



**25TH  
ANNUAL REPORT  
2022-2023**

# SIMPLEX MILLS COMPANY LIMITED

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## Board of Directors

Shri Sabhapati G.Shukla

Smt. Sita Sunil

Shri Shekhar R Singh

Shri Manish Harshey

## Chief Financial Officer and Chief Executive Officer

Smt. Fatima Fernandes

## Company Secretary

Mrs. Harshika Kataria

## Statutory Auditors

Khandelwal and Mehta LLP

Chartered Accountants

Mumbai

## Secretarial Auditors

M/s.Taher Sapatwala & Associates

Company Secretaries

Mumbai

## Banker

State Bank of India, Mumbai

## Corporate Identification Number (CIN)

L65900MH1998PLC116585

## Registered Office

Village Shivni, Taluka and District,

Akola - 444104, Maharashtra

## Corporate Office

30, Keshavrao Khadye Marg,

Sant Gadge Maharaj Chowk,

Mumbai-400 011

Tel.: 022-23082951

## Registrar and Transfer Agent

Purva Sharegistry (India) Private Limited

9, Shiv Shakti, Industrial Estate,

J. R. Boricha Marg, Lower Parel (East),

Mumbai-400 011.

Tel No:- 022-49614132 / 022-31998810

Email:- support@purvashare.com

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25<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, the 1<sup>st</sup> August, 2023 at 11.00 a.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")

## NOTICE

NOTICE is hereby given that the **25<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **SIMPLEX MILLS COMPANY LIMITED** ("the Company") will be held on Tuesday, the 1<sup>st</sup> August, 2023 at 11:00 a.m. through Video Conferencing ("VC")/ Other Audio Video Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the Reports of the Directors' and Auditors' thereon.**
2. **To appoint a Director in place of Shri Shekhar R Singh (DIN: 03357281), who retires by rotation and, being eligible, offers himself for re-appointment.**

### SPECIAL BUSINESS:

3. **To make investments, give loans, guarantees and provide securities under Section 186 of the Companies Act, 2013**

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

**"RESOLVED THAT** in supersession of the earlier resolution passed by the Members in their meeting held on 9<sup>th</sup> August, 2016 and pursuant to provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board

of Directors of the Company to make loans or investments, in one or more tranches by subscription, purchase or otherwise in any kind of securities of any other body corporate, or give guarantee or provide security in connection with a loan made by any other person to a body corporate or person in excess of the limits prescribed under Section 186 of the Companies Act, 2013, but subject to a maximum limit of ₹ 50,000 thousand;

**RESOLVED FURTHER THAT** the Board of Directors and/ or Key Managerial Personnel of the Company be and is hereby authorised to negotiate and finalize the terms and conditions of the said investments, loans, guarantees and provision of security on behalf of the Company, as it may deem fit, in the interest of the Company, to take all such actions and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and to do all such acts, deeds and things as it may, at its discretion deem necessary or desirable for the purpose of giving effect to the above resolution."

By Order of the Board of Directors

**Harshika Kataria**  
Company Secretary

Mumbai, 10<sup>th</sup> May, 2023  
CIN L65900MH1998PLC116585

### Registered Office:

Village Shivni, Taluka and District,  
Akola – 444104, Maharashtra

### NOTES:

1. The Ministry of Corporate Affairs ("MCA") has, vide its General Circular No. 10/2022 dated 28<sup>th</sup> December, 2022 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and General Circular No. 20/2020 dated 05<sup>th</sup> May, 2020 (collectively referred to as the "MCA Circulars") and the Securities and Exchange Board of India ('SEBI') vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023, read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 (collectively referred to as the "SEBI Circulars") in relation to 'Additional relaxation in relation to compliance with certain

provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") permitted the holding of the Annual General Meeting ('AGM')/('the Meeting') through VC/OAVM, without the physical presence of the Members at a common venue upto 30<sup>th</sup> September, 2023. In compliance with the said provisions of the Companies Act, 2013 ("the Act"), the Listing Regulations, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM.

2. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, the requirement of physical attendance of Members has been dispensed with. Accordingly, in

# SIMPLEX MILLS COMPANY LIMITED

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terms of the MCA Circulars and the SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. Corporate Members (other than Individuals, HUF, NRI, etc.) intending to authorize their representatives are requested to send duly certified copy of the Board Resolution along with attested specimen signature of the duly authorized signatory (ies) who are authorized to participate in the AGM through VC/OAVM and to vote through remote e-voting to the Scrutinizer by e-mail to [saptaher@gmail.com](mailto:saptaher@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

3. The details required under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 in respect of the Director seeking re-appointment at the forthcoming AGM, forms integral part of the Notice.
4. The relevant statement pursuant to Section 102 of the Act, setting out the material facts relating to the Special Business as set out in the Notice, is annexed hereto and forms part of the notice of this AGM.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. **Book Closure:**

The Register of Members and Transfer Books of the Company will be closed from Wednesday, 26<sup>th</sup> July, 2023 to Tuesday, 1<sup>st</sup> August, 2023 (both days inclusive) for the purpose of the AGM.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection in the electronic form (scanned copy), without any fee, by the Members from the date of circulation of this Notice up to the date of AGM i.e. 1<sup>st</sup> August, 2023. Members seeking to inspect such documents can send an email to [mills@simplex-group.com](mailto:mills@simplex-group.com)
8. **Nomination Facility:**

As per the provisions of Section 72 of the Act, the facility for making nomination is available for

the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be. The said forms are available on the website of the Company at [www.simplex-group.com](http://www.simplex-group.com). Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting their folio no(s).

9. SEBI, vide its circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March, 2023 read with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November, 2021, has mandated furnishing of PAN, KYC details (i.e. Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by the holders of physical securities through Form ISR-1 which is appended at the end of this Report.

As per the circular dated 16<sup>th</sup> March, 2023, w.e.f. 1<sup>st</sup> October, 2023, any service requests or complaints received from the Members, will not be processed by RTA till the aforesaid details/documents are provided by the Shareholder. On or after 1<sup>st</sup> October, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Further Shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios. Such frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, after 31<sup>st</sup> December, 2025. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Relevant details and forms prescribed by SEBI to give effect to the aforesaid circular are available on the website of the Company at [www.simplex-group.com](http://www.simplex-group.com)

10. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January, 2022 has mandated for the Listed Companies to issue securities in demat form only while processing

service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at [www.simplex-group.com](http://www.simplex-group.com) and on the website of the Company's RTA at <https://www.purvashare.com/> It may be noted that any service request can be processed only after the folio is KYC compliant.

11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
12. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars. This limit will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Board Committees, Auditors etc., who are allowed to attend this AGM without restriction on account of first come first served basis.
13. In line with the MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report for the financial year 2022- 23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice of the AGM and the Annual Report are available on the Company's website viz. [www.simplex-group.com](http://www.simplex-group.com) and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
14. In case of joint holders, the Member whose name appears as the first holder in the order of names as

per the Register of Members of the Company will be entitled to vote at the AGM.

15. Members who are holding Shares in identical order of names in more than one Folio, are requested to apply to the RTA along with the relevant Share Certificates for consolidation of such Folios in one Folio.
16. Members desiring any information pertaining to the Financial Statements or any matter to be placed at the AGM, are requested to write at [mills@simplex-group.com](mailto:mills@simplex-group.com) on or before 25<sup>th</sup> July, 2023 through your registered email address so as to enable the Management to reply at the AGM.
17. As per Regulation 40 of Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialisation, eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are advised to convert their holdings to dematerialized form.
18. **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 National Securities Depositories Limited (NSDL).

The facility for voting, through electronic voting system shall also be made available during the AGM. The Members attending the meeting, through VC/OAVM facility and who have not already cast their vote through remote e-voting shall be eligible to vote through e-voting system in the AGM. 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:**

The remote e-voting period begins on Saturday, 29<sup>th</sup> July, 2023 at 09:00 a.m. and

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ends on Monday, 31<sup>st</sup> July, 2023 at 05:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 25<sup>th</sup> July, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, 25<sup>th</sup> July, 2023.

Any person, holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-voting, then he/she can use his / her existing User ID and password for casting the vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact Mrs. Prajakta Pawle on 022-48867000/022-24997000. In case of Individual

Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, 25<sup>th</sup> July, 2023, may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

## How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:


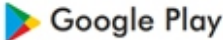

### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li data-bbox="364 1077 1266 1342">1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="364 1354 1266 1430">2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>   </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

**4. Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**5. Password details for shareholders other than Individual shareholders are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**
- a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [saptaher@gmail.com](mailto:saptaher@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.

# SIMPLEX MILLS COMPANY LIMITED

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3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nSDL.com](http://www.evoting.nSDL.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mrs. Prajakta Pawle, NSDL, at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [mills@simplex-group.com](mailto:mills@simplex-group.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [mills@simplex-group.com](mailto:mills@simplex-group.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholders/members may send a request to [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and

have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [mills@simplex-group.com](mailto:mills@simplex-group.com) on or before 25<sup>th</sup> July, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The

Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- II. The Board of Directors of the Company has appointed, Mr. Taher Sapatwala of M/s. Taher Sapatwala & Associates, Practicing Company Secretaries, as Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for same purpose.
- III. The Scrutinizer, after scrutinizing the votes cast during the meeting and through remote e-voting,

will, not later than 2 working days from the conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company i.e. [www.simplex-group.com](http://www.simplex-group.com) and on the website of NSDL <https://www.evoting.nsdl.com/> The results shall simultaneously be communicated to the Stock Exchange i.e. BSE Limited.

- IV. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 1<sup>st</sup> August, 2023.

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### **EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 3:**

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of 60% of the aggregate of the paid-up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, if special resolution is passed by the Members of the Company.

In order to optimize the use of available funds, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors for providing loans, making further investments, or give guarantee or provide security in connection with loans for an amount not exceeding ₹ 50,000 thousand.

There is no interest, financial or otherwise, of the Directors or Key Managerial Personnel of the Company or their relatives in the said resolution.

The Board of Directors accordingly recommends the special resolution as set out at Item No.3 of the accompanying notice for the approval of the Members.

By Order of the Board of Directors

**Harshika Kataria**  
Company Secretary

Mumbai, 10<sup>th</sup> May, 2023  
CIN L65900MH1998PLC116585

**Registered Office:**  
Village Shivni, Taluka and District,  
Akola - 444104, Maharashtra

# SIMPLEX MILLS COMPANY LIMITED

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## DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2:

### **Re-appointment of Shri Shekhar R Singh (DIN: 03357281) (Item no. 2)**

Shri Shekhar R Singh joined the Board of the Company on 19<sup>th</sup> January, 2013. He is a member of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee of the Company. He is also a Director on the Board of Simplex Papers Limited and the member of the Audit Committee and Nomination and Remuneration Committee of Simplex Papers Limited.

Shri Shekhar R Singh aged 38 years, is a commerce graduate, law graduate, post graduate diploma in Securities Law and an Associate Member of the Institute of Company Secretaries of India and having more than sixteen years of experience in the field of Corporate Laws and SEBI matters. He does not hold by himself or for other person on a beneficial basis, any shares in the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Shekhar R Singh as a Director.

He has attended all the four Board Meetings held during the year. Further, he is not related to any Director or Key Managerial Personnel of the Company.

Except Shri Shekhar R Singh, being an appointee, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the Resolution, except to the extent of their shareholding, if any, in the Company.

The Board accordingly, recommends the Resolution as mentioned at item No. 2 of the Notice for your approval.

By Order of the Board of Directors

**Harshika Kataria**  
Company Secretary

Mumbai, 10<sup>th</sup> May, 2023  
CIN L65900MH1998PLC116585

**Registered Office:**  
Village Shivni, Taluka and District,  
Akola – 444104, Maharashtra

## DIRECTORS' REPORT

To  
The Members,

Your Directors present the Annual Report, together with the Audited Accounts of Simplex Mills Company Limited for the financial year ended 31<sup>st</sup> March, 2023.

### FINANCIAL RESULTS

(₹ in '000)

Particulars	2022-2023	2021-2022
Profit/(Loss) before Depreciation, Finance Costs, Exceptional Items and Taxation	<b>1,632.76</b>	1,977.29
Less: Depreciation	<b>369.25</b>	552.92
Less: Finance Costs	<b>1,929.19</b>	1,772.14
Loss before Exceptional Items and Tax	<b>(665.68)</b>	(347.77)
Add/(Less): Exceptional Items (net)	-	7,352.60
Profit/(Loss) before Tax	<b>(665.68)</b>	7,004.83
Profit/(Loss) after Tax for the year	<b>(665.68)</b>	7,004.83

### OPERATIONS

Your Company has reported total income of ₹ 6,306.92 thousands as compared to total income of ₹ 6,195.45 thousands in the previous financial year. Net loss after tax is ₹ 665.68 thousands during the year ended 31<sup>st</sup> March, 2023 as compared to net profit of ₹ 7,004.83 thousands in the previous financial year.

### DIVIDEND

Your Directors do not recommend any dividend for the financial year under review.

### TRANSFER TO RESERVES

The Board of Directors of your Company have not transferred any amount to the reserves for the financial year under review.

### PUBLIC DEPOSITS

The Company has not accepted any deposit from the public / members under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review. Consequently, there is no requirement of furnishing details related to deposit covered under Chapter V of the Companies Act, 2013.

### LOANS, GUARANTEES AND INVESTMENTS

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Changes in Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the applicable rules thereto, including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Shekhar R Singh (DIN: 03357281), who is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and Secretarial Standards-2 on General Meetings, a brief profile of the Director proposed to be re-appointed has been furnished separately in the Notice convening this AGM.

#### B. Statement on Independent Directors' declaration

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") and that they are not disqualified to become directors under the Companies Act, 2013. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves

# SIMPLEX MILLS COMPANY LIMITED

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with the databank maintained by The Indian Institute of Corporate Affairs ('IICA').

The Board of Directors is of the opinion that all the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfill their duties as Independent Directors.

## C. Board Evaluation

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

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

## COMMITTEES OF THE BOARD

### • Audit Committee

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company. The details pertaining to Audit Committee and its composition are included in the Corporate Governance Report which forms part of this Annual Report.

### • Nomination and Remuneration Committee ("NRC")

Your Company has a duly constituted NRC, with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations. The detailed information with respect to the NRC is disclosed in the Corporate Governance Report forming part of this Annual Report.

### • Stakeholders' Relationship Committee ("SRC")

Your Company has a duly constituted SRC, with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations. The detailed information with respect to the SRC is disclosed in the Corporate Governance Report forming part of this Annual Report.

## NOMINATION AND REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of this Policy are given in the Corporate Governance Report which forms part of this Annual Report. The Nomination and Remuneration Policy is also available on the website of the Company on [https://simplex-group.com/simplex\\_update/Mills\\_Co\\_Ltd/COMPANY%20CODE%20%20POLICIE%20Nomination%20and%20Reumenration%20Policy-%20Amended%20as%20on%2007.04.2021.pdf](https://simplex-group.com/simplex_update/Mills_Co_Ltd/COMPANY%20CODE%20%20POLICIE%20Nomination%20and%20Reumenration%20Policy-%20Amended%20as%20on%2007.04.2021.pdf)

## STATUTORY AUDITORS AND AUDITORS' REPORT

Khandelwal and Mehta LLP, Chartered Accountants, (ICAI Firm Registration No. W100084), were appointed as Statutory Auditors of the Company, in the 24<sup>th</sup> Annual General Meeting of the Company held on 2<sup>nd</sup> August, 2022 for the first term of five consecutive years i.e. from 2022-23 to 2026-27.

There are no observations/ qualifications contained in the Auditors' Report and therefore there are no explanations to be provided for in this report.

## FRAUD REPORTING

During the year under review, there were no instances of material or serious fraud falling under Section 143 (12) of Companies Act, 2013 and Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

## COST AUDIT

As there was no production during the year 2022-23, no cost audit required to be carried out.

## SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s.Taher Sapatwala & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2022-23.

A Secretarial Audit was conducted during the year in accordance with provisions of Section 204 of the Act. The Secretarial Auditor's Report is annexed as **Annexure-I** and forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in their report.

### **INTERNAL AUDITORS**

M/s. V.K Goyal & Associates, Chartered Accountants, Mumbai are the Internal Auditors of the Company. The Internal Audit was completed as per the scope defined by the Audit Committee from time to time.

### **REGISTRAR AND TRANSFER AGENT**

During the year under review, the Company had initiated change of existing Share Transfer Agent (the STA) from "Freedom Registry Limited" to "Purva Shareregistry (India) Private Limited" having SEBI Registration number INR000001112 as Registrar and Transfer Agent (RTA). The applications submitted with National Securities Depository Limited and Central Depository Services (India) Limited have been duly approved and accordingly the effective date for change of RTA is 3<sup>rd</sup> May, 2023.

### **SECRETARIAL STANDARDS**

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

### **CORPORATE GOVERNANCE**

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

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and the loss of the Company for the said period;

- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. there is a proper system to ensure compliance with the provisions of all applicable laws and that such system is adequate and operating effectively.

### **RELATED PARTY TRANSACTIONS**

During the financial year under review, the Company has not entered into any contracts/arrangements/transactions with related parties which could be considered material in accordance with the Company's Policy on materiality of related party transactions. All contracts/arrangements/transactions entered into by the Company during the financial year under review with related parties were in the ordinary course of business and on an arm's length basis but not material in nature. Accordingly, the disclosure of related party transactions to be provided under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

The detailed disclosure as required by the Indian Accounting Standards (Ind AS) – 24 on Related Party Disclosures have been made in the notes to the Financial Statements.

The Company's Policy on Materiality of related party transactions and dealing with related party transactions is available on the Company's website at: [https://simplex-group.com/simplex\\_update/Mills\\_Co\\_Ltd/COMPANY%20CODE%20%20POLICIES/SMCL%20Revised%20Related%20Party%20Policy.pdf](https://simplex-group.com/simplex_update/Mills_Co_Ltd/COMPANY%20CODE%20%20POLICIES/SMCL%20Revised%20Related%20Party%20Policy.pdf)

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

The Company has an adequate and functional Whistle Blower Policy/Vigil Mechanism in place. The objective of the Vigil Mechanism is to provide the employees, directors, customers, vendors, contractors and other stakeholders of /in the Company an impartial and fair avenue to raise genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and seek redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open

# SIMPLEX MILLS COMPANY LIMITED

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communication channels. The details of the Policy are explained in the Corporate Governance Report and are also available on the Company's website on [https://simplex-group.com/simplex\\_update/Mills\\_Co\\_Ltd/COMPANY%20CODE%20%20POLICIES/Final%20Whistle%20Blower%20Policy.pdf](https://simplex-group.com/simplex_update/Mills_Co_Ltd/COMPANY%20CODE%20%20POLICIES/Final%20Whistle%20Blower%20Policy.pdf)

## ANNUAL RETURN

In terms of Section 92(3) of the Companies Act, 2013, copy of the Annual Return of the Company is placed on the website of the Company at [https://simplex-group.com/simplex\\_update/Mills\\_Co\\_Ltd/ANNUAL%20RETURN/SMCL%20Form\\_MGT\\_7\\_31.03.2023.pdf](https://simplex-group.com/simplex_update/Mills_Co_Ltd/ANNUAL%20RETURN/SMCL%20Form_MGT_7_31.03.2023.pdf)

## 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-II** and forms a part of this Report.

## STOCK EXCHANGE

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2023-24 has been paid.

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

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

## MATERIAL CHANGES AFFECTING THE COMPANY

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which these financial statements relate and the date of this Report.

## RISK ASSESSMENT AND MANAGEMENT

The Company in its Board Meeting identifies various risk involved in the working of the Company and suitable mitigation measures are thereafter adopted by the management after discussion with the Board.

## CORPORATE SOCIAL RESPONSIBILITY (CSR):

In line with the provisions of the Companies Act, 2013 and the rules framed there under with respect to the Corporate Social Responsibility (CSR), the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable because of criteria provided thereunder. Hence, the Company is not required to formulate a policy on CSR and was not required to constitute a CSR Committee.

## CHANGE IN THE NATURE OF BUSINESS:

During the year, there was no change in the nature of business.

## DETAILS OF HOLDING / SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company does not have any Holding/Subsidiary Company/Joint Venture/Associate Company during the year under review. Accordingly, the following disclosures of the same are not applicable:

- Form AOC-1 pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014) under Section 134 of the Companies Act, 2013, in Form AOC-1.
- Highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014) under Section 134 of the Companies Act, 2013.
- Receipt of commission from any holding company or subsidiary company by a Director of the Company.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

## SHARE CAPITAL

The paid-up equity share capital as on 31<sup>st</sup> March, 2023, stood at ₹ 30,004.75 thousands. During the year under review, the Company has not issued equity shares with differential voting rights, sweat equity shares, employees stock options and not made any provision for purchase of its own shares.



## **CONSOLIDATION OF EQUITY SHARES**

Pursuant to provisions of Section 61(1)(b) of the Companies Act, and as approved by the Shareholders in the 23<sup>rd</sup> AGM of the Company held on 6<sup>th</sup> July, 2021, the Company had submitted the application with the Hon'ble National Company Law Tribunal (NCLT) on 25<sup>th</sup> October, 2021 for consolidation of 100 (hundred) equity shares of face value of ₹ 10/- (Rupees Ten Only each), into 1 (one) equity shares of face value ₹ 1,000/- (Rupees One Thousand Only each).

NCLT vide its order dated 3<sup>rd</sup> March, 2023, has given its final approval on the aforesaid application for consolidation of shares.

## **RECLASSIFICATION OF PROMOTERS**

The Company pursuant to the shareholder's approval in the 23<sup>rd</sup> AGM held on 6<sup>th</sup> July, 2021 had filed an application with BSE Limited on 29<sup>th</sup> July, 2021 for reclassification of certain promoters from the 'Promoter and Promoter Group' category to the 'Public Category' of shareholders. The said application has been duly approved by BSE Limited on 5<sup>th</sup> May, 2023. Accordingly, the following Promoters shall stand reclassified into Public Category:

- i. Kamladevi Bagri
- ii. Shashi Patodia
- iii. Nalini Somany
- iv. Sandip Somany
- v. Sumita Somany

## **INTERNAL FINANCIAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this Annual Report.

## **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

Not applicable as the Company has not made or received any application under the IBC during the financial year.

## **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

The Company has not entered into any one-time settlement and thus, this clause is not applicable.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the Financial Year under review as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, forms part of this Annual Report.

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

As at 31<sup>st</sup> March 2023, there were only 2 employees on the payroll of the Company and thus, the Company was not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

## **ACKNOWLEDGMENT**

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

For and on behalf of the Board

**Shekhar R Singh**  
Director  
DIN: 03357281

**Sabhapati G. Shukla**  
Director  
DIN: 02799713

Mumbai, 10<sup>th</sup> May, 2023

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31<sup>st</sup> March, 2023  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**SIMPLEX MILLS COMPANY LIMITED**  
(CIN: L65900MH1998PLC116585)  
Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SIMPLEX MILLS COMPANY LIMITED** (hereinafter called as 'the Company') and having its registered office at Village Shivni, Taluka and District, Akola 444001 and corporate office at 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Jacob Circle, Mumbai 400011. The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 ("the Review Period") 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas

Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Review Period);

- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
  - 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, 2018 (**Not applicable to the Company during the Review Period**);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the Review Period**);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable to the Company during the Review 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 Review Period**);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Review Period**); and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) There are no laws that are specifically applicable to the Company based on its sector / industry.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

During the period under review and as per representations and clarifications provided by the management, the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above.

**I further report that:**

I further report that the Board of Directors of the Company is duly constituted with non-executive directors and independent directors including one-woman director. There were no changes in the composition of the Board of Directors during the period under review.

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.

I 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 and guidelines.

I further report that during the audit period, there was no other event/action having major bearing on affairs of the Company other than the following:

1. During the year under review, the Company had initiated change of existing Share Transfer Agent (the STA) from "Freedom Registry Limited" to "Purva Shareregistry (India) Private Limited"

having SEBI Registration number INR000001112 as Registrar and Share Transfer Agent (RTA). The applications submitted with National Securities Depository Limited and Central Depository Services (India) Limited have been duly approved and accordingly the effective date for change of RTA is 3<sup>rd</sup> May, 2023.

2. The Company had filed an application on 25<sup>th</sup> October, 2021 with the Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench for consolidation of 100 (Hundred) equity shares of face value of ₹ 10/- (Rupees Ten Only each), into 1 (one) equity shares of face value ₹ 1,000/- (Rupees One Thousand Only each). The said application has been allowed and approved by NCLT on 3<sup>rd</sup> March, 2023.
3. The Company pursuant to the shareholder's approval in the 23<sup>rd</sup> AGM held on 6<sup>th</sup> July, 2021 had filed an application with BSE Limited on 29<sup>th</sup> July, 2021 for reclassification of certain persons from the 'Promoter and Promoter Group' category to the 'Public Category' of shareholders. The said application has been duly approved by BSE Limited on 5<sup>th</sup> May, 2023.

This report is to be read with my letter of even date which is annexed as **Annexure – 'A'** and forms an integral part of this report.

**Taher Sapatwala & Associates**  
**Company Secretaries**  
FCS:8029|C.P.No.16149  
Peer Review Cert. No.:2703/2022  
UDIN:F008029E000272810

Mumbai, 10<sup>th</sup> May, 2023

# SIMPLEX MILLS COMPANY LIMITED

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## Annexure A

To  
The Members,  
**Simplex Mills Company Limited**  
(CIN: L65900MH1998PLC116585)  
Mumbai

My Secretarial Audit Report for Financial Year ended on 31<sup>st</sup> March, 2023 of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, I 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. My 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Taher Sapatwala & Associates**  
**Company Secretaries**  
FCS:8029|C.P.No.16149  
Peer Review Cert. No.:2703/2022  
UDIN:F008029E000272810

Mumbai, 10<sup>th</sup> May, 2023

**Annexure II**

**PARTICULAR OF EMPLOYEES**

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

Sr. No	Requirements	Details
i	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	No remuneration was paid to Directors except sitting fees
ii	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	No increase in remuneration of Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary.
iii	The percentage increase in the median remuneration of employees in the financial year	No increase in the median remuneration of employees.
iv	The number of permanent employees on the rolls of Company	2 employees as on 31.03.2023
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The percentage increase made in the salaries of employees other than managerial personnel and of remuneration of managerial in the last financial year i.e. 2022-2023 was Nil.
vi	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

For and on behalf of the Board

**Shekhar R Singh**  
Director  
DIN: 03357281

**Sabhapati G.Shukla**  
Director  
DIN: 02799713

Mumbai, 10<sup>th</sup> May, 2023

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Indian Economy

The economy of India is the world's fifth largest economy by nominal GDP. The Indian economy grew at a rate of 7.2 per cent in the FY 2022-2023. World Bank has revised its FY24 GDP forecast of India to 6.3 per cent as against its earlier projection of 6.6 per cent. "Growth is expected to be constrained by slower consumption growth and challenging external conditions. Rising borrowing costs and slower income growth will weigh on private consumption growth, and government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures," the bank said. The International Monetary Fund (IMF) expects India to grow by 5.9% in FY 2023–24 and by an average rate of 6.1% over the next five years.

#### Indian Textile Industry

The textile industry in India is one of the oldest and most important industries in the country. It is an important source of employment and income for millions of people. The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing. The apparel industry is progressing fast with more varieties of products and spreading in more countries across the world, enhancing its export revenue. India has increased its market share in apparel exports in the US, Europe and many other countries recently and the signing of free trade pact with the UAE and Australia will further accelerate it. India's readymade garment exports to see a CAGR of 12-13% and surpass \$ 30 Bn by 2027. The textile industry plays a significant role in Indian economy by providing huge employment opportunities to both skilled and unskilled workforce an estimated 45 million people are in direct jobs and another 100 million opportunities in allied sector. As per the Research Gate report, the domestic textiles and apparel industry contribute 2% to India's GDP, 7% of industry output in value terms, and 12% of the country's export earnings.

### OUTLOOK, OPPORTUNITIES AND THREATS

#### OUTLOOK AND OPPORTUNITIES

The Indian textile industry is poised for significant growth in the next few years, according to a recent report by the Confederation of Indian Textile Industry (CITI). Demand for textiles in India is expected to increase at a compound annual growth rate (CAGR) of 14.8% from 2021 to 2025. The report further states that the industry will reach a size of \$350 billion by 2025, making it one of the largest segments in the country. India's growing population and their living standards has been a key driver of textile consumption growth in the country. Rising income has also been a key determinant of domestic demand for the sector; and also with income rising in the rural economy as well, there is upward push on demand.

#### THREATS

Textile industry is concerned about the various threats which includes factors such as rising competition in the market both on the domestic & export front, duty free access to competing countries in US & European markets, uncertain business environment including geopolitical tensions, fluctuating rupee, cost of raw material and its availability, slowdown in demand & change in fashion trends, increase in interest rates, etc. Besides this, industry is also exposed to change in government policies, duties & taxes, availability of power from the grid, availability of labour etc. The Indian textile industry has its own limitations such as accesses to latest technology and failures to meet global standards in the highly competitive export market. There is fierce competition from China, Bangladesh and Sri Lanka in the low price garment market. In the global market tariff and non-tariff barriers coupled with quota is posing major challenge to the Indian textile Industry.

#### RISKS AND CONCERNS

In today's challenging and competitive environment, risks are inherent in all businesses. The Company's risk management strategy encompasses the proper and in-depth identification, assessment and prioritization of risks, followed by speedy mobilization of resources to minimize, monitor and control the probability of unfortunate events.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal control system to ensure maintenance of proper accounting records, their accuracy and that all the assets are safeguarded from loss or damages.

## PERFORMANCE

The Company has reported total income of ₹ 6,306.92/- thousands as compared to ₹ 6,195.45/- thousands in the previous year. The Company has reported a net loss of ₹665.68 thousands as compare to ₹7,004.83 thousands in the previous year.

## KEY FINANCIAL RATIOS

The Key Financial Ratios for the financial year 31<sup>st</sup> March, 2023 are as under:

Particulars	2022-23	2021-22
Debtors Turnover	5.79	4.92
Inventory Turnover	1.38	0.43
Interest Coverage Ratio	0.65	0.80
Current Ratio	1.11	1.19
Debt Equity Ratio	-2.43	-2.53
EBIDTA Margin %	25.89	31.92
Net Profit/(Loss) Margin %	-10.55	113.06
Return on Networth (%)	-2.03	19.52

Profit in previous year was higher compare to current year due to exceptional income in the previous year, hence return on net worth, profit margin, interest coverage and EBITDA margin was lower in the current year. Current ratio is lower due to capital advances received in current year which is shown as current liabilities. Debtors turnover is higher because average debtors are lower for the current year and Inventory turnover is higher due to lower level of inventory in current year.

## CAUTIONARY STATEMENT

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

# SIMPLEX MILLS COMPANY LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance envisages attainment of the highest level of integrity, fairness, transparency, equity, and accountability in all the facets of its functioning and in its interactions with shareholders, employees, statutory authorities and the community at large. Your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings.

As per Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") the provisions of Corporate Governance as prescribed by the SEBI in Chapter IV read with Clause C of Schedule V of the Listing Regulations is not applicable to the Company. However, as a good governance practice, the Company has voluntarily prepared a Report on Corporate Governance.

### 2. BOARD OF DIRECTORS

#### a) Composition

The Company believes that an active, knowledgeable, and experienced Board of Directors is vital to achieve the apex standard of Corporate Governance. The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31<sup>st</sup> March, 2023, the Board comprises of two Non-Executive Directors and two Independent Directors.

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

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

During the year ended 31<sup>st</sup> March, 2023, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

14<sup>th</sup> May, 2022, 29<sup>th</sup> July, 2022, 10<sup>th</sup> November, 2022 and 20<sup>th</sup> January, 2023.

Attendance of Directors at Board Meetings during 2022-23 and Directorship(s) and Committee Chairmanship(s)/Membership(s) of other companies as on 31<sup>st</sup> March, 2023:

Name	Category	No. of Board Meetings held - 4	No. of Directorships and Committee Chairmanship / Membership			Attendance at AGM held on 2 <sup>nd</sup> August, 2022
		Attended	Other Directorship*	Committee Chairmanship(s)**	Committee Membership(s)**	
Shri Manish Harshey	Independent Non-Executive	4	1	-	2	Yes
Shri Sabhapati G. Shukla	Independent Non-Executive	4	2	-	2	Yes
Smt. Sita Sunil	Non-Executive	3	1	2	-	Yes
Shri Shekhar R Singh	Non-Executive	4	1	-	1	Yes

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

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

*\*\*Chairmanship(s)/Membership(s) of only the Audit Committee and Stakeholders' Relationship Committee of other Indian Public Limited Companies have been considered (Listed and Unlisted)..*



**c) Details of Directorship in other Listed Companies:**

Name	Name of Listed Company	Category
Shri Manish Harshey	Simplex Papers Limited	Independent Non-Executive
Shri Sabhapati G. Shukla	Simplex Realty Limited	Independent Non-Executive
Smt. Sita Sunil	Simplex Papers Limited	Independent Non-Executive
Shri Shekhar R Singh	Simplex Papers Limited	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:

<b>Industry</b>	<ul style="list-style-type: none"> <li>Experience in and knowledge of the industry in which the Company operates</li> <li>Experience in and knowledge of broader industry environment and business planning</li> </ul>
<b>Professional</b>	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Management, Human Resources, Marketing etc.
<b>Governance</b>	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
<b>Behavioural</b>	Knowledge and skills to function well as team Members, effective decision making process, integrity effective communication, innovative thinking

**e) Key Board Qualifications**

Director	Area of Expertise			
	Industry	Professional	Governance	Behavioural
Shri Sabhapati G. Shukla	✓	✓	✓	-
Smt. Sita Sunil	-	✓	-	✓
Shri Shekhar R Singh	-	✓	✓	✓
Shri Manish Harshey	-	✓	-	✓

**f) Other Disclosures**

- Shri Sabhapati G. Shukla, Non-Executive Independent Director, holds 71 equity shares in the Company. Shri Shekhar R Singh, Smt. Sita Sunil and Shri Manish Harshey did not hold any shares during the year.
- The Board confirms that the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.
- None of the Independent Directors have resigned during the year.

**3. AUDIT COMMITTEE**

During the year ended 31<sup>st</sup> March, 2023, 4 (four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

14<sup>th</sup> May, 2022, 29<sup>th</sup> July, 2022, 10<sup>th</sup> November, 2022 and 20<sup>th</sup> January, 2023.

The composition of the Audit Committee and the number of meetings attended by each Member during the year ended 31<sup>st</sup> March, 2023 is as follows:

Name of the Member	Designation	No. of Meetings held - 4
		Attended
Shri Sabhapati G. Shukla	Chairman	4
Shri Manish Harshey	Member	4
Shri Shekhar R Singh	Member	4

The Audit Committee comprises of three Members out of which two are Independent Directors and one is a Non-Executive Director having good knowledge of Finance, Accounts and Company Law. The Company Secretary, Harshika Kataria acts as the Secretary of the Audit Committee.

# SIMPLEX MILLS COMPANY LIMITED

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

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment/re-appointment/replacement, if required, of Statutory Auditors, fixation of audit fees and approval of payments for any other services;
- Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of sub-section 3© of Section 134 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in the Financial Statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Un-modified opinion(s) in draft audit report.
- Reviewing with management, quarterly Financial Statements before submission to the Board for approval;
- Review and monitor the Auditor's independence and performance and effectiveness of Audit process;

- Reviewing performance of Statutory Auditors;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors;
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm length pricing basis and to review and approve such transactions subject to the approval of the Board;
- To review the functioning of the Whistle Blower mechanism; and
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

During the year ended 31<sup>st</sup> March, 2023, 1 (one) Nomination and Remuneration Committee meeting was held on 14<sup>th</sup> May, 2022.

The composition of the Nomination and Remuneration Committee and the number of meeting attended by each Member during the year ended 31<sup>st</sup> March, 2023 is as follows:

Name of the Member	Designation	No. of Meetings held - 1
		Attended
Shri Sabhapati G.Shukla	Chairman	1
Shri Manish Harshey	Member	1
Shri Shekhar R Singh	Member	1

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; and
- To oversee the matters pertaining to HR Policies.

#### REMUNERATION TO DIRECTORS

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them.

The Nomination and Remuneration Policy, which was approved by the Board is available on the Company's website and the web-link for the same is [https://simplex-group.com/simplex\\_update/Mills\\_Co\\_Ltd/COMPANY%20CODE%20%20POLICIES/Nomination%20and%20Reumenration%20Policy-%20Amented%20as%20on%2007.04.2021.pdf](https://simplex-group.com/simplex_update/Mills_Co_Ltd/COMPANY%20CODE%20%20POLICIES/Nomination%20and%20Reumenration%20Policy-%20Amented%20as%20on%2007.04.2021.pdf)

#### Details of remuneration paid to Directors during the year ended 31<sup>st</sup> March, 2023:

(₹ in '000)

Name	Salary, Perquisites & Allowances	Sitting fees
Shri Sabhapati G. Shukla	Nil	22.00
Smt. Sita Sunil	Nil	7.50
Shri Shekhar R Singh	Nil	22.00
Shri Manish Harshey	Nil	22.00

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year ended 31<sup>st</sup> March, 2023, 1 (one) Stakeholders Relationship Committee Meeting was held on 29<sup>th</sup> July, 2022.

The composition of Stakeholders Relationship Committee and the number of meetings attended by each Member during the year ended 31<sup>st</sup> March, 2023 is as follows:

Name of Member	Designation	No. of Meetings held - 1
		Attended
Shri Sabhapati G. Shukla	Chairman	1
Shri Manish Harshey	Member	1
Shri Shekhar R Singh	Member	1

The Company Secretary, Harshika Kataria acts as the Secretary of the Stakeholders Relationship Committee.

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;

# SIMPLEX MILLS COMPANY LIMITED

- To appoint/change and fix the fees and other charges payable to the Share Transfer Agent (STA) for handling the work relating to securities and to delegate powers to the STA as may be deemed fit and to monitor all activities of the STA;
- To consider and resolve the matters/grievances of Shareholders/Investors in regard to the following:
  - Transfer/Transmission of shares
  - non-receipt of dividends
  - non-receipt of shares in demat account
  - non-receipt of annual report
  - any other matter of Shareholders/Investors grievance
- To delegate any of the aforesaid matters to Director(s)/official(s) and/or to the officials of the STA, as the Committee may deem fit.

## Investor Relations

The total numbers of complaints received, resolved and pending during the year ended 31<sup>st</sup> March, 2023 were Nil.

## 6. INDEPENDENT DIRECTORS' MEETING

During the year under review, Independent Directors met on 20<sup>th</sup> January, 2023, 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 Non-Executive Directors; and
- Evaluation of the quality, quantity content and timeliness of flow of information between the Management and the Board.

## 7. GENERAL BODY MEETINGS

### Annual General Meeting (AGM)

**Location, Time and Date of the AGMs held during the last three years and special resolutions passed:**

Financial Year	Date of AGM	Time	Location of the Meeting	Special Resolutions Passed
2019-20	18.08.2020	12:00 noon	AGM was held through Video Conferencing VC/OAVM. Deemed Venue: Registered office of the Company situated at 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mahalaxmi – East , Mumbai - 400011	To shift the registered office of the Company outside the local limits of the existing city, but within the same state and the same ROC jurisdiction
2020-21	06.07.2021	11:00 A.M.	AGM was held through VC/OAVM. Deemed Venue: Registered office of the Company situated at Village Shivni, Taluka and District, Akola - 444104, Maharashtra.	<ol style="list-style-type: none"> <li>To re-appoint Shri Manish Harshey (DIN: 07733097) as an Independent Non-Executive Director of the Company for a second term of 5 years w.e.f. 20<sup>th</sup> February, 2022.</li> <li>To consolidate face value of equity shares of the Company from ₹10/- per share to ₹ 1,000/- per share and Alteration of Memorandum of Association of the Company.</li> <li>To alter the Articles of Association of the Company.</li> </ol>
2021-22	02.08.2022	11:00 A.M.	AGM was held through VC/OAVM. Deemed Venue: Registered office of the Company situated at Village Shivni, Taluka and District, Akola - 444104, Maharashtra.	NIL

### Postal Ballot during the last year:

During the year under review no resolution was passed through postal ballot. Neither special resolution is proposed to be passed through postal ballot in financial year 2023-24.

## 8. DIRECTORS

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

## 9. DISCLOSURES

### a) Related party transactions

All transactions entered into with Related Parties as defined under the Act and the Listing Regulations during the financial year on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The 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 [https://simplex-group.com/simplex-update/Mills\\_Co\\_Ltd/COMPANY%20CODE%20%20POLICIES/SMCL%20Revised%20Related%20Party%20Policy.pdf](https://simplex-group.com/simplex-update/Mills_Co_Ltd/COMPANY%20CODE%20%20POLICIES/SMCL%20Revised%20Related%20Party%20Policy.pdf)

The detailed disclosure as required by the Indian Accounting Standards (Ind AS) – 24 on Related Party Disclosures have been made in the notes to the Financial Statements.

### b) Compliance by the Company

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

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

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

### d) Code of Conduct

The Company has laid down a code of conduct for the Directors and Senior Management Personnel of the Company. The

code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Chief Executive Officer of the Company, forms part of this Annual Report.

### e) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed Ind AS specified under Section 133 of the Companies Act 2013.

### f) Disclosure of Risk Management

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

### g) CEO/CFO Certification

As per requirement of Regulation 33 of the Listing Regulations, the certificate from Smt. Fatima Fernandes, CEO and CFO of the Company on financial statements for the year ended 31st March, 2023 was placed before the Board.

### h) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2023 have been prepared as per applicable Indian Accounting Standards (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

### i) Recommendation of the Committee

During the financial year 2022-23, all the recommendations of the Committees of the Board, which were mandatorily required, have been accepted by the Board of Directors.

## 10. MEANS OF COMMUNICATION

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

# SIMPLEX MILLS COMPANY LIMITED

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- b. The Company has its own website i.e. [www.simplex-group.com](http://www.simplex-group.com) and has been uploading the financial results and quarterly shareholding pattern of the Company along with other relevant information useful for the investors on the website.
- c. At present, the Company does not make presentation to Institutional Investors and Analysts.
- d. The Management Discussion and Analysis is given separately in this Annual Report.

## 11. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The said code, inter-alia prohibits purchase/sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company and the web-link for the same is [https://simplex-group.com/simplex\\_update/Mills\\_Co\\_Ltd/COMPANY%20CODE%20%20POLICIES/Prohibition%20of%20insider%20trading%20regulation%202015-r1.pdf](https://simplex-group.com/simplex_update/Mills_Co_Ltd/COMPANY%20CODE%20%20POLICIES/Prohibition%20of%20insider%20trading%20regulation%202015-r1.pdf)

## 12. GENERAL INFORMATION FOR SHAREHOLDERS

i.	<b>Date, Time and Venue of ensuing AGM</b>	Date: Tuesday, 1 <sup>st</sup> August, 2023 Time: 11:00 a.m. through VC/OAVM
ii.	<b>Financial Calendar (2023-24)</b>	<ul style="list-style-type: none"><li>• First Quarterly Results - Upto 14<sup>th</sup> August, 2023</li><li>• Second Quarterly Results - Upto 14<sup>th</sup> November, 2023</li><li>• Third Quarterly Results - Upto 14<sup>th</sup> February, 2024</li><li>• Annual Results - Upto 30<sup>th</sup> May, 2024</li></ul>
iii.	<b>Date of Book Closure</b>	From Wednesday, 26 <sup>th</sup> July, 2023 to Tuesday, 1 <sup>st</sup> August, 2023 (both days inclusive)
iv.	<b>Dividend payment date</b>	N.A.
v.	<b>Listing on Stock Exchange</b>	BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai- 400 001
vi.	<b>Security Code ISIN</b>	533018 INE457H01019

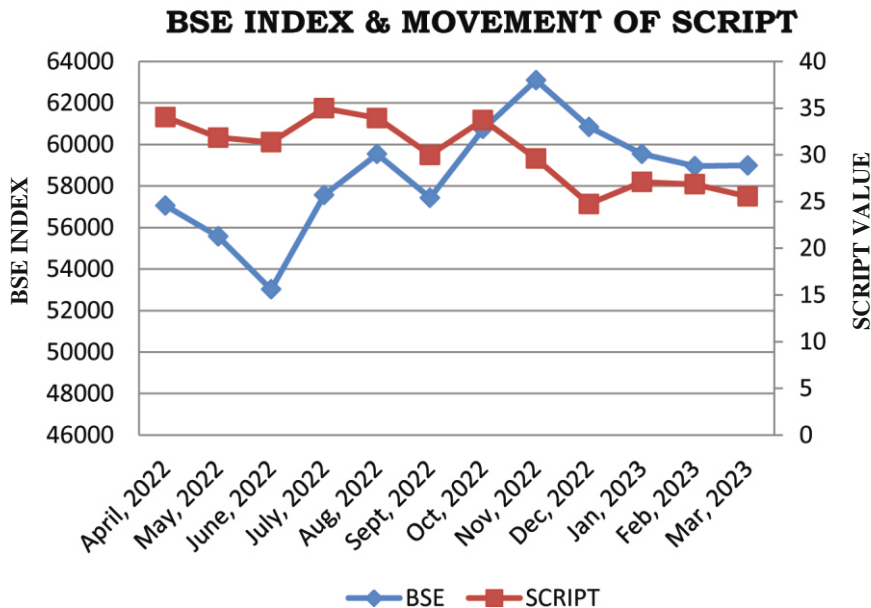
**vii. Market Price Data:**

The monthly high and low quotations of shares traded on the BSE from April, 2021 to March, 2023 are as follows:

Month	Volume (No. of shares)	Price (₹)		BSE Sensex	
		High	Low	High	Low
April, 2022	17,845	38.70	28.55	60845.10	56009.07
May, 2022	5,520	37.65	29.30	57184.21	52632.48
June, 2022	10,018	38.00	24.80	56432.65	50921.22
July, 2022	31,767	38.00	28.50	57619.27	52094.25
August, 2022	2,718	38.50	27.50	60411.20	57367.47
September, 2022	6,423	38.90	27.15	60676.12	56147.23
October, 2022	851	33.80	25.05	60786.70	56683.40
November, 2022	2,895	34.95	27.10	63303.01	60425.47
December, 2022	3,248	30.00	23.60	63583.07	59754.10
January, 2023	7,545	31.95	25.95	61343.96	58699.20
February, 2023	1,446	28.55	25.55	61682.25	58795.97
March, 2023	1,001	26.90	25.56	60498.48	57084.91

**viii. Stock Performance:**

Performance in comparison to broad-based indices viz. BSE SENSEX during the Financial Year 2022-23 is as under:



# SIMPLEX MILLS COMPANY LIMITED

## ix. Registrar and Transfer Agent

### Purva Shareregistry (India) Private Limited

9, Shiv Shakti, Industrial Estate,  
J. R. Boricha Marg, Lower Parel (East),  
Mumbai-400 011.

Tel No:- 022-49614132 / 022-31998810

Email:- support@purvashare.com

## x. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, request for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

## xi. Shareholding Pattern as on 31<sup>st</sup> March, 2023

Category	Number of Shares held	Percentage of Shareholding
<b>(A) Shareholding of Promoter and Promoter Group</b>	<b>21,48,871</b>	<b>71.62</b>
<b>(B) Public shareholding</b>		
<b>(1) Institutions</b>		
(a) Mutual Funds/ UTI	102	0.00
(b) Financial Institutions/ Banks	4,942	0.16
(c) Insurance Companies	4,34,546	14.48
<b>(2) Non-Institutions</b>		
(a) Bodies Corporate	4,639	0.16
(b) Individuals -		
i. holding nominal share capital up to Rs.2 lakh	3,48,167	11.60
ii. holding nominal share capital in excess of Rs.2 lakh	31,217	1.04
(c) Non-Residents and Others	27,920	0.94
(d) Directors and their Relatives	71	0.00
<b>Total Public Shareholding (B)= (B)(1) +(B)(2)</b>	<b>8,51,604</b>	<b>28.38</b>
<b>TOTAL (A)+(B)</b>	<b>30,00,475</b>	<b>100.00</b>

## Distribution of Shareholding as on 31<sup>st</sup> March, 2023

Category	Number of Shareholders	Percentage of Total Number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	5,034	97.56	2,18,470	7.28
501 to 1,000	68	1.32	49,788	1.66
1,001 to 5,000	42	0.81	75,128	2.50
5,001 to 10,000	4	0.08	28,554	0.95
10,001 & above	12	0.23	26,28,535	87.61
<b>Total</b>	<b>5,160</b>	<b>100.00</b>	<b>30,00,475</b>	<b>100.00</b>



**xiii. Dematerialization of Shares and Liquidity**

About 95.73 percent shares have been dematerialized as on 31<sup>st</sup> March, 2023.

**xiv. Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity**

Not Applicable

**xv. Commodity Price Risk/ Foreign Exchange Risk and Hedging Activities:**

Your Company does not engage in commodity hedging activities. There is no foreign currency exposure of the Company, in respect of imports, borrowings and export receivables.

**xvi. Plant locations**

There are no plant locations of the Company.

**xvii. Proceeds from Public Issues, Right Issues, Preferential Issues, etc.**

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilised issue proceeds during the year under review.

**xviii. Address for Investor Correspondence**

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

**OR**

Registered Office Address:-  
**Purva Sharegistry (India) Private Limited**  
 9, Shiv Shakti Industrial Estate,  
 J. R. Boricha Marg, Lower Parel (East),  
 Mumbai - 400 011.  
 Tel:- 022-49614132 / 022-31998810  
 Email:- support@purvashare.com  
 Website: www.purvashare.com

**xix. 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 '000)

Audit Fees	22.50
In other capacity	7.50
<b>Total</b>	<b>30.00</b>

**xx. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

As at 31<sup>st</sup> March 2023, there were only 2 employees on the payroll of the Company and thus, the Company was not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

**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 31<sup>st</sup> March, 2023.

For **Simplex Mills Company Limited**

**Fatima Fernandes**  
 Chief Executive Officer and  
 Chief Financial Officer

Mumbai, 10<sup>th</sup> May, 2023

# SIMPLEX MILLS COMPANY LIMITED

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## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Simplex Mills Company Limited**  
CIN: L65900MH1998PLC116585

We have examined the compliance of the conditions of Corporate Governance by Simplex Mills Company Limited for the year ended 31<sup>st</sup> March, 2023 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 Registration No.W100084

**Sunil Khandelwal**  
Partner  
Membership No.101388  
UDIN:23101388BGXLKE7176

Date: 10<sup>th</sup> May, 2023  
Place: Mumbai

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Simplex Mills Company Limited Report on the Financial Statements**

#### **Opinion**

We have audited the Financial Statements of **Simplex Mills Company Limited**. ("the Company"), which comprise of the Balance Sheet as at 31<sup>st</sup> March, 2023, 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023;
- (b) in the case of the Statement of Profit and Loss, of the loss 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 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 Act 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 on the Financial Statements.

#### **Emphasis of matter**

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

The Company has accumulated losses and its net worth has been fully eroded. This situation, along with other matters set forth in Note no. 27, indicate the existence of an uncertainty that may cast doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reason stated in the said 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. We have determined that there are no key audit matters to communicate in our report.

#### **Information Other than the 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 of the information included in the Management Discussion and Analysis, Board's Report including Annexures to the said Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

# SIMPLEX MILLS COMPANY LIMITED

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the 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 Standards on Auditing ("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 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 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)(l) 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 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 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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 matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – (refer note no. 26 of the 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 was no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with

# SIMPLEX MILLS COMPANY LIMITED

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- the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The Company has not declared or paid any dividend during the year.

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

**Sunil Khandelwal**  
Partner  
Membership No.101388  
UDIN:23101388BGXLKA9251

Date: 10<sup>th</sup> May, 2023  
Place: Mumbai

**ANNEXURE – ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SIMPLEX MILLS COMPANY LIMITED**

Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 (“the Act”) to the extent applicable.

**i. In respect of its Property, Plant and Equipment:**

- a) The Company, on the basis of available information, has maintained proper records showing full particulars including quantitative details and situations of Property, Plant and Equipment and intangible assets;
  - b) The Management of the Company has physically verified the Property, Plant and Equipment 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.
  - d) According to information and explanations given to us and on the basis of examination of the records of the Company, none of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both are revalued during the year.
  - e) On the basis of available information, the Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- ii. a) According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management during the year and no

material discrepancies have been noticed. 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.

- b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of ₹5 crore, in the aggregate, from banks on the basis of security of current assets and the clause ii(b) of para no. 3 the Order is not applicable.
- iii. During the year, the Company has not made investments in or provided any guarantee or security to Companies, firms, LLPs or any other parties. However, the Company has granted unsecured loans to Companies.
  - a. During the year, the company has provided the following loans or advances in the nature of loans:

i. Subsidiaries, Joint ventures and associates

Particulars	(₹ in '000)
Loans or advances	Nil
Aggregate amount during the year	Nil
Balance outstanding as on 31.03.2023	Nil

ii. Parties other than Subsidiaries, Joint ventures and associates

Particulars	(₹ in '000)
Loans or advances	-
Aggregate amount during the year	1,100
Balance outstanding as on 31.03.2023	20,175

- b. In our opinion, the terms and conditions on which the Company has given loans are not prima facie prejudicial to the interest of the Company.

# SIMPLEX MILLS COMPANY LIMITED

- c. In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated hence unable to comment whether the repayments or receipts are regular;
- d. As there is no terms of repayment, we are unable to comment whether any amount is overdue, and whether reasonable steps have been taken by the Company for recovery of the principal and interest;
- e. As there is no terms of repayment we are unable to comment whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.;
- f. The Company has not granted any loans or advances in the nature of loans repayable on demand or without specifying any terms or period of repayment to a Related Party as defined in clause (76) of section 2 of the Companies Act, 2013.
- 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 and the Company has not provided any guaranty or security.
- v. According to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits as per the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. As per information and explanation given to us, by the management, the provisions for maintenance of the cost records under Section 148(1) of the Act are not applicable to the Company as there is no manufacturing activity during the year under review.
- vii. a) According to the records of the Company, undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-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 31<sup>st</sup> March, 2023 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 the following are the dues of Duty of Excise on account of disputes:
- | Name of the statute      | Nature of the dues | ₹ in thousand | Period to which the amounts relate | Forum where dispute is pending |
|--------------------------|--------------------|---------------|------------------------------------|--------------------------------|
| The Excise Duty Act 1944 | Excise duty        | 4,913.70      | 1984-85 and 1995 to 1996           | Assistant Commissioner         |
| The Excise Duty Act 1944 | Excise duty        | 5.29          | 1981-84                            | CESTAT                         |
| The Excise Duty Act 1944 | Excise duty        | 5,327.26      | 1981 to 1984                       | High Court                     |
- According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Goods and Service Tax, Custom Duty, Cess, Value Added Tax which have not been deposited on account of any dispute
- viii. On the basis of our examination of the books and according to the information and explanations given to us, there is no transaction which is not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) 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.
- b) During the year, the Company is not declared as wilful defaulter by any bank or financial institution or other lender.
- c) During the year, the Company has not obtained any Term Loan.
- d) Funds raised on short term basis have not been utilised for long term purposes.



- e) The Company does not have any subsidiaries, associates or joint ventures hence question of raising of any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.
- f) The Company does not have any subsidiaries, associates or joint ventures hence question of raising of loans on the pledge of securities held in subsidiaries, joint ventures or associate companies, does not arise.
- x. a) In our opinion and on the basis of information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- b) In our opinion and on the basis of information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. 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.
- xii. In our opinion and according to 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 information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in accordance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Financial Statements as required by applicable Ind AS.
- xiv. a) According to information and explanations given to us and based on our examination of the records of the Company, it has an internal audit system commensurate with the size and nature of its business.
- b) The reports of the Internal Auditors for the period under audit were considered by us.
- xv. According to 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 him. Therefore paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45- IA of Reserve Bank of India Act, 1934. Therefore paragraph 3(xvi) of the Order is not applicable.
- xvii. The Company has incurred cash loss of ₹269.43 thousands during the current financial year. However, there was no cash loss in the preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Therefore paragraph 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet, as and when they fall due, within a period of one year from the balance sheet date.
- xx. The provisions of clause 3(xx) (a) and (b) are not applicable to the Company.
- xxi. The Company does not have any subsidiaries, associates or joint ventures. Therefore paragraph 3(xxi) of the Order is not applicable to the Company.

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

**Sunil Khandelwal**  
Partner  
Membership No.101388  
UDIN:23101388BGXLKA9251

Date: 10<sup>th</sup> May, 2023  
Place: Mumbai

# SIMPLEX MILLS COMPANY LIMITED

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## **ANNEXURE – ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SIMPLEX MILLS COMPANY 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 Mills Company Ltd. (“the Company”) as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the 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 Act.

### **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 Act, 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 31<sup>st</sup> March, 2023, 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).

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

**Sunil Khandelwal**  
Partner  
Membership No.101388  
UDIN:23101388BGXLKA9251

Date: 10<sup>th</sup> May, 2023  
Place: Mumbai

# SIMPLEX MILLS COMPANY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Notes	(₹ in '000)	
		As at 31st March, 2023	As at 31st March, 2022
<b>A ASSETS</b>			
<b>I Non-Current Assets</b>			
Property, Plant and Equipment	2	40,170.21	40,582.77
Financial Assets:			
Other Financial Assets	3	32.69	32.69
Deferred Tax Assets (net)	4	-	-
Other Non-Current Assets	5	-	1,497.82
<b>Total Non-Current Assets</b>		<u>40,202.90</u>	<u>42,113.28</u>
<b>II Current Assets</b>			
Inventories	6	14.02	76.96
Financial Assets:			
Trade Receivables	7	-	13.33
Cash and Cash Equivalents	8	1,302.57	1,544.03
Loans	9	20,175.00	21,275.00
Other Financial Assets	10	8,157.17	-
Other Current Assets	11	2,468.60	1,225.26
<b>Total Current Assets</b>		<u>32,117.36</u>	<u>24,134.58</u>
<b>TOTAL ASSETS</b>		<u>72,320.26</u>	<u>66,247.86</u>
<b>B EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity Share Capital	12	30,004.75	30,004.75
Other Equity	13	(63,061.58)	(62,395.90)
<b>Total Equity</b>		<u>(33,056.83)</u>	<u>(32,391.15)</u>
<b>II Liabilities</b>			
<b>Non-Current Liabilities:</b>			
Financial Liabilities :			
Borrowings	14	23,136.98	21,214.25
Other Financial Liabilities	15	65.14	59.76
Other Non-Current Liabilities	16	53,320.56	57,032.37
<b>Total Non-Current Liabilities</b>		<u>76,522.68</u>	<u>78,306.38</u>
<b>Current Liabilities</b>			
Financial Liabilities :			
Other Financial Liabilities	17	493.41	492.46
Other Current Liabilities	18	28,361.00	19,840.17
<b>Total Current Liabilities</b>		<u>28,854.41</u>	<u>20,332.63</u>
<b>Total Liabilities</b>		<u>1,05,377.09</u>	<u>98,639.01</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>72,320.26</u>	<u>66,247.86</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

**Fatima Fernandes**  
Chief Executive Officer and  
Chief Financial Officer

**Sabhapati G Shukla**  
Director  
DIN:02799713

**Sunil Khandelwal**  
Partner  
Membership No.101388  
Mumbai, 10th May, 2023

**Harshika Kataria**  
Company Secretary and  
Compliance Officer

**Shekhar R Singh**  
Director  
DIN:03357281  
Mumbai, 10th May, 2023

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note	(₹ in '000)	
		2022-23	2021-22
I Revenue from Operations	19	38.60	42.93
II Other Income	20	6,268.32	6,152.52
III Total Income (I+II)		6,306.92	6,195.45
<b>IV EXPENSES</b>			
Changes in Inventories of Finished Goods	21	62.94	41.62
Employee Benefits Expense	22	363.43	358.00
Finance Costs	23	1,929.19	1,772.14
Depreciation	2	369.25	552.92
Other Expenses	24	4,247.79	3,818.54
Total Expenses (IV)		6,972.60	6,543.22
V Profit/(Loss) before Exceptional Items and Tax (III-IV)		(665.68)	(347.77)
VI Exceptional Items	25	-	7,352.60
VII Profit/(Loss) before Tax (V+VI)		(665.68)	7,004.83
VIII Tax Expense		-	-
IX Profit/(Loss) For The Year (VII-VIII)		(665.68)	7,004.83
X Other Comprehensive Income / (Expense) - (OCI) :			
Total Other Comprehensive Income / (Expense) for the year, net of tax		-	-
XI Total Comprehensive Income / (Expense) for the year (IX+X)		(665.68)	7,004.83
Earnings per Equity Share (Face Value of ₹ 10/- each)			
Basic and Diluted Earnings Per Share (in ₹) before exceptional items		(0.22)	(0.12)
Basic and Diluted Earnings Per Share (in ₹) after exceptional items		(0.22)	2.33

### 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

**Fatima Fernandes**  
Chief Executive Officer and  
Chief Financial Officer

**Sabhapati G Shukla**  
Director  
DIN:02799713

**Sunil Khandelwal**  
Partner  
Membership No.101388  
Mumbai, 10th May, 2023

**Harshika Kataria**  
Company Secretary and  
Compliance Officer

**Shekhar R Singh**  
Director  
DIN:03357281  
Mumbai, 10th May, 2023

# SIMPLEX MILLS COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

### 1. EQUITY SHARE CAPITAL

(₹ in '000)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	30,004.75	30,004.75
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	30,004.75	30,004.75
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	30,004.75	30,004.75

### 2. OTHER EQUITY

For the year ended 31st March, 2023

(₹ in '000)

Particulars	Other Equity			Total
	Reserves and Surplus			
	Capital Reserve	General Reserve	Retained Earnings	
Balance as at 1st April, 2022	2,500.00	1,27,859.09	(1,92,754.99)	(62,395.90)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-
Profit for the period	-	-	(665.68)	(665.68)
Other comprehensive income / (expense)	-	-	-	-
Total comprehensive income / (expense)	-	-	(665.68)	(665.68)
Transferred to retained earnings	(2,500.00)	-	2,500.00	-
Balance as at 31st March, 2023	-	1,27,859.09	(1,90,920.67)	(63,061.58)

For the year ended 31st March, 2022

(₹ in '000)

Particulars	Other Equity			Total
	Reserves and Surplus			
	Capital Reserve	General Reserve	Retained Earnings	
Balance as at 1st April, 2021	2,500.00	1,27,859.09	(1,99,759.82)	(69,400.73)
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the period	-	-	-	-
Profit for the period	-	-	7,004.83	7,004.83
Other comprehensive income / (expense)	-	-	-	-
Total comprehensive income / (expense)	-	-	7,004.83	7,004.83
Balance as at 31st March, 2022	2,500.00	1,27,859.09	(1,92,754.99)	(62,395.90)

### 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

**Fatima Fernandes**  
Chief Executive Officer and  
Chief Financial Officer

**Sabhapati G Shukla**  
Director  
DIN:02799713

**Sunil Khandelwal**  
Partner  
Membership No.101388  
Mumbai, 10th May, 2023

**Harshika Kataria**  
Company Secretary and  
Compliance Officer

**Shekhar R Singh**  
Director  
DIN:03357281  
Mumbai, 10th May, 2023

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

	2022-23	2021-22
(₹ in '000)		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	(665.68)	(347.77)
<b>Adjustment for :</b>		
Depreciation	369.25	552.92
Interest expense	1,929.19	1,772.14
Interest income	(5,986.22)	(5,911.47)
Interest receivable written off	878.24	705.27
Balances written (back)/off- (net)	-	10.19
Profit on sale of fixed assets	(6.69)	-
Unwinding of discount on security deposit	(5.46)	(6.46)
	<u>(2,821.69)</u>	<u>(2,877.41)</u>
<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>	<u>(3,487.37)</u>	<u>(3,225.18)</u>
<b>Adjustment for changes in working capital</b>		
Adjustment for (increase) / decrease in operating assets:		
Inventories	62.94	41.62
Trade receivables	13.33	(9.22)
Other financial assets	(8,085.87)	97.59
Other current assets	99.96	(165.77)
Adjustment for increase / (decrease) in operating liabilities:		
Other financial liabilities	0.95	49.30
Trade payables	-	(79.40)
Other current liabilities	20.83	(5,910.65)
Other non-current liabilities	-	6.38
	<u>(7,887.86)</u>	<u>(5,970.15)</u>
<b>CASH (USED IN) / GENERATED FROM OPERATIONS</b>	<u>(11,375.23)</u>	<u>(9,195.33)</u>
Direct taxes paid-(net)	154.52	(121.92)
<b>NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES BEFORE EXCEPTIONAL ITEMS</b>	<u>(11,220.71)</u>	<u>(9,317.25)</u>
Exceptional items (net)	-	1,837.04
<b>NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES</b>	<b>(A) (11,220.71)</b>	<b>(7,480.21)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of fixed assets	50.00	5,940.48
Capital advances received	8,500.00	-
Interest received	1,330.34	3,083.59
Inter corporate deposits refund / (given) - net	1,100.00	(520.00)
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(B) 10,980.34</b>	<b>8,504.07</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest paid	(1.09)	(2.97)
<b>NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>	<b>(C) (1.09)</b>	<b>(2.97)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C) (241.46)</b>	<b>1,020.89</b>
<b>CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR</b>	<b>1,544.03</b>	<b>523.14</b>
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR</b>	<b>1,302.57</b>	<b>1,544.03</b>
<b>Cash and cash equivalents comprise of :</b>		
	<b>As on</b>	<b>As on</b>
	<b>31-Mar-23</b>	<b>31-Mar-22</b>
Balances with banks :		
- in Current accounts	1,292.79	1,534.23
Cash on hand	9.78	9.80
Cash and cash equivalents (refer note 8)	<u>1,302.57</u>	<u>1,544.03</u>

### 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, 10th May, 2023

**Fatima Fernandes**  
Chief Executive Officer and  
Chief Financial Officer

**Harshika Kataria**  
Company Secretary and  
Compliance Officer

For and on behalf of the Board  
**Sabhapati G Shukla**  
Director  
DIN:02799713

**Shekhar R Singh**  
Director  
DIN:03357281  
Mumbai, 10th May, 2023

# SIMPLEX MILLS COMPANY LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### CORPORATE INFORMATION

Simplex Mills Company Limited (“the Company”) is a public limited company, incorporated and domiciled in India having its registered office at Village Shivni, Taluka and District, Akola- 444104, Maharashtra, India. The equity shares of the Company are listed on BSE Limited. The Company is in trading of textile products (i.e. cloths and fabrics).

#### 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 operating cycle is the time between the procurement of goods i.e. raw material or traded goods and their realization in cash and cash equivalent. All 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 instruments.

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 separate 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 prices (unadjusted) in active market for identical assets or liabilities.
- Level 2- Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Inputs based on unobservable market data.

**(iv) Revenue Recognition:**

Revenue is measured at the fair value of consideration received or receivable, excluding Goods and Services Tax (GST). Revenue from sale of goods is recognized when the control over goods is transferred to the buyer and no significant uncertainty exists regarding collectability of the amount of consideration that is derived from the sale of goods. Payment is generally received either in cash or based on credit terms. The normal credit term is 1-60 days which is generally in line with the industry standards.

**(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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 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.

Assets class	Useful life
Buildings	60 years
Furniture and fixtures	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) 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 fair value through other comprehensive income (FVTOCI)

**Financial assets are classified as FVTOCI, if both the following conditions 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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

- 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 other income in the Statement of Profit and Loss.

### ii) **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. Gain/losses are recognized in the Profit and Loss.

#### **Impairment of financial assets**

The Company applies 'simplified approach' of measurement and recognition of impairment loss on financial assets that are 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 and 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.

##### • **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 modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

- **Offsetting financial instruments**

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet when there is 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.

**(viii) Inventories:**

Traded goods are valued at cost or market rate, whichever is lower. Finished product is valued at cost or market rate whichever is lower. Stores and spare parts are valued at cost.

**(ix) Taxes:**

Income tax expense comprises current and deferred tax. It 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 assets are recognized for unused tax losses, unused tax credits and deductible differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are 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.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

**(x) Borrowing Costs:**

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

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

**(xi) 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.

# SIMPLEX MILLS COMPANY LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### (xii) 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.

### (xiii) Earnings Per Share:

Basic earnings per share 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 are adjusted for the effects of all dilutive potential equity shares.

### (xiv) Investments:

Long-term investments are valued at cost less provision for impairment in value of such investments.

## 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 2. PROPERTY, PLANT AND EQUIPMENT

(₹ in '000)

ASSET CLASS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	Upto 31st March, 2022	Provided during the year	On Deductions/ Adjustments	Upto 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Land	37,264.49	-	-	<b>37,264.49</b>	-	-	-	-	<b>37,264.49</b>	37,264.49
Buildings	7,831.63	-	-	<b>7,831.63</b>	4,617.78	369.25	-	<b>4,987.03</b>	<b>2,844.60</b>	3,213.85
Plant, Machinery and Computers	18.58	-	-	<b>18.58</b>	-	-	-	-	<b>18.58</b>	18.58
Furniture, Fixtures and Office Equipments	42.54	-	-	<b>42.54</b>	-	-	-	-	<b>42.54</b>	42.54
Vehicles	43.31	-	43.31	-	-	-	-	-	-	43.31
<b>Total</b>	<b>45,200.55</b>	<b>-</b>	<b>43.31</b>	<b>45,157.24</b>	<b>4,617.78</b>	<b>369.25</b>	<b>-</b>	<b>4,987.03</b>	<b>40,170.21</b>	<b>40,582.77</b>

(₹ in '000)

ASSET CLASS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	Upto 31st March, 2021	Provided during the year	On Deductions/ Adjustments	Upto 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Land	37,689.40	-	424.91	37,264.49	-	-	-	-	37,264.49	37,689.40
Buildings	7,831.63	-	-	7,831.63	4,064.86	552.92	-	4,617.78	3,213.85	3,766.77
Plant, Machinery and Computers	18.58	-	-	18.58	-	-	-	-	18.58	18.58
Furniture, Fixtures and Office Equipments	42.54	-	-	42.54	-	-	-	-	42.54	42.54
Vehicles	43.31	-	-	43.31	-	-	-	-	43.31	43.31
<b>Total</b>	<b>45,625.46</b>	<b>-</b>	<b>424.91</b>	<b>45,200.55</b>	<b>4,064.86</b>	<b>552.92</b>	<b>-</b>	<b>4,617.78</b>	<b>40,582.77</b>	<b>41,560.60</b>

(₹ in '000)

### 3. OTHER FINANCIAL ASSETS - NON -CURRENT

**31.03.2023**    **31.03.2022**

Security deposits	<b>32.69</b>	32.69
	<b>32.69</b>	32.69

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in '000)

4. DEFERRED TAX (ASSETS) / LIABILITY (NET)	31.03.2023	31.03.2022
<b>Deferred tax liability</b>		
Property, plant and equipment	(249.13)	(272.57)
Other items	(2,214.16)	(1,765.24)
<b>Deferred tax assets</b>		
Unused tax losses	6,716.89	23,593.21
<b>Net deferred tax asset*</b>	<b>4,253.60</b>	<b>21,555.40</b>

\*Deferred tax asset has not been recognised in the books.

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.

### Movement in deferred tax

#### Movement in deferred tax during the year ended 31st March, 2023

(₹ in '000)

	Opening balance as at 01.04.2022	Recognised in profit or loss	Recognised in OCI	Others	Closing balance as at 31.03.2023
Property, plant and equipment	(272.57)	-	-	23.44	(249.13)
Income on unwinding of financial liability	(1,765.24)	-	-	(448.92)	(2,214.16)
Unused tax losses**	23,593.21	-	-	(16,876.32)	6,716.89
<b>Net deferred tax asset*</b>	<b>21,555.40</b>	<b>-</b>	<b>-</b>	<b>(17,301.80)</b>	<b>4,253.60</b>

\*Deferred tax asset has not been recognised in the books.

\*\* There was reduction in deferred tax asset due to lapse of brought forward business losses during the year.

#### Movement in deferred tax during the year ended 31st March, 2022

(₹ in '000)

	Opening balance as at 01.04.2021	Recognised in profit or loss	Recognised in in OCI	Others	Closing balance as at 31.03.2022
Property, plant and equipment	(320.20)	-	-	47.63	(272.57)
Income on unwinding of financial liability	(1,276.06)	-	-	(489.18)	(1,765.24)
Unused tax losses	28,920.86	-	-	(5,327.65)	23,593.21
<b>Net deferred tax asset*</b>	<b>27,324.60</b>	<b>-</b>	<b>-</b>	<b>(5,769.20)</b>	<b>21,555.40</b>

\*Deferred tax asset has not been recognised in the books.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in '000)

	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>Income tax recognised in profit and loss</b>		
<b>Current tax</b>		
In respect of current year	-	-
in respect of earlier years	-	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Total income tax recognised for the year</b>	<u>-</u>	<u>-</u>

		(₹ in '000)
	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
<b>Profit/(Loss) before tax</b>	<b>(665.68)</b>	7,004.83
Tax expense / (income) calculated at 25.168% (2021-22: 25.168%)	<b>(167.54)</b>	1,762.98
Effect of expenses/income that are not deductible/(chargeable) in income tax	<b>(357.67)</b>	(1,738.17)
Deferred tax asset not recognised on current year's losses	<b>528.62</b>	-
Effect of expenses that are deductible in income tax	<b>(3.41)</b>	(7.47)
Utilisation of brought forward business losses set off during the year	-	(17.34)
<b>Income tax expense recognised in profit or loss</b>	<u>-</u>	<u>-</u>

The tax rate used for the above reconciliations is the corporate tax rate of 25.168% for the year 2022-23 and 2021-22 payable by the Company.

		(₹ in '000)
	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>5. OTHER NON-CURRENT ASSETS</b>		
Advance tax (net of provisions)	-	1,497.82
	<u>-</u>	<u>1,497.82</u>

		(₹ in '000)
	<u>31.03.2023</u>	<u>31.03.2022</u>
<b>6. INVENTORIES</b>		
(As valued and certified by the management)		
Finished goods (including waste)	<b>14.02</b>	76.96
	<u>14.02</u>	<u>76.96</u>

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

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 7. TRADE RECEIVABLES

Trade receivable ageing as at 31st March, 2023

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment/transaction					Total
	< 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	>3 years	
(i) Undisputed trade receivables-considered good	-	-	-	-	-	-
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-
	-	-	-	-	-	-

Trade receivable ageing as at 31st March, 2022

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment/transaction					Total
	< 6 months	6 months - 1 year	1 year - 2 years	2 years - 3 years	>3 years	
(i) Undisputed trade receivables-considered good	13.33	-	-	-	-	13.33
(ii) Undisputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables-credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables-considered good	-	-	-	-	-	-
(v) Disputed trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables-credit impaired	-	-	-	-	-	-
	13.33	-	-	-	-	13.33



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	31.03.2023	(₹ in '000) 31.03.2022
<b>8. CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
In current accounts	1,292.79	1,534.23
Cash on hand	9.78	9.80
	<u>1,302.57</u>	<u>1,544.03</u>
<b>9. LOANS - CURRENT</b> (Considered good - Unsecured)	<b>31.03.2023</b>	<b>(₹ in '000) 31.03.2022</b>
Inter corporate deposits	20,175.00	21,275.00
	<u>20,175.00</u>	<u>21,275.00</u>
<b>10. OTHER FINANCIAL ASSETS - CURRENT</b>	<b>31.03.2023</b>	<b>(₹ in '000) 31.03.2022</b>
Interest receivable	71.30	-
Bank deposit*	8,035.15	-
Others	50.72	-
	<u>8,157.17</u>	<u>-</u>
*The above bank deposit is given to the bank as security for issuing bank guarantee.		
<b>11. OTHER CURRENT ASSETS</b> (Unsecured, considered good)	<b>31.03.2023</b>	<b>(₹ in '000) 31.03.2022</b>
Advance tax (net of provisions)	1,343.30	-
Balances with government authorities	1,102.81	1,119.19
Prepaid expenses	22.49	26.63
Others	-	79.44
	<u>2,468.60</u>	<u>1,225.26</u>
<b>12. EQUITY SHARE CAPITAL</b>	<b>31.03.2023</b>	<b>(₹ in '000) 31.03.2022</b>
<b>AUTHORISED</b>		
31,00,000 (31st March, 2022 - 31,00,000) Equity Shares of ₹10/- each	31,000.00	31,000.00
1,00,00,000 (31st March, 2022 - 1,00,00,000) Redeemable Preference Shares of ₹10/- each	1,00,000.00	1,00,000.00
	<u>1,31,000.00</u>	<u>1,31,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
30,00,475 (31st March, 2022 - 30,00,475) Equity shares of ₹ 10/- each fully paid up.	30,004.75	30,004.75
Total Issued, subscribed and fully paid up share capital	<u>30,004.75</u>	<u>30,004.75</u>

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### a. Reconciliation of the shares outstanding at the beginning and at the end of the period (₹ in '000)

	31.03.2023		31.03.2022	
	Equity Shares		Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,00,475	30,004.75	30,00,475	30,004.75
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>30,00,475</b>	<b>30,004.75</b>	<b>30,00,475</b>	<b>30,004.75</b>

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

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

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

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Simplex Realty Ltd.	14,70,000	48.99	14,70,000	48.99
Life Insurance Corporation of India	3,71,113	12.37	3,76,241	12.54
Shreelekha Global Finance Ltd.	2,52,553	8.42	2,52,553	8.42
New Textiles LLP	2,43,505	8.12	2,43,505	8.12

### d. Details of the shareholding of Promoters

Name of Promoter	As at 31.03.2023		As at 31.03.2022		% change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
<b>Individual</b>					
Nandan Damani	42,765	1.43	42,765	1.43	-
Shreelekha N Damani	26,571	0.89	26,571	0.89	-
Sanjay N Damani	12,122	0.40	12,122	0.40	-
Sandip Somany	2,302	0.08	2,302	0.08	-
Nalini Somany	311	0.01	311	0.01	-
Shashi Patodia	265	0.01	265	0.01	-
Nandan Damani HUF	153	0.00	153	0.00	-
Kamladevi Bagri	43	0.00	43	0.00	-
Sumita Somany	25	0.00	25	0.00	-
<b>Bodies Corporate</b>					
Simplex Realty Limited	14,70,000	48.99	14,70,000	48.99	-
Shreelekha Global Finance Limited	2,52,553	8.42	2,52,553	8.42	-
New Textiles LLP	2,43,505	8.12	2,43,505	8.12	-
Lucky Vyapaar and Holdings Pvt Ltd	98,256	3.27	98,256	3.27	-
<b>Total</b>	<b>21,48,871</b>	<b>71.62</b>	<b>21,48,871</b>	<b>71.62</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	<u>31.03.2023</u>	(₹ in '000) <u>31.03.2022</u>
<b>13. OTHER EQUITY</b>		
<b>CAPITAL RESERVE - Backward area incentive</b>		
Opening balance	2,500.00	2,500.00
Transferred to statement of profit and loss	(2,500.00)	-
Transferred to retained earnings	-	-
Closing balance	<u>-</u>	<u>2,500.00</u>
<b>GENERAL RESERVE</b>		
Opening balance	1,27,859.09	1,27,859.09
Addition/(utilisation) during the year	-	-
Closing balance	<u>1,27,859.09</u>	<u>1,27,859.09</u>
<b>RETAINED EARNINGS</b>		
Opening balance	(1,92,754.99)	(1,99,759.82)
Profit/(Loss) for the year	(665.68)	7,004.83
Other comprehensive income / (expense)	-	-
Transferred from capital reserve	2,500.00	-
<b>Closing balance</b>	<u>(1,90,920.67)</u>	<u>(1,92,754.99)</u>
<b>Total other equity</b>	<u>(63,061.58)</u>	<u>(62,395.90)</u>

### GENERAL RESERVE

General Reserve is used to represent amounts transferred from Retained Earnings for appropriation purpose as per the requirements of the erstwhile Companies Act, 1956. This General Reserve includes the amount credited as per the scheme of arrangement in earlier year. The reserve can be utilised in accordance with the provisions of the Act.

### CAPITAL RESERVE

This includes the amount of backward area incentive received by the Company. The reserve can be utilised in accordance with the applicable provisions.

	<u>31.03.2023</u>	(₹ in '000) <u>31.03.2022</u>
<b>14. BORROWINGS - CURRENT</b>		
Unsecured - at Amortised Cost		
Non-cumulative redeemable preference shares	23,136.98	21,214.25
	<u>23,136.98</u>	<u>21,214.25</u>

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### Non-cumulative redeemable preference shares (NCRPS)

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

(₹ in '000)

Particulars	31.03.2023 NCRPS Number	31.03.2022 NCRPS Number
<b>Shares outstanding at the beginning of the year</b>	<b>90,00,000</b>	90,00,000
Shares issued during the year	-	-
Shares redeemed during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>90,00,000</b>	90,00,000

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

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Simplex Realty Limited</b>	<b>90,00,000</b>	<b>100</b>	90,00,000	100

c. 90,00,000 Non-cumulative redeemable preference shares of ₹ 10 each are redeemable at face value within 20 years from the date of allotment i.e., 20.11.2018.

#### d. Rights and restrictions to NCRPS

NCRPS of the Company have priority over the Equity Shares of the Company i) for receiving dividend if declared and paid ii) for repayment of capital in the event of liquidation of the Company in proportion to their holding.

	(₹ in '000)	
<b>15. OTHER FINANCIAL LIABILITIES - NON-CURRENT</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Security deposit	<b>65.14</b>	59.76
	<b>65.14</b>	59.76

	(₹ in '000)	
<b>16. OTHER LIABILITIES - NON-CURRENT</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Deferral liability on account of Non-Cumulative Redeemable Preference Shares	<b>53,319.65</b>	57,025.99
Deferred income	<b>0.91</b>	6.38
	<b>53,320.56</b>	57,032.37

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	31.03.2023	(₹ in '000) 31.03.2022
<b>17. OTHER FINANCIAL LIABILITIES - CURRENT</b>		
Liability for expenses	327.16	357.16
Other liabilities	166.25	135.30
	<b>493.41</b>	<b>492.46</b>

	31.03.2023	(₹ in '000) 31.03.2022
<b>18. OTHER CURRENT LIABILITIES</b>		
Deferred income	5.47	5.47
Deferral liability on account of Non-Cumulative Redeemable Preference Shares	3,706.34	3,706.34
Statutory dues	49.19	28.36
Capital advances	24,600.00	16,100.00
	<b>28,361.00</b>	<b>19,840.17</b>

	2022-23	(₹ in '000) 2021-22
<b>19. REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
Sale of products		
Finished goods	38.60	42.9
<b>Revenue from operations (net)</b>	<b>38.60</b>	<b>42.93</b>
<b>Details of products sold</b>		
Finished goods		
Cloth	38.60	42.93

	2022-23	(₹ in '000) 2021-22
<b>20. OTHER INCOME</b>		
<b>Interest on</b>		
Inter corporate deposits	2,178.12	2,200.07
Interest on income tax refund	21.17	3.57
Bank deposits	79.23	-
Others	1.36	1.49
Rent	275.41	241.05
Interest on amortisation of financial liability	3,706.34	3,706.34
Profit /(Loss) on sale of Fixed Assets	6.69	-
	<b>6,268.32</b>	<b>6,152.52</b>

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	2022-23	(₹ in '000) 2021-22
<b>21. INCREASE / (DECREASE) IN INVENTORIES</b>		
<b>Closing stock</b>		
Finished goods	<u>14.02</u>	<u>76.96</u>
	<u>14.02</u>	<u>76.96</u>
<b>Less: Opening stock</b>		
Finished goods	<u>76.96</u>	<u>118.58</u>
	<u>76.96</u>	<u>118.58</u>
<b>Decrease in stock</b>	<u>(62.94)</u>	<u>(41.62)</u>
<b>Details of inventory</b>		
<b>Finished goods</b>		
Cloth	7.42	64.12
Waste	6.60	12.84
	<u>14.02</u>	<u>76.96</u>
<b>22. EMPLOYEE BENEFITS EXPENSES</b>	<b>2022-23</b>	<b>(₹ in '000) 2021-22</b>
Salaries	<u>363.43</u>	<u>358.00</u>
	<u>363.43</u>	<u>358.00</u>
<b>23. FINANCE COSTS</b>	<b>2022-23</b>	<b>(₹ in '000) 2021-22</b>
Interest expense	<u>1,929.19</u>	<u>1,772.14</u>
	<u>1,929.19</u>	<u>1,772.14</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in '000)

<b>24. OTHER EXPENSES</b>	<b>2022-23</b>	<b>2021-22</b>
Power and fuel	23.30	23.55
Repairs - others	1.30	10.27
Insurance	9.84	9.21
Rates and taxes	1,173.23	1,048.07
Travelling and conveyance expenses	28.74	0.31
Director's sitting fees	73.50	96.50
Advertisements	69.62	32.86
Postage, stationery and printing	27.94	58.09
Bank charges/commission	54.48	2.75
Motor maintenance	74.36	56.19
Professional fees	1,063.01	1,066.96
Security charges	338.19	312.36
Membership and subscription charges	347.69	300.00
Interest receivable written off	878.24	705.27
Sundry balances written off (net)	0.01	10.19
Sundry expenses	54.34	55.96
<b>Payments to Auditor</b>		
Audit fees	22.50	22.50
In other capacity	7.50	7.50
	<b>4,247.79</b>	<b>3,818.54</b>

## 25. EXCEPTIONAL ITEMS

2022-23

(₹ in '000)

2021-22

Profit on sale of fixed asset (compulsory acquisition of land by NHAI)	-	5,515.56
Recovery of excess electricity charges paid in earlier years	-	3,062.04
Consultancy charges paid for recovery of the above excess amount	-	(1,225.00)
	-	7,352.60

## 26. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debt:

(₹ in '000)

	<b>31.03.2023</b>	<b>31.03.2022</b>
Appeals filed in respect of disputed demands:		
i) Central Excise	10,246.25	10,246.25
ii) Labour Matters including interest	6,775.55	4,389.98

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

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

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

29. As there are only two employees in the Company, and have not completed required minimum period to become eligible for retirement benefits, accordingly, the provisions relating to Ind AS 19 Employee Benefits, are not applicable.

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

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

	Particulars	2022-23	2021-22
(a)	Profit/(Loss) after tax – (₹ in '000)	<b>(665.68)</b>	7,004.83
(b)	Weighted average number of shares	<b>30,00,475</b>	30,00,475
(c)	Face value of shares (₹ per share)	<b>10/-</b>	10/-
(d)	Basic and Diluted EPS before exceptional item - ₹	<b>(0.22)</b>	(0.12)
(e)	Basic and Diluted EPS after exceptional item - ₹	<b>(0.22)</b>	2.33

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

### 32. RELATED PARTY DISCLOSURES

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

- a) Significant Influence over Reporting Entity : Simplex Realty Ltd.  
 b) Non Executive/Independent Directors : Shri Sabhapati Shukla  
 Shri Manish Harshey  
 Smt.Sita Sunil  
 Shri Shekhar R Singh

#### II) Transactions with related party

(₹ in '000)

Name of the Related Party	Type of Related Party	Description of the nature of the transactions	Amount of transactions during 2022-23	Amount of transactions during 2021-22	Balance As on 31.03.2023 Receivable/ (Payable)	Balance As on 31.03.2022 Receivable/ (Payable)
Simplex Realty Limited	Significant influence over reporting entity	Reimbursement of expenses (paid) / received	51.79	50.61	-	-
		Non Convertible Redeemable Preference Shares	-	-	(90,000.00)	(90,000.00)
Shri Sabhapati G. Shukla	Non Executive / Independent Directors	Sitting fees	22.00	28.00		
Shri Manish Harshey			22.00	28.00		
Smt. Sita Sunil			7.50	12.50		
Shri Shekhar R Singh			22.00	28.00		

#### Terms and conditions of transactions with related party:

The transactions with related parties are made on terms, equivalent to those that prevail in arm's length transactions. Outstanding balance at the year end are unsecured and settlement occurs in cash.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 33. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

#### a) Accounting classification

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

(₹ in '000)

Particulars	31.03.2023			31.03.2022		
	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost
<b>Financial Assets</b>						
Loans	-	-	20,175.00	-	-	21,275.00
Trade receivables	-	-	-	-	-	13.33
Cash and cash equivalents	-	-	1,302.57	-	-	1,544.03
Other financial assets	-	-	8,189.86	-	-	32.69
	-	-	29,667.43	-	-	22,865.05
<b>Financial Liabilities</b>						
Borrowings	-	-	23,136.98	-	-	21,214.25
Other financial liabilities	-	-	558.55	-	-	552.22
	-	-	23,695.53	-	-	21,766.47

#### b) Fair value hierarchy and Method of valuation

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.

#### c) Risk management framework

The Company's principal financial liabilities includes borrowings, trade and other payables. The Company's principal financial assets include loans, trade receivables, cash and cash equivalents and others. 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 deposit.

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. Each outstanding customer receivables are regularly monitored and if outstanding is above

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

due date the further sales are controlled and can only be released if there is a proper justification.

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

### Other financial assets

Credit risk from balances with banks, loans is managed by responsible and authorised person of the Company. Investments of surplus funds are made only with approved counterparties.

### 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.

### Exposure to liquidity risk

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

(₹ in '000)

As at 31st March, 2023	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>						
Borrowings	23,136.98	23,136.98	-	-	-	23,136.98
Other financial liabilities	558.55	558.55	493.41	65.14	-	-
	<b>23,695.53</b>	<b>23,695.53</b>	<b>493.41</b>	<b>65.14</b>	-	<b>23,136.98</b>

(₹ in '000)

As at 31st March, 2022	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>						
Borrowings	21,214.25	21,214.25	-	-	-	21,214.25
Other financial liabilities	552.22	552.22	552.22	-	-	-
	<b>21,766.47</b>	<b>21,766.47</b>	<b>552.22</b>	-	-	<b>21,214.25</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 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

There is no currency risk to the Company, 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 Company's exposure to risk of changes in market interest rate is not material as the Company has not taken any loan from outside.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss.

#### Commodity price risk

Exposure to market risk with respect to commodity prices arises from the cost of procurement of traded goods and this price may be influenced by factors such as demand and supply, production cost. The Company does not buy any new material, if it can not be sold to the customers above the cost of procurement.

### 34. CAPITAL MANAGEMENT

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 net worth of the Company has been fully eroded.

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 '000)

	As at 31st March, 2023	As at 31st March, 2022
Borrowings	80,162.96	81,946.58
Less: Cash and cash equivalents	1,302.57	1,544.03
<b>Net Debt</b>	<b>78,860.39</b>	80,402.55
<b>Total equity</b>	<b>(33,056.83)</b>	(32,391.15)
<b>Debt/Equity ratio</b>	<b>(2.39)</b>	(2.48)

### 35. 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)

# SIMPLEX MILLS COMPANY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

### 36. ANALYTICAL RATIOS

The following are analytical ratios for the year ended 31st March, 2023 and 31st March, 2022

Ratio	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	% change during the year	Explanation for change by more than 25%
Current ratio	Current assets	Current liabilities	1.11	1.19	-6.23%	-
Debt-equity ratio	Total debt	Shareholder's equity	-2.43	-2.53	-4.15%	-
Debt service coverage ratio	Net profit after tax + Non-cash operating expenses + Interest	Interest + Principal repayment	0.85	5.26	-83.92%	Due to exceptional items, PAT was higher during the previous year.
Return on equity (ROE)	Net profit after tax	Average shareholder's equity	-2.03%	19.52%	-110.42%	Due to exceptional items, PAT was higher during the previous year.
Inventory turnover ratio	Cost of goods sold	Average inventory	1.38	0.43	225.02%	Due to lower level of inventory in current year, average inventory is less compare to previous year
Trade receivables turnover ratio	Net credit sales	Average trade receivables	5.79	4.92	17.64%	-
Trade payables turnover ratio	Purchases for services	Average trade payables	0.00	79.89	-100.00%	Trade payable was nil in both and other expenses the years.
Net capital turnover ratio	Net sales	Average working capital	1.09%	5.30%	-79.38%	Average working capital is higher during the current year compare to previous year.
Net profit ratio	Net profit after tax	Total revenue	-10.55%	113.06%	-109.34%	Due to exceptional items net profit was higher during the previous year.
Return on capital employed (ROCE)	Earning before interest and tax	Tangible net worth + Total debt + Deferred tax liability	2.68%	2.87%	-6.68%	-

Return on Investment is not provided as there was no investments in both the years.

37. There are no transactions and balances with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
38. The Financial Statements of the Company for the year ended 31st March, 2023 were approved by the Board of Directors on 10th May, 2023.
39. 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

**Fatima Fernandes**  
Chief Executive Officer and  
Chief Financial Officer

**Sabhapati G Shukla**  
Director  
DIN:02799713

**Sunil Khandelwal**  
Partner  
Membership No.101388  
Mumbai, 10th May, 2023

**Harshika Kataria**  
Company Secretary and  
Compliance Officer

**Shekhar R Singh**  
Director  
DIN:03357281  
Mumbai, 10th May, 2023



# SIMPLEX MILLS COMPANY LIMITED

3	Proof of Address of the first holder	<p>Any one of the documents, only if there is change in the address;</p> <p><input type="checkbox"/> Unique Identification Number (UID) (Aadhaar)</p> <p><input type="checkbox"/> Valid Passport/ Registered Lease or Sale Agreement of Residence /Driving License</p> <p><input type="checkbox"/> Flat Maintenance bill accompanied with additional self-attested copy of Identity Proof of the holder/claimant.</p> <p><input type="checkbox"/> Utility bills like Telephone Bill (only land line)/ Electricity bill / Gas bill -Not more than 3 months old.</p> <p><input type="checkbox"/> Identity card / document with address, issued by any of the following: Central/State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions duly attested by the employer with date and organisation stamp</p> <p><input type="checkbox"/> For FII / sub account, Power of Attorney given by FII / sub-account to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address should be taken.</p> <p><input type="checkbox"/> Proof of address in the name of the spouse accompanied with self-attested copy of Identity Proof of the spouse.</p> <p><input type="checkbox"/> Client Master List (CML) of the Demat Account of the holder / claimant, provided by the Depository Participant.</p>
4	Bank details (to be updated for first holder in case of joint holding)	<p>Account Number: _____ #</p> <p>Bank Name: _____</p> <p>Branch Name: _____</p> <p>IFS Code: _____</p> <p style="text-align: center;">Provide the following:</p> <p><input type="checkbox"/> Original cancelled cheque bearing the name of the security holder; <b>OR</b></p> <p><input type="checkbox"/> Bank passbook/statement attested by the Bank;</p>
5	E-mail address	_____ #
6	Mobile	_____ #

\*or any date as may be specified by the CBDT (DP: Depository Participant)

# In case it is not provided, the details available in the CML will be updated in the folio

**Authorization:** I/ We authorise you (RTA) to update the above PAN and KYC details in following additional folio(s) held in my / our name (use Separate Annexure if extra space is required):

S. No.	Name of the Issuer Company	Folio No.	Quantity of securities	Face value of securities	Distinctive number of securities (Optional)

in which I / We are the holder(s) (strike off what is not applicable).

**Declaration:** All the above facts stated are true and correct.

	Holder 1	Holder 2	Holder 3
Signature	✓		
Name	✓		
Full address	✓		
PIN	✓ □□□□□□	□□□□□□	□□□□□□

# SIMPLEX MILLS COMPANY LIMITED

## Objection Memo that can be raised by the RTA

(only if the relevant document / details is / are not available in the folio or if there is a mismatch / discrepancy in the same or change thereof)

### Note

RTA shall raise all objections, if any / at all, in one instance only; the RTA shall not raise further objections on the same issue again and again, after the holder / claimant furnishes all the prescribed documents and details, unless there is any deficiency / discrepancy in the same.

No.	Item	Documents / Details to be provided to the RTA by the holder(s) / claimant(s)
1	PAN – Exceptions and Clarification	'Exemptions/clarifications to PAN', as provided in clause D to 'Instructions/Check List for Filing KYC Forms' in Annexure – 1 to SEBI circular No. MIRSD/SE/Cir-21/2011 dated October 05, 2011 on Uniform Know Your Client (KYC) Requirements for the Securities Market, shall also applicable for holder(s) / claimant(s) of securities held in physical mode.
2	Minor mismatch in Signature - minor	The RTA shall intimate the holder at the existing address, seeking objection, if any, within 15 days
3	Major mismatch in Signature or its non-availability with the RTA	<p><b>Option A</b></p> <p>i. Security holder shall provide the following documents:            (a) Original cancelled cheque with name of the security holder printed on it; or            (b) Self-attested copy of Bank Passbook/Bank Statement;</p> <p style="text-align: center;"><b>and</b></p> <p>ii. Banker's attestation of the signature of the same bank account as mentioned in (i) above as per Form ISR - 2</p> <p style="text-align: center;"><b>OR</b></p> <p><b>Option B</b></p> <p>The investor may get his or her signature changed or updated by visiting the Office of the RTA in person. In such a case, the investor shall sign before the authorized personnel of the RTA, along with PAN card and any one additional document mentioned at Serial Nos.1-4 of Annexure – E of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, in original for verification by the RTA, and submit self-attested copies of the same.</p>
4	Mismatch in Name	Furnish any one of the following documents, explaining the difference in names; <ul style="list-style-type: none"> <li><input type="checkbox"/> Unique Identification Number (UID) (Aadhaar)</li> <li><input type="checkbox"/> Valid Passport</li> <li><input type="checkbox"/> Driving license in Smart Card form, Book form or copy of digital form</li> <li><input type="checkbox"/> Identity card / document with applicant's Photo, issued by any of the following: Central / State Government and its Departments, Statutory / Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks, Public Financial Institutions.</li> <li><input type="checkbox"/> PAN card with photograph</li> <li><input type="checkbox"/> Marriage certificate</li> <li><input type="checkbox"/> Divorce decree</li> </ul>
5	Present address of the holder is not matching with the address available in the folio	In case the signature of the holder matches with the record available with the RTA, the request for change in address may be processed within the prescribed timelines. In case there is a difference in signature, the RTA shall follow the procedure as prescribed for mismatch in signature as laid down at Para – 1 of Annexure C of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/ 2023/37 dated March 16, 2023





**Simplex Mills Company Limited**

**Corporate Office :**

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