of obligations</b>		
Liability at the beginning of the year	6,31,731	1,80,07,869
Interest cost	-	4,94,568
Current service cost	-	83,549
Benefit paid	(6,31,731)	(2,36,51,549)
Actuarial (gain)/loss on obligations	-	56,97,294
Liability at the end of the year	-	6,31,731
<b>B. Amount recognized in the Balance Sheet</b>		
Present value of defined benefit obligation as at the year end	-	6,31,731
Fair Value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	-	6,31,731
<b>C. Expenses recognized in the Statement of Profit and Loss</b>		
Interest cost	-	4,94,568
Current service cost	-	83,549
Net actuarial (gain)/loss recognized	-	56,97,294
Expenses recognized in the Statement of Profit and Loss	-	62,75,411
<b>LEAVE BENEFIT</b>		
<b>A. Changes in value of obligations</b>		
Liability at the beginning of the year	82,043	11,02,850
Interest cost	-	27,624
Current service cost	-	23,636
Benefit paid	(82,043)	(15,15,102)
Actuarial (gain)/loss on obligations	-	4,43,035
Liability at the end of the year	-	82,043
<b>B. Amount recognized in the Balance Sheet</b>		
Present value of defined benefit obligation as at the year end	-	82,043
Fair value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	-	82,043
<b>C. Expenses recognized in the Statement of Profit and Loss</b>		
Interest cost	-	27,624
Current service cost	-	23,636
Actuarial (gain)/loss recognized	-	4,43,035
Expenses recognized in the Statement of Profit and Loss	-	4,94,295

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
<b>19. FINANCE COSTS</b>		
Interest expense	65,92,986	49,08,540
Interest on income tax	114	2,961
	<b>65,93,100</b>	<b>49,11,501</b>
<b>20. OTHER EXPENSES</b>		
Stores and spare parts consumed	-	2,673
Cost of stores sold as scrap	-	10,54,575
Power and fuel	4,99,722	8,95,419
Water charges	-	757
Repairs to		
Buildings	35,765	30,687
Others	15,010	24,002
Insurance	29,090	1,36,685
Excise duty	-	2,05,262
Loss on sale of fixed assets	34,124	-
Rates and taxes	4,54,920	3,89,907
Travelling and conveyance expenses	31,195	1,12,898
Director's sitting fees	5,507	6,250
Advertisements	55,563	47,999
Postage, stationery and printing	1,86,420	3,07,679
Bank charges/commission	2,591	15,707
Motor maintenance	52,217	1,12,229
Professional fees	18,06,999	10,62,191
Security charges	3,96,607	6,12,453
Membership and subscription charges	2,43,091	1,59,021
Prior period item	2,19,059	-
Sundry expenses	1,07,890	1,17,196
<b>Payments to Auditor</b>		
Audit fees	22,750	40,000
In other capacity	10,000	10,000
For reimbursement of expenses and service tax	4,750	6,180
	<b>42,13,270</b>	<b>53,49,770</b>

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 ₹	2014-15 ₹
<b>21. EXCEPTIONAL ITEMS</b>		
Loss / (Profit) on sale of fixed assets (refer note 24)	47,77,549	(513,137)
Closure compensation paid to workers and staff	-	4,85,13,118
	<u>47,77,549</u>	<u>4,79,99,981</u>

### 22. Contingent Liabilities :

	31.03.2016	31.03.2015 (In ₹)
Claims against the Company not acknowledged as debt:		
Appeals filed in respect of disputed demands:		
i) Central Excise	2,61,53,603	3,03,04,158
ii) Labour Matters	1,82,76,366	1,06,46,115

23. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹2,85,99,008/- (net of advances) (Previous year ₹2,85,99,008/-).

24. During the year, the Company has demolished certain portion of the building and sold, the loss on sale of the same is ₹ 47,77,549/- and same has been shown as an exceptional item.

25. The net worth of the Company has been fully eroded due to continuous losses. During the year, the Company has trading activity in clothes and fabrics. Further, the Management is in the process of evaluating other viable textile business options and accordingly, the accounts have been prepared on going concern basis.

26. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

27. **Earnings per Share** - (EPS) is calculated by dividing the profit/ (loss) attributable to the equity share holders by weighted average number of equity shares outstanding during the year.

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

Particulars	2015-16	2014-15
(a) Loss after tax – ₹	(1,68,37,642)	(7,25,17,511)
(b) Weighted average number of shares	30,00,475	30,00,475
(c) Face value of shares (₹ per share)	10/-	10/-
(d) Basic - ₹	(5.61)	(24.17)
(e) Diluted - ₹	(5.61)	(24.17)

28. The Company's activities are classified as belonging to a single business segment of trading of textile products. The Company's operations are largely limited to India.



# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

(In ₹)

Name of Related Party	Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2015-16	Volume of transactions during 2014-15	As on 31.03.2016 Receivable/ (Payable)	As on 31.03.2015 Receivable/ (Payable)
Simplex Realty Ltd.	Controlling Company	Loan taken / (repaid)	5,35,000	7,06,58,454	(7,76,71,632)	(7,16,95,522)
		Interest accrued/paid	60,45,678	46,19,837		
Simplex Papers Ltd.	Common Directors	Loan taken	7,66,000	37,30,600	(40,52,486)	(28,18,500)
		Loan (repaid)	-	(76,96,600)		
		Reimbursement of expenses	-	4,500		
		Interest accrued/paid	3,19,226	1,85,104		

30. Previous year's figures have been reclassified, wherever necessary, to conform current year's presentation.

As per our report of even date attached

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

**Ajay J. Rungta**  
Partner  
Membership No.F - 40333  
Mumbai, 6<sup>th</sup> May, 2016

For and on behalf of the Board

**S.G.Shukla**  
**Shekhar R Singh**  
Directors

Mumbai, 6<sup>th</sup> May, 2016



Corporate Identification Number (CIN) - L65900MH1998PLC116585

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

### ATTENDANCE SLIP

I hereby record my presence at the 18th ANNUAL GENERAL MEETING held at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400001 on Tuesday, the 9th August, 2016 at 12.30 p.m. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later .

DP. ID. No. \_\_\_\_\_

Client I.D. No. \_\_\_\_\_

Folio No. \_\_\_\_\_

\_\_\_\_\_  
Full Name of the Member

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Full Name of Proxy (in Block Capitals)

\_\_\_\_\_  
Signature

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



Corporate Identification Number (CIN) - L65900MH1998PLC116585

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

### PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Tuesday, the 9th August, 2016 at 12.30 p.m. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001 or at any adjournment thereof in respect of such resolutions as are indicated below:



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

<b>Resolutions</b>	<b>For</b>	<b>Against</b>
1. Adoption of the Audited Financial Statements, the Reports of the Directors' and Auditors.		
2. Re-appointment of Smt. Sita Sunil who retires by rotation.		
3. Ratification of the appointment of M/s. Vijay Rungta & Co. as Statutory Auditors of the Company.		
4. Appointment of Shri K. C. Murarka as an Independent Director.		
5. Adoption of New Set of the Articles of Association of the Company.		
6. Increase in limits of investments in other bodies corporate.		

Signed this.....day of .....2016.

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
stamp  
(Signature)

**Notes:**

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

## Route map of venue of the AGM Hall



*If undelivered, please return to:*

**Simplex Mills Company Limited**

30, Keshavrao Khadye Marg,

Sant Gadge Maharaj Chowk,

Mumbai - 400 011