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SIMPLEX INFRASTRUCTURES LIMITED

REGD. OFFICE :

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CIN No. L45209 WB 1924 PLC 004969

Ref No.: 01/CS/SE/001/92203

May 31, 2016

✓ The Secretary
BSE Limited
1st Floor, New Trade Ring
Rotunda Building
Phiroze JeeJeebhoy Towers
Dalal Street, Mumbai – 400 001

The Secretary
The Calcutta Stock Exchange Ltd
7, Lyons Range
Kolkata – 700 001

The Secretary
National Stock Exchange of India Limited
5th Floor, Exchange Plaza, Bandra East
Bandra Kurla Complex, Mumbai – 400 051

Sub: Outcome of Board Meeting held on 30th May, 2016

Dear Sir,

Further to our letter No 01/CS/SE/001/92200 dated 30/05/2016 we attached herewith Audit report on the consolidated financial statement which have inadvertently not attached with the said letter. Please find the same in order. Error is regretted.

Yours faithfully,
For Simplex Infrastructures Limited

B. L. Bajoria
Sr. Vice President & Company Secretary
enclo:a/a

INDEPENDENT AUDITORS' REPORT

To the Members of Simplex Infrastructures Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Simplex Infrastructures Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entities and associate companies; [refer Note 30(a) to the attached consolidated financial statements], comprising the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.



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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

7. As stated in the Note 30(c) to the consolidated financial statements due to non-availability of financial information in respect of a foreign subsidiary, income and expenses and inter-company transactions pertaining to the period 1 April 2015 till the date of disposal have not been recognised/eliminated in the consolidated statement of profit and loss in accordance with the requirement of Accounting Standard (AS) 21 "Consolidated Financial Statements". Also, as stated in the aforesaid Note pursuant to reduction in shareholding of the Holding Company in the subsidiary, carrying value of investment held in the subsidiary as at the date of disposal should have been recognised in accordance with AS 23 - "Accounting for Investments in Associates in Consolidated Financial Statements", however, in the absence of availability of financial information, the investment has not been accounted for in consolidated financial statements under the equity method.

Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effects of the matter referred to in paragraph 7 above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

9. The financial statements of Raichur Sholapur Transmission Company Private Limited for the year ended March 31, 2016, an associate company of the Holding Company, was audited by another firm of chartered accountants, who vide their report dated May 24, 2016 have reported as follows:

"The company has re assessed the useful life of its fixed assets held under Build, Operate, and Own & Maintain (BOOM) model from 35 years to 25 years.



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Since the transmission license provided to the company by Central Electricity Regulatory Commission (CERC) on 24/08/2011 was for a period of 25 years, the management of company has decided to re assess the life of its fixed assets to 25 years from 35 years. Accordingly the above fact has been disclosed in note no. 19 to financial statements.

Considering the requirements of the Standards on Auditing 620 "Using the work of an expert" and his technical knowhow & financial prudence the depreciation has been recalculated accordingly taking the useful life of assets to be 25 years. The consideration of all relevant factors has been discussed in the technical report dated May 17, 2016 provided by Independent Valuer & has therefore been relied upon accordingly."

Other Matters

10. We did not audit the financial statements/financial information of five subsidiaries and four jointly controlled entities whose financial statements/ financial information reflect total assets of Rs. 4,653 Lakhs and net assets of Rs. 679 Lakhs as at March 31, 2016, total revenue of Rs. 1,006 Lakhs, net loss of Rs. 127 Lakhs and net cash flows amounting to Rs. 122 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 119 Lakhs for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of two associate companies whose financial statements/ financial information have not been audited by us including the audited financial statements of Simplex Infrastructures Libya Joint Venture Co., a subsidiary whose net worth has been eroded as at March 31, 2016. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
11. We did not audit the financial statements/financial information of one jointly controlled entity whose financial statements/ financial information reflect total assets of Rs. 81 Lakhs and net assets of Rs. (3,066) Lakhs as at March 31, 2016, total revenue of Rs. Nil, net loss of Rs. 2 Lakhs and net cash flows amounting to Rs. 66 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



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(b) In our opinion, except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion paragraph above, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entity incorporated in India including relevant records relating to the preparation of the consolidated financial statements.

(d) In our opinion, except for the indeterminate effect of the matter referred to in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entity incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entity incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With reference to maintenance of accounts and other matters connected therewith, reference is drawn to Note 30(c) to the consolidated financial statements and the matters are as stated in paragraph 12(b) above.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A which has been modified in respect of material weakness noted in internal control relating to monitoring of timely preparation of financial statements of the component entities on a periodic basis.

(h) With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group, its associates and jointly controlled entities- Refer Note 32.1 to the consolidated financial statements.

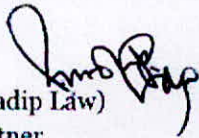
ii. The Group, its associates and jointly controlled entities had long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses, other than in the case of Raichur Sholapur Transmission Company Private Limited, an associate company of the Holding Company, audited by another firm of chartered accountants, who vide their report dated May 24, 2016 have reported as follows:

"The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts."



iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2016. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company's subsidiary companies, associate companies and jointly controlled entity incorporated in India during the year ended March 31, 2016.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



(Pradip Law)
Partner
Membership Number: 51790
Kolkata
May 30, 2016

For H.S. Bhattacharjee & Co.
Firm Registration Number: 322303E
Chartered Accountants



(H.S. Bhattacharjee)
Partner
Membership Number: 50370
Kolkata
May 30, 2016