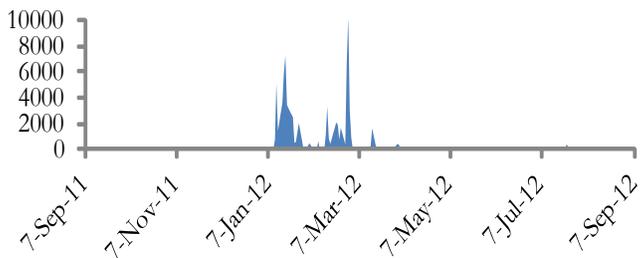


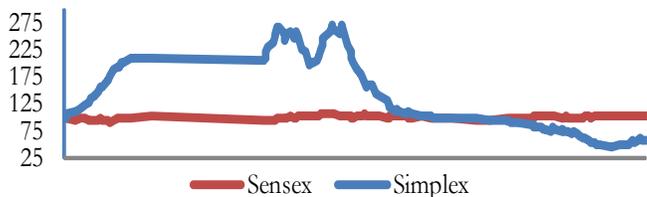
**Equity Statistics**

Current Market Price	Rs.	68.3
52 Week High / Low	Rs.	335.00/53.45
Market Capitalisation	Rs. crores	34.2
Free Float	Rs. crores	34.0
Dividend Yield	%	-
One Year Regression Beta	Times	0.2

**BSE Volumes Trend - Average = 1 Thousand**

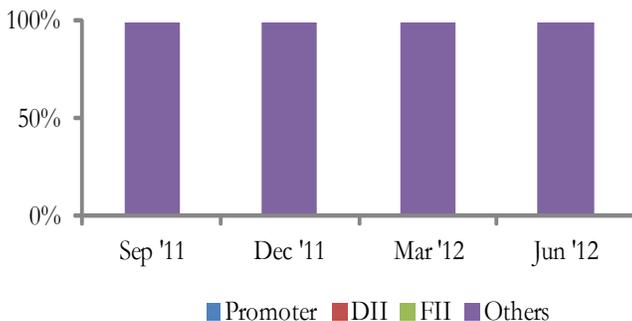


**Relative Returns**



Returns (%)	1M	3M	6M	1Yr
Absolute	20%	-38%	-70%	-45%
Relative to Sensex	19%	-41%	-70%	-47%

**Shareholding Pattern**



**Business Summary**

Simplex Trading & Agencies Ltd (Simplex) is engaged in the business of finance and is registered with the Reserve Bank of India (RBI) as a Non Banking Finance Company (NBFC). It invests in shares, mutual funds, and other investments. The company is based in Mumbai, India and was incorporated in July 1981.

The objective of the company is to act as agents, brokers, factors, commission agents, buying and selling agents, distributors, indenting agents, sub-agents, and estate agents and to act as manufacturers' representatives. The investment portfolio of Simplex includes companies across sectors including metals, minerals, construction and steel.

The shares of the company are largely held by individual body corporates. Shareholders with close to 50% holding (aggregate) include Corporate Stock Broking Pvt Ltd, Corporate Commodity Brokers Pvt Ltd, Northpole Finance Ltd, Shah Realcom Pvt Ltd, Somar Commodities Pvt Ltd, Trusha Mercantile Pvt Ltd, Vishal Realty Management Ltd and Vishal Shipping Corporation Ltd.

In FY12 (provisional), Simplex reported operating income of Rs.4.67 crore and net loss of Rs.0.02 crore.

Simplex is currently trading at 7.32 times FY12 revenue.

**Board of Directors**

Person	Role
Govind Senma	NED and Professional Director
Anil Chandulal Mistry	NED , Independent
Harleen Singh Kathutia	NED , Independent
Ankit Ashok Salva	Director
Nilang Pravichandra Vaidya	Director

Source: AR, Capitaline,  
NED: Non Executive Director

Source: BSE, Capitaline and CARE Research

## Background

Simplex was incorporated in July 1981 to act as agents, brokers, factors, commission agents, buying and selling agents, distributors, indenting agents, sub- agents, and estate agents and to act as manufacturers' representatives. It is currently engaged in the business of finance and is registered with the RBI as a NBFC. It invests in shares, mutual funds, and other investments. The company is based in Mumbai, India.

## Business overview

Simplex is registered as a NBFC with RBI and is engaged in the business of finance. It invests in shares, mutual funds, and other investments.

The investment portfolio of Simplex includes companies across sectors including metals, minerals, construction and steel.

## Strengths and growth drivers

- Growing scale of operations exhibited by Growth in the revenue witnessed over the last 2 years (FY12 and FY11). The revenue of the company has grown from Rs.0.04 crore in FY10 to Rs.4.67 crore in FY12. No external debt as on March 31, 2011. The company had availed a secured loan from Bank of India till FY10; however, the same was repaid in FY11 making the company an external debt-free company.
- Increase in net worth on account of fresh infusion of equity and conversion of preference warrants.

## Risk and concerns

- The industry faces risk on account of regulatory changes. The regulatory changes may have an impact on the investment decisions and revenue parameters for the NBFCs.
- Slowdown in the industrial activities and economic growth

## Future strategy and expansion plans

- The weak outlook of the world economy and the deceleration in the domestic economy across various sectors is expected to continue exerting pressure on the overall financial risk profile of the company. However, the company has been able to exhibit growth in its operations in the last two years and will continue to look for improvements in the business outlook for short and medium term.

## Industry outlook

NBFCs are important within the Indian financial system due to their reach and customer relationships NBFCs have clocked rapid industrial growth since FY11. The bank credit offered to NBFCs increase from around Rs.800 billion in FY09 to around Rs.2,150 billion in FY12. This has further increased to around Rs.2,500 billion in Q1FY13. The industry has also witnessed significant increase in the proportion of bank credit lent to NBFCs from around 3.5% in FY09 to around 6% in Q1FY13. The industry is expected to grow given the plans of the existing players to expand with support from banks and regulators.

Quarterly financials	Quarter ended June 30, 2012				
	Q1FY13	Q4FY12	Q3FY12	Q2FY12	Q1FY12
<b>Income statement (Rs. crore)</b>					
Total income	0.0	0.0	0.0	4.67	-
Ordinary PAT	(0.0)	(0.04)	(0.01)	0.03	-
Adjusted PAT	(0.0)	(0.04)	(0.01)	0.03	-
<b>Growth (Q-o-Q) (%)</b>					
Growth in total income	NM	NM	NM	-	-
<b>Profitability ratio (%)</b>					
Adjusted PAT margin	NM	NM	NM	0.6	-

Source: BSE, Capitaline and CARE Research , NM: Not Meaningful

## Financial analysis

- In FY12, Simplex registered a turnover of Rs.4.67 crore - up 1.03 times y-o-y.
- There was a significant increase in operating income from Rs.0.02 crore in FY11 to Rs.4.64 crore in FY12. The company, however, continues to have loss at net level, of Rs.0.02 crore in FY12.
- There was a decline in the debt levels of the company from Rs.17.29 crore in FY10 to Rs.10.88 crore in FY11. This is on account of repayment of external debt from Bank of India aggregating Rs.6.5 crore as on March 31, 2010. There is no external debt as on March 31, 2011. Total debt represents unsecured loan from the body corporates. The adjusted networth of the company increased from Rs.29.57 crore in FY10 to Rs.57.27 crore in FY11. This increase is attributable to increase in the paid-up equity share capital (at premium) and conversion of preference warrants.
- The company has made new investments in FY11 (increase from Rs.7.30 crore in FY10 to Rs.28.92 crore in FY11).
- Gross debt to equity has improved from 0.6 in FY10 to 0.2 in FY11. This is on account of repayment of secured debt and further infusion of equity in the company in FY11.
- Interest coverage has improved in FY11 on account of improved profits resulting from increase in the total income.

Annual financial statistics	FY08	FY09	FY10	FY11	FY12
<b>Income statement (Rs. crore)</b>					
Total income	0.02	1.95	0.04	2.30	4.67
Net sales	0.02	1.95	0.04	2.30	4.67
EBITDA	0.02	0.04	0.04	0.03	4.64
Depreciation and amortization	0.00	0.01	0.01	0.01	NA
EBIT	0.02	0.03	0.03	0.02	4.64
Interest	-	-	0.06	0.02	NA
PBT	0.01	0.01	(0.05)	(0.01)	(0.02)
Ordinary PAT	0.01	0.04	(0.05)	(0.01)	(0.02)
Adjusted PAT	0.01	0.04	(0.05)	(0.01)	(0.02)
<b>Balance sheet (Rs. crore)</b>					
Adjusted networkth	5.96	6.00	29.57	57.27	NA
Total debt	0.00	0.41	17.29	10.88	NA
Cash and bank	0.03	0.03	6.52	0.02	NA
Investments	5.19	6.36	7.30	28.92	NA
Net fixed assets (incl. CWIP)	0.00	0.03	0.02	0.01	NA
Net current assets (excl. cash, cash equivalents)	0.74	(0.01)	33.02	39.20	NA
<b>Per share data (Rs.)</b>					
Adjusted BVPS	11.92	12.00	59.14	114.54	NA
Diluted EPS	NA	0.16	NM	NM	-
DPS	NA	NA	NA	NA	NA
<b>Growth (Y-o-Y) (%)</b>					
Growth in total income	-	9,650.0	(97.9)	5,650.0	103.0
Growth in net sales	-	9,650.0	(97.9)	5,650.0	103.0
Growth in EBITDA	-	100.0	-	(25.0)	NM
Growth in adjusted PAT	-	300.0	NM	NM	NM
Growth in EPS	-	NA	NM	NM	NM
<b>Key financial ratio</b>					
EBITDA margin (%)	100.0	2.1	100.0	1.3	99.4
Adjusted PAT margin (%)	50.0	2.1	NM	NM	NM
RoCE (%)	-	1.0	0.1	0.0	13.6
RoE (%)	-	0.7	NM	NM	NM
Gross debt - equity (times)	NM	0.1	0.6	0.2	NA
Net debt - equity (times)	(0.0)	0.1	0.4	0.2	NA
Interest coverage (times)	NM	-	0.5	1.0	NA
Current ratio (times)	8.7	3.0	NM	NM	NA
Inventory days	NM	NM	NM	NM	NM
Receivable days	NM	NM	NM	NM	NM

Source: BSE, Capitaline and CARE Research

Financial Year (FY) refers to period from April, 1 to March, 31; FY12 financials are based on abridged results.

## DISCLOSURES

- Each member of the team involved in the preparation of this grading report, hereby affirms that there exists no conflict of interest that can bias the grading recommendation of the company.
- This report has been sponsored by the BSE Investors' Protection Fund.

## DISCLAIMER

- CARE Research, a division of Credit Analysis & REsearch Limited [CARE] has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain or from sources considered reliable. However, neither the accuracy nor completeness of information contained in this report is guaranteed. Opinions expressed herein are our current opinions as on the date of this report. Nothing in this report can be construed as either investment or any other advice or any solicitation, whatsoever. The subscriber / user assumes the entire risk of any use made of this report or data herein. CARE specifically states that it or any of its divisions or employees do not have any financial liabilities whatsoever to the subscribers / users of this report. This report is for personal information only of the authorised recipient in India only. This report or part of it should not be reproduced or redistributed or communicated directly or indirectly in any form to any other person or published or copied for any purpose.

## PUBLISHED BY

**CARE Research** is an independent research division of CARE Ratings, a full-service rating company. CARE Research is involved in preparing detailed industry research reports with 5-year demand and 2-year profitability outlook on the industry besides providing comprehensive trend analysis and the current state of the industry. CARE Research also offers research that is customized to client requirements.

**Credit Analysis & REsearch Ltd. (CARE)** is a full service rating company that offers a wide range of rating and grading services across sectors. CARE has an unparalleled depth of expertise. CARE Ratings' methodologies are in line with the best international practices.

**Head Office:** 4th Floor Godrej Coliseum, Off Eastern Express Highway, Somaiya Hospital Road, Sion East, Mumbai – 400 022. | Tel: +91-22-67543456 | Fax: +91-22-67543457 | [www.careratings.com](http://www.careratings.com) |

**Regional Offices:** New Delhi | Kolkata | Ahmedabad | Bangalore | Hyderabad | Chennai | Pune |

Published on behalf of The Stock Exchange Investors' Protection Fund

First Floor, P J Towers, Dalal Street, Mumbai.  
Tel: 22721233/34 | [www.bseindia.com](http://www.bseindia.com)

