

**Before the Delisting Committee ("Committee")
Of
National Stock Exchange of India Limited
B Wing, Fifth Floor, Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Held on September 16, 2021**

In the matter of the Company Simplex Projects Limited

Members Present:

Ms. Sunita Sharma	- Chairperson
Ms. Mona Bhide	- Committee Member
Mr. Ashok Dhere	- Committee Member
Mr. K Narasimha Murthy	- Committee Member

Also Present:

Mr. Vikram Limaye	- Managing Director & CEO
Dr. Dinesh Kumar Soni	- Senior Vice President, Regulatory
Mr. Suresh Nair	- Vice President, Enforcement
Mr. Avishkar Naik	- Vice President, Listing Compliance
Mr. Dushyant Patadiya	- Manager, Enforcement
Ms. Shubhi Kapoor	- Deputy Manager, Enforcement

1. Background

- 1.1 The equity shares of M/s. Simplex Projects Limited (SIMPLEX) (hereinafter referred to as the "Company") is listed on the National Stock Exchange of India Limited (hereinafter referred to as the "Exchange") with effect from August 03, 2007. The trading in equity shares of the Company is suspended w.e.f November 26, 2018, due to non-compliance with Regulation 17, 33, and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").
- 1.2 An amount of Rs. 35,03,434/- being fine for non-compliance of the requirements under Listing Regulations and Rs. 15,12,359/- towards listing fees as of September 13, 2021, for F.Y. 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22 is due and payable by the Company.

2. Show Cause Notice, Public Announcement, and Responses

- 2.1 The Exchange issued a Show cause notice vide ref. no. NSE/LIST/96315 dated November 27, 2019, to the Company seeking an explanation why the equity shares listed on the Exchange should not be compulsorily delisted for the observed non-compliances.

- 2.2 In terms of Regulation 22(3) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"), the Exchange issued a public notice dated November 26, 2019, intimating the proposed delisting of the equity shares of the Company on the Exchange. The said Public Notice also invited representations from any person who may be aggrieved by the proposed delisting of the Company's equity shares.
- 2.3 The Exchange vide letter dated November 28, 2019, has informed the Directors and Promoters of the Company about the proposed delisting of the Company.
- 2.4 In response to the Exchange show cause dated November 27, 2019, the Company, vide its letter dated December 11, 2019, requested the Exchange to allow an extension of time till January 15, 2020, to make its detailed submission in response to the said notice.
- 2.5 Further, in response to the Exchange letter dated November 28, 2019, to the Directors and Promoters of the Company, Mr. Balkrishan Das Mundhra, Mr. Sudarshaan Das Mundhra, and Mr. Bhabya Nath Thakur, have confirmed their Directorship with the Company.

3. Reference to Previous Delisting Committee Meeting

3.1 Reference to the Previous Delisting Committee meetings held on December 12, 2019, and on March 24, 2020

- i. The Committee noted that the Company had sought time to respond to the said Exchange letter, and the same was granted with direction to place it in the subsequent delisting committee meeting.
- ii. The Company was given another opportunity of personal hearing vide Exchange letter dated March 04, 2020, to appear before the Committee on March 24, 2020. The Company vide its email dated March 23, 2020, while seeking adjournment on the grounds of its inability to commute due to the extraordinary situation prevailing in the country amid the Pandemic of Corona Virus (COVID – 19) and the order of LockDown issued by the Government of India, requested to postpone the hearing to a later date post stabilizing the current situation. The Committee, while granting the adjournment, decided that a final opportunity may be granted to the Company and directed that the matter be placed in the subsequent meeting for its decision.

3.2 The Response of the Company vide its email dated September 07, 2020:

- i. The Company submitted the status of compliances by the Company of various regulations required as per SEBI (LODR) as on September 07, 2020 as under:
 - a. **Regulation 17** - The Company has appointed Mrs. Sagarika Ghosh as Independent women director, w.e.f. from March 12, 2020.
 - b. **Regulation 33** - Financial results are submitted for the quarter ended September 30, 2019, while the Financial Results for the Q.E. December 2019 is expected by September 10, 2020, and for the Q.E. March, they are trying as early as possible.

- c. Regulation 34** - The Annual Report for FY19-20 is in the process of finalization, and they are expecting to Comply with this regulation at the earliest.
- ii. The Company further submitted that in view of the current situation of Pandemic, the Company was unable to demonstrate faster headway forward for the compliances due to various external factors beyond their control. Further, in view of the limited access by their staff member, it has also not been able to pursue most of their projects, due to limited functioning of all the state government departments, which is one of the key reasons based on which the Company has sought the consideration of the Committee for adjournment.
 - iii. With respect to outstanding listing fees the Company stated that they have paid listing fees till 2017-18, but due to stressed financial conditions in the last couple of years, leading to various restrictions imposed, the Company has been unable to pay the listing fees. While it has submitted their request before the Exchanges for waiver of fines and are hopeful of its sympathetic consideration, it is also confident of overcoming the situation with the support of all stakeholders including the Exchanges.
 - iv. Since the time the shares of the Company are listed on the Stock Exchanges, for over past 12 years, the Company has never defaulted on any front, except for the last couple of years due to its stressed financial conditions arising out of major setback their projects, particularly in Libya. During the last 2/3 years, this unstable financial condition has also led to several changes in hand, which have resulted in non-compliance with certain listing regulations.
 - v. The Company has claimed its transparent conduct and sincere efforts of all the stakeholders to bring the Company out of the stress. Further, it has also assured to clear pending dues in a short period.

3.3 Reference to the Previous Delisting Committee meeting held on September 24, 2020

- A.** In response to the Exchange letter dated September 04, 2020, granting the opportunity for a personal hearing, Mr. Sudarshan Das Mundhra – Managing Director and Mr. Pradeep Kumar Mishra – Financial Advisor attended the meeting from their respective locations through Video Conferencing and reiterated the submission made vide their response dated September 07, 2020. The representatives of the Company have made the following additional oral submissions before the Committee:
- i. The Ministry of External Affairs has written a letter to Ministry Finance and Ministry of Commerce as well as to RBI stating that the Company has been paying Rs. 30 crore per annum since 2010 for the charges and commission for bank guarantee along with charges for other statutory compliances which they stopped in the year 2017, which was due to the force majeure that the Company faced all these adversities.
 - ii. In Libya, they had exposure to a bank guarantee of Rs 675 crores (non-fund base). They also have a claim of Rs. 450 crores with the Government of Libya

- for which they went for international arbitration and have received the letter for admittance of the said claim.
- iii. The Company was also working on some project in Commonwealth Games 2010 in collaboration with some foreign Company, then the Commonwealth Games investigation commenced, and the foreign Company went away, due to which complete burden had fallen on them. For the said investigation, authorities of CBI, E.D. & PMLA have intervened for which they were stuck for 5-6 years.
 - iv. The situation in Libya and Commonwealth Games issue had led to resigning of the Independent Directors and various other non-compliances. The bank also, at the same time, initiated action for pending dues of the bank.
 - v. In Dec 2019, bankers agreed, and they have confirmed that the Company is not a wilful defaulter. They are in the process of settlement with the banks as the banks have moved to NCLT for pending dues, and they are hopeful that the settlement will be completed in due course of time.
 - vi. The representatives have informed that they plan to schedule the AGM to approve financial results for 2018-19 and 2019-20 within fortnightly.
 - vii. Further, they have stated that they have complied with major non-compliances and are hopeful of complying with remaining non-compliance by October 31, 2020.
 - viii. The representatives of the Company have requested to grant an extension of 2-3 months for complying with the statutory requirements and request for waiver of outstanding listing fees and fines of previous years.

B. Additional written response of the Company vide email dated September 24, 2020, post personal hearing.

The Company has submitted the detailed response for the oral submission made during the meeting and made the following prayer :

- i. The non-compliance, if any, is purely on account of various restrictions imposed upon them by the Government, actions of Court/Bank that make persons fearful in joining the board and was beyond the control of the Company. Hence, the proceedings initiated vide the impugned SCN are unsustainable and, therefore, deserve to be set aside. It is also evident that in the instant case, the non-compliance if any, had occurred purely on account of the following reasons:
 - a. Force Majeure: Impossibility to travel to Libya on account of the blanket ban by the Government of India for issuance of VISA, resulting in non-availability of information, to prepare the financial results of the Company;
 - b. Seizure of Documents by CBI: Documents seized by the CBI are yet to be released due to non-closure of their report, in the absence of which the Company's financial result could not be prepared.
 - c. Initiation of wilful default by SBI: Resulting no person to be appointed as an independent director of the Company.
- ii. All the above-mentioned events, which are well documented, have led to the impossibility of compliance with the few Regulations. As a matter of record, the Company has complied with all other Regulations that could have been complied despite such events. The Company, since its listing with the

- Exchange in August –2007, has timely complied with all the Regulations, bearing the one mentioned above, that was purely out of its control.
- iii. Therefore, the Company requests for complete waiver of the penalty, if any, to be imposed and also requests to allow payment in installment for the listing fees for 2018-19 and 2019-20. The Company also undertakes to pay the listing fee for the current year, i.e., 2020-21, immediately upon confirmation and will continue to pay for the forthcoming years.
 - iv. Any imposition of penalty will be against the natural justice to the Company, in the wake of its present financial situation, particularly in view of the fact that the Company is unable to pay dues, salaries, and wages in full to its laborer's and staff.
 - v. Any additional burden on account of penalty would force the Company into CIRP process, which would lead all its stakeholders into a losing arena, which the Company and its promoters had so far been whole-heartedly managing to bring the Company back on track.
 - vi. The Company, upon your confirmation of waiver of the penalty, shall make an application for revocation of the suspension, in the prescribed format, immediately upon compliance of the remaining pendency's to enable the Exchange to revoke the suspension order.
 - vii. The Company also undertakes to furnish the required information memorandum as provided for abridged prospectus as provided in part E of schedule VI of SEBI (ICDR) Regulations, 2018 to the extent applicable, and submit for dissemination on the Exchange website at the time of revocation.

C. Interim Decision of the Committee:

- i. The Committee, from the reply of the Company, observed that they are making efforts to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations.
- ii. The Committee also considering that for various reasons that were broadly administrative and particularly pertaining to the non-submission of financial results and Annual Report, the Company is under suspension, apart from non-payment of outstanding listing fees and fines.
- iii. The Committee also noted that the consideration for waiver of outstanding listing fees /fines is not within the purview of this Committee and understand that the same is under the purview of a separate authority of the Exchange. The Committee, however, in the interest of about 43% of the public shareholders, considered it necessary to grant one last opportunity to the Company to submit a clear road map of demonstrating how the Company proposes to revive the business along with a detailed response with necessary supporting documentary evidence within such time as submitted during the oral submission.
- iv. The Committee also made it clear that any further opportunity shall be subject to the Company submitting a clear road map as to how it proposes to revive the business. The Committee further directed that the Board of the Company

shall necessarily approve any such proposal.. The Committee further directed that the matter be placed in the subsequent meeting for its decision.

- v. Accordingly, the said decision of the Committee was communicated to Company vide Exchange email dated December 09, 2020.

D. The Company, in response to the, said email, vide its email dated January 30, 2021, submitted as below:

- i. The Company is not aware of the fine being imposed by the Exchange with respect to non-compliance with SEBI (LODR) requirements.
- ii. The AGM has already been completed on December 18, 2020, for considering the Balance Sheet of the F.Y. 2018-19. The Balance Sheet for the F.Y.2019-20 has already been finalized. The date for the AGM is being fixed as per the statutory requirements, and the same shall be completed by March 31, 2021.
- iii. Due to various external factors of COVID-19 Pandemic and its related fall out implicating other practical inabilities of the Company to comply with some of the other non-compliance, the Company has sought time to complete the other compliance before March 31, 2021.
- iv. The request for waiver is being reiterated as made in the previous letter requesting the acceptability of the moratorium & the waiver of outstanding listing fees and fines of last year.
- v. The Company reiterated two important aspects as the primary reasons towards the present day's difficulties in the Company's operations:
 - a. The Libyan Civil Unrest (Force Majeure)
 - b. The delays happening at the Banks for decision making, after the COVID-19 pandemic.
- vi. The Company also claimed that recently, they had a meeting with the Ministry of External Affairs (MEA), in coordination with the Ministry of Commerce (MOC) and the RBI, to resolve and find a solution for the Company's difficulties arising out of the Libyan Force Majeure.
- vii. The Company has requested to bear with them under the current situation for some more time, as the Company is confident of resolving all the matters shortly and having a clear road map to go forward, in keeping with all the compliances required as per the law of the land.
- viii. The Government has been considerate enough to give some time to the MSME registered companies like them to help get rid of these problems, mainly when the issues are of external nature that has engulfed the Company's working.
- ix. The Company hopes to resolve the issues at the earliest and, therefore, seek little more time.

3.4 Reference to the previous Delisting Committee held on February 23, 2021

- i. In response to the Exchange letter dated February 15, 2021, granting an opportunity for a Personal hearing, the Company, vide its email dated February 20, 2021, submitted that the Company's representatives are not available for the scheduled meeting and sought adjournment. The Committee finds that despite sufficient opportunity to respond to the SCN and demonstrate the action plan for getting the suspension revoked were given, the Company could not demonstrate any progress in the matter.
- ii. The Committee finds that the Company has been promising to declare the financial results and file the same since November 2018 but has failed to submit the same with the timelines as specified. The non-submission of the financial results deprives the shareholders and investors of an informed decision regarding their investments in the Company and its shares.
- iii. In response to the interim direction, the Company has submitted that the Balance Sheet for F.Y. 2018-19 has been confirmed in the AGM held on December 18, 2020 and that the Balance Sheet for F.Y. 2019-20 will be finalized by March 31, 2021. Further, the Company also stated that the other non-compliances would be complied with by March 31, 2021. With respect to waiver of the outstanding listing fee and fines etc., it was observed that the Company was informed to approach the appropriate Committee by the Exchange vide its email dated February 08, 2021.
- iv. The Committee, therefore though finding that the Company has not taken any sufficient step to comply with requirements under the SEBI (LODR) Regulations, 2015, taking into consideration that the financial year is on the verge of completion, considers it appropriate to grant one final opportunity may be granted to the Company to comply with pending requirements of SEBI (LODR) Regulations, 2015 and payment of outstanding dues. Accordingly, the Committee granted time till March 31, 2021, to comply with SEBI (LODR) Regulations, 2015, and payment of outstanding dues.
- v. **The response of the Company vide email dated March 30, 2021, is in response to the direction given by the Committee.**
- vi. The Company, in response to the direction given by the Committee, vide its email dated March 30, 2021, has submitted as under:
 - a. The Company is waiting for a positive change in the revival status of the Company and industry, which has not yet taken place on account of COVID.
 - b. A lot of decisions of the Company have to be corroborated with the decision to be communicated by the bank to the Company as well, which is expected to happen shortly.
 - c. Most of the compliances have been adhered to, and the process has already begun in some of the cases, which has also been shared with the Exchange.
 - d. Recently, the Company had a meeting with the Ministry of External Affairs(MEA), in coordination with the Ministry of Commerce (MOC) and the RBI, to resolve and find a solution for the Company's difficulties arising out of the Libyan Force Majeure.
 - e. In both matters, the Company is expecting a MAJOR policy decision that will help the Company make its own policy decision.

- f. In the meantime, the Exchange is requested to accept the moratorium & waive the outstanding listing fees and fines of previous years.
- g. As the Company is confident of resolving all the matters shortly and shall have a clear road map to go forward, in keeping with all the compliances required as per the law of the land, the company requests to bear with the situation for some more time.

3.5 Reference to the previous Delisting Committee held on May 25, 2021

- i. The matter was placed before the Committee in its meeting held on May 25, 2021, for its decision in the matter. The Committee noted that the Company was granted time till March 31, 2021, to comply with pending non-compliance of SEBI (LODR) Regulation, 2015, and payment of outstanding listing fees and fines.
- ii. The Committee finds that despite giving sufficient opportunity to get the suspension revoked, the Company could not demonstrate any progress.
- iii. The Committee, however, finds that the Company has sought some more time on the grounds of the present situation of the Pandemic to comply with the pending requirement and assures that matter would be resolved shortly.
- iv. The Committee, finally granted another opportunity which being the last opportunity to the to comply with pending requirements of SEBI (LODR) Regulations, 2015 and payment of outstanding dues. Accordingly, the Committee granted a time of 60 days to comply with SEBI (LODR) Regulations, 2015, and payment of outstanding dues and directed that upon failure of the Company to comply with the pending requirements, the Committee shall proceed as per law.
- v. **The response of the Company vide email dated August 23, 2021, is in response to the direction given by the Committee.**
 - a. During the conference meeting held in 2020 on the zoom platform, the Director of the Company had stated that the Company was under the mode of restructuring, and the OTS proposal was being negotiated with the various banks since 2019. Unfortunately, due to the delay totally attributed to the bankers & the forced compelling circumstance which were beyond the reach of the Company, the entire OTS proposal had been delayed, thereby directly affecting the cash flow impacting on the complete operations of the Company. The Company was forced to retrench a huge number of its employees, but despite the retrenchment, the Company had moral responsibility during the Covid Pandemic and went out of the way to exhaust all its savings to safeguard the lives of the company employees and their families.
 - b. All the 3 letters, dated 24.03.2020, 24.09.2020, and 23.02.2021 respectively, were issued basically during the Covid-19 Pandemic period, and thus, the compliances on the letters were rather impossible by the Company under the compelling circumstances as cited above.
 - c. The recent notification of RBI has further dampened the little hopes of the Company and hundreds of other MSME companies who were desperately trying to regain, and the operations of the Company have wholly been stalled and stopped. The Company has already written to various banks to allow the Company to recommence the works as has become impossible to work.

- d. It is extremely difficult to have all the compliances be acted upon in the present circumstance, especially the financial commitments. It is a humble request to please grant the Company a clear 60-day window in apprehension that there would not be any further pandemic wave to give and provide a clear payment and compliance opportunity and submit the same by October 30, 2021.

4. Present Proceedings before the Committee on September 16, 2021, Committee's Findings and Decision

- 4.1** The trading in the equity shares of the Company has been suspended for non-compliance with Regulation 33 (Financial Results) and Regulation 34 (Annual Report) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 since November 26, 2018. The Company has not taken any concrete steps to ensure compliance with the Listing Regulations.
- 4.2** The current non-compliances pertain to non-submission of financial results (Regulation 33 of LODR) and non-submission of the annual report (Regulation 34 of LODR) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Company has also not paid the outstanding listing fees and fines.
- 4.3** Regulation 22(1) of the Delisting Regulations provides for delisting of equity shares of the Company on any ground prescribed in the rules made under Section 21A of the Securities Contracts (Regulation) Act, 1956 ("SCRA"), which are as under:
- 4.4** Further, Rule 21 of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"), provides for various grounds for delisting of the equity shares of the Company, which are as under:
 - a. the Company has incurred losses during the preceding three consecutive years, and it has negative networth;
 - b. trading in the securities of the Company has remained suspended for a period of more than six months;
 - c. the securities of the Company have remained infrequently traded during the preceding three years;
 - d. the Company or any of its promoters or any of its Director has been convicted for failure to comply with any of the provisions of the Act or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996 (22 of 1996) or rules, regulations, agreements made thereunder, as the case may be and awarded a penalty of not less than rupees one crore or imprisonment of not less than three years;
 - e. the addresses of the Company or any of its promoter or any of its directors, are not known, or false addresses have been furnished, or the Company has changed its registered office in contravention of the provisions of the Companies Act, 1956 (1 of 1956); or
 - f. shareholding of the Company held by the public has come below the minimum level applicable to the Company as per the listing agreement under the Act, and the Company has failed to raise public holding to the required level within the time specified by the recognized stock exchange.
- 4.5** The Company has been given a reasonable opportunity by way of show-cause notice dated November 27, 2019, to explain as to why the equity shares of the Company

- should not be delisted and has thereafter the Delisting Committee has granted several opportunities to the Company to demonstrate the plan of action for restoration of the trading in its equity shares.
- 4.6** The Company has been granted opportunity on four occasions to the Company to comply with regulatory requirements. The Committee notes that a reasonable time of more than 2 years 8 months has already been granted to the Company to ensure compliances as required under SEBI (LODR) Regulations, 2015 read with erstwhile Listing Agreement and Listing Regulations for continued listing on the Exchange Platform.
- 4.7** The Committee finds from the submission of the Company's representative that the Company cannot pay dues, salaries, and wages in full to its laborers and staff. The Committee also finds that the Company is struggling to settle with the financial institutions. The Committee does not find any substantive grounds for considering the continuation of the Company under the "suspended category" any longer since the representative of the Company did not have any concrete plan of action which would give some hope of the revival of the operations of the Company vis a vis the trading of its equity shares on the trading platform of the Exchange.
- 4.8** The Committee, therefore, finds that the Company and its Directors have failed to demonstrate that sufficient efforts that were being taken or were proposed to be taken for either the revival of the operations of the Company or to ensure compliances required under SEBI (LODR) Regulations, 2015 read with erstwhile Listing Agreement and Listing Regulations to revive the trading of its equity shares and be continuously listed on the Exchange Platform.
- 4.9** Regulation 23 of the Delisting Regulations casts a responsibility on the Promoter of the Company to acquire the delisted equity shares from the public shareholders within three months of the date of delisting from the recognised stock exchange. The value of such delisted equity shares is determined by the independent valuer. Therefore, the Committee is of the view that delisting of the equity shares of the Company will enable the investors to make an informed decision. Further, any delay in the delisting of the equity shares of the Company, when no concrete steps are taken by the Company for revocation of the suspension, will prejudice the interest of the investors
- 4.10** Regulation 24(1) of the Delisting Regulations provides that where a company has been compulsorily delisted, the Company, its whole-time directors, its promoters, and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing for any equity shares for a period of ten years from the date of such delisting. Further, Regulation 24(2)(b) of the Delisting Regulations provide that the promoters and whole-time directors of the compulsorily delisted Company shall also not be eligible to become directors of any listed company till the exit option to the public shareholders is given in compliance with Regulation 23(3) of the Delisting Regulations. Therefore, the Committee is of the view that upon delisting of the Company, the consequences of delisting that follow by virtue of the provisions of Regulation 24 of the Delisting Regulations will be in the larger interest of the investors/shareholders.

Decision:

- 4.11** Considering the fact and circumstances mentioned above, the Committee directs that the equity shares of Simplex Projects Limited be compulsorily delisted from the Exchange in terms of Regulation 22(1) of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 read with Rule 21(b) of Securities Contracts (Regulation) Rules, 1957.
- 4.12** The proceedings of the Delisting Committee meeting held on September 16, 2021, were through video conferencing. At this stage, it is neither possible to sign a copy of this order nor Exchange can issue a certified copy of the order. Therefore, an electronic copy of this order sent from the Exchange's email id shall be treated as a signed copy for all purposes.

Sd/-
Sunita Sharma
(Chairperson)

Sd/-
Mona Bhide
(Committee Member)

Sd/-
Ashok Dhere
(Committee Member)

Sd/-
Mr. K Narasimha Murthy
(Committee Member)

Date: October 22, 2021