



12th July, 2019

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

Dear Sir,

Subject: Annual Report for the Financial Year 2018-19 and Notice convening the 106th Annual General Meeting

Ref: Security Code 503229

With reference to captioned subject and pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of the Company for the Financial Year 2018-19 and Notice convening the 106th Annual General Meeting of the Company, scheduled to be held on Wednesday, the 7th August, 2019 at 11.30 A.M. at Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai - 400020.

We request you to take the above information on record.

Thanking you,

Yours faithfully,
For **Simplex Realty Limited**

Shekhar
Shekhar R Singh
Company Secretary &
Compliance Officer

Encl.: as above

NOTICE

NOTICE is hereby given that the Hundred and Sixth **ANNUAL GENERAL MEETING** of the Members of **SIMPLEX REALTY LIMITED** will be held on Wednesday, the 7th August, 2019 at 11.30 A.M. at Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020 to transact the following businesses:-

ORDINARY BUSINESS:

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

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Directors' and Auditors' thereon.

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

To appoint a Director in place of Smt. Sandhya R Kini (DIN 03346789), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Smt. Renu Jain, a nominee of LIC as Director**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company (including any statutory modification(s) or re-enactment(s) thereof for, the time being in force), Smt. Renu Jain (DIN 08403333), who was appointed as an Additional Director of the Company with effect from 8th May, 2019, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Act, being eligible and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a Member proposing her candidature for the office of Director, be and is

hereby appointed as a Director of the Company, liable to retire by rotation.”

4. **Re-appointment of Shri Vijay S Jindal as an Independent Director of the Company**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors, Shri Vijay S Jindal (DIN 00300141), was appointed as an Independent Director and who holds office of Independent Director upto 11th November, 2019 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 12th November, 2019 upto 11th November, 2024.”

5. **Revision in terms of remuneration of Smt. Sandhya R Kini, Whole-time Director of the Company**

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

“**RESOLVED THAT** in partial modification of the resolutions passed by the Members at the Annual General Meetings of the Company held on 8th August, 2017 and 1st August, 2018 for the appointment and revision in terms of remuneration of Smt. Sandhya R Kini (DIN 03346789), Whole-time Director designated as an Executive Director of the Company and pursuant to the provisions of

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Sections 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modification(s) as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, consent of the Members of the Company be and is hereby accorded for the revision in the terms of remuneration payable to Smt. Sandhya R Kini, Whole-time Director designated as an Executive Director of the Company, by way of increase in the maximum amount of salary to ₹ 48,000/- per month (₹ Forty Eight Thousand only) with proportionate increase in the benefits related to basic salary and perquisites, if any (including the remuneration to be paid in the event of no profits or its profits are inadequate in any financial year during the tenure of her appointment), effective from 1st April, 2019, for the unexpired period of her term, as set out in the Explanatory Statement annexed to the Notice convening this meeting;

RESOLVED FURTHER THAT all other terms and conditions of appointment, as approved earlier by the Members in the Annual General Meetings of the Company held on 8th August, 2017 and 1st August, 2018 and which are not dealt with in this resolution, shall remain unaltered;

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

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable

and to settle any questions, difficulties and/or doubts that may arise in this regard.”

By Order of the Board of Directors

Shekhar R Singh
Company Secretary

Mumbai, 8th May, 2019

CIN: L17110MH1912PLC000351

Registered Office:

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

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business under **Item numbers 3, 4 and 5** of the Notice dated 8th May, 2019 is appended hereto. The relevant details of Directors seeking appointment/re-appointment pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is given in Annexure to this Notice.
2. **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 a 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.
3. The Members/Proxy holders are requested to bring their duly filled Attendance Slip along with their copy of the Annual Report to the meeting.
4. **Book Closure:**

The Register of Members and Transfer Books of the Company will be closed from Friday, the 2nd August, 2019 to Wednesday, the 7th August, 2019 (both days inclusive) for the purpose of the Hundred and Sixth Annual General Meeting (AGM) or any adjournment thereof.

5. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested as maintained under Section 170 and Section 189 of the Act, respectively will be available for inspection by the Members at the AGM.

6. Unclaimed Dividends:

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

Members are hereby informed that the Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years from the date on which dividend has become due for payment to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, during the year, unclaimed dividends amounting ₹ 2,23,090/- pertaining to the financial year 2010-11 has been transferred to IEPF on 5th October, 2018.

Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven years from the dates they became first due for payment. Any Member, who has not claimed the dividend in respect of the financial year ended 31st March, 2012 and onwards is requested to approach the Company/the Share Transfer Agent (STA) of the Company for claiming the same as early as possible but not later than 18th September, 2019.

(b) Details of Unclaimed Dividends on Website:

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended 31st March, 2012 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under "Investor Relations" section on the website of the Company - www.simplex-group.com.

(c) Transfer of "Underlying Share" into IEPF:

In terms of Section 125(6) of the Act read with

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

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

7. Nomination Facility:

As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Both Forms are appended at the end of the Annual Report. Members holding shares in physical form are requested to submit the forms to the Company's STA. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

8. Updation of Members' Details:

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

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9. Electronic copy of the Annual Report for 2018-19 is being sent to all Members whose email addresses are registered with the Company/ Depository Participants for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report for 2018-19 are being sent in the permitted mode.
10. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company's STA /their Depository Participants, in respect of shares held in physical/electronic mode respectively.
11. 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.
12. **Voting through Electronic means**

I In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Regulations, as amended from time to time the Company is pleased to provide the Members facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting Services provided by Central Depository Service (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 Sunday, 4th August, 2019 (10.00 A.M.) and ends on Tuesday, 6th August, 2019 (5.00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of the Wednesday, the

31st July, 2019, 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.
- (iii) Click on Members.
- (iv) Now Enter your User ID
- For CDSL: 16 Digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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. 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.
Dividend Bank Details OR Date of Birth (DOB)	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 or Company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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.
- (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 and enter the details as prompted by the system.
- (xviii) Note for Non-Individual Members and Custodians
- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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 or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of the Wednesday, the 31st July, 2019.
- III Shri Pankaj Khandelwal, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated

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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.simplexgroup.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to 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 (11.00 A.M. to 1.00 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 numbers 3, 4 and 5** of the accompanying Notice dated 8th May, 2019.

Item No. 3

Life Insurance Corporation of India's (LIC) vide its letter number IMA/ND Cell/ JF dated 5th December, 2012 nominated Shri T C Suseelkumar, Executive Director (M-B&AC) of LIC as its representative on the Board of the Company in place of Smt. Gopa Ray who ceased to be director with effect from 30th November, 2012. Accordingly, Shri T C Suseelkumar was appointed as an Additional Director of the Company with effect from 30th November, 2012. The Members of the Company at the Hundredth Annual General Meeting approved his appointment as a Nominee Director of LIC.

Further, LIC vide its letter number IMA/ND Cell/ NHM/ dated 13th March, 2019 has withdrawn his nomination with effect from the resignation of Shri T C Suseelkumar i.e. 28th December, 2018 and nominated Smt. Renu Jain, Director (ZTC- Gurugram) as its representative on the Board of the Company in place of Shri T C Suseelkumar. Accordingly, Smt. Renu Jain was appointed as an Additional Director of the Company with effect from 8th May, 2019.

In terms of Section 161(1) of the Act, Smt. Renu Jain holds office only upto the date of the forthcoming AGM of

the Company but is eligible for appointment as a Director, whose office shall be liable to retire by rotation.

Smt. Renu Jain, aged 58 years, is a Master in commerce with specialization in Marketing, University of Delhi and she is a Licentiate of the Insurance Institute of India. She joined LIC as a Direct Recruit Officer of 13th - A batch in 1984.

Smt. Renu Jain is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has received notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Smt. Renu Jain for the office of a Director of the Company.

The Board is of the view that the appointment of Smt. Renu Jain on the Company's Board as Director is desirable and would be beneficial to the Company. Accordingly, consent of the Members is sought for passing resolution as set out in this Item of the Notice for appointment of Smt. Renu Jain as a Director of the Company.

Except Smt. Renu Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item number 3 except to the extent of their shareholding, if any, in the Company.

The Explanatory Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

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

Item No. 4

The Members of the Company at the 102nd Annual General Meeting held on 5th August, 2015 approved the appointment of Shri Vijay S Jindal as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from 12th November, 2014. Shri Vijay S Jindal will be completing his first term on 11th November, 2019.

The Board of Directors at the meeting held on 8th May, 2019, on the recommendation of the Nomination and

Remuneration Committee and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, has recommended for approval of Members, the re-appointment of Shri Vijay S Jindal as an Independent Director of the Company, for a second term of 5 (five) consecutive years with effect from 12th November, 2019 upto 11th November, 2024, shall not be liable to retire by rotation.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the board of a company, but shall be eligible for re-appointment on passing a special resolution by the company for another term of upto 5 (five) consecutive years on the board of a company.

Shri Vijay S Jindal, aged 57 years, is graduate commerce, University of Mumbai and post graduate in Business Management, University of Massachusetts, USA. He has vast experience in production, business and administration. He serves as a Director on the Board of several companies.

Shri Vijay S Jindal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Shri Vijay S Jindal for the office of Independent Director of the Company.

The Company has also received declarations from Shri Vijay S Jindal that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri Vijay S Jindal fulfill the conditions for re-appointment as Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shri Vijay S Jindal is independent of the management.

A copy of the draft letter for re-appointment of Shri Vijay S Jindal setting out the terms and conditions of re-appointment is available for inspection at the Registered Office of the Company during normal business hours (11.00 A.M. to 1.00 P.M.) on all working days, upto and including the date of the AGM.

The Board considers that his continued association

would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing special resolution as set out in this Item of the Notice for re-appointment of Shri Vijay S Jindal as an Independent Director of the Company.

Except Shri Vijay S Jindal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item number 4 except to the extent of their shareholding, if any, in the Company.

The Explanatory Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

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

Item Nos. 2 and 5

The Members at the Annual General Meeting of the Company held on 8th August, 2017, approved the appointment of Smt. Sandhya R Kini as a Whole-time Director designated as an Executive Director for a period of five years with effect from 21st October, 2016 to 20th October, 2021 on a remuneration consisting of ₹42,000/- per month subject to annual revision, if any.

Further, the Members at the Annual General Meeting of the Company held on 1st August, 2018, also approved the revision in salary of Smt. Sandhya R Kini from ₹42,000/- per month to ₹45,000/- per month.

Taking into consideration of her efforts given to and involvement in the Company and her present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 8th May, 2019, has approved the revision in the salary from existing ₹45,000/- per month to ₹48,000/ per month with effect from 1st April, 2019.

Smt. Sandhya R Kini has been associated with the Company since 2011 and holds 100 equity shares in the Company. She is also a Director on the Board of Lucky Vyapaar and Holdings Private Limited and Simplex Renewable Resources Private Limited.

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Smt. Sandhya R Kini is commerce graduate and having experience in the field of general administration and governance.

The aforesaid remuneration payable to Smt. Sandhya R Kini as the Executive Director is within the maximum limits as laid down under Section 197 and all other applicable provisions, if any of the Act, in line with provisions, Schedule V to the Act as amended and subject to the approval of the Members to be obtained at this AGM and to the extent any of the provisions herein are inconsistent or contrary to terms of such approval, the latter will prevail.

The Board consider that the aforesaid remuneration payable to Smt. Sandhya R Kini as the Executive Director is commensurate with her abilities and experience.

The period of office of Smt. Sandhya R Kini shall be liable to determination by retirement of directors by

rotation. If Smt. Sandhya R Kini is re-appointed as a director, immediately on retirement by rotation, she shall continue to hold office of as the Executive Director of the Company and such re-appointment as director shall not be deemed to constitute break in her appointment as the Executive Director of the Company.

Except Smt. Sandhya R Kini, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 5.

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

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

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

Re- Appointment of Smt. Sandhya R Kini (Item Nos. 2 and 5)

For the details of the re -appointment of Smt. Sandhya R Kini as a Director of the Company, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 5 of the Notice of the AGM pursuant to the Companies Act, 2013.

Appointment of Smt. Renu Jain a nominee of LIC as Director (Item No. 3)

For the details of appointment of Smt. Renu Jain as a Nominee Director of the Company, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 3 of the Notice of the AGM pursuant to the Companies Act, 2013

Re- Appointment of Shri Vjiay S Jindal as an Independent Director (Item No 4)

For the details of re- appointment of Shri Vijay S Jindal

as an Independent Director of the Company, for the second term of 5 (five) consecutive years with effect from 12th November, 2019 upto 11th November, 2024, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 4 of the Notice of the AGM pursuant to the Companies Act, 2013.

By Order of the Board of Directors

Shekhar R Singh
Company Secretary

Mumbai, 8th May, 2019

CIN: L17110MH1912PLC000351

Registered Office:

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



CIN: L17110MH1912PLC000351

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

ATTENDANCE SLIP

I hereby record my presence at the 106th ANNUAL GENERAL MEETING held at Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020 at 11.30.A.M. on Wednesday, the 7th day of August, 2019.

DP.ID.No. _____

Client I.D.No. _____

Folio No. _____

Full Name of Member _____

Signature _____

Full Name of Proxy (in Block Letters) _____

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.



CIN: L17110MH1912PLC000351

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) holdingshares of the Simplex Realty 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 106th Annual General Meeting of the Company, to be held on Wednesday, the 7th August, 2019 at 11.30 A.M. at at Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020 and 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:

Resolutions	For	Against
Ordinary Business:		
1. Adoption of the Audited Financial Statements (including the Consolidated Financial Statements), the Reports of the Directors' and Auditors		
2. Re-appointment of Smt. Sandhya R Kini as a Director, who retires by rotation		
Special Business:		
3. Appointment of Smt. Renu Jain, nominee of LIC as a Director		
4. Re-appointment of Shri Vijay S Jindal as an Independent Director		
5. Revision in the terms of remuneration of Smt. Sandhya R Kini, Whole-time Director		

Signed this.....day of2019.

Signature of Member

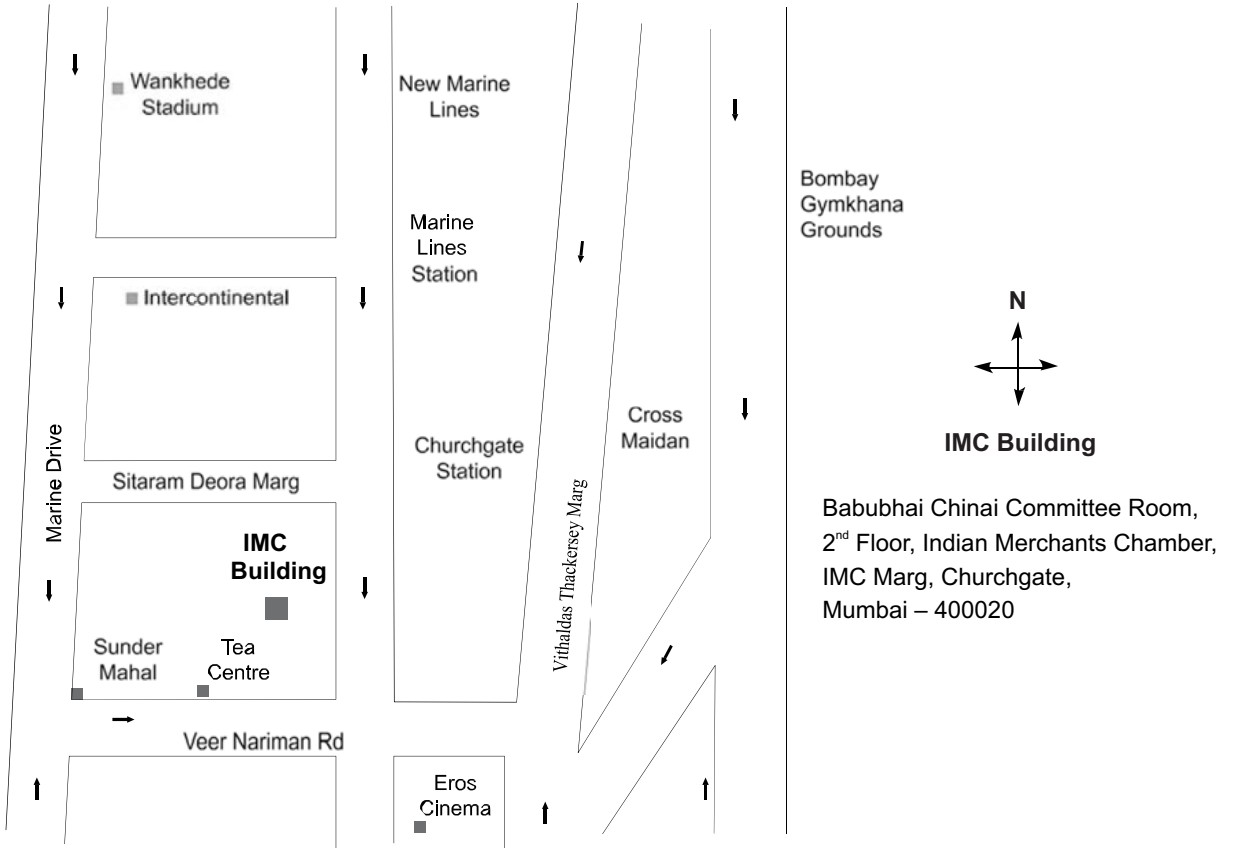
Signature of Proxy holder(s)

Affix
Revenue
Stamp
(Signature)

Note:

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 alongwith 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 106th AGM Hall





106TH
ANNUAL REPORT
2018-2019

SIMPLEX REALTY LIMITED

Board of Directors

Shri Nandan Damani	Chairman & Managing Director
Shri Sanjay N Damani	Executive Director
Smt. Sandhya R Kini	Executive Director
Shri Vishnubhai B. Haribhakti	
Shri Surendra Kumar Somany	
Shri Tharavanat C. SuseelKumar	(resigned w.e.f. 28.12.2018)
Shri Vijay S. Jindal	
Shri Sabhapati G Shukla	
Smt. Renu Jain	(appointed w.e.f. 08.05.2019)

Chief Financial Officer

Shri Surendra Kabra

Company Secretary

Shri Shekhar R Singh

Statutory Auditors

M/s. Khandelwal and Mehta LLP
Chartered Accountants
Mumbai

Secretarial Auditors

M/s. Manish Ghia & Associates
Company Secretaries
Mumbai

Corporate Identification Number (CIN)

L17110MH1912PLC000351

Bankers

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

Registered Office

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

Share Transfer Agent

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

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106th Annual General Meeting of the Company will be held on Wednesday, the 7th August, 2019 at 11.30 A.M. Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020

NOTICE

NOTICE is hereby given that the Hundred and Sixth **ANNUAL GENERAL MEETING** of the Members of **SIMPLEX REALTY LIMITED** will be held on Wednesday, the 7th August, 2019 at 11.30 A.M. at Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020 to transact the following businesses:-

ORDINARY BUSINESS:

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

To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Directors' and Auditors' thereon.

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

To appoint a Director in place of Smt. Sandhya R Kini (DIN 03346789), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Smt. Renu Jain, a nominee of LIC as Director**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company (including any statutory modification(s) or re-enactment(s) thereof for, the time being in force), Smt. Renu Jain (DIN 08403333), who was appointed as an Additional Director of the Company with effect from 8th May, 2019, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Act, being eligible and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act from a Member proposing her candidature for the office of Director, be and is

hereby appointed as a Director of the Company, liable to retire by rotation.”

4. **Re-appointment of Shri Vijay S Jindal as an Independent Director of the Company**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors, Shri Vijay S Jindal (DIN 00300141), was appointed as an Independent Director and who holds office of Independent Director upto 11th November, 2019 and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 12th November, 2019 upto 11th November, 2024.”

5. **Revision in terms of remuneration of Smt. Sandhya R Kini, Whole-time Director of the Company**

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

“**RESOLVED THAT** in partial modification of the resolutions passed by the Members at the Annual General Meetings of the Company held on 8th August, 2017 and 1st August, 2018 for the appointment and revision in terms of remuneration of Smt. Sandhya R Kini (DIN 03346789), Whole-time Director designated as an Executive Director of the Company and pursuant to the provisions of

SIMPLEX REALTY LIMITED

Sections 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as recommended by the Nomination and Remuneration Committee and the Board of Directors and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modification(s) as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, consent of the Members of the Company be and is hereby accorded for the revision in the terms of remuneration payable to Smt. Sandhya R Kini, Whole-time Director designated as an Executive Director of the Company, by way of increase in the maximum amount of salary to ₹ 48,000/- per month (₹ Forty Eight Thousand only) with proportionate increase in the benefits related to basic salary and perquisites, if any (including the remuneration to be paid in the event of no profits or its profits are inadequate in any financial year during the tenure of her appointment), effective from 1st April, 2019, for the unexpired period of her term, as set out in the Explanatory Statement annexed to the Notice convening this meeting;

RESOLVED FURTHER THAT all other terms and conditions of appointment, as approved earlier by the Members in the Annual General Meetings of the Company held on 8th August, 2017 and 1st August, 2018 and which are not dealt with in this resolution, shall remain unaltered;

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

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable

and to settle any questions, difficulties and/or doubts that may arise in this regard.”

By Order of the Board of Directors

Shekhar R Singh
Company Secretary

Mumbai, 8th May, 2019

CIN: L17110MH1912PLC000351

Registered Office:

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

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business under **Item numbers 3, 4 and 5** of the Notice dated 8th May, 2019 is appended hereto. The relevant details of Directors seeking appointment/re-appointment pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is given in Annexure to this Notice.
2. **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 a 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.
3. The Members/Proxy holders are requested to bring their duly filled Attendance Slip along with their copy of the Annual Report to the meeting.
4. **Book Closure:**

The Register of Members and Transfer Books of the Company will be closed from Friday, the 2nd August, 2019 to Wednesday, the 7th August, 2019 (both days inclusive) for the purpose of the Hundred and Sixth Annual General Meeting (AGM) or any adjournment thereof.

5. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested as maintained under Section 170 and Section 189 of the Act, respectively will be available for inspection by the Members at the AGM.

6. Unclaimed Dividends:

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

Members are hereby informed that the Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years from the date on which dividend has become due for payment to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, during the year, unclaimed dividends amounting ₹ 2,23,090/- pertaining to the financial year 2010-11 has been transferred to IEPF on 5th October, 2018.

Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven years from the dates they became first due for payment. Any Member, who has not claimed the dividend in respect of the financial year ended 31st March, 2012 and onwards is requested to approach the Company/the Share Transfer Agent (STA) of the Company for claiming the same as early as possible but not later than 18th September, 2019.

(b) Details of Unclaimed Dividends on Website:

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended 31st March, 2012 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under "Investor Relations" section on the website of the Company - www.simplex-group.com.

(c) Transfer of "Underlying Share" into IEPF:

In terms of Section 125(6) of the Act read with

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

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

7. Nomination Facility:

As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Both Forms are appended at the end of the Annual Report. Members holding shares in physical form are requested to submit the forms to the Company's STA. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

8. Updation of Members' Details:

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

SIMPLEX REALTY LIMITED

9. Electronic copy of the Annual Report for 2018-19 is being sent to all Members whose email addresses are registered with the Company/ Depository Participants for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report for 2018-19 are being sent in the permitted mode.
10. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company's STA /their Depository Participants, in respect of shares held in physical/electronic mode respectively.
11. 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.
12. **Voting through Electronic means**

I In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Regulations, as amended from time to time the Company is pleased to provide the Members facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting Services provided by Central Depository Service (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 Sunday, 4th August, 2019 (10.00 A.M.) and ends on Tuesday, 6th August, 2019 (5.00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of the Wednesday, the

31st July, 2019, 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.
- (iii) Click on Members.
- (iv) Now Enter your User ID
- For CDSL: 16 Digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<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"> 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. 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>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 or Company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (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.
- (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 and enter the details as prompted by the system.
- (xviii) Note for Non-Individual Members and Custodians
- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 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 or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of the Wednesday, the 31st July, 2019.
- III Shri Pankaj Khandelwal, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IV The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated

SIMPLEX REALTY LIMITED

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.simplexgroup.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to 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 (11.00 A.M. to 1.00 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 numbers 3, 4 and 5** of the accompanying Notice dated 8th May, 2019.

Item No. 3

Life Insurance Corporation of India's (LIC) vide its letter number IMA/ND Cell/ JF dated 5th December, 2012 nominated Shri T C Suseelkumar, Executive Director (M-B&AC) of LIC as its representative on the Board of the Company in place of Smt. Gopa Ray who ceased to be director with effect from 30th November, 2012. Accordingly, Shri T C Suseelkumar was appointed as an Additional Director of the Company with effect from 30th November, 2012. The Members of the Company at the Hundredth Annual General Meeting approved his appointment as a Nominee Director of LIC.

Further, LIC vide its letter number IMA/ND Cell/ NHM/ dated 13th March, 2019 has withdrawn his nomination with effect from the resignation of Shri T C Suseelkumar i.e. 28th December, 2018 and nominated Smt. Renu Jain, Director (ZTC- Gurugram) as its representative on the Board of the Company in place of Shri T C Suseelkumar. Accordingly, Smt. Renu Jain was appointed as an Additional Director of the Company with effect from 8th May, 2019.

In terms of Section 161(1) of the Act, Smt. Renu Jain holds office only upto the date of the forthcoming AGM of

the Company but is eligible for appointment as a Director, whose office shall be liable to retire by rotation.

Smt. Renu Jain, aged 58 years, is a Master in commerce with specialization in Marketing, University of Delhi and she is a Licentiate of the Insurance Institute of India. She joined LIC as a Direct Recruit Officer of 13th - A batch in 1984.

Smt. Renu Jain is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has received notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Smt. Renu Jain for the office of a Director of the Company.

The Board is of the view that the appointment of Smt. Renu Jain on the Company's Board as Director is desirable and would be beneficial to the Company. Accordingly, consent of the Members is sought for passing resolution as set out in this Item of the Notice for appointment of Smt. Renu Jain as a Director of the Company.

Except Smt. Renu Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item number 3 except to the extent of their shareholding, if any, in the Company.

The Explanatory Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

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

Item No. 4

The Members of the Company at the 102nd Annual General Meeting held on 5th August, 2015 approved the appointment of Shri Vijay S Jindal as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from 12th November, 2014. Shri Vijay S Jindal will be completing his first term on 11th November, 2019.

The Board of Directors at the meeting held on 8th May, 2019, on the recommendation of the Nomination and

Remuneration Committee and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, has recommended for approval of Members, the re-appointment of Shri Vijay S Jindal as an Independent Director of the Company, for a second term of 5 (five) consecutive years with effect from 12th November, 2019 upto 11th November, 2024, shall not be liable to retire by rotation.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the board of a company, but shall be eligible for re-appointment on passing a special resolution by the company for another term of upto 5 (five) consecutive years on the board of a company.

Shri Vijay S Jindal, aged 57 years, is graduate commerce, University of Mumbai and post graduate in Business Management, University of Massachusetts, USA. He has vast experience in production, business and administration. He serves as a Director on the Board of several companies.

Shri Vijay S Jindal is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has received notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Shri Vijay S Jindal for the office of Independent Director of the Company.

The Company has also received declarations from Shri Vijay S Jindal that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Shri Vijay S Jindal fulfill the conditions for re-appointment as Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Shri Vijay S Jindal is independent of the management.

A copy of the draft letter for re-appointment of Shri Vijay S Jindal setting out the terms and conditions of re-appointment is available for inspection at the Registered Office of the Company during normal business hours (11.00 A.M. to 1.00 P.M.) on all working days, upto and including the date of the AGM.

The Board considers that his continued association

would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing special resolution as set out in this Item of the Notice for re-appointment of Shri Vijay S Jindal as an Independent Director of the Company.

Except Shri Vijay S Jindal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item number 4 except to the extent of their shareholding, if any, in the Company.

The Explanatory Statement together with the accompanying Notice may also be regarded as disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

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

Item Nos. 2 and 5

The Members at the Annual General Meeting of the Company held on 8th August, 2017, approved the appointment of Smt. Sandhya R Kini as a Whole-time Director designated as an Executive Director for a period of five years with effect from 21st October, 2016 to 20th October, 2021 on a remuneration consisting of ₹42,000/- per month subject to annual revision, if any.

Further, the Members at the Annual General Meeting of the Company held on 1st August, 2018, also approved the revision in salary of Smt. Sandhya R Kini from ₹42,000/- per month to ₹45,000/- per month.

Taking into consideration of her efforts given to and involvement in the Company and her present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on 8th May, 2019, has approved the revision in the salary from existing ₹45,000/- per month to ₹48,000/ per month with effect from 1st April, 2019.

Smt. Sandhya R Kini has been associated with the Company since 2011 and holds 100 equity shares in the Company. She is also a Director on the Board of Lucky Vyapaar and Holdings Private Limited and Simplex Renewable Resources Private Limited.

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Smt. Sandhya R Kini is commerce graduate and having experience in the field of general administration and governance.

The aforesaid remuneration payable to Smt. Sandhya R Kini as the Executive Director is within the maximum limits as laid down under Section 197 and all other applicable provisions, if any of the Act, in line with provisions, Schedule V to the Act as amended and subject to the approval of the Members to be obtained at this AGM and to the extent any of the provisions herein are inconsistent or contrary to terms of such approval, the latter will prevail.

The Board consider that the aforesaid remuneration payable to Smt. Sandhya R Kini as the Executive Director is commensurate with her abilities and experience.

The period of office of Smt. Sandhya R Kini shall be liable to determination by retirement of directors by

rotation. If Smt. Sandhya R Kini is re-appointed as a director, immediately on retirement by rotation, she shall continue to hold office of as the Executive Director of the Company and such re-appointment as director shall not be deemed to constitute break in her appointment as the Executive Director of the Company.

Except Smt. Sandhya R Kini, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No 5.

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

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

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

Re- Appointment of Smt. Sandhya R Kini (Item Nos. 2 and 5)

For the details of the re -appointment of Smt. Sandhya R Kini as a Director of the Company, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 5 of the Notice of the AGM pursuant to the Companies Act, 2013.

Appointment of Smt. Renu Jain a nominee of LIC as Director (Item No. 3)

For the details of appointment of Smt. Renu Jain as a Nominee Director of the Company, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 3 of the Notice of the AGM pursuant to the Companies Act, 2013

Re- Appointment of Shri Vjiay S Jindal as an Independent Director (Item No 4)

For the details of re- appointment of Shri Vijay S Jindal

as an Independent Director of the Company, for the second term of 5 (five) consecutive years with effect from 12th November, 2019 upto 11th November, 2024, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 4 of the Notice of the AGM pursuant to the Companies Act, 2013.

By Order of the Board of Directors

Mumbai, 8th May, 2019

Shekhar R Singh
Company Secretary

CIN: L17110MH1912PLC000351

Registered Office:

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

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Hundred and Sixth Annual Report, together with the Audited Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS

(In ₹)

	2018-19	2017-18
Total Income	10,42,30,406	22,36,91,845
Loss before Depreciation, Finance Costs, Exceptional Item and Taxation	(1,01,52,286)	(2,10,73,720)
Less: Depreciation	17,26,890	13,86,869
Less: Finance Costs	56,52,083	10,83,842
Loss before Exceptional Item and Tax	(1,75,31,259)	(2,35,44,431)
Less: Exceptional Item	5,52,99,872	(6,55,57,482)
Profit/(Loss) before Tax	3,77,68,613	(8,91,01,913)
Less: Current Tax	97,88,900	-
Deferred Tax	(23,53,917)	(1,64,09,619)
Taxes of earlier years (net)	(43,22,691)	(2,90,718)
Profit/(Loss) for the year	3,46,56,321	(7,24,01,576)
Other Comprehensive Income for the year, net of tax	27,31,688	24,32,037
Total Comprehensive Income for the year	3,73,88,009	(6,99,69,539)

DIVIDEND

As the Company has incurred operational losses during the year under review, your Directors don't recommend any dividend for the year ended 31st March, 2019.

OPERATIONS

The total income of the Company for the current year is ₹ 10,42,30,406/- as against ₹ 22,36,91,845/- during the previous year. The Company has made a net profit of ₹ 3,46,56,321/- during the current year as against the loss of ₹ 7,24,01,576/- in the previous year. The main reason for the profit was during the year, the Company received interest of ₹ 5,52,99,872/- on refund of income tax for earlier years, which is an exceptional item and same has been shown in the Statement of Profit and Loss as Exceptional Item. The EPS for the current year is ₹ 11.59 as against ₹ (24.20) in the previous year after the exceptional item.

ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has two Associate companies viz.

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

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

During the year under review, the Company acquired 90,00,000, Non-Convertible Redeemable Preference Shares of the face value of ₹10/- each of Simplex Mills Company Limited on a preferential basis, aggregating to ₹ 9 crore.

PROJECTS

The Company's project "Simplex KhushAangan" which is a cluster of residential and commercial space located on prime location of S.V.Road, Malad (West), Mumbai is completed and handed over to the society for its day to day maintenance. The Company has sold about 78

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percent of the carpet area of the project. The demand has been very sluggish during the year and we are making efforts to sale the inventory.

The Company is developing a project consisting of villas at Nachinolla, Goa. As Goa is a tourist destination, to explore more opportunities in such destinations, the Company started developing these villas. We have obtained completion certificate from the concerned authorities for the villas. The civil work has been completed and finishing work is going on. We are expecting to market and sale these villas during the current year.

The Company is planning to start work for the developing of its own project at Mahalaxmi, Mumbai.

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

PUBLIC DEPOSITS

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

LOANS, GUARANTEES AND INVESTMENTS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Members of the Company approved the re- appointment of Shri Vishnubhai B Haribhakti (DIN 00088062) and Shri Surendra Kumar Somany (DIN 00001131) as an Independent Directors of the Company for the second term of 5 (five) consecutive years with effect from 1st April, 2019 upto 31st March, 2024 and 12th November, 2019 upto 11th November, 2024 respectively vide a postal ballot concluded on 28th March, 2019.

Smt. Sandhya R Kini, an Executive Director, retires by rotation in compliance with Section 152 of the Act, at the forthcoming AGM of the Company and being eligible, offers herself for re-appointment. The Board of Directors are also of the opinion that Smt. Sandhya R Kini fulfills all the conditions as mentioned in the Act. Upon her re-appointment as a Director, Smt. Sandhya R Kini shall continue to hold her office of the Executive Director, and shall not be deemed to constitute a break in his office of

the Executive Director.

Shri T C Suseelkumar, nominee of Life Insurance Corporation of India (LIC) on the Company's Board, resigned as a Director with effect from 28th December, 2018. The Board has placed on record its appreciation of the valuable contribution made to the Company by Shri T C Suseelkumar during his tenure. Smt. Renu Jain, Director (ZTC – Gurugram) of LIC, was then nominated by LIC as a Director on the Board.

The Board of Directors of the Company at the meeting held on 8th May, 2019, on the recommendation of the Nomination and Remuneration Committee has approved the appointment of Smt. Renu Jain as an Additional Director of the Company.

Smt. Renu Jain as an Additional Director of the Company representing LIC with effect from 8th May, 2019, in place of Shri T C Suseelkumar, such appointment to be valid upto the date of the forthcoming Annual General Meeting of the Company.

Shri Vijay S Jindal was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from 12th November, 2014 and he will be completing his first term on 11th November, 2019.

The Board of Directors of the Company at the meeting held on 8th May, 2019, on the recommendation of the Nomination and Remuneration Committee has approved the re-appointment of Shri Vijay S Jindal as an Independent Director for the second term of 5 (five) consecutive years with effect from 12th November, 2019 upto 11th November, 2024 subject to the approval of the Members at the forthcoming AGM, since the Board was of the opinion that his association would be of immense benefit to the Company and it was desirable to avail services of Shri Vijay S Jindal as an Independent Director.

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

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

No Key Managerial Personnel has been appointed or has retired or resigned during the year.

BOARD EVALUATION

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

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

NUMBER OF MEETINGS OF THE BOARD

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

REMUNERATION AND NOMINATION POLICY

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

PARTICULARS OF EMPLOYEES

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

AUDITORS

Messrs, Khandelwal and Mehta LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. W100084), Auditors of the Company have submitted their Independent Auditors Report on the Financial Statements of the Company for the year ended 31st March, 2019 and they have given an unmodified opinion(s) report on Financial Statements for the year under review. The Auditors have confirmed that they comply with all the requirements and criteria are otherwise qualified to continue to act as Auditors of the Company. No frauds have been reported by the Auditors under Section 143(12) of the Act.

SECRETARIAL AUDIT

A Secretarial Audit was conducted during the year, in accordance with provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached as **Annexure II** and forms part of this Report. There is no secretarial audit qualification, reservation or adverse remark for the year under review except in few instances there were delays in dispatch of Share Certificates as required under Regulation 40(9) of the Listing Regulations.

With regard to observation made in the Secretarial Auditor's Report, the Directors state that such delays were due to surge in unexpected volume of workload on Share Transfer Agent (STA). As a result, there have been delay in processing of transfer/demat request by STA. Accordingly, the Company vide its letter dated 24th April, 2019 informed the reasons of delay to the Stock Exchange.

SECRETARIAL STANDARDS

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

CORPORATE GOVERNANCE

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

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, and the Listing Regulations, on the basis of

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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, 2019 and the profit of the Company for the said period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. there are 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, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no transactions during the year which would require to be reported in Form AOC-2. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large during the year that would have required Members approval under the Listing Regulations.

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

RISK MANAGEMENT

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

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is attached as **Annexure III** and the web-link for the same is http://www.simplex-group.com/upload_pdf/7972Final%20MGT%209-%20Website%202018-19.pdf

STOCK EXCHANGE

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2019-20 has been paid.

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

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

Foreign Exchange Transactions:

	<u>2018-19</u>	<u>2017-18</u>
Foreign Exchange Earnings (₹)	Nil	Nil
Foreign Exchange Outgo (₹)	12,22,930/-	10,85,470/-

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT, 2013

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has duly constituted an Internal

Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Nandan Damani
Chairman and Managing Director

Mumbai, 8th May, 2019

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

Web-link to the CSR Policy:

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

2. **The composition of the CSR Committee:-**

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

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

Average net profit / (loss) : (₹ 5,18,42,817/-)

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

The Company is not required to spend any amount towards CSR.

5. **Details of CSR spend for the financial year:**

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

(In ₹)

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

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

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Chairman of CSR Committee

Mumbai, 8th May, 2019

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2019
 [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
 (Appointment and Remuneration Personnel) Rules, 2014]

To
 The Members,
Simplex Realty Limited
 Mumbai.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Simplex Realty Limited** (CIN: L17110MH1912PLC000351) and having its registered office at 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Jacob Circle, Mumbai - 400011 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided 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, 2019 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, 2019 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (*effective up to 9th November 2018*) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*effective from 10th November 2018*) (**Not applicable to the Company during the audit period**);
 - (d) The 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 (LODR);

SIMPLEX REALTY LIMITED

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above *subject to the following observations:*

(a) in few instances there were delays in dispatch of Share Certificates as required under Regulation 40(9) of the Listing Regulations.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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 a major bearing on the Company's affairs

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

A. N. Sarma
Partner

FCS 4557 C.P. No. 7812

Mumbai, 8th May, 2019

Annexure A

To
The Members,
Simplex Realty Limited
Mumbai.

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

1. Maintenance of secretarial record 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 Books of Account of the Company.

4. Where ever 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

A. N. Sarma
Partner

FCS 4557 C.P. No. 7812

Mumbai, 8th May, 2019

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	245384	-	245384	8.20	259661	-	259661	8.68	0.48
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1316981	-	1316981	44.03	1342163	-	1342163	44.87	0.84
e) Banks /FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total A(1)	1562365	-	1562365	52.23	1601824	-	1601824	53.55	1.32
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Others – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub- Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=(A)(1) + (A)(2)	1562365	-	1562365	52.23	1601824	-	1601824	53.55	1.32
B. Public Shareholding									
(1) Institutions									
a) Mutual Fund / UTI	-	400	400	0.01	-	400	400	0.01	-
b) Banks / FI	325	9046	9371	0.32	-	9046	9046	0.30	-0.02
c) Central Govt.	-	-	-	-	517	-	517	0.02	0.02
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	776694	-	776694	25.96	689694	-	689694	23.06	-2.90
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	777019	9446	786465	26.29	690211	9446	699657	23.39	-2.90

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non – Institutions									
a) Bodies Corporate									
i) Indian	92089	2921	95010	3.18	56094	2871	58965	1.97	-1.21
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	350157	160576	510733	17.07	327580	128317	455897	15.24	-1.83
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	26452	-	26452	0.88	60183	-	60183	2.01	1.13
c) Others (HUF, Clearing Members, Foreign National, NRIs, Trusts)	9982	375	10357	0.35	114481	375	114856	3.84	3.49
Sub – Total (B)(2)	478680	163872	642552	21.48	558338	131563	689901	23.06	1.58
Total Public Shareholding (B)=(B)(1)+(B)(2)	1255699	173318	1429017	47.77	1248549	141009	1389558	46.45	-1.32
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2818064	173318	2991382	100.00	2850373	141009	2991382	100.00	-

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ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% Change in Shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
A. Individual							
a. Nandan Damani	120587	4.03	-	120587	4.03	-	-
b. Nandan Damani - HUF	300	0.01	-	300	0.01	-	-
c. Kamladevi Devratan Bagri	33	-	-	33	-	-	-
d. Nalini Somany	511	0.02	-	511	0.02	-	-
e. Sanjay N Damani	61553	2.06	-	61553	2.06	-	-
f. Shashi A Patodia	10414	0.34	-	24691	0.82	0.49	-
g. Shreelekha N Damani	51936	1.74	-	51936	1.74	-	-
h. Sumita Somany	50	-	-	50	-	-	-
B. Bodies Corporate							
a. Lucky Vyapaar and Holdings Private Limited	743040	24.84	-	743040	24.84	-	-
b. New Textiles LLP (formerly known as New Textiles Private Limited)	573941	19.19	-	599123	20.03	0.83	-
Total (A+B)	1562365	52.23	-	1601824	53.55	1.32	-

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

Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1 Shashi A Patodia				
a. At the Beginning of the year	10414	0.34	-	-
b. Changes during the year	No change during the year			
Date	Reason			
14.09.2018	Buy	8777	0.30	19191
29.09.2018	Buy	5500	0.18	24691
c. At the end of the year		-	-	24691

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

Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2 New Textiles LLP				
a. At the Beginning of the year	573941	19.19	-	-
b. Changes during the year	No change during the year			
Date	Reason			
07.09.2018	Buy	20032	593973	19.86
29.09.2018	Buy	5000	598973	20.03
12.10.2018	Buy	150	599123	20.03
c. At the end of the year		-	599123	20.03

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1. Life Insurance Corporation of India				
a. At the Beginning of the year	685741	22.92	-	-
b. Changes during the year	No change during the year			
Date	Reason			
31.08.2018	Sell	-10400	675341	22.57
07.09.2018	Sell	-18600	656741	21.95
21.09.2018	Sell	-10000	646741	21.62
29.09.2018	Sell	-19000	627741	20.98
23.11.2018	Sell	-15000	612741	20.48
30.11.2018	Sell	-14000	598741	20.01
c. At the end of the year		-	598741	20.01
2. The Oriental Insurance Company Limited				
a. At the Beginning of the year	90900	3.04	-	-
b. Changes during the year	No change during the year			
c. At the end of the year		-	90900	3.04

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For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)		
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
3. *IEPF					
a. At the Beginning of the year	40097	1.34	-	-	
b. Changes during the year					
Date	Reason				
08.03.2019	Trf	365	0.01	40462	1.35
15.03.2019	Trf	20887	0.70	61349	2.05
29.03.2019	Trf	1578	0.05	62927	2.10
c. At the end of the year	-	-	62927	2.10	
4. Tapan Kumar Dey					
a. At the Beginning of the year	26452	0.88	-	-	
b. Changes during the year					
Date	Reason				
06.04.2018	Buy	100	0.00	26552	0.88
27.04.2018	Buy	268	0.01	26820	0.89
11.05.2018	Buy	11	0.00	26831	0.89
12.10.2018	Buy	100	0.00	26931	0.89
15.02.2019	Buy	287	0.01	27218	0.90
15.03.2019	Buy	350	0.01	27568	0.91
c. At the end of the year	-	-	27568	0.91	
5. Shrinathji Flour Mills LLP					
a. At the Beginning of the year	21899	0.73	-	-	
b. Changes during the year					
Date	Reason				
06.04.2018	Buy	2334	0.08	24233	0.81
25.05.2018	Buy	160	0.00	24393	0.81
15.06.2018	Buy	476	0.02	24869	0.83
06.07.2018	Buy	2	0.00	24871	0.83
25.07.2018	Buy	252	0.01	25123	0.84
10.08.2018	Buy	16	0.00	25139	0.84
17.08.2018	Buy	173	0.01	25312	0.85
24.08.2018	Buy	140	0.00	25452	0.85
31.08.2018	Buy	433	0.01	25885	0.86
07.09.2018	Buy	190	0.01	26075	0.87
c. At the end of the year	-	-	26075	0.87	

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6. Laxmi Devi Damani				
a. At the Beginning of the year	13615	0.46	-	-
b. Changes during the year	No change during the year			
c. At the end of the year	-	-	13615	0.46
7. Samanvitha Securities Private Limited				
a. At the Beginning of the year	10236	0.34	-	-
b. Changes during the year:				
Date	Reason			
07.09.2018	Buy	54	10290	0.34
21.09.2018	Sell	-54	10236	0.34
29.09.2018	Buy	40	10276	0.34
15.03.2019	Sell	-775	9501	0.31
c. At the end of the year	-	-	9501	0.31
8. VSL Securities Private Limited				
a. At the Beginning of the year	8000	0.27	-	-
b. Changes during the year	No change during the year			
c. At the end of the year	-	-	8000	0.27
9. Pratibha Maheshwari				
a. At the Beginning of the year	7834	0.26	-	-
b. Changes during the year	No change during the year			
c. At the end of the year	-	-	7834	0.26
10. Veena Vallabhadas Gandhi				
a. At the Beginning of the year	6955	0.23	-	-
b. Changes during the year	No change during the year			
c. At the end of the year	-	-	6955	0.23

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For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
11. *The Nav Bharat Refrigeration and Industries Ltd.				
a. At the Beginning of the year	-	-	-	-
b. Changes during the year:				
Date Reason				
30.11.2018 Buy	103	0.00	103	0.00
07.02.2019 Buy	24660	0.82	24763	0.82
15.02.2019 Buy	400	0.01	25163	0.83
22.02.2019 Buy	368	0.01	25531	0.84
01.03.2019 Buy	1781	0.06	27312	0.90
22.03.2019 Buy	2321	0.08	29633	0.98
29.03.2019 Buy	592	0.02	30225	1.00
c. At the end of the year	-	-	30225	1.00
12. *Shivani Vishal Jatia				
a. At the Beginning of the year	-	-	-	-
b. Changes during the year:				
Date Reason				
29.09.2018 Buy	10000	0.33	10000	0.33
05.10.2018 Buy	4000	0.13	14000	0.46
23.11.2018 Buy	5000	0.17	19000	0.63
c. At the end of the year	-	-	19000	0.63

*The Shareholders bought the shares during the year and the same has been reflected as one of the Top ten Shareholder as on 31st March, 2019.

v. Shareholding of Directors and Key Managerial Personnel

For Each of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1. Nandan Damani Chairman & Managing Director				
At the beginning of the year	120587	4.03	-	-
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	-	-	120587	4.03
2. Sanjay N Damani Executive Director				
At the beginning of the year	61553	2.06	-	-
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	-	-	61553	2.06
3. Sandhya R Kini Executive Director				
At the beginning of the year	100	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	-	-	100	0.00
4. S K Somany Non-Executive Independent Director				
At the beginning of the year	900	0.03	-	-
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	-	-	900	0.03

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For Each of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (From 01.04.2018 to 31.03.2019)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5. V B Haribhakti Non-Executive Independent Director				
At the beginning of the year	300	0.01	-	-
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	-	-	300	0.01
6. Sabhapati G Shukla Non-Executive Independent Director				
At the beginning of the year	135	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	-	-	135	0.00
7. Surendra Kabra Chief Financial Officer				
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	-	-	-	-
8. Shekhar R Singh Company Secretary				
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	-	-	-	-

Shri T.C. Suseel Kumar and Shri Vijay S. Jindal, Directors of the Company did not hold any Shares during the year.

V. INDEBTEDNESS

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

(in ₹)

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	3,33,95,141	-	3,33,95,141
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	3,33,95,141	-	3,33,95,141
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	27,67,411	-	27,67,411
Net Change	-	(27,67,411)	-	(27,67,411)
Indebtedness at the end of the financial year				
i) Principal Amount	-	3,06,27,730	-	3,06,27,730
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	3,06,27,730	-	3,06,27,730

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in ₹)

Sr. No.	Particulars of Remuneration	Shri Nandan Damani (CMD)	Shri Sanjay N Damani (ED)	Smt. Sandhya R Kini (ED)	Total Amount
	Gross Salary				
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	51,40,000	7,05,208	3,02,400	61,47,608
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	7,40,000	2,35,069	2,37,600	12,12,669
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	58,80,000	9,40,277	5,40,000	73,60,277

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B. Remuneration to other Directors:

(in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri V B Haribhakti	Shri S K Somany	Shri Vijay S Jindal	Shri Sabhapati G Shukla	Shri T C Suseel Kumar	
		Independent Director	Independent Director	Independent Director	Independent Director	Non-Executive Director	
1	Independent Directors						
	Fee for attending Board/ Committee Meetings	1,10,000	1,10,000	20,000	1,10,000	-	3,50,000
	Commission	-	-	-	-	-	-
	Other, please specify	-	-	-	-	-	-
	Total (B) (1)	1,10,000	1,10,000	20,000	1,10,000	-	3,50,000
2	Other Non-Executive Directors						
	Fee for attending Board/ Committee Meetings	-	-	-	-	10,000	10,000
	Commission	-	-	-	-	-	-
	Other, please specify	-	-	-	-	-	-
	Total (B)(2)	-	-	-	-	10,000	10,000
	Total (B) = (1) +(2)	1,10,000	1,10,000	20,000	1,10,000	10,000	3,60,000

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

(in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Surendra Kabra	Shri Shekhar R Singh	
		(Chief Financial Officer)	(Company Secretary)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	42,00,000	15,25,000	57,25,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	12,950	12,950
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (C)	42,00,000	15,37,950	57,37,950

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

N I L

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. OVERVIEW OF THE ECONOMY

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Indian economy is estimated to have grown 7 percent in 2018-19, lower than 7.2 per cent in 2017-18 and is expected to grow around 7.3 percent in 2019-20. India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27. India has already surpassed France to become the sixth-largest economy.

The real estate sector has been making rapid strides in recent times and has emerged as one of the most important contributors to the Indian economy. The sector continues its metamorphosis from being largely fragmented and unorganised to become as structured and organised as its peers in developed economics across the globe. The growing prominence of India in the global scenario has had a positive impact leading to increased expectations and responsibilities on this sector.

The real estate sector is the third largest employer (after agriculture and manufacturing) in India and presently employs over 40 million workforce. With forward and backward linkages to over 250 sectors and ancillary industries, the real estate sector is also the third-highest contributor to the Indian economy. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 percent to the country's GDP.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

With the real estate sector hoping for a push from the Union Budget 2019-20, the implementation of a single regulator RERA, the announcement of 'infrastructure status' to the affordable housing sector, can serve as significant steps in boosting future growth of the sector. These could be game changing steps for developers who already have a good presence.

In the market along with the Central government's identified list of cities and towns under the housing for all by 2022 mission (Pradhan Mantri Awas

Yojana), has targeted to build more than 2 crore homes for urban poor by the year 2022. This mission is expected to need 38 million work force by 2030 from 29 million at present, predicted to be the key job creator.

According to Department of Industrial Policy and Promotion (DIPP), total FDI inflow in construction development sector (including townships, housing, built-up infrastructure) during April 2000 to December, 2018 has been around US\$ 24.91 billion which is about 6 percent of total FDI inflows (in terms of US\$).

The real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are growing significantly, providing the much-needed infrastructure for India's growing needs.

Residential real estate segment

The residential real estate segment comprises of residential buildings and integrated townships. Integrated township include multiple residential building complexes along with other amenities like schools and hospitals.

Post the revival of real estate sector through a series of initiatives by the Government, the confidence of the homebuyers has increased with a clear understanding of the market. The demand for residential projects has seen a healthy growth in the first half of 2018 and the key markets saw the absorption taking place at a fast pace. Factors like lower interest rates, budget friendly housing schemes and affordable houses coupled with price rationalization by the developers were some of the key constituents to fuel the growth of residential sector. The housing demand was mostly driven by the end users and rightly so, as they took advantage of the favorable market conditions, as well as transparent regulations due to the advent of RERA.

The Government's focus on affordable housing may see enhanced traction in affordable housing segment and it will be a key growth driver for residential market. Incentives from the Government to both developers and homebuyers are pushing supply as well as demand within this segment.

Commercial real estate segment

The commercial real estate segment comprises of office spaces, IT parks, retail, healthcare, hospitality, industries and Special Economic Zones. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space.

The commercial or office market has really taken up in the last couple of years and the credit also goes to the stable Government and marquee reforms like 100 percent FDI in real estate, grant of infrastructure status and finally the Real Estate Investment Trusts (REITs). The concept of Co-working spaces has given a fillip to the office markets and has changed the whole dynamics of office, converting them into flexi-spaces with just plug and play concept. The start-up boom has disrupted most of the traditional businesses and going ahead; technology and Artificial Intelligence (AI) would be playing a major role, as India is inching towards smart cities and adopting newer technologies.

Retail real estate segment

India's retail industry is expected to grow to US\$ 1200 billion by 2021 from US\$ 672 billion in 2017, driven by income growth, urbanisation and attitudinal shifts. The overall retail market is expected to grow at 12 per cent per annum.

In the past, growth of the retail segment had slowed due to a weak consumer and investment sentiment. However, favourable policies from the government, consolidation of large as well as small e-commerce players, technology disruption and ease of shopping, increasing consumer base, and the entry of foreign retailers have made the environment conducive for growth. The reformative policies such as clarity in taxation through the introduction of GST, easing of entry norms for single-brand retail, rationalization and consolidation of mall space, and Omni-channeling by retailers have added to the overall growth of this segment.

3. OPPORTUNITIES

The year 2019 will be both challenging and opportunistic and the ones likely to succeed are those who embrace the changing market dynamics. Apart from elections, credit growth and improvements in infrastructure will set the tone for economic growth in the future.

An Affordable and mid-income housing took center

stage in 2018 will continue to drive residential housing both in metro and Tier two cities. There been an uptick of almost 15-20 percent with preference for ready to move in units owing to RERA and GST benefits. The massive push for improvement in infrastructure by the Government of India (GOI), including significant capital expenditure for roads, railways, development of smaller airports and expansion of schools and hospitals at the outskirts will benefit this segment further. This will provide better connectivity and have a multiplier effect thereby allowing developers to explore new projects in the peripheral areas of the cities.

The Logistics and Warehousing sector gained significant traction this year after the center granted infrastructure status to logistics. It is showing a massive growth owing to large infusion of foreign capital.

In Mumbai, the newly enacted Regulation i.e. Development Control & Promotion Regulations 2034 (DCPR 2034) has passed the various schemes that have benefitted to the Commercial real estate segment and affordable housing segments with various challenges such as density and affordability by offering developers higher FSI based on road width, lower premiums to purchase FSI to reduce project costs.

According to CREDAI –CBRE report titled "Assessing the Economic Impact of India's Real Estate", the potential employment opportunities in the real estate sector are expected at 17.2 million jobs by 2025 up from 9.2 million in 2016.

4. THREATS

- The Indian real estate sector is still highly unorganized with lots of middle men and subdued demand, together with increased construction costs - both material and labour which has been putting pressure on the cost of projects and profit margins.
- Non-availability of land within city limits along with rising land and construction costs, making affordable housing projects unviable in Metro's such as Mumbai.
- Low focus on housing for EWS and LIG segment from the developer fraternity owing to lack of effective policy framework.
- The lengthy and complex approval process leads to a high gestation period which

eventually results in project cost escalation by 20-30 percent.

- Any adverse move by the banking sector towards the lending policy on the real estate loans may increase the cost of borrowing.
- The delay in approvals of project and amendments in the various Rules and Regulations can adversely impact new launches and increase in the cost of the projects. Retrospective applicability of policy changes may impact profitability.
- Acute shortage of skilled workforce at all levels.

ON GOING PROJECT

The Company's project "Simplex KhushAangan" which is a cluster of residential and commercial space located on prime location of S.V.Road, Malad (West), Mumbai is completed and handed over to the society for its day to day maintenance. The Company has sold about 78 percent of the carpet area of the project. The demand has been very sluggish during the year and we are making efforts to sale the inventory.

The Company is developing a project consisting of villas at Nachinolla, Goa. As Goa is a tourist destination, to explore more opportunities in such destinations, the Company started developing these villas. We have obtained completion certificate from the concerned authorities for the villas. The civil work has been completed and finishing work is going on. We are expecting to market and sale these villas during the current year.

The Company is planning to start work for the developing of its own project at Mahalaxmi, Mumbai.

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

5. OUTLOOK

The Indian real estate market went through a sea change in the year 2018. The various shades of the domestic market came on surface, where certain geographic pockets witnessed a dip in terms of property valuation and sales volume and certain pockets witnessed property price appreciation and sharp growth.

The real estate markets are poised to benefit from the Government's policy push towards reforms, speedy completion of several infrastructure projects, emphasis on affordable housing, enhanced usage of technology and an overarching 'can do' spirit riding across private as well as public sector enterprises today.

Going ahead, the Indian real estate sector is continually in the state of evolution. Be it numerous reforms introduced in the sector lately or the changes in the taxation system, the segment has seen many ups and downs in the past few years. GST rate cut will be a big boost to the sector.

RERA has undoubtedly brought in transparency and accountability into the Indian real estate, thus, reinstating a sense of confidence among buyers and investors. India's first Real Estate Investment Trusts (REITs) is listed now with a success. REIT's will change the nature of real estate investments, giving opportunity to retail investors to invest in income generating commercial properties. REITs will usher greater liquidity in the commercial sector.

6. RISK AND CONCERNS

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

Market price fluctuation:

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

Price risk of the input material

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

Development & regulatory risk

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

Economic risk

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

Health and safety risks

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

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

8. FINANCIAL AND OPERATING PERFORMANCE

The total income of the Company for the current year is ₹ 10,42,30,406/- as against ₹ 22,36,91,845/- during the previous year. The Company has made a net profit of ₹ 3,46,56,321/- during the current year as against the loss of ₹ 7,24,01,576/- in the previous year. The main reason for the profit was during the year, the Company received interest of ₹ 5,52,99,872/- on refund of income tax for earlier years, which is an exceptional item and same has been shown in the Statement of Profit and Loss as Exceptional Item. The EPS for the current year is ₹ 11.59 as against ₹ (24.20) in the previous year.

9. KEY FINANCIAL RATIO

The Key Financial Ratios for the financial year 31st March, 2019 are as under:

Particulars	2018-19	2017-18
Debtors Turnover	-	8
Inventory Turnover	0.11	0.42
Interest Coverage Ratio	13.13	-23.61
Current Ratio	30.58	23.76
Debt Equity Ratio	0.03	0.03
Operating Profit / (Loss) Margin (%)	-135	-39
Net Profit / (Loss) Margin (%)	33	-32
Return on Networth (%)	3.12	-6.74

During the FY 2018-19, there was lower revenue from the sales and the Company received interest of ₹ 5,52,99,872/- on refund of income tax for earlier years which has major impact on operating margin, net profit margin, interest coverage ratio and return on net worth. Due to overall subdued demand in real estate and lower sale during the year, the inventory turnover ratio has come down from 0.42 in FY 2017-18 to 0.11 in FY 2018-19. In the FY 2017-18, the Company paid premium of ₹ 6,55,57,482/- towards the demand, being the difference of premium for change of user for the developed land and had negative EBIT hence, negative interest coverage ratio of -23.61.

10. HUMAN RESOURCES

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

The industrial relations remained cordial during the year.

11. CAUTIONARY STATEMENT

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed to enhance the confidence among the shareholders, customers, employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company.

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

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2019, the Board comprises of three Executive Directors and five Non-Executive Directors. The composition of the Board is in compliance with the requirements of Regulation 17 of the Listing Regulations as on 31st March, 2019.

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

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

During the year ended 31st March, 2019, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2018, 1st August, 2018, 30th October, 2018 and 30th January, 2019.

Attendance of Directors at Board Meetings during 2018-19 and Directorship(s) and Committee Chairmanship(s)/Membership(s) of other companies as on 31st March, 2019

Name of the Director	Category	No. of Board Meetings held - 4	No. of Directorship(s) and Committee Chairmanship(s)/Membership(s)			Attended Last AGM @ 1 st August, 2018
		Attended	Other Directorship(s)*	Committee Chairmanship(s)**	Committee Membership(s)**	
Shri Nandan Damani	Executive	4	5	1	2	Yes
Shri Sanjay N Damani	Executive	4	2	-	-	Yes
Smt. Sandhya R Kini	Executive	4	-	-	-	Yes
Shri Vishnubhai B. Haribhakti	Independent Non-Executive	4	3	1	3	Yes
Shri Surendra Kumar Somany	Independent Non-Executive	4	5	3	3	Yes
*Shri T. C. SuseelKumar	Non-Executive	1	-	-	-	Yes
^b Smt. Renu Jain	Non-Executive	-	-	-	-	No
Shri Vijay S Jindal	Independent Non-Executive	2	1	-	-	Yes
Shri Sabhapati G Shukla	Independent Non-Executive	4	2	2	-	Yes

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

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

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

^a Ceased to be a Director w.e.f. 28th December, 2018.

^b Appointed as an Additional Director w.e.f. 8th May, 2019.

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c) Details of Directorship in other Listed Companies:

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

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

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

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

3. AUDIT COMMITTEE

During the year ended 31st March, 2019, 4 (four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2018, 1st August, 2018, 30th October, 2018 and 30th January, 2019.

The composition of the Audit Committee and the number of meetings attended by each Member during the year ended 31st March, 2019 is as follows:

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

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

The Company Secretary acts as the Secretary to the Committee.

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

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/re-appointment/replacement, if required, of Statutory Auditors, fixation of audit fees and approval of payments for any other services.
- Reviewing with management, the annual financial statements before submission to the

Board for approval with particular reference to:

- Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of sub-section 3(c) of Section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by the management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions; and
 - Un-modified opinion(s) in draft audit report.
- Reviewing with management, quarterly financial statements before submission to the Board for approval;
 - Review and monitor the Auditor's independence and performance and effectiveness of Audit process;
 - Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems;
 - Approval or any subsequent modification of transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;

- Discussion with Internal Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors;
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm length pricing basis and to review and approve such transactions subject to the approval of the Board;
- To review the functioning of the Whistle Blower mechanism;
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE

During the year ended 31st March, 2019, 3 (three) Nomination and Remuneration Committee Meetings were held. The dates on which the said meetings were held are as follows:

10th May, 2018, 1st August, 2018 and 30th January, 2019.

The composition of the Nomination and Remuneration Committee and the number of meetings attended by each Member during the year ended 31st March, 2019 is as follows:

Name of the Member	Designation	No. of Meetings held - 3
		Attended
Shri Vishnubhai B Haribhakti	Chairman	3
Shri Surendra Kumar Somany	Member	3
Shri Sabhapati G Shukla	Member	3

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

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

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

The Company Secretary acts as the Secretary to the Committee.

REMUNERATION TO DIRECTORS

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

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

Details of remuneration and sitting fees paid to Directors during the year ended 31st March, 2019 are as under:

Name of the Director	Designation	Remuneration (₹)
Shri Nandan Damani	Chairman & Managing Director	58,80,000
Shri Sanjay N Damani	Executive Director	9,40,277
Smt. Sandhya R Kini	Executive Director	5,40,000

Name of the Non- Executive Directors	Sitting fees (₹)
Shri Vishnubhai B Haribhakti	1,10,000
Shri Surendra Kumar Somany	1,10,000
Shri Tharavanat C SuseelKumar	10,000
Shri Vijay S Jindal	20,000
Shri Sabhapati G Shukla	1,10,000

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

Name of Member	No. of Equity Shares held
Shri Vishnubhai B Haribhakti	300
Shri Surendra Kumar Somany	900
Shri Sabhapati G Shukla	135

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year ended 31st March, 2019, 4 (four) Stakeholders' Relationship Committee Meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2018, 1st August, 2018, 30th October, 2018 and 30th January, 2019.

The composition of the Stakeholders' Relationship Committee and the number of meetings attended by each Member during the year ended 31st March, 2019 is as follows:

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

*Appointed as a Member w.e.f.30th January, 2019

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

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

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

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

Shri Shekhar R Singh, the Company Secretary is the Compliance officer.

INVESTOR RELATIONS

The total number of complaints received, resolved and pending during the year ended 31st March, 2019 was Nil.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the year ended 31st March, 2019, Corporate Social Responsibility Committee Meeting was held on 14th March, 2019.

The composition of the Corporate Social Responsibility Committee and the number of meetings attended by each Member during the year ended 31st March, 2019 is as follows:

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

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

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7. INDEPENDENT DIRECTORS' MEETING

During the year under review, Independent Directors met on 30th January, 2019, *inter- alia*, to discuss:

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

8. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Location of the Meeting
2015 – 2016	09.08.2016	11.30 A. M.	M. C. Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, K. D. Marg, Kala Ghoda, Mumbai – 400 001
2016 – 2017	08.08.2017	11.30 A. M.	
2017 – 2018	01.08.2018	11.30 A. M.	

(ii) Special Resolutions passed in previous three AGMs:

AGM	Date of AGM	Special Resolution
103 rd	09.08.2016	Adoption of New Set of the Articles of Association of the Company
104 th	08.08.2017	Nil
105 th	01.08.2018	Nil

(iii) Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

Pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the

Companies (Management and Administration) Rules, 2014, Notice dated 30th January, 2019 was sent to the Members to seek their approval through Postal Ballot for passing of Special Resolutions for re-appointment of Shri Vishnubhai B Haribhakti and Shri Surendra Kumar Somany as Independent Directors of the Company. Shri Manish L Ghia, Partner of M/s. Manish Ghia & Associates, Practicing Company Secretaries (Scrutinizer) conducted the postal ballot process. The details of voting pattern are as under:

Proposal for Re-appointment	No. & % of Votes cast in Favour	No. & of Votes cast Against	Date & Result of Passing Resolutions
Shri Vishnubhai B Haribhakti	1564663 (99.9994)	9 (0.0006)	28.03.2019 Passed with requisite majority
Shri Surendra Kumar Somany	1564663 (99.9994)	9 (0.0006)	

9. DIRECTORS

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

10. DISCLOSURES

a) Related party transactions

All transactions entered into with Related Parties as defined under the Act and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and the web-link for the same is - http://www.simplex-group.com/upload_pdf/4653Related-Party-Transactions.pdf

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

b) Compliance by the Company

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

c) Familiarization Programme for Independent Director

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

d) Vigil Mechanism/Whistle-blower Policy

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

e) Code of Conduct

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

f) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed Accounting Standards issued by the Institute of Chartered Accountant 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

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

i) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2019 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. 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 shareholding pattern along with other relevant information useful to investors on Company's website.
- c. At present, the Company does not make presentation to Institutional Investors or to the Analysts.
- d. The Management Discussion and Analysis is given separately in this Annual Report.

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12. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted a revised Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended. The said code, *inter-alia* prohibits purchase/sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company and web-link for the same is http://www.simplex-group.com/upload_pdf/6909Final%20Policy%20Insider%20Trading%202015.pdf

13. GENERAL INFORMATION FOR MEMBERS

i)	Date, Time and Venue of forthcoming AGM	Date : Wednesday, 7 th August, 2019 Time : 11.30 A.M. Venue: Babubhai Chinai Committee Room, 2 nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai- 400 020
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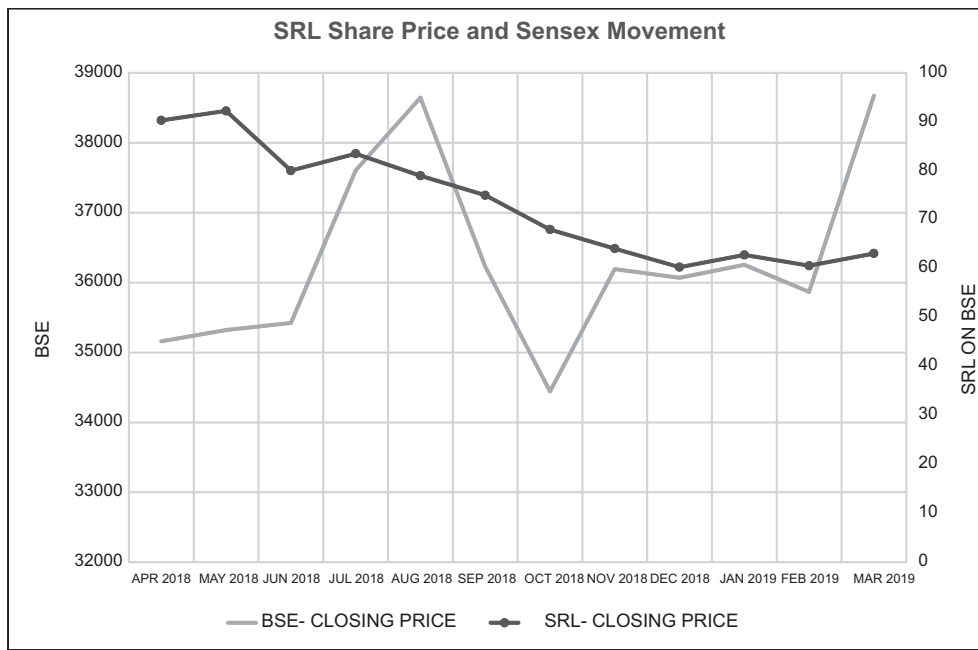
ii)	Financial Calendar (2019 – 2020)	i) First Quarterly Results Upto 15 th August, 2019 ii) Second Quarterly Results Upto 15 th November, 2019 iii) Third Quarterly Results Upto 15 th February, 2020 iv) Annual Results Upto 30 th May, 2020
iii)	Date of Book Closure	From Friday, the 2 nd August, 2019 to Wednesday, the 7 th August, 2019 (both days inclusive)
iv)	Dividend payment date	Not Applicable
v)	Listing on Stock Exchanges	BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai – 400 001
vi)	Security Code ISIN	503229 INE167H01014

vii) Market Price Data

The monthly high and low quotations of shares traded on the BSE from April, 2018 to March, 2019 are as follows:

Month	Volume	Price (₹)		BSE Sensex	
	(No. of shares)	High	Low	High	Low
April, 2018	1,388	105.00	90.30	35,213.30	32,972.56
May, 2018	1,550	97.00	87.85	35,993.53	34,302.89
June, 2018	1,806	95.55	80.05	35,877.41	34,784.68
July, 2018	893	87.05	76.20	37,644.59	35,106.57
August, 2018	17,329	91.80	74.00	38,989.65	37,128.99
September, 2018	44,239	84.95	75.00	38,934.35	35,985.63
October, 2018	1,365	75.00	64.00	36,616.64	33,291.58
November, 2018	30,960	79.70	64.10	36,389.22	34,303.38
December, 2018	1,778	64.00	54.35	36,554.99	34,426.29
January, 2019	1,413	64.50	57.00	36,701.03	35,375.51
February, 2019	10,376	65.20	56.15	37,172.18	35,287.16
March, 2019	6,361	69.50	59.05	38,748.54	35,926.94

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



viii) Share Transfer Agent

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

ix) Share Transfer System

All shares sent or transferred in physical form are registered by the STA 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.

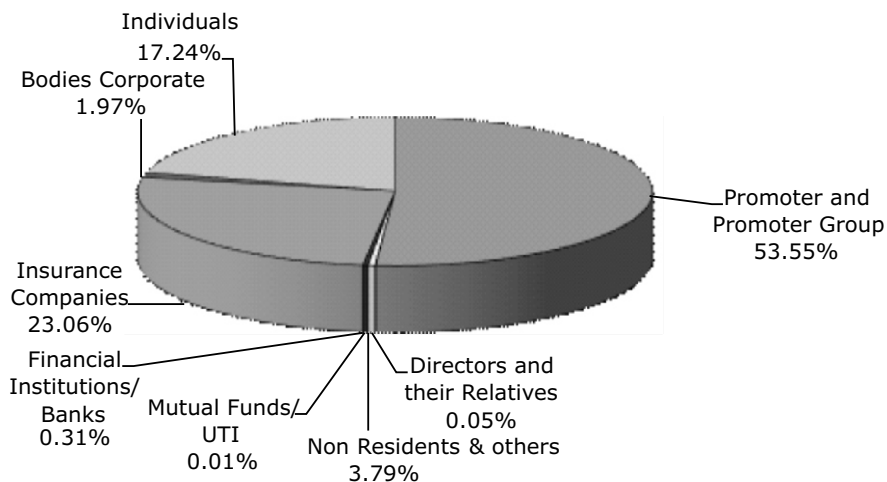
x) Shareholding Pattern as on 31st March, 2019.

	Category	Number of Shares held	Percentage of Shareholding
(A)	Shareholding of Promoter and Promoter Group	16,01,824	53.55
(B)	Public shareholding		
(1)	Institutions		
	(a) Mutual Funds/ UTI	400	0.01
	(b) Financial Institutions/ Banks	9,046	0.31
	(c) Insurance Companies	6,89,694	23.06
	(d) Central Govt.	517	0.02

SIMPLEX REALTY LIMITED

	Category	Number of shares held	Percentage of Shareholding
(2)	Non-Institutions		
	(a) Bodies Corporate	58,965	1.97
	(b) Individuals -		
	i. holding nominal share capital up to ₹ 2 lakh.	4,88,512	16.32
	ii. holding nominal share capital in excess of ₹ 2 lakh.	27,568	0.92
	(c) Non Residents	1,13,421	3.79
	(d) Directors and their Relatives	1,435	0.05
	Total Public Shareholding (B)= (B)(1)+(B)(2)	13,89,558	46.45
	TOTAL (A)+(B)	29,91,382	100

Shareholding Pattern as on 31 March, 2019



Distribution of Shareholding as on 31st March, 2019

Category	Number of Shareholders	Percentage of Total number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	3,847	95.39	2,67,005	8.93
501 to 1,000	96	2.38	68,491	2.29
1,001 to 5,000	63	1.56	1,25,438	4.19
5,001 to 10,000	11	0.27	74,082	2.48
10,001 & above	16	0.40	24,56,366	82.11
Total	4,033	100	29,91,382	100

xi) Dematerialization of Shares and Liquidity

95.29 percent shares have been dematerialized as on 31st March, 2019. The Equity shares of the Company are traded on BSE Limited.

The Company has paid the Listing fees for the year 2019–2020 to the BSE Limited on which its shares are listed.

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

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

xiii) Corporate Identification Number (CIN):

L17110MH1912PLC000351

Registered Office:

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

xiv) Address for Investor Correspondence

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

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

OR

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

Liasioning Office

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

xv) Compliance with Listing Regulations

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

xvi) Dematerialisation of Shares

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

xvii) Revalidation of Dividend Warrants

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

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

As a part of Green Initiative, the Act allow companies to go for paperless compliances by sending Notices, Annual Report and other related documents by e-mail to its Members. Many of the Members have not registered their e-mail address so far, may, as a support to this initiative, register their e-mail address by sending an e-mail to support@freedomregistry.in quoting their Name, Folio No./DP ID/Client ID, E-mail address and Mobile No. to get registered with us for enabling us to send the said documents in electronic form.

SIMPLEX REALTY LIMITED

xix) Certificate from Company Secretary in Practice

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

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, 2019.

xx) Details of Total Fees Paid to Statutory Auditors

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

(In ₹)

Audit Fees	2,90,000
Tax Audit Fees	25,000
Re- imbursement	2 761
Total	3,17,761

For **Simplex Realty Limited**

Nandan Damani
Chairman and Managing Director

Mumbai, 8th May, 2019

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

To,
The Members,
Simplex Realty Limited

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

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

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

Kolkata, 8th May, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Simplex Realty Limited

We have examined the compliance of the conditions of Corporate Governance by Simplex Realty Limited for the year ended 31st March, 2019 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) with the BSE Limited.

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

In our opinion and based on the information and according to explanations given to us and the representations made by the management and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Chapter IV of the Listing Regulations.

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

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

Sunil Khandelwal
Partner
Membership No:101388

Mumbai, 8th May, 2019

SIMPLEX REALTY LIMITED

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

To
The Board of Directors
Simplex Realty Limited

We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:

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

any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and
Managing Director

Mumbai, 8th May, 2019

INDEPENDENT AUDITORS' REPORT

To
The Members of
Simplex Realty Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Simplex Realty Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2019;
- (b) in the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the Profit for the year ended on that date;
- (c) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date; and

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

Basis for Opinion

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

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

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's Response
1	<i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".</i>	<p><u>Principal Audit Procedures</u> <i>The assessment of procedures, of revenue recognition, adopted by management, involved:</i></p> <ul style="list-style-type: none"> <i>i) identifying the impact on adoption of the new standard;</i> <i>ii) selection of samples of continuing and new contracts with the customers;</i> <i>iii) evaluation of industry wide procedures adopted for the revenue recognition under this standard.</i>
2	<i>Review, effect and presentation of completed tax assessments</i>	<p><u>Principal Audit Procedures</u> <i>Verification of details of completed tax assessments and demands as at 31st March, 2019, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and financial statements.</i></p>

SIMPLEX REALTY LIMITED

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sunil Khandelwal
Partner

Mumbai, 8th May, 2019

Membership No. 101388

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of Simplex Realty Limited ('the Company') for the year ended on 31st March, 2019. We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Management of the Company has physically verified the fixed assets in accordance with its policy of physical verification at reasonable intervals. The discrepancies, if any noticed during such verification have been suitably adjusted in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) a) According to the information and explanations given to us, the management has conducted physical verification of the inventories at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and the nature of the business.
- c) No material discrepancies have been noticed on physical verification of the stocks as compared to book records in so far as it appears from our examination of the books.
- iii) According to the information and explanations given to us and on the basis of our examination of books of account, the Company had granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013 in previous years that were received back during the year. There were no outstanding balances of the loans granted to companies covered in the register maintained under Section 189 of the Companies Act, 2013 as on year ended 31st March 2019.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made; the Company has not given any guarantee or security.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) According to the information and explanations given to us and on the basis of our examination of books of account, the Company need not to maintain cost records as per the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148(1) of the Act.
- vii) a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2019 for a period of more than six months from the date it became payable.
- b) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, there are no pending dues to be deposited of goods and service tax, sales tax or service tax or duty of customs or duty of excise or value added tax on account of any disputes.

Following are dues required disputed dues regarding income tax:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4,77,38,205/-	A.Y. 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	11,64,01,860/-	A.Y. 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	16,40,23,168/-	A.Y. 2009-10	Bombay High Court

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

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

Sunil Khandelwal
Partner

Mumbai, 8th May, 2019

Membership No. 101388

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

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

We have audited the internal financial controls over financial reporting of **Simplex Realty Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sunil Khandelwal
Partner

Mumbai, 8th May, 2019

Membership No. 101388

SIMPLEX REALTY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

		As at 31.03.2019 ₹	As at 31.03.2018 ₹
A ASSETS			
I Non-Current Assets			
Property, Plant and Equipment	2	1,47,87,667	1,61,56,770
Financial Assets:			
Investments	3 a	11,69,50,250	1,89,50,250
Loans	4	4,65,796	4,40,056
Other Financial Assets	5	12,50,000	-
Deferred Tax Assets (Net)	6	4,60,92,208	4,38,10,365
Other Non-Current Assets	7	1,66,28,826	1,93,10,339
Total Non-Current Assets		<u>19,61,74,747</u>	<u>9,86,67,780</u>
II Current Assets			
Inventories	8	39,10,74,720	34,74,61,577
Financial Assets:			
Investments	3 b	2,04,08,579	1,08,35,640
Trade Receivables	9	-	1,85,77,647
Cash and Cash Equivalents	10	21,73,417	24,47,357
Bank Balances other than above	11	12,42,078	14,36,220
Loans	12	45,33,66,290	46,22,66,300
Other Financial Assets	13	3,41,58,365	3,22,23,082
Other Current Assets	14	7,65,03,864	17,92,12,341
Total Current Assets		<u>97,89,27,313</u>	<u>1,05,44,60,164</u>
TOTAL ASSETS		<u>1,17,51,02,060</u>	<u>1,15,31,27,944</u>
B EQUITY AND LIABILITIES			
I Equity			
Equity Share Capital	15	2,99,36,870	2,99,36,870
Other Equity	16	1,08,18,03,073	1,04,44,15,064
Total Equity		<u>1,11,17,39,943</u>	<u>1,07,43,51,934</u>
II Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
Borrowings	17	2,79,53,436	3,04,48,640
Other Financial Liabilities	18	14,36,678	17,35,539
Provisions	19	15,98,754	15,49,539
Other Non-Current Liabilities	20	3,59,729	6,58,746
Total Non-Current Liabilities		<u>3,13,48,597</u>	<u>3,43,92,464</u>
III Current Liabilities			
Financial Liabilities :			
Trade Payables			
Total outstanding dues of Micro and Small Enterprises		-	-
Others		22,14,333	16,60,723
Other Financial Liabilities	21	2,04,63,730	2,47,77,605
Other Current Liabilities	22	20,04,842	1,33,13,941
Provisions	23	46,90,567	46,31,277
Current Tax Liabilities (Net)	24	26,40,048	-
Total Current Liabilities		<u>3,20,13,520</u>	<u>4,43,83,546</u>
Total Liabilities		<u>6,33,62,117</u>	<u>7,87,76,010</u>
TOTAL EQUITY AND LIABILITIES		<u>1,17,51,02,060</u>	<u>1,15,31,27,944</u>

Significant Accounting Policies 1
The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

Shekhar R Singh
Company Secretary

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note	2018-19 ₹	2017-18 ₹
Income			
I	Revenue from Operations	25	4,74,72,617
II	Other Income	26	5,67,57,789
III	Total Income (I+II)		10,42,30,406
IV Expenses			
	Cost of Sales	27	4,19,48,366
	Employee Benefits Expense	28	2,79,78,899
	Finance Costs	29	56,52,083
	Depreciation	2	17,26,890
	Other Expenses	30	4,44,55,427
	Total Expenses (IV)		12,17,61,665
V	Loss before Exceptional Item and Tax (III-IV)		(1,75,31,259)
VI	Exceptional Item	31	5,52,99,872
VII	Profit / (Loss) before Tax (V-VI)		3,77,68,613
VIII Tax Expense:			
	(1) Current tax		97,88,900
	(2) Deferred tax		(23,53,917)
	(3) Earlier year taxes		(43,22,691)
IX	Profit / (Loss) for the year (VII-VIII)		3,46,56,321
X Other Comprehensive Income / (Expense) - (OCI):			
Items that will not be reclassified to Statement of Profit and Loss			
	1. Re-measurement gains / (losses) on defined benefit plans		2,59,073
	2. Changes in fair values of equity instruments through OCI		25,44,689
	3. Income tax effect on above		(72,074)
	Total Other Comprehensive Income for the year, net of tax		27,31,688
	Total Comprehensive Income / (Expense) for the year (IX+X)		3,73,88,009
	Earnings per Equity Share (Face Value of ₹10/- each)		
	Basic and Diluted Earnings Per Share (in ₹)		11.59
			(24.20)

Significant Accounting Policies 1
The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

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Membership No. 101388
Mumbai, 8th May, 2019

Shekhar R Singh
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Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

SIMPLEX REALTY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

1. EQUITY SHARE CAPITAL

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Balance at the beginning of the year	2,99,36,870	2,99,36,870
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	2,99,36,870	2,99,36,870

2. OTHER EQUITY

(In ₹)

	Reserves and Surplus				Other Reserves	Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	FVTOCI - equity instruments	
Balance as at 1st April, 2017	60,71,263	1,43,23,904	70,09,00,000	38,92,11,588	67,58,143	1,11,72,64,898
Loss for the year	-	-	-	(7,24,01,576)	-	(7,24,01,576)
Other comprehensive income / (expense)	-	-	-	3,55,328	20,76,709	24,32,037
Total comprehensive income / (expense)	-	-	-	(7,20,46,248)	20,76,709	(6,99,69,539)
Dividend paid on equity shares*	-	-	-	(23,93,106)	-	(23,93,106)
Dividend distribution tax	-	-	-	(4,87,189)	-	(4,87,189)
Balance as at 31st March, 2018	60,71,263	1,43,23,904	70,09,00,000	31,42,85,045	88,34,852	1,04,44,15,064
Profit for the year	-	-	-	3,46,56,321	-	3,46,56,321
Other comprehensive income / (expense)	-	-	-	1,86,999	25,44,689	27,31,688
Total comprehensive income / (expense)	-	-	-	3,48,43,320	25,44,689	3,73,88,009
Balance as at 31st March, 2019	60,71,263	1,43,23,904	70,09,00,000	34,91,28,365	1,13,79,541	1,08,18,03,073

*A dividend of ₹ 0.80 per share (total dividend ₹ 23,93,106/- and dividend distribution tax of ₹ 4,87,189/- was paid to the equity shareholders for the year ended 31st March, 2017.

Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

Shekhar R Singh
Company Secretary

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19	2017-18
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/(LOSS) BEFORE TAX	3,77,68,613	(8,91,01,913)
Adjustments for :		
Depreciation on property, plant and equipment	17,26,890	13,86,869
Interest expenses	56,52,083	10,83,842
Profit on sale of investments (net)	(40,281)	(19,443)
Dividend income	(1,27,681)	(1,02,957)
Interest income	(5,20,47,192)	(5,22,33,553)
Loss / (Profit) on sale of fixed assets	2,37,601	(5,51,190)
Sundry balances written off / (back) - (net)	49,044	59,261
Impairment in value of non-current investments	-	1,03,85,981
Sundry assets written off	1,030	26,660
Exceptional item	(5,52,99,872)	6,55,57,482
OPERATING LOSS BEFORE EXCEPTIONAL ITEM AND WORKING CAPITAL CHANGES	(6,20,79,765)	(6,35,08,961)
Adjustment for changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Inventories	(4,36,13,143)	15,84,37,571
Trade receivables	1,85,77,647	(1,36,44,100)
Other financial assets	(12,290)	28,50,437
Other current assets	8,86,94,497	4,33,151
Other bank balances	1,94,143	4,29,663
Adjustment for increase / (decrease) in operating liabilities:		
Other financial liabilities	(46,17,672)	(39,62,258)
Trade payables	5,53,610	(71,86,291)
Long-term provisions	3,08,288	4,54,482
Short-term provisions	59,290	7,18,500
Other liabilities	(1,16,08,116)	55,893
CASH (USED IN) / GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEM	(1,35,43,511)	7,50,78,087
Direct taxes refund received / (paid)	79,55,408	(95,40,509)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES BEFORE EXCEPTIONAL ITEM	(55,88,103)	6,55,37,578
Exceptional item	5,98,51,545	(6,55,57,482)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(A) 5,42,63,442	(19,904)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(8,46,418)	(51,25,975)
Sale of fixed assets	2,50,000	8,14,978
Purchase of investments	(11,10,28,250)	(64,76,000)
Sale of investments	60,40,281	60,19,443
Dividend received	1,27,681	1,02,957
Interest received	4,79,65,268	4,50,57,944
Loans / Inter corporate deposits refund / (given) - net	89,47,656	(4,02,56,164)
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(B) (4,85,43,782)	1,37,183

SIMPLEX REALTY LIMITED

	2018-19	2017-18
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (repayment) of borrowings (net)	(24,95,204)	(29,46,501)
Interest paid	(34,98,396)	(10,83,842)
Dividend paid (including dividend distribution tax)	-	(28,80,295)
NET CASH USED IN FINANCING ACTIVITIES	(C) (59,93,600)	(69,10,638)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) (2,73,940)	(67,93,359)
CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR	24,47,357	92,40,716
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	21,73,417	24,47,357
Cash and cash equivalents comprise of :	As on	As on
	31.03.19	31.03.18
Balances with Banks :		
- in Current accounts	21,49,375	23,73,847
Cash on hand	24,042	73,510
Cash and cash equivalents (Note No. 10)	21,73,417	24,47,357

Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

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

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

Surendra Kabra
Chief Financial Officer

Shekhar R Singh
Company Secretary

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

CORPORATE INFORMATION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation:

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

(ii) Current and non-current classification:

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

(iii) Fair value measurement:

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

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

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

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(iv) Revenue Recognition:

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

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

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

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

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

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

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

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

Dividend income is accounted when right to receive is established.

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

Recognition and measurement

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

Subsequent expenditures

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

Depreciation

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

(vi) Impairment of Non-Financial Assets:

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

(vii) Leases:

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

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

(viii) Investments in Associates:

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

(ix) Financial Instruments:

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

Financial Assets

Initial recognition and measurement

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Subsequent measurement

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

i) Financial assets at amortised cost

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

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

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

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

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

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

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

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

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

iv) Equity instruments

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Impairment of financial assets

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

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

De-recognition

A financial asset is derecognized when:

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

Financial Liabilities

• Initial recognition and measurement

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

• Subsequent measurement

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

• Loans and borrowings

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

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

• De-recognition

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

• Offsetting financial instruments

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

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(x) Inventories:

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

(xi) Taxes:

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

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

(xii) Employee benefits:

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

benefit obligation at the end of the reporting period. The defined benefits obligation is calculated annually by actuaries using the projected unit credit method.

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

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

Compensated absences

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

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(xiii) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are Capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

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

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

(xiv) Cash and Cash Equivalents:

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

(xv) Provisions and Contingent Liabilities:

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

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

(xvi) Earnings Per Share:

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(xvii) Dividend

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

1(a) USE OF ESTIMATES AND JUDGEMENTS

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

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

i. Evaluation of percentage completion

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

ii. Recognition and measurement of defined benefit obligations

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

iii. Fair value measurement of financial instruments

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

iv. Deferred taxes

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. PROPERTY, PLANT AND EQUIPMENT

(In ₹)

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

(In ₹)

	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 st April, 2017	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2018	Upto 31 st March, 2017	Provided during the year	On Deductions/ Adjustments	Upto 31 st March, 2018	As at 31 st March, 2018	As at 31 st March, 2017
Freehold Land	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	32,57,166	-	-	32,57,166	70,770	70,771	-	1,41,541	31,15,625	31,86,396
Computers	4,04,492	1,64,842	4,718	5,64,616	99,646	1,20,667	-	2,20,313	3,44,303	3,04,846
Electrical Installations	14,586	25,85,149	-	25,99,735	-	60,556	-	60,556	25,39,179	14,586
Furniture and Fixtures	5,24,011	-	5,314	5,18,697	1,55,006	95,618	-	2,50,624	2,68,073	3,69,005
Vehicles	45,67,075	23,70,984	2,63,788	66,74,271	8,52,018	10,07,838	-	18,59,856	48,14,415	37,15,057
Office Equipments	1,76,923	5,000	19,038	1,62,885	59,019	31,419	2,410	88,028	74,857	1,17,904
Total	1,39,44,571	51,25,975	2,92,858	1,87,77,688	12,36,459	13,86,869	2,410	26,20,918	1,61,56,770	1,27,08,112

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3 (a) NON-CURRENT INVESTMENTS

Sr. No.	Particulars	Associate/ Others	Face value- fully paid	No. of Shares		Value (₹)	
				31.03.2019	31.03.2018	31.03.2019	31.03.2018
	In Associates						
I	Investments in Equity Instruments						
	Quoted - (At cost)						
	(a) Simplex Mills Company Ltd.	Associate	10	14,70,000	14,70,000	1,46,10,800	1,46,10,800
	(b) Simplex Papers Ltd.	Associate	10	14,71,000	14,71,000	1,47,25,431	1,47,25,431
						2,93,36,231	2,93,36,231
	Less: Impairment in value of investments					(1,03,85,981)	(1,03,85,981)
II	Investments in Preference Shares - Unquoted - (At cost)						
	Non-Cumulative Redeemable Preference Shares of Simplex Mills Company Ltd.	Associate	10	90,00,000	-	9,00,00,000	-
	Other Investments						
III	Investments in Alternate Investment Funds - Unquoted - (At FVTPL)						
	India Realty Excellence Fund IV					35,00,000	-
	Walton Street Blacksoil Real Estate Fund					45,00,000	-
	Total Non-Current Investments					11,69,50,250	1,89,50,250

Details of total investments:		31.03.2019	31.03.2018
Financial assets measured at cost		10,89,50,250	1,89,50,250
Financial assets measured at fair value through Profit and Loss (FVTPL)		80,00,000	-

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

Sr. No.	Particulars	Associate/ Others	Face value- fully paid	No. of Shares		Value (₹)	
				31.03.2019	31.03.2018	31.03.2019	31.03.2018
I	Investments in Equity Instruments						
	Quoted - fully paid up						
(a)	Peninsula Land Ltd.	Others	2	10,750	10,750	89,440	2,18,225
(b)	Prime Urban Development (I) Ltd.	Others	2	2,500	2,500	22,650	40,250
(c)	HDFC Ltd.	Others	2	1,400	1,400	27,54,220	25,54,160
(d)	Piramal Enterprises Ltd.	Others	2	5,482	3,032	1,51,01,265	73,99,596
(e)	Piramal Phytocare Ltd.	Others	10	276	276	10,005	11,799
(f)	Hindustan Unilever Ltd.	Others	1	360	360	6,14,808	4,80,924
(g)	Delta Magnets Ltd.	Others	10	750	750	59,063	41,475
(h)	Morarjee Textiles Ltd.	Others	7	2,109	2,109	47,874	83,095
(i)	Integra Garments and Textiles Ltd.	Others	3	2,109	2,109	5,441	6,116
(j)	Reliance Industries Ltd.	Others	10	1,250	-	17,03,813	-
	Total quoted current investments					2,04,08,579	1,08,35,640
	Unquoted - fully paid up						
(k)	Universal Conveyor Beltings Ltd.	Others	10	27,500	27,500	-	-
	Total Current Investments					2,04,08,579	1,08,35,640

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Details of total investments:	31.03.2019	31.03.2018
Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)	2,04,08,579	1,08,35,640
Total Current Investments	2,04,08,579	1,08,35,640

	31.03.2019	31.03.2018
Aggregate market value of quoted investments		
Non-Current	1,83,76,860	1,90,10,050
Current	2,04,08,579	1,08,35,640
Aggregate carrying value of unquoted investments		
Non-Current	9,80,00,000	-
Aggregate amount of impairment in value of investments		
Non-Current	(1,03,85,981)	(1,03,85,981)

4. LOANS - NON-CURRENT	31.03.2019	31.03.2018
(Considered good-Unsecured)	₹	₹
Security deposits	4,65,796	4,40,056
	4,65,796	4,40,056

5. OTHER FINANCIAL ASSETS - NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Bank deposit with more than 12 months maturity	12,50,000	-
	12,50,000	-

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

6. DEFERRED TAX ASSET (NET)	31.03.2019	31.03.2018
	₹	₹
Deferred Tax Liability		
Long term capital gain on conversion of land into stock-in-trade	(7,25,091)	(6,71,139)
Other items	(2,40,414)	(1,65,104)
Deferred Tax Assets		
Property, plant and equipment	3,56,030	3,15,974
Expenses that are allowed on payment basis	22,00,586	19,88,557
Unused tax losses	4,45,01,097	4,23,42,077
Net deferred tax asset	4,60,92,208	4,38,10,365

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

a) Movement in deferred tax balances

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

(In ₹)

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

Movement in deferred tax during the year ended 31st March, 2018

(In ₹)

	Opening balance as at 01.04.2017	Recognised in profit or loss	Recognised in OCI	Closing balance as at 31.03.2018
Property, plant and equipment	6,56,027	(3,40,053)	-	3,15,974
Expenses that are allowed on payment basis	21,20,984	(1,32,427)	-	19,88,557
Unused tax losses	2,54,51,928	1,68,90,149	-	4,23,42,077
Long term capital gain on conversion of land into stock-in trade	(6,71,139)	-	-	(6,71,139)
Actuarial gain on defined benefit obligations	(32,964)	-	(1,23,228)	(1,56,192)
Interest income on unwinding of financial liability	(862)	(8,050)	-	(8,912)
Net deferred tax asset	2,75,23,974	1,64,09,619	(1,23,228)	4,38,10,365

b) Income tax recognised in profit and loss

Current tax

In respect of current year

31.03.2019
₹

31.03.2018
₹

97,88,900

-

In respect of earlier years

(43,22,691)

(2,90,718)

Deferred tax

Relating to origination and reversal of temporary differences

(23,53,917)

(1,64,09,619)

Total income tax recognised for the year

31,12,292

(1,67,00,337)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

c) Income tax recognised in other comprehensive income	31.03.2019	31.03.2018
	₹	₹
Deferred tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	(72,074)	(1,23,228)
Total income tax recognised in other comprehensive income	(72,074)	(1,23,228)

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

	31.03.2019	31.03.2018
	₹	₹
Profit / (Loss) before tax	3,77,68,613	(8,91,01,913)
Tax expense / (income) calculated at 27.82% (2017-18:25.75%)	1,05,02,746	(2,29,43,742)
Effect of expenses that are not deductible or deductible on payment basis	17,69,063	40,89,845
Effect of incomes which are exempt from tax	(35,521)	(26,511)
Effect of expenses that are deductible under Income tax act	(12,10,582)	(14,56,114)
Utilisation of brought forward unabsorbed depreciation adjusted during the year	(9,31,160)	-
Others	4,19,848	(2,91,414)
Adjustment due to changes in tax rates	(34,52,558)	46,99,186
Effect of previously unrecognised tax losses	3,73,147	(4,80,869)
	74,34,983	(1,64,09,619)
Adjustments recognised in the current year in relation to the current tax of earlier years	(43,22,691)	(2,90,718)
Income tax expense recognised in profit and loss	31,12,292	(1,67,00,337)

The tax rate used for the above reconciliations is the corporate tax rate of 27.82% for the year 2018-19 and 25.75% for the year 2017-18 payable by corporate entities based on the turnover criteria on taxable profits under Indian Income Tax Laws.

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

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

As at 31st March, 2019, the Company has recognized deferred tax asset of ₹ 4,45,01,097/- (as at 31st March, 2018 ₹ 4,23,42,077/-) on unsued tax losses. Such tax losses include major items which are not expected to recur in future. Based on realistic estimates of future earnings, there is reasonable certainty that the Company will generate sufficient taxable income to utilise such tax losses.

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

7. OTHER NON-CURRENT ASSETS	31.03.2019	31.03.2018
	₹	₹
Advance income tax (net of provisions)	1,66,28,826	1,93,10,339
(net of provision of ₹ 9,83,30,090/- as at 31st March, 2019, ₹ 45,28,85,036/- as at 31st March, 2018)	1,66,28,826	1,93,10,339

8. INVENTORIES	31.03.2019	31.03.2018
	₹	₹
Construction work-in-progress	14,27,05,077	5,88,51,842
Realty stock-in-trade	24,83,69,643	28,86,09,735
	39,10,74,720	34,74,61,577

9. TRADE RECEIVABLES	31.03.2019	31.03.2018
	₹	₹
Trade receivable considered good - Unsecured	-	1,85,77,647
	-	1,85,77,647

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10. CASH AND CASH EQUIVALENTS	31.03.2019	31.03.2018
	₹	₹
Balances with banks:		
In current accounts	21,49,375	23,73,847
Cash on hand	24,042	73,510
	21,73,417	24,47,357

11. OTHER BANK BALANCES	31.03.2019	31.03.2018
	₹	₹
Unclaimed dividend accounts	12,42,078	14,36,220
	12,42,078	14,36,220

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

12. LOANS-CURRENT	31.03.2019	31.03.2018
	₹	₹
Loans receivable considered good - Unsecured		
Loans to related parties	-	8,48,71,632
Inter corporate deposits	45,32,06,290	37,70,72,668
Loans to employees*	1,60,000	3,22,000
	45,33,66,290	46,22,66,300
* includes due from officers of the Company	55,000	55,000

13. OTHER CURRENT FINANCIAL ASSETS	31.03.2019	31.03.2018
	₹	₹
Interest receivable	3,29,62,880	2,97,81,126
Unbilled revenue	-	3,53,500
Others	11,95,485	20,88,456
	3,41,58,365	3,22,23,082

14. OTHER CURRENT ASSETS	31.03.2019	31.03.2018
	₹	₹
Income tax paid against disputed demand	6,87,03,074	8,27,17,054
Balances with government authorities	38,98,431	42,68,807
Prepaid expenses	3,59,449	3,62,029
Advances paid towards project approvals	-	8,94,22,527
Other advances	35,42,910	24,41,924
	7,65,03,864	17,92,12,341

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

15. EQUITY SHARE CAPITAL	31.03.2019	31.03.2018
	₹	₹
AUTHORISED		
1,00,00,000 (31st March, 2018 - 1,00,00,000) Equity Shares of ₹ 10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
29,91,382 (31st March, 2018- 29,91,382) Equity shares of ₹ 10/- each fully paid up (of which 360 (31st March, 2018 - 360) shares remain to be exchanged for fractional certificates)	2,99,13,820	2,99,13,820
Add : Forfeited shares account	<u>23,050</u>	<u>23,050</u>
Total issued, subscribed and fully paid up share capital	<u>2,99,36,870</u>	<u>2,99,36,870</u>

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

Particulars	31.03.2019		31.03.2018	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820

b. Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	7,43,040	24.84
Life Insurance Corporation of India	5,98,741	20.02	6,85,741	22.92
New Textiles LLP (formerly known as New Textiles Pvt. Ltd.)	5,99,123	20.03	5,73,941	19.19

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

16. OTHER EQUITY	31.03.2019	31.03.2018
	₹	₹
CAPITAL RESERVE		
Opening balance	60,71,263	60,71,263
Addition during the year	-	-
Closing balance	60,71,263	60,71,263
SECURITIES PREMIUM ACCOUNT		
Opening balance	1,43,23,904	1,43,23,904
Addition/(utilisation) during the year	-	-
Closing balance	1,43,23,904	1,43,23,904
GENERAL RESERVE		
Opening balance	70,09,00,000	70,09,00,000
Addition/(utilisation) during the year	-	-
Closing balance	70,09,00,000	70,09,00,000
FVTOCI-EQUITY INSTRUMENTS		
Opening balance	88,34,852	67,58,143
Add/(less): changes in fair value of FVTOCI equity instruments	25,44,689	20,76,709
Closing balance	1,13,79,541	88,34,852
RETAINED EARNINGS		
Opening balance	31,42,85,045	38,92,11,588
Profit/(Loss) for the year	3,46,56,321	(7,24,01,576)
<u>Items of other comprehensive income recognised directly in retained earnings:</u>		
Remeasurement of defined benefit obligation (net of tax)	1,86,999	3,55,328
Dividend paid	-	(23,93,106)
Dividend distribution tax on above	-	(4,87,189)
Closing balance	34,91,28,365	31,42,85,045
Total other equity	1,08,18,03,073	1,04,44,15,064

CAPITAL RESERVE

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

SECURITIES PREMIUM RESERVE

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

GENERAL RESERVE

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

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

FVTOCI-EQUITY INSTRUMENTS

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

17. BORROWINGS-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Unsecured loan from other		
Term loan	2,79,53,436	3,04,48,640
	2,79,53,436	3,04,48,640

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

18. OTHER FINANCIAL LIABILITIES-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Security deposit	14,36,678	17,35,539
	14,36,678	17,35,539

19. PROVISIONS-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
For employee benefits- Gratuity (refer note 32)	15,98,754	15,49,539
	15,98,754	15,49,539

20. OTHER LIABILITIES-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Deferred income	3,59,729	6,58,746
	3,59,729	6,58,746

21. OTHER FINANCIAL LIABILITIES-CURRENT	31.03.2019	31.03.2018
	₹	₹
Current maturities of long term debt	26,74,294	29,46,501
Unpaid dividends	12,42,078	14,36,220
Other liabilities	1,25,74,931	1,30,52,663
Retention money	39,72,427	73,42,221
	2,04,63,730	2,47,77,605

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

22. OTHER CURRENT LIABILITIES	31.03.2019	31.03.2018
	₹	₹
Statutory dues	6,04,087	6,88,104
Deferred income	1,59,928	2,11,105
Others	12,40,827	1,24,14,732
	20,04,842	1,33,13,941
23. PROVISIONS-CURRENT	31.03.2019	31.03.2018
	₹	₹
For employee benefits - (refer note 32)		
Gratuity	20,79,299	22,79,099
Leave benefits	26,11,268	23,52,178
	46,90,567	46,31,277
24. CURRENT TAX LIABILITIES- (NET)	31.03.2019	31.03.2018
	₹	₹
Provision for taxation (net)	26,40,048	-
	26,40,048	-
25. REVENUE FROM OPERATIONS	2018-19	2017-18
	₹	₹
Sale of products	3,74,08,350	15,72,86,419
Rental income	1,00,64,267	75,18,588
	4,74,72,617	16,48,05,007
26. OTHER INCOME	2018-19	2017-18
	₹	₹
Interest income on financial assets		
Bank deposits	45,555	-
Inter corporate deposits	5,02,11,929	5,22,12,253
Others	17,89,708	21,300
Dividends on FVTOCI investments	1,27,681	1,02,957
Building rent	45,32,250	59,63,857
Other non-operating income	10,385	15,838
Profit on sale/redemption of investments (designated at fair value through profit and loss)	40,281	19,443
Profit on sale of fixed assets	-	5,51,190
	5,67,57,789	5,88,86,838

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

27. COST OF SALES	2018-19	2017-18
	₹	₹
Opening stock		
Construction work in progress	5,88,51,842	46,15,23,030
Finished stock	28,86,09,735	4,43,76,118
Add: Expenses incurred during the year		
Materials, structural, labour and contract cost incurred	23,27,133	98,24,912
Rates and taxes	-	1,42,654
Professional charges	1,52,000	4,05,320
Other cost	69,27,014	79,91,403
Finance cost	-	28,20,270
Transferred from advances	7,61,55,362	-
	8,55,61,509	2,11,84,559
Less: Closing stock		
Construction work-in-progress	14,27,05,077	5,88,51,842
Finished stock	24,83,69,643	28,86,09,735
Cost of sales	4,19,48,366	17,96,22,130

28. EMPLOYEE BENEFITS EXPENSE	2018-19	2017-18
	₹	₹
Salaries and wages	2,62,10,773	2,34,99,496
Contribution to provident and other funds	8,07,865	8,16,985
Staff welfare expenses	9,60,261	10,28,882
	2,79,78,899	2,53,45,363

29. FINANCE COSTS	2018-19	2017-18
	₹	₹
Interest on		
Term loan	33,05,753	37,28,723
Income tax	21,53,687	-
Others	1,92,643	1,75,389
Total finance costs	56,52,083	39,04,112
Less: Transferred to construction work-in-progress	-	28,20,270
Net finance costs	56,52,083	10,83,842

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

30. OTHER EXPENSES	2018-19		2017-18
	₹		₹
Electricity	6,75,706		5,26,583
Repairs to			
Buildings	67,024		44,529
Machinery	1,38,415		1,30,048
Others	1,78,824		5,78,229
Insurance	85,266		87,266
Rent	61,336		58,043
Rates and taxes	9,39,900		9,44,737
Advertisements	94,832		2,42,357
Business promotion expenses	6,83,107		5,35,644
Travelling and conveyance expenses	25,29,970		23,52,122
Legal and professional fees	2,29,35,378		45,90,570
Retainership fees	12,67,892		2,47,530
Printing, stationery and communication expenses	9,35,730		9,06,224
Bank charges	83,551		7,386
Interest receivable written off	44,78,432		66,56,137
Vehicles expenses	8,13,021		5,31,474
Flat maintenance expenses	10,62,920		12,83,235
Commission and brokerage	1,82,000		16,72,056
Membership and subscription charges	5,03,350		4,96,380
Security charges	10,87,242		14,07,747
Sundry assets written off	1,030		26,660
Goods and Service tax paid	11,21,810		9,20,404
Service tax paid	-		67,213
Sundry expenses	12,01,070		9,52,682
Directors' sitting fees	3,60,000		3,80,000
Loss on sale of fixed asset	2,37,601		-
Society maintenance charges	24,12,259		23,80,875
Auditors' remuneration			
As Auditor			
Audit fee	2,90,000		2,90,000
Tax audit fee	25,000		25,000
For taxation matters	-		10,64,188
For reimbursement of expenses	2,761	3,17,761	6,772
Impairment in value of non-current Investment	-		1,03,85,981
	<u>4,44,55,427</u>		<u>3,97,98,072</u>

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

31. EXCEPTIONAL ITEM	2018-19	2017-18
	₹	₹
Premium for change of user	-	6,55,57,482
Interest on income tax refund (refer note 41)	5,52,99,872	-
	5,52,99,872	6,55,57,482

32. EMPLOYEE BENEFITS

I) Defined Contribution Plans

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

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

Contribution to:	2018-19	2017-18
	₹	₹
Provident fund	93,367	1,00,014
Superannuation fund	5,04,000	5,04,000
Pension fund	88,237	88,426
Employees State Insurance fund	1,22,261	1,24,545

Disclosures for defined benefit plans based on actuarial valuation report:

II) Defined Benefit Plans

GRATUITY	2018-19	2017-18
	₹	₹
A. Changes in defined benefit obligations		
Present value of defined benefit obligation as at the beginning of the year	38,28,638	25,83,746
Interest cost	2,74,767	1,88,872
Current service cost	2,60,297	3,13,655
Past service cost- vested benefits	-	12,20,921
Benefit paid	(4,26,576)	-
Actuarial (gain)/loss due to changes in financial assumption	(37,450)	(5,52,503)
Actuarial (gain)/loss due to changes in experience adjustments	(2,21,623)	73,947
Present value of defined benefit obligation as at the end of the year	36,78,053	38,28,638

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹	2017-18 ₹
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the end of the year	36,78,053	38,28,638
Fair value of plan assets at end of the year	-	-
Net liability recognized in the Balance Sheet	36,78,053	38,28,638
- Current provision	20,79,299	22,79,099
- Non-current provision	15,98,754	15,49,539
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	2,74,767	1,88,872
Current service cost	2,60,297	3,13,655
Past service cost- vested benefits	-	12,20,921
Expenses recognized in the Statement of Profit and Loss	5,35,064	17,23,448
D. Expenses recognized in the Other Comprehensive Income (OCI)		
Remeasurement (gain)/loss	(2,59,073)	(4,78,556)
Actuarial (gain) / loss due to changes in financial assumptions	(37,450)	(5,52,503)
Actuarial (gain) / loss due to changes in experience adjustments	(2,21,623)	73,947
E. Movement in the present value of net defined benefit obligation are as follows		
Opening net liability	38,28,638	25,83,746
Expenses recognised in Statement of Profit and Loss	5,35,064	17,23,448
Expenses recognised in OCI	(2,59,073)	(4,78,556)
Contributions paid	(4,26,576)	-
Closing net liability	36,78,053	38,28,638

	Estimated for the year ended 31st March, 2019	(In ₹) Estimated for the year ended 31st March, 2018
Maturity profile of defined benefit obligation		
1st following year	20,79,299	22,79,099
2nd following year	10,816	72,995
3rd following year	1,66,465	72,547
4th following year	9,773	1,08,124
5th following year	1,71,254	10,707
Sum of years 6 to 10	7,47,049	1,65,611

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Sensitivity analysis	2018-19	2017-18
	₹	₹
Impact of +1% change in discount rate	34,90,309	36,48,171
Impact of -1% change in discount rate	39,02,408	40,43,483
Impact of +1% change in salary escalation rate	38,16,235	39,72,854
Impact of -1% change in salary escalation rate	34,92,492	36,44,660

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

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

Actuarial assumptions	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.78%	7.60%
Salary escalation rate	6.00%	6.00%
Attrition rate	0.50%	0.50%

33. RELATED PARTY DISCLOSURE

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

- | | |
|---|---|
| (a) Associates | Simplex Papers Ltd.
Simplex Mills Company Ltd. |
| (b) Key management personnel and their relatives | Shri Nandan Damani - Managing Director
Shri Sanjay N Damani - Executive Director
Smt. Sandhya R Kini - Whole-time Director
Smt. Shivani V Jatia
Smt. Shashi A Patodia
Smt. Shreelekha N Damani |
| (c) Non Executive/Independent Directors | Shri V.B.Haribhakti
Shri S.K.Somany
Shri T C SuseelKumar (ceased w.e.f. 28.12.2018)
Shri Vijay S Jindal
Shri Sabhapati G Shukla |
| (d) Where persons mentioned in (b) exercise significant influence | The Nav Bharat Refrigeration and Industries Ltd.
Shreelekha Global Finance Ltd.
New Textiles LLP (formerly known as New Textiles Pvt Ltd.)
Lucky Vyapaar and Holdings Pvt. Ltd. |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(ii) Transactions with related parties

(In ₹)

Type of related party	Description of the nature of transactions	Volume of transactions during 2018-19	Volume of transactions during 2017-18	Balance as on 31.03.19 Receivable/ (Payable)	Balance as on 31.03.18 Receivable/ (Payable)
(a) Associates Simplex Papers Ltd.	Loan (repaid) / given Receivable Interest accrued Interest amount written off	(72,00,000) 3,79,924 3,79,924	72,00,000 6,01,842 6,01,842	-	72,00,000
Simplex Mills Co. Ltd.	Loan (repaid) Receivable Interest accrued Interest amount written off Investment in Redeemable Preference Shares Reimbursement of expenses	(7,76,71,632) 40,98,508 40,98,508 9,00,00,000 26,328	- 60,54,295 60,54,295	- - - 9,00,00,000	7,76,71,632 - -
(b) Key management personnel and their relatives	Remuneration# Sale of products* * To the extent of revenue recognised during the year Dividend paid Shri Nandan Damani Smt. Shreelekha N Damani Shri Sanjay N Damani Smt. Sandhya R Kini Smt. Shashi A Patodia	73,60,277 - - - - -	67,91,755 1,14,957 96,470 41,549 49,242 80 8,331	- - - - - -	- - - - -
(c) Non Executive/ Independent Directors	Sitting fees Shri V.B.Haribhakti Shri S.K.Somany Shri T C SuseelKumar Shri Vijay Jindal Shri Sabhapati G Shukla Dividend paid Shri V.B.Haribhakti Shri S.K.Somany Shri Sabhapati G Shukla	1,10,000 1,10,000 10,000 20,000 1,10,000 - - -	1,00,000 1,00,000 40,000 40,000 1,00,000 240 720 108	- - - - - - - -	- - - - - - - -
(d) Where persons mentioned in (b) exercise significant influence	a) Reimbursement of expenses received The Nav Bharat Refrigeration and Industries Ltd. Lucky Vyapaar and Holdings Pvt. Ltd. b) Dividend paid Lucky Vyapaar and Holdings Pvt. Ltd. New Textiles LLP (formerly known as New Textiles Pvt Ltd.) Nandan Damani HUF c) Security Security offered by Lucky Vyapaar and Holdings Pvt. Ltd. for loan availed	1,08,017 2,36,980 - - - 3,06,27,730	89,530 40,694 5,94,432 4,59,153 240	- - - - - -	- - - - - 3,33,95,141

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

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Terms and conditions of transactions with related parties

The sale to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend were on the same terms and conditions that applied to other shareholders.

Loans to associates

The Company has recognised interest on the loan amount given to Simplex Papers Ltd. and Simplex Mills Company Ltd. during the year. Considering the weak financial positions of those companies, the recoverability of interest is doubtful, hence the same has been written off in this year itself.

34. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

a) Accounting classification

The carrying value of financial instruments by categories are as follows:

(In ₹)

Particulars	As at 31.03.2019				As at 31.03.2018			
	At cost	At FVTOCI	At FVTPL	Amortised cost	At cost	At FVTOCI	At FVTPL	Amortised cost
Financial Assets								
Investments in associates	10,89,50,250	-	-	-	1,89,50,250	-	-	-
Investments in equity instruments	-	2,04,08,579	-	-	-	1,08,35,640	-	-
Investments in alternate investment funds	-	-	80,00,000	-	-	-	-	-
Loans	-	-	-	45,38,32,086	-	-	-	46,27,06,356
Trade receivables	-	-	-	-	-	-	-	1,85,77,647
Cash and cash equivalents	-	-	-	21,73,417	-	-	-	24,47,357
Other bank balances	-	-	-	12,42,078	-	-	-	14,36,220
Other financial assets	-	-	-	3,54,08,365	-	-	-	3,22,23,082
	10,89,50,250	2,04,08,579	80,00,000	49,26,55,946	1,89,50,250	1,08,35,640	-	51,73,90,662
Financial Liabilities								
Borrowings	-	-	-	3,06,27,730	-	-	-	3,33,95,141
Trade payables	-	-	-	22,14,333	-	-	-	16,60,723
Other financial liabilities	-	-	-	1,92,26,114	-	-	-	2,35,66,643
	-	-	-	5,20,68,177	-	-	-	5,86,22,507

b) Fair value hierarchy and method of valuation

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

(In ₹)

	As at 31.03.2019			As at 31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in equity instruments	2,04,08,579	-	-	1,08,35,640	-	-

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

c) Risk management framework

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

d) Financial risk management

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

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

i) Credit Risk

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

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

Trade receivables

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

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

Other financial assets

Credit risk from balances with banks, loans and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties. Impairment in the value of investments in associates is recognised, if required, as on the reporting date.

ii) Liquidity Risk

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

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

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Exposure to liquidity risk

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

(In ₹)

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

As at 31st March, 2018	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Borrowings	3,33,95,141	3,33,95,141	29,46,501	32,46,977	1,18,66,148	1,53,35,515
Trade Payables	16,60,723	16,60,723	16,60,723	-	-	-
Other Financial Liabilities	2,35,66,643	2,35,66,643	2,18,31,104	-	17,35,539	-
	5,86,22,507	5,86,22,507	2,64,38,328	32,46,977	1,36,01,687	1,53,35,515

iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

Currency risk

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

Interest rate risk

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

(In ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Floating rate borrowing	3,06,27,730	3,33,95,141
	3,06,27,730	3,33,95,141

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The sensitivity analysis below have been determined based on the exposure to interest rate for liabilities at the end of the reporting period. The analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. Given that the Company capitalises interest to the cost of inventory to the extent permissible, the amount indicated below may have an impact on reported profit / (loss) over the life cycle of project to which such interest is capitalised.

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

(In ₹)

Particulars	2018-19	2017-18
Interest rate - Increase by 100 basis points	(3,06,277)	(3,33,951)
Interest rate - Decrease by 100 basis points	3,06,277	3,33,951)

Commodity price risk

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

35. CAPITAL MANAGEMENT

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

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

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

(In ₹)

	As at 31st March, 2019	As at 31st March, 2018
Borrowings	3,06,27,730	3,33,95,141
Less: Cash and cash equivalents	(21,73,417)	(24,47,357)
Net Debt	2,84,54,313	3,09,47,784
Total equity	1,11,17,39,943	1,07,43,51,934
Debt/Equity ratio	0.03	0.03

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

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

Particulars	2018-19	2017-18
1. Profit / (Loss) – ₹	3,46,56,321	(7,24,01,576)
2. Weighted average number of shares outstanding during the year	29,91,382	29,91,382
3. Face value of shares – ₹	10/-	10/-
4. Basic / Diluted EPS - ₹	11.59	(24.20)

37. The Company has given loans to its associates. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015:

Balances as at the year end were:

(In ₹)

Associate Company	As at 31st March, 2019	As at 31st March, 2018
Simplex Mills Company Ltd.	-	7,76,71,632
Simplex Papers Ltd.	-	72,00,000

The maximum amounts outstanding during the year was:

(In ₹)

Associate Company	2018-19	2017-18
Simplex Mills Company Ltd.	7,76,71,632	7,76,71,632
Simplex Papers Ltd.	72,00,000	72,00,000

38. LEASES

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

(In ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Future minimum lease rental receivable under operating leases are as follows:		
Not later than 1 year	74,70,000	92,44,723
Later than 1 year not later than 5 years	1,73,88,000	3,07,86,750
Later than 5 years	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

39. CORPORATE SOCIAL RESPONSIBILITY

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

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

(In ₹)

Amount spent during the year:	2018-19			2017-18		
	Amount spent in cash	Amount yet to be paid in cash	Total	Amount spent in cash	Amount yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On the purpose other than (i) above	-	-	-	-	-	-

40. IMPAIRMENT IN VALUE OF INVESTMENTS

During the year, the Company has provided ₹ Nil (previous year ₹1,03,85,981/-) as impairment in the value of investment in one of the associates, considering overall financial status of the investee company.

41. EXCEPTIONAL ITEM

During the year, the Company has received income tax refund for earlier years along with interest thereon. The amount of interest of ₹ 5,52,99,872/- received on income tax refund has been shown as an exceptional item.

42. CONTINGENT LIABILITIES NOT PROVIDED FOR:

a) Claims against the Company not acknowledged as debt

(In ₹)

	As at 31st March, 2019	As at 31st March, 2018
Appeals filed in respect of disputed demands:		
Relating to income tax where the Company is in appeal	4,77,38,205	4,77,38,205
Relating to income tax where Department is in appeal	28,04,25,028	54,46,63,110
Labour matters	1,35,327	1,35,327
Legal cases	34,05,600	34,05,600
Bank guarantee	12,50,000	-

b) Others

The Company had received a demand notice of ₹ 17,15,65,324/- (as at 31st March, 2018 ₹ 17,15,65,324/-) from the State Revenue Department on account of permission required for transfer of flats built out of FSI relating to Leasehold land in project "Planet Godrej". The Company filed a writ petition against the demand in the Hon'ble High Court of Bombay ("the Court") and the Court has stayed the demand order until a formal policy applicable to all leasehold lands is framed by the State. Further, the Court has ordered that as and when the policy is framed by the State, thereafter, the State shall approach the Hon'ble High Court of Bombay for amending the present order.

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

43. Based on the intimations received from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), there are no amounts outstanding to MSME as at 31st March, 2019 and no amounts were overdue during the year for which disclosure requirements under MSMED are applicable.
44. The lease of the land at Mumbai has expired and it is yet to be renewed by the Collector of Mumbai (“the Collector”). Pending renewal of the lease, the previously agreed lease rent continues to be paid by the Company on the basis of the expired lease agreement. The demands previously raised by the Collector have been set aside by the Honb'le High Court of Bombay (“the Court”), and the Court has directed the Collector to re-assess the lease rent. As of the Balance Sheet date, no revised demand is received.
45. During the year, the Company has recognized ₹ 3,74,08,350/- as revenue from the project “Simplex Khushaangan”. The aggregate amount of cost incurred and the profit/(loss) recognized to date is ₹ 89,50,87,872/- and ₹ (18,04,35,222/-) respectively.
46. The Company's main business activity constitutes developing real estate, which is the only reporting segment. The Company does not have any reportable geographical segment.
47. The Financial Statements of the Company for the year ended 31st March, 2019 were approved by the Board of Directors on 8th May, 2019.
48. Previous year's figures have been reclassified, wherever necessary, to conform current year's presentation.

As per our report of even date attached

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

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

Surendra Kabra
Chief Financial Officer

Shekhar R Singh
Company Secretary

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

Part “B”: Associates and Joint Ventures

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

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associates/Joint Ventures held by the Company			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year	
			No	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Simplex Papers Limited	31.03.2019	14,71,000	1,47,25,431	49.01	Based on shareholding	N.A.	(5,42,02,286)	N.A.	(9,00,981)
2	Simplex Mills Company Limited	31.03.2019	14,70,000	Equity Value 1,46,10,800 Preference Shares Value 9,00,00,000	48.99	Based on shareholding	N.A.	(2,30,07,266)	(7,69,907)	(8,01,652)

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Mumbai, 8th May, 2019

SIMPLEX REALTY LIMITED

INDEPENDENT AUDITORS' REPORT

To
The Members of
Simplex Realty Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Simplex Realty Limited** ('the Company') and its associates (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2019;
- b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
- c) in the case of the Consolidated Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- d) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Basis for Opinion

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

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

Emphasis of Matter

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

Key Audit Matters

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

Sr. No.	Key Audit Matters	Auditor's Response
1	<p><i>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".</i></p>	<p><u>Principal Audit Procedures</u> <i>The assessment of procedures, of revenue recognition, adopted by management, involved:</i></p> <ul style="list-style-type: none"> <i>i) identifying the impact on adoption of the new standard;</i> <i>ii) selection of samples of continuing and new contracts with the customers;</i> <i>iii) evaluation of industry wide procedures adopted for the revenue recognition under this standard.</i>
2	<p><i>Review, effect and presentation of completed tax assessments</i></p>	<p><u>Principal Audit Procedures</u> <i>Verification of details of completed tax assessments and demands as at 31st March, 2019, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of account and consolidated financial statements.</i></p>

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

SIMPLEX REALTY LIMITED

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date

of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

In consolidated financial statements, out of the total comprehensive income of ₹ 1,43,80,743/-, Group's share in net loss of associates of ₹ 2,30,07,266/- is included for the year ended 31st March, 2019 for two associates, namely Simplex Mills Company Limited and Simplex Papers Limited, whose financial statements

have not been audited by us. The financial statements of Simplex Mills Company Limited and Simplex Papers Limited have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Controlling Company as on 31st March, 2019 taken on record

by the Board of Directors of the Controlling Company and the reports of the statutory auditors of its associates, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – (refer note no. 44 of the consolidated financial statement),
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

Sunil Khandelwal
Partner

Mumbai, 8th May, 2019

Membership No. 101388

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

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

We have audited the internal financial controls over financial reporting of **Simplex Realty Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sunil Khandelwal
Partner

Mumbai, 8th May, 2019

Membership No. 101388

SIMPLEX REALTY LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

	Note	As at 31.03.2019 ₹	As at 31.03.2018 ₹
A ASSETS			
I Non-Current Assets			
Property, Plant and Equipment	2	1,47,87,667	1,61,56,770
Financial Assets:			
Investments accounted for using the Equity Method	3 a	6,69,92,734	-
Investments- Others	3 b	80,00,000	-
Loans	4	4,65,796	4,40,056
Other Financial Assets	5	12,50,000	-
Deferred Tax Assets (Net)	6	4,60,92,208	4,38,10,365
Other Non-Current Assets	7	1,66,28,826	1,93,10,339
Total Non-Current Assets		15,42,17,231	7,97,17,530
II Current Assets			
Inventories	8	39,10,74,720	34,74,61,577
Financial Assets:			
Investments	3 c	2,04,08,579	1,08,35,640
Trade Receivables	9	-	1,85,77,647
Cash and Cash Equivalents	10	21,73,417	24,47,357
Bank Balances other than above	11	12,42,078	14,36,220
Loans	12	45,33,66,290	46,22,66,300
Other Financial Assets	13	3,41,58,365	3,22,23,082
Other Current Assets	14	7,65,03,864	17,92,12,341
Total Current Assets		97,89,27,313	1,05,44,60,164
TOTAL ASSETS		1,13,31,44,544	1,13,41,77,694
B EQUITY AND LIABILITIES			
I Equity			
Equity Share Capital	15	2,99,36,870	2,99,36,870
Other Equity	16	1,03,98,45,557	1,02,54,64,814
Total Equity		1,06,97,82,427	1,05,54,01,684
II Liabilities			
Non-Current Liabilities			
Financial Liabilities :			
Borrowings	17	2,79,53,436	3,04,48,640
Other Financial Liabilities	18	14,36,678	17,35,539
Provisions	19	15,98,754	15,49,539
Other Non-Current Liabilities	20	3,59,729	6,58,746
Total Non-Current Liabilities		3,13,48,597	3,43,92,464
III Current Liabilities			
Financial Liabilities :			
Trade Payables			
Total outstanding dues of Micro and Small Enterprises		-	-
Others		22,14,333	16,60,723
Other Financial Liabilities	21	2,04,63,730	2,47,77,605
Other Current Liabilities	22	20,04,842	1,33,13,941
Provisions	23	46,90,567	46,31,277
Current Tax Liabilities (Net)	24	26,40,048	-
Total Current Liabilities		3,20,13,520	4,43,83,546
Total Liabilities		6,33,62,117	7,87,76,010
TOTAL EQUITY AND LIABILITIES		1,13,31,44,544	1,13,41,77,694

Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

Shekhar R Singh
Company Secretary

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Note	2018-19 ₹	2017-18 ₹
Income			
I Revenue from Operations	25	4,74,72,617	16,48,05,007
II Other Income	26	5,67,57,789	5,88,86,838
III Total Income (I+II)		<u>10,42,30,406</u>	<u>22,36,91,845</u>
IV Expenses			
Cost of Sales	27	4,19,48,366	17,96,22,130
Employee Benefits Expense	28	2,79,78,899	2,53,45,363
Finance Costs	29	56,52,083	10,83,842
Depreciation	2	17,26,890	13,86,869
Other Expenses	30	4,44,55,427	2,94,12,091
Total Expenses (IV)		<u>12,17,61,665</u>	<u>23,68,50,295</u>
V Loss before share of profit / (loss) of associate and exceptional item and tax (III-IV)		(1,75,31,259)	(1,31,58,450)
VI Share of loss of associate accounted for using equity method (refer note 42)		(2,30,07,266)	-
VII Loss before exceptional item and tax (V-VI)		<u>(4,05,38,525)</u>	<u>(1,31,58,450)</u>
VIII Exceptional item	31	5,52,99,872	(6,55,57,482)
IX Profit/(Loss) before tax (VII-VIII)		<u>1,47,61,347</u>	<u>(7,87,15,932)</u>
X Tax expense:			
(1) Current tax		97,88,900	-
(2) Deferred tax		(23,53,917)	(1,64,09,619)
(3) Earlier year taxes		<u>(43,22,691)</u>	<u>(2,90,718)</u>
XI Profit/(Loss) for the year (IX-X)		<u>1,16,49,055</u>	<u>(6,20,15,595)</u>
XII Other Comprehensive Income / (Expense) - (OCI):			
Items that will not be reclassified to Statement of Profit and Loss			
1. Re-measurement gains / (losses) on defined benefit plans		2,59,073	4,78,556
2. Changes in fair values of equity instruments through OCI		25,44,689	20,76,709
3. Income tax effect on above		<u>(72,074)</u>	<u>(1,23,228)</u>
Total Other Comprehensive Income for the year, net of tax		<u>27,31,688</u>	<u>24,32,037</u>
Total Comprehensive Income / (Expense) for the year(XI+XII)		<u>1,43,80,743</u>	<u>(5,95,83,558)</u>
Earnings per Equity Share (Face Value of ₹10/- each)			
Basic and Diluted Earnings Per Share (in ₹)		3.89	(20.73)

Significant Accounting Policies

1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

Shekhar R Singh
Company Secretary

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

SIMPLEX REALTY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

1. EQUITY SHARE CAPITAL

	As at 31st March, 2019 ₹	As at 31st March, 2018 ₹
Balance at the beginning of the year	2,99,36,870	2,99,36,870
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	2,99,36,870	2,99,36,870

2. OTHER EQUITY

(In ₹)

	Reserves and Surplus				Other Reserves	Total Other Equity Attributable to the owners of Simplex Realty Limited	Non-controlling interest
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	FVTOCI - equity instruments		
Balance as at 1st April, 2017	13,61,05,795	1,43,23,904	58,24,58,692	34,82,82,133	67,58,143	1,08,79,28,667	-
Loss for the year	-	-	-	(6,20,15,595)	-	(6,20,15,595)	-
Other comprehensive income/(expense)	-	-	-	3,55,328	20,76,709	24,32,037	-
Total comprehensive income/(expense)	-	-	-	(6,16,60,267)	20,76,709	(5,95,83,558)	-
Dividend paid on equity shares*				(23,93,106)		(23,93,106)	-
Dividend distribution tax				(4,87,189)		(4,87,189)	-
Balance as at 31st March, 2018	13,61,05,795	1,43,23,904	58,24,58,692	28,37,41,571	88,34,852	1,02,54,64,814	-
Profit for the year				1,16,49,055		1,16,49,055	-
Other comprehensive income/(expense)				1,86,999	25,44,689	27,31,688	-
Total comprehensive income/(expense)				1,18,36,054	25,44,689	1,43,80,743	-
Balance as at 31st March, 2019	13,61,05,795	1,43,23,904	58,24,58,692	29,55,77,625	1,13,79,541	1,03,98,45,557	-

*A dividend of ₹ 0.80 per share (total dividend ₹ 23,93,106/- and dividend distribution tax of ₹ 4,87,189/- was paid to the equity shareholders for the year ended 31st March, 2017.

Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For **Khandelwal and Mehta LLP**
Chartered Accountants
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Surendra Kabra
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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19	2017-18
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/(LOSS) BEFORE TAX	3,77,68,613	(7,87,15,932)
Adjustments for :		
Depreciation on property, plant and equipment	17,26,890	13,86,869
Interest expenses	56,52,083	10,83,842
Profit on sale of investments (net)	(40,281)	(19,443)
Dividend income	(1,27,681)	(1,02,957)
Interest income	(5,20,47,192)	(5,22,33,553)
Loss / (Profit) on sale of fixed assets	2,37,601	(5,51,190)
Sundry balances written off / (back) - (net)	49,044	59,261
Sundry assets written off	1,030	26,660
Exceptional item	(5,52,99,872)	6,55,57,482
OPERATING LOSS BEFORE EXCEPTIONAL ITEM AND WORKING CAPITAL CHANGES	(6,20,79,765)	(6,35,08,961)
Adjustment for changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Inventories	(4,36,13,143)	15,84,37,571
Trade receivables	1,85,77,647	(1,36,44,100)
Other financial assets	(12,290)	28,50,437
Other current assets	8,86,94,497	4,33,151
Other bank balances	1,94,143	4,29,663
Adjustment for increase / (decrease) in operating liabilities:		
Other financial liabilities	(46,17,672)	(39,62,258)
Trade payables	5,53,610	(71,86,291)
Long-term provisions	3,08,288	4,54,482
Short-term provisions	59,290	7,18,500
Other liabilities	(1,16,08,116)	4,85,36,254
CASH (USED IN) / GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEM	(1,35,43,511)	7,50,78,087
Direct taxes refund received / (paid)	79,55,408	(95,40,509)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES BEFORE EXCEPTIONAL ITEM	(55,88,103)	6,55,37,578
Exceptional item	5,98,51,545	(6,55,57,482)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	(A) 5,42,63,442	(19,904)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(8,46,418)	(51,25,975)
Sale of fixed assets	2,50,000	8,14,978
Purchase of investments	(11,10,28,250)	(64,76,000)
Sale of investments	60,40,281	60,19,443
Dividend received	1,27,681	1,02,957
Interest received	4,79,65,268	4,50,57,944
Loans / Inter corporate deposits refund / (given) - net	89,47,656	(4,02,56,164)
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(B) (4,85,43,782)	1,37,183

SIMPLEX REALTY LIMITED

	2018-19	2017-18
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (repayment) of borrowings (net)	(24,95,204)	(29,46,501)
Interest paid	(34,98,396)	(10,83,842)
Dividend paid (including dividend distribution tax)	-	(28,80,295)
NET CASH USED IN FINANCING ACTIVITIES	(C) (59,93,600)	(69,10,638)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) (2,73,940)	(67,93,359)
CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR	24,47,357	92,40,716
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	21,73,417	24,47,357
Cash and cash equivalents comprise of :	As on	As on
	31.03.19	31.03.18
Balances with Banks :		
- in Current accounts	21,49,375	23,73,847
Cash on hand	24,042	73,510
Cash and cash equivalents (Note No. 10)	21,73,417	24,47,357

Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **Khandelwal and Mehta LLP**
Chartered Accountants
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Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

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Chief Financial Officer

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For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

CORPORATE INFORMATION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation:

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

(ii) Principles of consolidation:

- **Associates**

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

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

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

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

(iii) Current and non-current classification:

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

(iv) Fair value measurement:

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

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

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

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(v) Revenue Recognition:

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

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

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

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

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

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

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

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

Dividend income is accounted when right to receive is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(vi) Property, Plant and Equipment:

Recognition and measurement:

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

Subsequent expenditures:

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

Depreciation:

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

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

(vii) Impairment of Non-Financial Assets:

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

(viii) Leases:

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

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

compensate expected inflationary cost increase.

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

(ix) Financial Instruments

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

Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

i) Financial assets at amortised cost

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

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

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

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

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

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

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

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

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Consolidated Statement of Profit and Loss within other income in the period in which it arises.

iv) Equity instruments:

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

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

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

Impairment of financial assets

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

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

De-recognition

A financial asset is derecognized when:

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

Financial Liabilities

• Initial recognition and measurement

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

• Subsequent measurement

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

• Loans and borrowings

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

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

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- **Derecognition**

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

- **Offsetting financial instruments**

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

(x) Inventories:

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

(xi) Taxes:

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

i. Current Tax

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

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

ii. Deferred Tax

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(xii) Employee benefits:

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

Compensated absences

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

The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(xiii) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

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

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

(xiv) Cash and Cash Equivalents:

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

(xv) Provisions & Contingent Liabilities:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

(xvi) Earnings per share:

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

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

(xvii) Dividend:

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

1 (a) USE OF ESTIMATES AND JUDGEMENTS

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

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

i. Evaluation of percentage completion

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

ii. Recognition and measurement of defined benefit obligations

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

iii. Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

iv. Deferred taxes

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

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. PROPERTY, PLANT AND EQUIPMENT

(In ₹)

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

(In ₹)

	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 st April 2017	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2018	Upto 31 st March, 2017	Provided during the year	On Deductions/ Adjustments	Upto 31 st March, 2018	As at 31 st March, 2018	As at 31 st March, 2017
Freehold Land	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	32,57,166	-	-	32,57,166	70,770	70,771	-	1,41,541	31,15,625	31,86,396
Computers	4,04,492	1,64,842	4,718	5,64,616	99,646	1,20,667	-	2,20,313	3,44,303	3,04,846
Electrical Installations	14,586	25,85,149	-	25,99,735	-	60,556	-	60,556	25,39,179	14,586
Furniture and Fixtures	5,24,011	-	5,314	5,18,697	1,55,006	95,618	-	2,50,624	2,68,073	3,69,005
Vehicles	45,67,075	23,70,984	2,63,788	66,74,271	8,52,018	10,07,838	-	18,59,856	48,14,415	37,15,057
Office Equipments	1,76,923	5,000	19,038	1,62,885	59,019	31,419	2,410	88,028	74,857	1,17,904
Total	1,39,44,571	51,25,975	2,92,858	1,87,77,688	12,36,459	13,86,869	2,410	26,20,918	1,61,56,770	1,27,08,112

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

3 (a) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Sr. No.	Particulars	Associate/ Others	Face value- fully paid	No. of Shares		Value (₹)	
				31.03.2019	31.03.2018	31.03.2019	31.03.2018
	In Associates						
I	Investments in Equity Instruments						
	Quoted - (At cost)						
	(a) Simplex Mills Company Ltd.	Associate	10	14,70,000	14,70,000	-	-
	(b) Simplex Papers Ltd.	Associate	10	14,71,000	14,71,000	-	-
II	Investments in Preference Shares - Unquoted - (At cost)						
	Non-Cumulative Redeemable Preference Shares of Simplex Mills Company Ltd.	Associate	10	90,00,000	-	6,69,92,734	-
	Total Equity Accounted Investments					6,69,92,734	-

3 (b) INVESTMENTS - OTHERS

Non-Current Investments:

Particulars	Value (₹)	
	31.03.2019	31.03.2018
Other investments		
Investments in Alternate Investment Funds - Unquoted - (At FVTPL)		
India Realty Excellence Fund IV	35,00,000	-
Walton Street Blacksoil Real Estate Fund	45,00,000	-
Total Non-Current Investments	80,00,000	-

Details of total investments:	31.03.2019	31.03.2018
Financial assets measured at cost (accounted using Equity Method)	6,69,92,734	-
Financial assets measured at fair value through Profit and Loss (FVTPL)	80,00,000	-

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

Sr. No.	Particulars	Associate/ Others	Face value- fully paid	No. of Shares		Value (₹)	
				31.03.2019	31.03.2018	31.03.2019	31.03.2018
I	Investments in Equity Instruments						
	Quoted - fully paid up						
(a)	Peninsula Land Ltd.	Others	2	10,750	10,750	89,440	2,18,225
(b)	Prime Urban Development (I) Ltd.	Others	2	2,500	2,500	22,650	40,250
(c)	HDFC Ltd.	Others	2	1,400	1,400	27,54,220	25,54,160
(d)	Piramal Enterprises Ltd.	Others	2	5,482	3,032	1,51,01,265	73,99,596
(e)	Piramal Phytocare Ltd.	Others	10	276	276	10,005	11,799
(f)	Hindustan Unilever Ltd.	Others	1	360	360	6,14,808	4,80,924
(g)	Delta Magnets Ltd.	Others	10	750	750	59,063	41,475
(h)	Morarjee Textiles Ltd.	Others	7	2,109	2,109	47,874	83,095
(i)	Integra Garments and Textiles Ltd.	Others	3	2,109	2,109	5,441	6,116
(j)	Reliance Industries Ltd.	Others	10	1,250	-	17,03,813	-
	Total quoted current investments					2,04,08,579	1,08,35,640
	Unquoted - fully paid up						
(k)	Universal Conveyor Beltings Ltd.	Others	10	27,500	27,500	-	-
	Total Current Investments					2,04,08,579	1,08,35,640

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Details of total investments:	31.03.2019	31.03.2018
Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)	2,04,08,579	1,08,35,640
Total Current Investments	2,04,08,579	1,08,35,640

	31.03.2019	31.03.2018
Aggregate market value of quoted investments		
Non-Current	1,83,76,860	1,90,10,050
Current	2,04,08,579	1,08,35,640
Aggregate carrying value of unquoted investments		
Non-Current	80,00,000	-
Aggregate amount of impairment in value of investments	-	-

4. LOANS - NON-CURRENT	31.03.2019	31.03.2018
(Considered good-Unsecured)	₹	₹
Security deposits	4,65,796	4,40,056
	4,65,796	4,40,056

5. OTHER FINANCIAL ASSETS - NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Bank deposit with more than 12 months maturity	12,50,000	-
	12,50,000	-

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

6. DEFERRED TAX ASSET (NET)	31.03.2019	31.03.2018
	₹	₹
Deferred Tax Liability		
Long term capital gain on conversion of land into stock-in-trade	(7,25,091)	(6,71,139)
Other items	(2,40,414)	(1,65,104)
Deferred Tax Assets		
Property, plant and equipment	3,56,030	3,15,974
Expenses that are allowed on payment basis	22,00,586	19,88,557
Unused tax losses	4,45,01,097	4,23,42,077
Net deferred tax asset	4,60,92,208	4,38,10,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

a) Movement in deferred tax balances

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

(In ₹)

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

Movement in deferred tax during the year ended 31st March, 2018

(In ₹)

	Opening balance as at 01.04.2017	Recognised in profit or loss	Recognised in OCI	Closing balance as at 31.03.2018
Property, plant and equipment	6,56,027	(3,40,053)	-	3,15,974
Expenses that are allowed on payment basis	21,20,984	(1,32,427)	-	19,88,557
Unused tax losses	2,54,51,928	1,68,90,149	-	4,23,42,077
Long term capital gain on conversion of land into stock-in trade	(6,71,139)	-	-	(6,71,139)
Actuarial gain on defined benefit obligations	(32,964)	-	(1,23,228)	(1,56,192)
Interest income on unwinding of financial liability	(862)	(8,050)	-	(8,912)
Net deferred tax asset	2,75,23,974	1,64,09,619	(1,23,228)	4,38,10,365

b) Income tax recognised in profit and loss

Current tax

In respect of current year

31.03.2019
₹

31.03.2018
₹

97,88,900

-

In respect of earlier years

(43,22,691)

(2,90,718)

Deferred tax

Relating to origination and reversal of temporary differences

(23,53,917)

(1,64,09,619)

Total income tax recognised for the year

31,12,292

(1,67,00,337)

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

c) Income tax recognised in other comprehensive income	31.03.2019	31.03.2018
	₹	₹
Deferred tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	(72,074)	(1,23,228)
Total income tax recognised in other comprehensive income	(72,074)	(1,23,228)

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

	31.03.2019	31.03.2018
	₹	₹
Profit / (Loss) before tax	3,77,68,613	(7,87,15,932)
Tax expense / (income) calculated at 27.82% (2017-18:25.75%)	1,05,02,746	(2,02,69,352)
Effect of expenses that are not deductible or deductible on payment basis	17,69,063	14,15,455
Effect of incomes which are exempt from tax	(35,521)	(26,511)
Effect of expenses that are deductible under Income tax act	(12,10,582)	(14,56,114)
Utilisation of brought forward unabsorbed depreciation adjusted during the year	(9,31,160)	-
Others	4,19,848	(2,91,414)
Adjustment due to changes in tax rates	(34,52,558)	46,99,186
Effect of previously unrecognised tax losses	3,73,147	(4,80,869)
	74,34,983	(1,64,09,619)
Adjustments recognised in the current year in relation to the current tax of earlier years	(43,22,691)	(2,90,718)
Income tax expense recognised in profit and loss	31,12,292	(1,67,00,337)

The tax rate used for the above reconciliations is the corporate tax rate of 27.82% for the year 2018-19 and 25.75% for the year 2017-18 payable by corporate entities based on the turnover criteria on taxable profits under Indian Income Tax Laws as on the financial statements signing date.

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

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

As at 31st March, 2019, the Company has recognized deferred tax asset of ₹ 4,45,01,097/- (as at 31st March, 2018 ₹ 4,23,42,077/-) on unsued tax losses. Such tax losses include major items which are not expected to recur in future. Based on realistic estimates of future earnings there is reasonable certainty that the Company will generate sufficient taxable income to utilise such tax losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

7. OTHER NON-CURRENT ASSETS	31.03.2019	31.03.2018
	₹	₹
Advance income tax (net of provisions)	1,66,28,826	1,93,10,339
(net of provision of ₹ 9,83,30,090/- as at 31st March, 2019, ₹ 45,28,85,036/- as at 31st March, 2018)	1,66,28,826	1,93,10,339

8. INVENTORIES	31.03.2019	31.03.2018
	₹	₹
Construction work-in-progress	14,27,05,077	5,88,51,842
Realty stock-in-trade	24,83,69,643	28,86,09,735
	39,10,74,720	34,74,61,577

9. TRADE RECEIVABLES	31.03.2019	31.03.2018
	₹	₹
Trade receivable considered good - Unsecured	-	1,85,77,647
	-	1,85,77,647

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

10. CASH AND CASH EQUIVALENTS	31.03.2019	31.03.2018
	₹	₹
Balances with banks:		
In current accounts	21,49,375	23,73,847
Cash on hand	24,042	73,510
	21,73,417	24,47,357

11. OTHER BANK BALANCES	31.03.2019	31.03.2018
	₹	₹
Unclaimed dividend accounts	12,42,078	14,36,220
	12,42,078	14,36,220

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

12. LOANS-CURRENT	31.03.2019	31.03.2018
	₹	₹
Loans receivable considered good - Unsecured		
Loans to related parties	-	8,48,71,632
Inter corporate deposits	45,32,06,290	37,70,72,668
Loans to employees*	1,60,000	3,22,000
	45,33,66,290	46,22,66,300
* includes due from officers of the Company	55,000	55,000

13. OTHER CURRENT FINANCIAL ASSETS	31.03.2019	31.03.2018
	₹	₹
Interest receivable	3,29,62,880	2,97,81,126
Unbilled revenue	-	3,53,500
Others	11,95,485	20,88,456
	3,41,58,365	3,22,23,082

14. OTHER CURRENT ASSETS	31.03.2019	31.03.2018
	₹	₹
Income tax paid against disputed demand	6,87,03,074	8,27,17,054
Balances with government authorities	38,98,431	42,68,807
Prepaid expenses	3,59,449	3,62,029
Advances paid towards project approvals	-	8,94,22,527
Other advances	35,42,910	24,41,924
	7,65,03,864	17,92,12,341

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

15. EQUITY SHARE CAPITAL	31.03.2019	31.03.2018
	₹	₹
AUTHORISED		
1,00,00,000 (31st March, 2018 - 1,00,00,000) Equity Shares of ₹ 10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
29,91,382 (31st March, 2018- 29,91,382) Equity shares of ₹ 10/- each fully paid up (of which 360 (31st March, 2018 - 360) shares remain to be exchanged for fractional certificates)	2,99,13,820	2,99,13,820
Add : Forfeited shares account	23,050	23,050
Total issued, subscribed and fully paid up share capital	<u>2,99,36,870</u>	<u>2,99,36,870</u>

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

Particulars	31.03.2019		31.03.2018	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820

b. Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	7,43,040	24.84
Life Insurance Corporation of India	5,98,741	20.02	6,85,741	22.92
New Textiles LLP (formerly known as New Textiles Pvt. Ltd.)	5,99,123	20.03	5,73,941	19.19

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

16. OTHER EQUITY	31.03.2019	31.03.2018
	₹	₹
CAPITAL RESERVE		
Opening balance	60,71,263	60,71,263
Add: Capital reserve on investments in associates	13,00,34,432	13,00,34,432
Addition during the year	-	-
Closing balance	<u>13,61,05,795</u>	<u>13,61,05,795</u>
SECURITIES PREMIUM ACCOUNT		
Opening balance	1,43,23,904	1,43,23,904
Addition/(utilisation) during the year	-	-
Closing balance	<u>1,43,23,904</u>	<u>1,43,23,904</u>
GENERAL RESERVE		
Opening balance	70,09,00,000	70,09,00,000
Addition/(utilisation) during the year	-	-
Less: Share of loss in associates	11,84,41,308	11,84,41,308
Closing balance	<u>58,24,58,692</u>	<u>58,24,58,692</u>
FVTOCI-EQUITY INSTRUMENTS		
Opening balance	88,34,852	67,58,143
Add/(less): changes in fair value of FVTOCI equity instruments	25,44,689	20,76,709
Closing balance	<u>1,13,79,541</u>	<u>88,34,852</u>
RETAINED EARNINGS		
Opening balance	28,37,41,571	34,82,82,133
Profit/(Loss) for the year	1,16,49,055	(6,20,15,595)
<u>Items of other comprehensive income recognised directly in retained earnings:</u>		
Remeasurement of defined benefit obligation (net of tax)	1,86,999	3,55,328
Dividend paid	-	(23,93,106)
Dividend distribution tax on above	-	(4,87,189)
Closing balance	<u>29,55,77,625</u>	<u>28,37,41,571</u>
Total other equity	<u>1,03,98,45,557</u>	<u>1,02,54,64,814</u>

CAPITAL RESERVE

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

SECURITIES PREMIUM RESERVE

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

GENERAL RESERVE

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

FVTOCI-EQUITY INSTRUMENTS

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

17. BORROWINGS-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Unsecured loan from other		
Term loan	2,79,53,436	3,04,48,640
	2,79,53,436	3,04,48,640

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

18. OTHER FINANCIAL LIABILITIES-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Security deposit	14,36,678	17,35,539
	14,36,678	17,35,539

19. PROVISIONS-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
For employee benefits- Gratuity (refer note 32)	15,98,754	15,49,539
	15,98,754	15,49,539

20. OTHER LIABILITIES-NON-CURRENT	31.03.2019	31.03.2018
	₹	₹
Deferred income	3,59,729	6,58,746
	3,59,729	6,58,746

21. OTHER FINANCIAL LIABILITIES-CURRENT	31.03.2019	31.03.2018
	₹	₹
Current maturities of long term debt	26,74,294	29,46,501
Unpaid dividends	12,42,078	14,36,220
Other liabilities	1,25,74,931	1,30,52,663
Retention money	39,72,427	73,42,221
	2,04,63,730	2,47,77,605

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

22. OTHER CURRENT LIABILITIES	31.03.2019	31.03.2018
	₹	₹
Statutory dues	6,04,087	6,88,104
Deferred income	1,59,928	2,11,105
Others	12,40,827	1,24,14,732
	20,04,842	1,33,13,941
23. PROVISIONS-CURRENT	31.03.2019	31.03.2018
	₹	₹
For employee benefits - (refer note 32)		
Gratuity	20,79,299	22,79,099
Leave benefits	26,11,268	23,52,178
	46,90,567	46,31,277
24. CURRENT TAX LIABILITIES- (NET)	31.03.2019	31.03.2018
	₹	₹
Provision for taxation (net)	26,40,048	-
	26,40,048	-
25. REVENUE FROM OPERATIONS	2018-19	2017-18
	₹	₹
Sale of products	3,74,08,350	15,72,86,419
Rental income	1,00,64,267	75,18,588
	4,74,72,617	16,48,05,007
26. OTHER INCOME	2018-19	2017-18
	₹	₹
Interest income on financial assets		
Bank deposits	45,555	-
Inter corporate deposits	5,02,11,929	5,22,12,253
Others	17,89,708	21,300
Dividends on FVTOCI investments	1,27,681	1,02,957
Building rent	45,32,250	59,63,857
Other non-operating income	10,385	15,838
Profit on sale/redemption of investments (designated at fair value through profit and loss)	40,281	19,443
Profit on sale of fixed assets	-	5,51,190
	5,67,57,789	5,88,86,838

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

27. COST OF SALES	2018-19	2017-18
	₹	₹
Opening stock		
Construction work in progress	5,88,51,842	46,15,23,030
Finished stock	28,86,09,735	4,43,76,118
Add: Expenses incurred during the year		
Materials, structural, labour and contract cost incurred	23,27,133	98,24,912
Rates and taxes	-	1,42,654
Professional charges	1,52,000	4,05,320
Other cost	69,27,014	79,91,403
Finance cost	-	28,20,270
Transferred from advances	7,61,55,362	-
	8,55,61,509	2,11,84,559
Less: Closing stock		
Construction work-in-progress	14,27,05,077	5,88,51,842
Finished stock	24,83,69,643	28,86,09,735
Cost of sales	4,19,48,366	17,96,22,130

28. EMPLOYEE BENEFITS EXPENSE	2018-19	2017-18
	₹	₹
Salaries and wages	2,62,10,773	2,34,99,496
Contribution to provident and other funds	8,07,865	8,16,985
Staff welfare expenses	9,60,261	10,28,882
	2,79,78,899	2,53,45,363

29. FINANCE COSTS	2018-19	2017-18
	₹	₹
Interest on		
Term loan	33,05,753	37,28,723
Income tax	21,53,687	-
Others	1,92,643	1,75,389
Total finance costs	56,52,083	39,04,112
Less: Transferred to construction work-in-progress	-	28,20,270
Net finance costs	56,52,083	10,83,842

SIMPLEX REALTY LIMITED

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30. OTHER EXPENSES	2018-19		2017-18
	₹		₹
Electricity	6,75,706		5,26,583
Repairs to			
Buildings	67,024		44,529
Machinery	1,38,415		1,30,048
Others	1,78,824		5,78,229
Insurance	85,266		87,266
Rent	61,336		58,043
Rates and taxes	9,39,900		9,44,737
Advertisements	94,832		2,42,357
Business promotion expenses	6,83,107		5,35,644
Travelling and conveyance expenses	25,29,970		23,52,122
Legal and professional fees	2,29,35,378		45,90,570
Retainership fees	12,67,892		2,47,530
Printing, stationery and communication expenses	9,35,730		9,06,224
Bank charges	83,551		7,386
Interest receivable written off	44,78,432		66,56,137
Vehicles expenses	8,13,021		5,31,474
Flat maintenance expenses	10,62,920		12,83,235
Commission and brokerage	1,82,000		16,72,056
Membership and subscription charges	5,03,350		4,96,380
Security charges	10,87,242		14,07,747
Sundry assets written off	1,030		26,660
Goods and Service tax paid	11,21,810		9,20,404
Service tax paid	-		67,213
Sundry expenses	12,01,070		9,52,682
Directors' sitting fees	3,60,000		3,80,000
Loss on sale of fixed asset	2,37,601		-
Society maintenance charges	24,12,259		23,80,875
Auditors' remuneration			
As Auditor			
Audit fee	2,90,000	2,90,000	
Tax audit fee	25,000	25,000	
For taxation matters	-	10,64,188	
For reimbursement of expenses	2,761	3,17,761	6,772
	<u>4,44,55,427</u>		<u>2,94,12,091</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

31. EXCEPTIONAL ITEM	2018-19	2017-18
	₹	₹
Premium for change of user	-	6,55,57,482
Interest on income tax refund (refer note 43)	5,52,99,872	-
	5,52,99,872	6,55,57,482

32. EMPLOYEE BENEFITS

I) Defined Contribution Plans

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

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

Contribution to:	2018-19	2017-18
	₹	₹
Provident fund	93,367	1,00,014
Superannuation fund	5,04,000	5,04,000
Pension fund	88,237	88,426
Employees State Insurance fund	1,22,261	1,24,545

Disclosures for defined benefit plans based on actuarial valuation report:

II) Defined Benefit Plans

GRATUITY	2018-19	2017-18
	₹	₹
A. Changes in defined benefit obligations		
Present value of defined benefit obligation as at the beginning of the year	38,28,638	25,83,746
Interest cost	2,74,767	1,88,872
Current service cost	2,60,297	3,13,655
Past service cost- vested benefits	-	12,20,921
Benefit paid	(4,26,576)	-
Actuarial (gain)/loss due to changes in financial assumption	(37,450)	(5,52,503)
Actuarial (gain)/loss due to changes in experience adjustments	(2,21,623)	73,947
Present value of defined benefit obligation as at the end of the year	36,78,053	38,28,638

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹	2017-18 ₹
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the end of the year	36,78,053	38,28,638
Fair value of plan assets at end of the year	-	-
Net liability recognized in the Balance Sheet	36,78,053	38,28,638
- Current provision	20,79,299	22,79,099
- Non-current provision	15,98,754	15,49,539
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	2,74,767	1,88,872
Current service cost	2,60,297	3,13,655
Past service cost- vested benefits	-	12,20,921
Expenses recognized in the Statement of Profit and Loss	5,35,064	17,23,448
D. Expenses recognized in the Other Comprehensive Income (OCI)		
Remeasurement (gain)/loss	(2,59,073)	(4,78,556)
Actuarial (gain) / loss due to changes in financial assumptions	(37,450)	(5,52,503)
Actuarial (gain) / loss due to changes in experience adjustments	(2,21,623)	73,947
E. Movement in the present value of net defined benefit obligation are as follows		
Opening net liability	38,28,638	25,83,746
Expenses recognised in Statement of Profit and Loss	5,35,064	17,23,448
Expenses recognised in OCI	(2,59,073)	(4,78,556)
Contributions paid	(4,26,576)	-
Closing net liability	36,78,053	38,28,638

	Estimated for the year ended 31st March, 2019	(In ₹) Estimated for the year ended 31st March, 2018
Maturity profile of defined benefit obligation		
1st following year	20,79,299	22,79,099
2nd following year	10,816	72,995
3rd following year	1,66,465	72,547
4th following year	9,773	1,08,124
5th following year	1,71,254	10,707
Sum of years 6 to 10	7,47,049	1,65,611

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Sensitivity analysis	2018-19 ₹	2017-18 ₹
Impact of +1% change in discount rate	34,90,309	36,48,171
Impact of -1% change in discount rate	39,02,408	40,43,483
Impact of +1% change in salary escalation rate	38,16,235	39,72,854
Impact of -1% change in salary escalation rate	34,92,492	36,44,660

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

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

Actuarial assumptions	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.78%	7.60%
Salary escalation rate	6.00%	6.00%
Attrition rate	0.50%	0.50%

33. RELATED PARTY DISCLOSURE

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

- | | |
|---|--|
| (a) Associates | Simplex Papers Ltd.
Simplex Mills Company Ltd. |
| (b) Key management personnel and their relatives | Shri Nandan Damani - Managing Director
Shri Sanjay N Damani
Smt. Sandhya R Kini - Executive Director
Smt. Shivani V Jatia
Smt. Shashi A Patodia
Smt. Shreelekha N Damani |
| (c) Non Executive/Independent Directors | Shri V.B.Haribhakti
Shri S.K.Somany
Shri T C SuseelKumar (ceased w.e.f. 28.12.2018)
Shri Vijay S Jindal
Shri Sabhapati G Shukla |
| (d) Where persons mentioned in (b) exercise significant influence | The Nav Bharat Refrigeration and Industries Ltd.
Shreelekha Global Finance Ltd.
New Textiles LLP (formerly known as New Textiles Pvt Ltd.)
Lucky Vyapaar and Holdings Pvt. Ltd. |

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(ii) Transactions with related parties

(In ₹)

Type of related party	Description of the nature of transactions	Volume of transactions during 2018-19	Volume of transactions during 2017-18	Balance as on 31.03.19 Receivable/ (Payable)	Balance as on 31.03.18 Receivable/ (Payable)
(a) Associates Simplex Papers Ltd.	Loan (repaid) / given Receivable Interest accrued Interest amount written off	(72,00,000) 3,79,924 3,79,924	72,00,000 6,01,842 6,01,842	-	72,00,000
Simplex Mills Co. Ltd.	Loan given / (repaid)-net Receivable Interest accrued Interest amount written off Investment in Redeemable Preference Shares Reimbursement of expenses	(7,76,71,632) 40,98,508 40,98,508 9,00,00,000 26,328	- 60,54,295 60,54,295 -	- - - 9,00,00,000	7,76,71,632 -
(b) Key management personnel and their relatives	Remuneration# Sale of products* * To the extent of revenue recognised during the year Dividend paid Shri Nandan Damani - Managing Director Smt. Shreelekha N Damani Shri Sanjay N Damani Smt. Sandhya R Kini Smt. Shashi A Patodia	73,60,277 - - - - -	67,91,755 1,14,957 96,470 41,549 49,242 80 8,331	- - - - - -	- - - - - -
(c) Non Executive/ Independent Directors	Sitting fees Shri V.B.Haribhakti Shri S.K.Somany Shri T C SuseelKumar Shri Vijay Jindal Shri Sabhapati G Shukla Dividend paid Shri V.B.Haribhakti Shri S.K.Somany Shri Sabhapati G Shukla	1,10,000 1,10,000 10,000 20,000 1,10,000 - - -	1,00,000 1,00,000 40,000 40,000 1,00,000 240 720 108	- - - - - - - -	- - - - - - - -
(d) Where persons mentioned in (b) exercise significant influence	a) Reimbursement of expenses received The Nav Bharat Refrigeration And Industries Ltd. Lucky Vyapaar and Holdings Pvt. Ltd. b) Dividend paid Lucky Vyapaar and Holdings Pvt. Ltd. New Textiles LLP (formerly known as New Textiles Pvt Ltd.) Nandan Damani HUF c) Security Security offered by Lucky Vyapaar and Holdings Pvt. Ltd. for loan availed	1,08,017 2,36,980 - - - -	89,530 40,694 5,94,432 4,59,153 240 -	- - - - - 3,06,27,730	- - - - - 3,33,95,141

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Terms and conditions of transactions with related parties

The sale to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. Transactions relating to dividend were on the same terms and conditions that applied to other shareholders.

Loans to associates

The Company has recognised interest on the loan amount given to Simplex Papers Ltd. and Simplex Mills Company Ltd. during the year. Considering the weak financial positions of those companies, the recoverability of interest is doubtful, hence the same has been written off in this year itself.

34. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

a) Accounting classification

The carrying value of financial instruments by categories are as follows:

(In ₹)

Particulars	As at 31.03.2019				As at 31.03.2018			
	At cost	At FVTOCI	At FVTPL	Amortised cost	At cost	At FVTOCI	At FVTPL	Amortised cost
Financial Assets								
Investments*	-	-	-	-	-	-	-	-
Investments in equity instruments	-	2,04,08,579	-	-	-	1,08,35,640	-	-
Investments in alternate investment funds	-	-	80,00,000	-	-	-	-	-
Loans	-	-	-	45,38,32,086	-	-	-	46,27,06,356
Trade receivables	-	-	-	-	-	-	-	1,85,77,647
Cash and cash equivalents	-	-	-	21,73,417	-	-	-	24,47,357
Other bank balances	-	-	-	12,42,078	-	-	-	14,36,220
Other financial assets	-	-	-	3,54,08,365	-	-	-	3,22,23,082
	-	2,04,08,579	80,00,000	49,26,55,946	-	1,08,35,640	-	51,73,90,662
Financial Liabilities								
Borrowings	-	-	-	3,06,27,730	-	-	-	3,33,95,141
Trade payables	-	-	-	22,14,333	-	-	-	16,60,723
Other financial liabilities	-	-	-	1,92,26,114	-	-	-	2,35,66,643
	-	-	-	5,20,68,177	-	-	-	5,86,22,507

*Exclude investments in Associate ₹ 6,69,92,734/-(previous year ₹ Nil) measured at cost (accounted using Equity Method).

b) Fair value hierarchy and method of valuation

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

(In ₹)

	As at 31.03.2019			As at 31.03.2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in equity instruments	2,04,08,579	-	-	1,08,35,640	-	-

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

c) Risk management framework

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

d) Financial Risk Management

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

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

i) Credit Risk

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

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

Trade receivables

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

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

Other financial assets

Credit risk from balances with banks, loans and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties. No impairment on such investment has been recognised as on the reporting date.

ii) Liquidity Risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Exposure to liquidity risk

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

(In ₹)

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

As at 31st March, 2018	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Borrowings	3,33,95,141	3,33,95,141	29,46,501	32,46,977	1,18,66,148	1,53,35,515
Trade Payables	16,60,723	16,60,723	16,60,723	-	-	-
Other Financial Liabilities	2,35,66,643	2,35,66,643	2,18,31,104	-	17,35,539	-
	5,86,22,507	5,86,22,507	2,64,38,328	32,46,977	1,36,01,687	1,53,35,515

iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

Currency risk

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

Interest rate risk

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

(In ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Floating rate borrowing	3,06,27,730	3,33,95,141
	3,06,27,730	3,33,95,141

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The sensitivity analysis below have been determined based on the exposure to interest rate for liabilities at the end of the reporting period. The analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. Given that the Company capitalises interest to the cost of inventory to the extent permissible, the amount indicated below may have an impact on reported profit / (loss) over the life cycle of project to which such interest is capitalised.

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

(In ₹)

Particulars	2018-19	2017-18
Interest rate - Increase by 100 basis points	(3,06,277)	(3,33,951)
Interest rate - Decrease by 100 basis points	3,06,277	3,33,951

Commodity price risk

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

35. CAPITAL MANAGEMENT

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

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

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

(In ₹)

	As at 31st March, 2019	As at 31st March, 2018
Borrowings	3,06,27,730	3,33,95,141
Less: Cash and cash equivalents	(21,73,417)	(24,47,357)
Net Debt	2,84,54,313	3,09,47,784
Total equity	1,06,97,82,427	1,05,54,01,684
Debt/Equity ratio	0.03	0.03

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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

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

Particulars	2018-19	2017-18
1. Profit / (Loss) - ₹	1,16,49,055	(6,20,15,595)
2. Weighted average number of shares outstanding during the year	29,91,382	29,91,382
3. Face value of shares - ₹	10/-	10/-
4. Basic / Diluted EPS - ₹	3.89	(20.73)

37. INFORMATION ON SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Information on Associates

Name of Company	Country of Incorporation	Percentage of holding	
		As at 31st March, 2019	As at 31st March, 2018
Simplex Mills Company Ltd.	India	48.99	48.99
Simplex Papers Ltd.	India	49.01	49.01

38. LEASES

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

(In ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Future minimum lease rental receivable under operating leases are as follows:		
Not later than 1 year	74,70,000	92,44,723
Later than 1 year not later than 5 years	1,73,88,000	3,07,86,750
Later than 5 years	-	-

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

39. CORPORATE SOCIAL RESPONSIBILITY

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

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

(In ₹)

Amount spent during the year:	2018-19			2017-18		
	Amount spent in cash	Amount yet to be paid in cash	Total	Amount spent in cash	Amount yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On the purpose other than (i) above	-	-	-	-	-	-

40. INTEREST IN ASSOCIATES

The Company has 48.99% and 49.01% shareholding in Simplex Mills Company Ltd. (SMCL) and Simplex Papers Ltd. (SPL) respectively. The Company has the ability to appoint directors on the Board of SMCL and SPL, giving it the power to participate in the financial and operating policy decisions. The Company has significant influence by virtue of its shareholding in SMCL and SPL making them as associates. The Company's interest is accounted for using the equity method in the consolidated financial statements. As per the equity method if an entity's share of losses of an associates equals or exceeds its interest in the associate, the entity discontinues recognizing its shares of further losses. The Company's share of losses in Simplex Papers Ltd. had already exceeded its interest in the associates, hence no further losses are being recognized.

Name of the Company	Investment in	Principal place of business	Carrying amount (₹)		
			As at 31st March, 2019	As at 31st March, 2018	% of ownership interest
Simplex Mills Company Ltd.	Equity Shares	India	-	-	48.99%
Simplex Mills Company Ltd.	Redeemable Preference Shares	India	6,69,92,734	-	-
Simplex Papers Ltd.	Equity Shares	India	-	-	49.01%

Significant financial information for associates

Summarised Balance Sheet of Simplex Mills Company Limited

(In ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current assets	1,87,93,987	1,12,30,943
Non-current assets	4,43,41,999	4,50,93,966
Current liabilities	2,54,91,966	10,17,16,538
Non-current liabilities	8,46,07,208	-
Equity	(4,69,63,188)	(4,53,91,629)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Summarised Statement of Profit and Loss of Simplex Mills Company Limited

(In ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Revenue	39,16,369	17,25,475
Loss for the year	(15,71,559)	(43,33,672)
Other comprehensive income	-	-
Total comprehensive income/(expense)	(15,71,559)	(43,33,672)

Summarised Balance Sheet of Simplex Papers Limited

(In ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current assets	1,71,50,659	2,08,60,348
Non-current assets	9,59,837	9,87,369
Current liabilities	12,87,04,836	13,15,41,076
Non-current liabilities	-	-
Equity	(11,05,94,340)	(10,96,93,359)

Summarised Statement of Profit and Loss of Simplex Papers Limited

(In ₹)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Revenue	4,83,740	5,24,304
Loss for the year	(9,00,981)	(12,12,686)
Other comprehensive income	-	-
Total comprehensive income/(expense)	(9,00,981)	(12,12,686)

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

41. DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

Name of the entity	Net Assets (total assets minus total liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated	₹	As % of consolidated	₹	As % of consolidated	₹	As % of consolidated	₹
Simplex Realty Limited								
Balance as at 31st March, 2019	104%	1,11,17,39,943	298%	3,46,56,321	100%	27,31,688	260%	3,73,88,009
Balance as at 31st March, 2018	102%	1,07,43,51,934	117%	(7,24,01,576)	100%	24,32,037	117%	(6,99,69,539)
Associates*								
Simplex Mills Company Limited								
Balance as at 31st March, 2019	-	-	-198%	(2,30,07,266)	-	-	-160%	(2,30,07,266)
Balance as at 31st March, 2018	-	-	-	-	-	-	-	-
Simplex Papers Limited								
Balance as at 31st March, 2019	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	-	-	-	-	-	-	-	-
Adjustments arising out of consolidation								
31st March, 2019	4%	4,19,57,516	-	-	-	-	-	-
31st March, 2018	2%	1,89,50,250	17%	(1,03,85,981)	-	-	17%	(1,03,85,981)
Total for 31st March, 2019	100%	1,06,97,82,427	100%	1,16,49,055	100%	27,31,688	100%	1,43,80,743
Total for 31st March, 2018	100%	1,05,54,01,684	100%	(6,20,15,595)	100%	24,32,037	100%	(5,95,83,558)

* The net assets of these entities have not been consolidated under the equity method.

42. Investments in associates are accounted for using the equity method of accounting. Under the equity method, an investor needs to recognize its share of profit or loss in the investee to the extent of its interest in the associates. The interest in an associate is the carrying amount of the investment in the associate determined using equity method together with any long term interest. Losses recognized using the equity method in excess of the entity's investment in ordinary shares are applied to the other components of the entity's interest in an associate and accordingly the Company's share in losses for the period upto 31st March, 2018 amounting to ₹ 2,22,37,359/- and for the year ended 31st March, 2019 amounting to ₹ 7,69,907/- has been recognized in the current year against the value of investment in preference shares. As the carrying value of equity shares was zero hence further losses were not recognized and same has been recognized during the year against the carrying value of investments.

43. EXCEPTIONAL ITEM

During the year, the Company has received income tax refund for earlier years along with interest thereon. The amount of interest ₹ 5,52,99,872/- received on income tax refund has been shown as an exceptional item.

44. CONTINGENT LIABILITIES NOT PROVIDED FOR:

a) Claims against the Company not acknowledged as debt:

(In ₹)

	As at 31st March, 2019	As at 31st March, 2018
a) Appeals filed in respect of disputed demands:		
Relating to income tax where the Company is in appeal	4,77,38,205	4,77,38,205
Relating to income tax where Department is in appeal	28,04,25,028	54,46,63,110
b) Labour matters	1,35,327	1,35,327
c) Legal cases	34,05,600	34,05,600
d) Bank guarantee	12,50,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

b) Contingent liabilities of associates, to the extent of Company's holding in associates:

(In ₹)

	As at 31st March, 2019	As at 31st March, 2018
a) Appeals filed in respect of disputed demands:		
i) Central Excise	16,88,43,761	16,88,43,761
ii) Labour Matters	51,89,437	52,28,435
b) Other claims	35,35,926	35,35,926
c) SICOM/Joint Director of Industries	99,14,357	93,89,624

c) Others

The Company had received a demand notice of ₹ 17,15,65,324/- (as at 31st March, 2018 ₹ 17,15,65,324/-) from the State Revenue Department on account of permission required for transfer of flats built out of FSI relating to Leasehold land in project "Planet Godrej". The Company filed a writ petition against the demand in the Honb'le High Court of Bombay ("the Court") and the Court has stayed the demand order until a formal policy applicable to all leasehold lands is framed by the State. Further, the Court has ordered that as and when the policy is framed by the State, thereafter, the State shall approach the Honb'le High Court of Bombay for amending the present order.

45. Based on the intimations received from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), there are no amounts outstanding to MSME as at 31st March, 2019 and no amounts were overdue during the year for which disclosure requirements under MSMED are applicable.
46. The lease of the land at Mumbai has expired and it is yet to be renewed by the Collector of Mumbai ("the Collector"). Pending renewal of the lease, the previously agreed lease rent continues to be paid by the Company on the basis of the expired lease agreement. The demands previously raised by the Collector have been set aside by the Honb'le High Court of Bombay ("the Court"), and the Court has directed the Collector to re-assess the lease rent. As of the Balance Sheet date, no revised demand is received.
47. During the year, the Company has recognized ₹ 3,74,08,350/- as revenue from the project "Simplex Khushaangan". The aggregate amount of cost incurred and the profit/(loss) recognized to date is ₹ 89,50,87,872/- and ₹ (18,04,35,222/-) respectively.
48. The Company's main business activity constitutes developing real estate, which is the only reporting segment. The Company does not have any reportable geographical segment.
49. The Financial Statements of the Company for the year ended 31st March, 2019 were approved by the Board of Directors on 8th May, 2019.
50. Previous year's figures have been reclassified, wherever necessary, to conform current year's presentation.

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 8th May, 2019

Shekhar R Singh
Company Secretary

Surendra Kumar Somany
Independent Director

Mumbai, 8th May, 2019

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**Form No. SH-13
Nomination Form**

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014]

To
Simplex Realty Limited
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai - 400 011

I/We _____ the holder(s) of the securities, particulars of which are given hereunder, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made):

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

2. PARTICULARS OF NOMINEE/S –

- a. Name:
- b. Date of Birth:
- c. Father's / Mother's / Spouse's name:
- d. Occupation:
- e. Nationality:
- f. Address:
- g. E-mail Id. & Telephone No.:
- h. Relationship with the security holder(s):

3. IN CASE NOMINEE IS A MINOR –

- a. Date of birth:
- b. Date of attaining majority:
- c. Name of guardian:
- d. Address of guardian:

4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY –

- a. Name:
- b. Date of Birth:
- c. Father's / Mother's / Spouse's name:
- d. Occupation:
- e. Nationality:
- f. Address:
- g. E-mail Id. & Telephone No.:
- h. Relationship with the security holder(s)
- i. Relationship with the minor nominee:

Name(s) and Address of Security holder(s)

Signature(s)

Name(s) and Address of Witness

Signature

SIMPLEX REALTY LIMITED

Form No. SH-14 Cancellation or Variation of Nomination Form

[Pursuant to sub- section (3) of Section 72 of the Companies Act, 2013 and Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014]

To
Simplex Realty Limited
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai - 400 011

I/We hereby cancel the nomination(s) made by me/us in favour of _____ (name(s) and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of _____ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my / our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made):

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

2. (a) PARTICULARS OF NOMINEE/S –

- i. Name:
- ii. Date of Birth:
- iii. Father's / Mother's / Spouse's name:
- iv. Occupation:
- v. Nationality:
- vi. Address:
- vii. E-mail Id. & Telephone No.:
- viii. Relationship with the security holder(s):

(b) IN CASE NOMINEE IS A MINOR –

- i. Date of birth:
- ii. Date of attaining majority:
- iii. Name of guardian:
- iv. Address of guardian:

3. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY –

- i. Name:
- ii. Date of Birth:
- iii. Father's / Mother's / Spouse's name:
- iv. Occupation:
- v. Nationality:
- vi. Address:
- vii. E-mail Id. & Telephone No.:
- viii. Relationship with the security holder(s)
- ix. Relationship with the minor nominee:

Name(s) and Address of Security holder(s)

Signature(s)

Name(s) and Address of Witness

Signature



CIN: L17110MH1912PLC000351

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

ATTENDANCE SLIP

I hereby record my presence at the 106th ANNUAL GENERAL MEETING held at Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020 at 11.30.A.M. on Wednesday, the 7th day of August, 2019.

DP.ID.No. _____

Client I.D.No. _____

Folio No. _____

Full Name of Member _____

Signature _____

Full Name of Proxy (in Block Letters) _____

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.



CIN: L17110MH1912PLC000351

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) holdingshares of the Simplex Realty 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 106th Annual General Meeting of the Company, to be held on Wednesday, the 7th August, 2019 at 11.30 A.M. at at Babubhai Chinai Committee Room, 2nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020 and 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:

Resolutions	For	Against
Ordinary Business:		
1. Adoption of the Audited Financial Statements (including the Consolidated Financial Statements), the Reports of the Directors' and Auditors		
2. Re-appointment of Smt. Sandhya R Kini as a Director, who retires by rotation		
Special Business:		
3. Appointment of Smt. Renu Jain, nominee of LIC as a Director		
4. Re-appointment of Shri Vijay S Jindal as an Independent Director		
5. Revision in the terms of remuneration of Smt. Sandhya R Kini, Whole-time Director		

Signed this.....day of2019.

Signature of Member

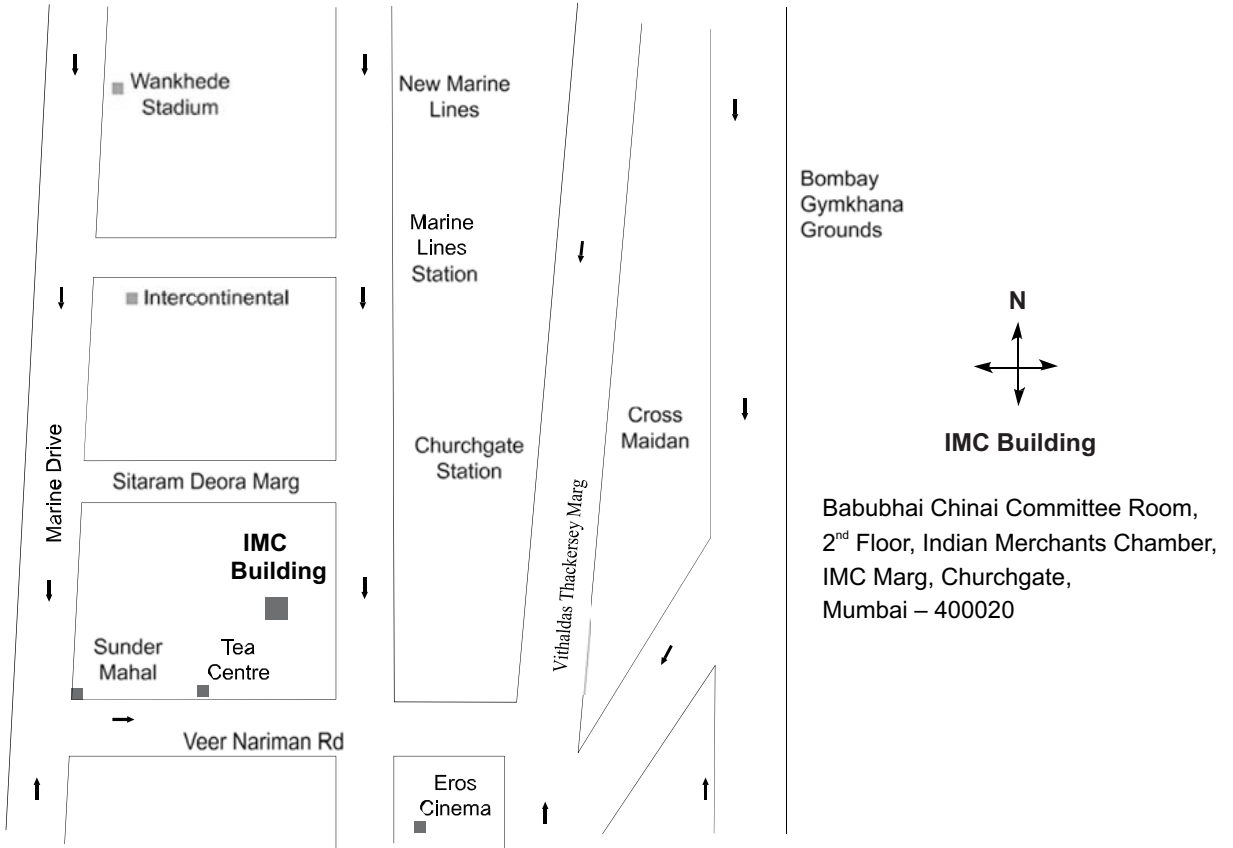
Signature of Proxy holder(s)

Affix
Revenue
Stamp
(Signature)

Note:

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 alongwith 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 106th AGM Hall



If undelivered, please return to:

Simplex Realty Limited

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