

**SIMPLEX**  
PROJECTS LIMITED



CONSTRUCTING THE **future**india



ANNUAL REPORT  
2013-14



Multipurpose Hall at Peddem, Goa

Medical College And Associated Hospital at Saharanpur, U P



**BOARD OF DIRECTORS**

***Chairman Cum Managing Director***

Sri Balkrishandas Mundhra

***Whole Time Directors***

Sri Jai Kishan Bagri

Sri Sudarshandas Mundhra

***Directors***

Sri Shyam Das Mundhra

Sri Anand Chopra

Dr. Nitindra Nath Som

***Senior Vice President (Finance) & CFO***

Sri Pradeep Mishra

***General Manager - Commercial  
& Company Secretary***

Sri Anil Jain

***Auditors***

Chaturvedi & Company

Chartered Accountants

***Bankers***

Axis Bank Ltd.

Bank of Baroda

DBS Bank Ltd.

Development Credit Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

State Bank of India

State Bank of Travancore

UCO Bank

Yes Bank Ltd.

***Registrar and Share Transfer Agents***

Cameo Corporate Services Limited

Subramanian Building, V - Floor

1, Club House Road

Chennai - 600 002

***Registered Office***

12/1, Nellie Sengupta Sarani

Kolkata - 700 087

***Corporate Office***

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Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended 31st March, 2014.

**1. FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31st March, 2014 is summarized below:

(₹ in lakhs)

	Year ended 31st March, 2014	Year ended 31st March, 2013
Total Income	<b>56,974.92</b>	50,055.34
Less: Expenses	<b>56,559.05</b>	49,615.90
Profit / Loss before exceptional and extra-ordinary items	<b>415.87</b>	439.44
Profit before extra-ordinary items & tax	<b>415.87</b>	439.44
Less: Provisions for Taxation	<b>45.12</b>	114.29
Profit After Tax	<b>370.75</b>	325.15
Add: Balance brought forward from last year	<b>7,506.57</b>	7,181.42
Profit available for appropriation	<b>7,877.32</b>	7,506.57
Less: Proposed Dividend (including tax on dividend)	<b>NIL</b>	NIL
Tax thereon	<b>NIL</b>	NIL
Transfer to General Reserve	<b>NIL</b>	NIL
Balance Profit after appropriation	<b>7,877.32</b>	7,506.57

**2. OPERATIONAL PERFORMANCE :**

For financial year ended march 31, 2014, your Company has achieved gross turnover of ₹ **56974.92 Lacs** as against ₹ **50055.34 Lacs** for the previous period. The turnover of the Company has shown a rise of **13.82 %** as compared to previous year.

The profit before tax (after interest and depreciation charges) has dropped to ₹ **415.87 Lacs**, as against ₹ **439.44 Lacs** for the previous year, thus showing a decline of 5.36% as against the previous year. While the profit after tax was ₹ **370.75 Lacs** as against ₹ **325.16 Lacs** in the previous year, thus rising by **14.02 %** as against the previous year.

The Company has received an approval from the Government of Libya for resumption of its project for

construction of 2000 housing units, service buildings and related infrastructure at Ghira, Shabiyat of Ashati, Libya which was stalled due to political unrest in Libya since February 2011. In view of the revised agreement the project is to be completed within a period of 900 days from the date of initial payment of outstanding dues. A similar Supplementary Agreement is under preparation for resumption of work relating to execution of housing units at Wadi, Libya.

Your Company has received an overseas order for construction work at Kuwait as per the following details:

Contract Value	KD 24,387,360 [Approx USD 86.33 Mn]
Principal Client	Public Works Authority
Client	Combined Group Contracting Company

The overseas client is a reputed listed Company of Kuwait primarily engaged in the civil engineering and infrastructure construction of medium to large scale projects in Kuwait and other middle-east countries. The project has been awarded to the Combined Group by the Ministry of Public Works, Govt. of Kuwait through a tender process. The project has been awarded on a sub-contract on back to back basis for the entire work, excluding the electro-mechanical works.

Our focus area continues to be the execution of civil engineering projects with specialization on piling, building, bridge and flyovers. Further your Company had been successful in bagging various contracts for execution of Infrastructure Projects. The Company expects substantial increase in the order book position.

### **3. DIVIDEND :**

During the year under review, the Board of Directors of the Company at their meeting held on May 30, 2014 did not recommend payment of dividend with a view to conserve the resources for the future development of the Company.

During the year under review no amount which remained unclaimed and unpaid for a period of seven years, is due for transfer to Investor Education & Protection Fund.

### **4. CAPITAL EXPENDITURE :**

During the year under review, the Company has made additions to the Fixed Assets amounting to Rs. 1099.89 Lacs. Additions were required for augmenting the Company's business turnover and to procure various construction equipments needed for the effective discharge of the Projects undertaken.

### **5. SUBSIDIARY COMPANY (IES) / JOINT VENTURE :**

As on 31<sup>st</sup> March, 2014, your Company has two subsidiaries namely, Simpark Infrastructure Pvt. Ltd. and Simplex Agri-Infra Services Pvt. Ltd.

Simpark Infrastructure Pvt. Ltd. (SIPL), continues to be wholly-owned Subsidiary of the Company and undertakes activities of multi-level car parking projects.

Simplex Agri-Infra Services Pvt. Ltd., another subsidiary, which was awarded contracts by Food Corporation of India (FCI) to construct and maintain warehouses at different parts of Jammu & Kashmir on Build, Own & Operate/Lease basis is yet to commence commercial

operations. The said subsidiary has also been awarded contracts by FCI & HIMFED for construction and maintenance of warehouses in Himachal Pradesh on Build, Own & Operate/Lease basis.

The Company also has a Joint Venture in the form of Joint Venture Co-operative at Netherland in the name and style of Simplex Projects (Netherlands) Cooperatie U.A., in partnership with one of its Group Companies, to foray into the European Markets.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Govt. of India, the Balance Sheet and Statement of Profit & Loss and other documents of the subsidiary Companies are not being attached with the Balance Sheet of the Company. The Company will make available the annual accounts of the subsidiary Companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiaries will be kept open for inspection at the registered office of the Company and that of the respective subsidiary Companies.

The Company has disclosed in the Annual Report the following information in aggregate for its subsidiaries:

(a) Capital (b) reserves (c) total assets (d) total liabilities (e) details of investments (f) turnover (g) profit before taxation (h) profit after taxation (i) proposed dividend, as applicable.

### **6. CHANGE IN COMPANY LAW**

The Companies Act, 2013,('the Act') has been passed replacing the age old Companies Act,1956 and a large portion of the Act has already become effective. Several Rules under various sections of the Act have also been notified. Your company is taking necessary steps to comply with the requirements of the new Act. The Company has already formed, reconstituted and renamed various committees in terms of the requirement of the Act. Steps are in hand to implement various other provisions of the Act to ensure compliance at appropriate time.

Pursuant to General Circular 8/2014 no 1/19/2013-CL-V dated 4<sup>th</sup> April 2014 issued by the Ministry of Corporate Affairs the financial statements and documents attached thereto, the Report of the Board of Directors and Auditors in respect of the Financial year ended 31<sup>st</sup> March 2014

have been prepared in accordance with the provisions of the Companies Act, 1956. With respect to the provisions of the Act, appropriate references have been made in this report in respect of certain provisions which have become applicable

#### **7. CONSOLIDATED FINANCIAL STATEMENTS :**

In compliance with the Accounting Standard – 21 on Consolidated Financial Statements, read with AS-23 on Accounting for Investments in Associates prescribed by Companies (Accounting Standard) Rule, 2006 and the Listing Agreement entered into with BSE Limited and National Stock Exchange of India Ltd., this Annual Report includes the consolidated financial statements of the Company together with the financial statements of Simpark Infrastructure Private Limited, the wholly owned subsidiary and Simplex Agri-Infra Services Pvt. Ltd, the subsidiary Company.

#### **8. PUBLIC DEPOSITS:**

The Company, during the year under review, has neither accepted nor renewed any public deposit as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

#### **9. PARTICULARS OF EMPLOYEES:**

During the year under review, the Company had no employee drawing remuneration as prescribed Under Section 217 (2A) of the Companies Act 1956, read with, Rule 1A of the Companies (Particulars of Employees) Rules, 1975.

#### **10. DISCLOSURE OF PARTICULARS:**

Disclosure in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo, are set out as an Annexure to this Report.

#### **11. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state as follows:

1. That in the preparation of the annual accounts for the financial year ended March 31, 2014, the applicable accounting standards had been followed with no material departures;

2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors had prepared the annual accounts on a going concern basis.

#### **12. DIRECTORS**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreement entered into with Stock Exchanges, appointed Mr. Anand Chopra, Mr. Shyam Das Mundhra and Dr. Nitindra Nath Som as Independent Directors of the Company. As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Re-appointment of Mr. Sudarshandas Mundhra and Mr. Jai Kishan Bagri as Whole Time Director, for a period of 3 (Three) years from the expiry of their present term, which expires on 30<sup>th</sup> September, 2014, at the remuneration recommended by the Nomination and Remuneration Committee of the Board has been approved by the Board.

Profile of all these Directors has been given in the Explanatory Statement to the Notice of the ensuing Annual General Meeting of the Company.

Mr. Anand Prasad Agarwalla resigned from the Board during the period and the Board places on record its deep sense of appreciation for the services rendered by him during the tenure of his directorship of the Company.

#### **13. AUDITORS & AUDITORS' REPORT :**

The Statutory Auditors of the Company - Messrs

Chaturvedi & Company, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. Your Company has also received their confirmation pursuant to section 139 of the Companies Act 2013.

Auditors' Report read with Annexure referred to in Paragraph 3 of the Auditors' Report do not contain any qualification of significant nature. Comments under para (ix) & (xi) of the Annexure to the Auditors' Report are self-explanatory and, therefore, require no further comments from the Board of Directors.

#### **14. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Corporate Governance Report as well as Corporate Governance Compliance Certificate received from the Statutory Auditors and Management Discussion & Analysis Report for the year under review as required under Clause 49 of the Listing Agreement is presented in a separate section forming part of the Annual Report.

#### **15. VIGIL MECHANISM:**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism for directors and employees to report genuine concerns has been established.

#### **16. CODE OF CONDUCT :**

Pursuant to clause 49 of the Listing Agreement, the

declaration signed by the Managing Director affirming compliance of the Code of Conduct by the Directors and senior management personnel for the financial year 2013-14 is annexed and forms part of the Directors and Corporate Governance Report.

#### **17. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to place on record their deep appreciation for the whole-hearted and sincere co-operation the Company has received from the statutory authorities, banks, stakeholders and customers. Your Directors also wish to thank all the employees for their dedicated and committed service to the Company.

On behalf of the Board  
For **Simplex Projects Limited**

**B.K.Mundhra**  
Chairman & Managing Director

**Registered Office:**  
12/1, Nellie Sengupta Sarani,  
Kolkata – 700 087  
Dated: 11th August, 2014



**Additional information pursuant to Section 217 (1) (e) of the Companies Act 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988:-**

**A. CONSERVATION OF ENERGY:**

**a) Energy Conservation measures taken:**

Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.

Company is continuing with energy saving measures initiated earlier like usage of more sophisticated Machinery which can do more work in lesser time and thereby reducing the requirement of equipment that programmes to maximize saving in two specific areas:

- i) Electric Energy
- ii) Fuel oil consumption

In this industry 99% equipments are powered by either electrical motor or by fuel oil powered engines. Since most of our work is carried out in remote locations and is subjected to harsh environment conditions, the rate of depreciation is very high. The scope of energy efficiency in our industry will be energy conservation through well planned actions such as quality preventive maintenance, machinery up-gradation, modernization and introduction of sophisticated control system. Fuel oil consumption has been reduced by implementing vigorous preventive maintenance measures and introducing new fuel efficient engines coupled with newer machinery and reducing idle running of equipments

**b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

Continuous additional investments are made in phases to replace old machinery with newer more sophisticated and more fuel efficient ones. The replacement theory is applied in repairs and renewals.

**c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of the production of goods:**

Energy conservation measures continue to reduce the production cost.

**d) Total energy consumption and energy consumption as per unit of production as per prescribed Form A of the annexure in respect of industries specified in Schedule thereto: Not applicable as the Company is not covered under the list of specified industries.**

**B. TECHNOLOGY ABSORPTION:**

**a) Research and Development :-**

The Company is not having any Research and Development activity at present.

**b) Technology Absorption, Adoption and Innovation: -**

**(i) Efforts, in brief, made towards technology absorption, adoption and innovation :**

The Company has absorbed advanced technology and technical know-how in the field of automated car parking systems.

**(ii) Benefit derived as a result of the above efforts:**

The technology implemented in parking projects has been economical and more effective in terms of ground coverage in comparison to conventional method of construction.

**(iii) Technology imported during the last five years:**

- a) Technology imported : Nil
- b) Year of import : Not applicable
- c) Has the technology been fully absorbed : Not applicable

**C. FOREIGN EXCHANGE EARNINGS (₹ in lakhs)**

Particulars	As on 31st March, 2014	As on 31st March, 2013
On Contract Work (Gross Billing) (Overseas Branch)	NIL	NIL
Interest Received	NIL	0.38

**D. FOREIGN EXCHANGE OUTGO (₹ in lakhs)**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Membership & Subscription	-	-
Travelling	8.84	6.49
Contract Expenses (Overseas Branch)	3,247.32	1,828.30
Others administrative expenses	NIL	4.46

On behalf of the Board  
For Simplex Projects Limited

**B.K.Mundhra**  
Chairman & Managing Director

**Registered Office:**

12/1, Nellie Sengupta Sarani  
Kolkata – 700 087

Dated: 11th August, 2014

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is an ethically driven business process to ensure that the company's affairs are being managed in fair and transparent manner in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and social expectations.

Recently, the Securities and Exchange Board of India (SEBI) sought to amend the equity Listing Agreement to bring in additional corporate governance norms for listed entities. Many of the amendments are effective from 1<sup>st</sup> October, 2014, the norms are aligned with the provisions of Companies Act, 2013, and is aimed to encourage companies to 'adopt best practices on corporate governance'.

At Simplex Projects Limited we are committed to growth and long term shareholders wealth creation. Our corporate philosophy extends beyond just doing business for profit maximization, but encouraging forward looking initiatives to strengthen our goodwill, to play responsible roles for our stakeholders. Principles of Transparency and Timely Disclosures have been adhered to the extent these do not compromise on its competitiveness. We believe that good Corporate Governance is a continuous exercise and it ensures:

- ❖ The core values of the company are protected.
- ❖ The fiduciary and trusteeship role of the Board to align and direct the actions of an organization towards creating and promoting transparency, accountability, fairness, integrity and social responsibilities.
- ❖ An inherent culture that guides the Board of Directors, the management and the employees to function towards the best interest of all stakeholders.

- ❖ The company maximize their value legally, ethically and benefit in the long run by way of sustained growth and value addition.
- ❖ Commitment to establish systems and practices which enable it to conduct its business in line with any other world class company.

The Company, in compliance with the guidelines on corporate governance as stipulated under clause 49 of the Listing Agreement entered into with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and practices followed by the Company.

**DATE OF REPORT**

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31<sup>st</sup> March, 2014. However, the report is updated as on the date of the Report wherever applicable.

**BOARD OF DIRECTORS**
**Composition of the Board**

As on date, the Board consists of Six Directors. The composition of the Board of Directors is in conformity with the corporate governance norms and has an optimum combination of Executive and Independent Non-Executive Directors. The Board consists of Directors with vast experience in Civil Engineering, Construction, Finance and Legal. Appointment of all Independent Directors is in conformity with Clause 49(I) (A) of the Listing Agreement entered into with the Stock Exchanges.

As per the declarations received by the Company, none of the Directors are disqualified under Section 164 of The Companies Act, 2013.

The composition of the Board and category of Directors as on date is as follows:

Name	Position & Designation	No. of Directorships/committee positions held in other Public Companies		
		Directorship	Committee Chairmanship	Committee membership
Mr. Balkrishandas Mundhra	Promoter, Chairman & Managing Director	1	-	-
Mr. Sudarshan Das Mundhra	Promoter, Executive Director	-	-	-
Mr. Jai Kishan Bagri	Executive Director	1	-	-
Mr. Anand Chopra	Non-Executive, Independent Director	-	-	-
Mr. Shyam Das Mundhra	Non-Executive, Independent Director	-	-	-
Dr. Nitindra Nath Som	Non-Executive, Independent Director	1	-	-

Mr. Balkrishandas Mundhra is the father of Mr. Sudarshandas Mundhra. Other than this, none of the Directors are in any way related to each other.

As mandated by Clause 49 of the Listing Agreement, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Independent Director is as defined in Section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement and they actively contribute in the activities of the Board, covering all strategic policies and decisions making.

Except the Chairman cum Managing Director, all other Executive Directors are liable to retire by rotation.

The brief resume and other details relating to appointment and re-appointment of Directors, as required to be disclosed under section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, are given as part of the Notice convening the Annual General Meeting.

#### **Selection of New Directors**

The Board is responsible for the selection of new directors. The board delegates the screening process and selection process involved in selecting new directors to the nomination and remuneration committee which consists exclusively of independent directors. The nomination and remuneration committee in turn makes recommendation to the Board on the induction of any new directors.

#### **Board Meetings and Directors Attendance**

The Company has a well-defined process in place for placing vital and sufficient information before the Board. Any matters requiring discussion/ decision/ approval at the Board or Committee are communicated to the Company Secretary well in advance, so that the same could be included in the agenda of the respective meetings. All information required under clause 49 of the Listing Agreement(s) are covered to the fullest extent and presentation covering sales, finance, compliance, human resources and risk management practices are given to the Board before considering the quarterly and annual financial results of the Company. The Board meets at least once a quarter as and when required and the maximum time gap between any such two meetings is not more than 120 Days.

The Directors of your Company met 5 (Five) times during the period from April 2013 to March 2014 on 13<sup>th</sup> April, 2013, 30<sup>th</sup>

May, 2013, 9<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014.

The attendance of each of the Directors at 5 (Five) Board Meetings held during the year 2013-14 and at the last AGM is given below :

Name of Director	Number of Board Meetings Attended	Attendance at the last AGM
Mr. Balkrishandas Mundhra	5 out of 5	Yes
Mr. Sudarshandas Mundhra	3 out of 5	Yes
Mr. Jai Kishan Bagri	5 out of 5	Yes
Mr. Anand Chopra	5 out of 5	Yes
Mr. Shyam Das Mundhra	5 out of 5	Yes
Dr. Nitindra Nath Som	5 out of 5	Yes
Mr. Anand Prasad Agarwalla #	3 out of 5	No

# - Resigned w.e.f 6<sup>th</sup> November, 2013

#### **Code of Conduct**

The Company has laid down a Code of Conduct for all its board members and senior management personnel. The Company's Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement. The Code of Conduct is available on the website of the Company – [www.simplexprojects.com](http://www.simplexprojects.com). All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director is annexed and forms a part of this report.

#### **BOARD COMMITTEES**

Currently, the Board has three committees: the Audit Committee, the Nomination and Remuneration Committee and Stakeholders' Relationship Committee. All the committees consist entirely of independent directors.

#### **AUDIT COMMITTEE**

The Committees' composition fulfills the requirement of section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement. Members of the Audit Committee possess financial/accounting expertise/exposure.

#### **Role of Audit Committee**

An Audit Committee of the Board was re-constituted on 30<sup>th</sup> May, 2014. The terms of reference of the Audit Committee, for the year under review, inter alia are as follows:

- a) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- b) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :-
- Matters required to be included in the Directors' Responsibility Statement, as required for the Report of the Board of Directors.
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions, i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc, that may have potential conflict with the interests of Company at large.
- c) Reviewing with the management, the quarterly financial statements before submission to the Board.
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with external auditors before the audit commences on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i) Reviewing the Companys' financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- k) Reviewing the management discussion and analysis of financial condition and results of operations.
- l) Reviewing the management letters/letters of internal control weaknesses, if any
- m) Reviewing with management the statement of utilization/application of funds raised through issues
- n) Reviewing the internal audit reports relating to internal control weaknesses
- o) Recommending appointment, removal and terms of remuneration of Internal Auditor
- p) Approval of the appointment of CFO (Chief Financial Officer) or person heading finance function.
- q) First point of reference regarding the appointment of cost auditors
- Subsequent to the provisions of the Companies Act, 2013, coming into effect from April 1, 2014 and the revised clause 49 of the Listing Agreement coming into effect from October 1, 2014, the following additional terms of reference have been duly incorporated in order to be in compliance with the same:
- i) Approving or subsequently modifying transactions of the Company with related parties
  - ii) Valuation of undertakings/assets where necessary
  - iii) Overseeing/Reviewing the Vigil (Whistle Blower) Mechanism
  - iv) Scrutinizing inter-corporate loans and investments
  - v) Reviewing and monitoring auditors' independence and performance and effectiveness of audit process
  - vi) Evaluating internal financial controls and risk management systems
  - vii) Monitoring the end use of funds raised through public offers and related matters.

#### Composition and Meetings

The Audit Committee comprised of three Non-Executive Independent Directors.

The composition of Audit Committee as on date is given below:

Name of the Director	Designation	Nature of Directorship
Mr. Anand Chopra	Chairman	Independent & Non-Executive Director
Mr. Shyam Das Mundhra	Member	Independent & Non-Executive Director
Mr. Anand Prasad Agarwalla #	Member	Independent & Non-Executive Director
Mr. Nitindra Nath Som *	Member	Independent & Non-Executive Director

# - Resigned w.e.f 6<sup>th</sup> November, 2013

\* - Appointed w.e.f. 14<sup>th</sup> November, 2013

During the year the Audit Committee met 4 (Four) times. The dates on which the Meetings were held are as follows: 30<sup>th</sup> May, 2013, 9<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014.

The gap between two meetings did not exceed four months.

The attendance record of each of the members of the committee during the year 2013-14 is given below:

Name of the Director	No. of Meetings held during the year	No. of Meetings Attended during the year
Mr. Anand Chopra	4	4
Mr. Shyam Das Mundhra	4	4
Mr. Anand Prasad Agarwalla	4	2
Mr. Nitindra Nath Som	4	2

The executives responsible for the finance and accounts functions and the Statutory Auditors are invitees to the meetings. The quarterly and annual audited financials results of the Company were reviewed by the Audit Committee before consideration and approval by the Board of Directors. Among other items, the Committee also reviewed the adequacy of Internal Control Systems and Internal Audit Reports and various compliances and reviewed the transactions of subsidiary Company.

#### NOMINATION AND REMUNERATION COMMITTEE

As per the requirement of Companies Act, 2013 and Clause 49 of the Listing Agreement, as amended from time to time, the Board of the company has constituted 'Nomination and Remuneration Committee; consequently, the Remuneration Committee was dissolved.

#### Remuneration Policy

At the Board Meeting held on 30<sup>th</sup> May, 2014, the Remuneration Committee was reconstituted as the Nomination & Remuneration Committee with the same members being, Mr. Anand Chopra, an Independent Director, as the Chairman, Mr. Shyam Das Mundhra and Mr. Nitindra Nath Som, all Independent Directors as Members.

The Committee's composition meets with the requirements of Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

#### Terms of Reference

The terms of reference of the Nomination & Remuneration Committee, inter alia includes the following:

- To determine and recommend to the Board of Directors the remuneration package of the Managing Director and Wholetime Directors including periodical revisions therein.
- To approve, in the event of loss or inadequate profits in any year, the minimum remuneration payable to the Managing Director and Wholetime Directors subject to the parameters prescribed in Schedule V to the Companies Act, 2013 and approvals as may be necessary.
- To identify persons for directorship & senior management positions and recommend their appointments/removals.
- To form criteria for qualifications/independence of directors.
- To recommend Policy for remuneration to Directors/KMP and other employees.
- To form criteria for evaluation of Directors.
- To devise policy of Board Diversity.

#### Composition and Meetings

The Nomination and Remuneration Committee comprised of three Non-Executive Independent Directors. The Committee reviews the managerial remuneration to the Chairman & Managing Director and Whole Time Directors.

The composition of Remuneration Committee as on date is given below:

Name of the Director	Designation	Nature of Directorship
Mr. Anand Prasad Agarwalla #	Member	Independent & Non-Executive Director
Mr. Anand Chopra	Member	Independent & Non-Executive Director
Mr. Shyam Das Mundhra	Member	Independent & Non-Executive Director
Mr. Nitindra Nath Som *	Member	Independent & Non-Executive Director

# - Resigned w.e.f. 6<sup>th</sup> November, 2013

\* - Appointed w.e.f. 14<sup>th</sup> November, 2013

During the financial year, there was no meeting of Nomination & Remuneration Committee.

**Details of Remuneration paid to the Chairman & Managing Director and the Whole Time Directors during the year under review is as follows:**

**a) Chairman & Managing Director and other Executive Directors**

Name of the Director	Designation	Salary, Allowances & perquisites (Rs. In Lacs)
Mr. Balkrishandas Mundhra	Chairman and Managing Director	57.58
Mr. Sudarshandas Mundhra	Whole Time Director	19.37
Mr. Jai Kishan Bagri	Whole Time Director	21.78

Mr. Jai Kishan Bagri and Mr. Sudarshandas Mundhra

With respect to item no. 9 & 10 set out in the Notice and annexed Explanatory Statement of the 24<sup>th</sup> Annual General Meeting and as required under the provisions of the Schedule V of the Companies Act, 2013, the following is the disclosure regarding remuneration payable, for the period from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2017, to Mr. Jai Kishan Bagri and Mr. Sudarshandas Mundhra Whole Time Directors, as approved by the Nomination and Remuneration Committee and the Board of Directors, subject to the approval of the shareholders.

**Note:**

1. The Basic Salary remains within the existing range of ₹ 1, 00,000/- to ₹ 2, 00,000/- per month and House Rent Allowance in the range of ₹ 20,000/- to ₹ 40,000/- per month with effect from 1<sup>st</sup> October, 2014.
2. There is no performance linked incentives.
3. Notice period applicable to whole Time Directors is three months.
4. There are no stock options available to them.

**b) Non-Executive Director**

No remuneration is paid to Non-Executive Directors except sitting fees of ₹ 1,501/- per meeting for attending the meetings of the Board and its committees, the details of which are as under :

Name of the Director	Sitting Fees (Rs. In Thousands)	No. of shares held as on 31st March, 2014
Mr. Anand Chopra	16.51	NIL
Mr. Shyam Das Mundhra	15.01	30
Dr. Nitindra Nath Som	12.00	NIL
Mr. Anand Prasad Agarwalla	9.00	NIL

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Board has constituted Stakeholder's Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the terms of reference of Shareholders' / Investor Grievance Committee was conferred on the Stakeholders' Relationship Committee and consequently the Shareholders' / Investors Grievance Committee was dissolved.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- To approve the transfer of shares.
- To look after the matter relating to non-receipts of the refund orders, right entitlement, annual reports and other entitlements.
- To look after the matters relating to dematerialization and re-materialization of shares.
- Overseeing the performance of the Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Ltd.
- To look after non-payment of dividends and revalidation of refund orders/ dividend warrants.

The Stakeholders' Relationship Committee comprised of three Non-Executive Independent Directors.

The composition of Stakeholders' Relationship Committee as on date is given below:

Name of the Director	Designation	Nature of Directorship
Mr. Anand Chopra	Chairman	Independent & Non-Executive Director
Mr. Anand Prasad Agarwalla #	Member	Independent & Non-Executive Director
Mr. Shyam Das Mundhra	Member	Independent & Non-Executive Director
Mr. Nitindra Nath Som *	Member	Independent & Non-Executive Director

# - Resigned w.e.f 6<sup>th</sup> November, 2013

\* - Appointed w.e.f. 14<sup>th</sup> November, 2013

During the year, the Committee met twice on 30<sup>th</sup> May, 2013 and 22<sup>nd</sup> November, 2013 to review the transfer of shares, issue of duplicate warrants etc.

The attendance record of each of the members of the committee during the year under review is given below:

Name of the Director	No. of Meetings held during the year	No. of Meetings Attended during the year
Mr. Anand Chopra	2	2
Mr. Shyam Das Mundhra	2	1
Mr. Anand Prasad Agarwalla	2	1
Mr. Nitindra Nath Som	2	1

Mr. Anil Jain, Company Secretary and Compliance Officer, nominated under Clause 47(a) of the Listing Agreement, is Secretary to all the Committees.

The total number of complaints and requests received and resolved to the satisfaction of the investors during the period ended 31st March 2014 is as under:

Received	Resolved	Pending
0	0	NIL

The Company publishes the status of the complaint received and their respective redressals at the end of each quarter.

#### VIGIL MECHANISM / WHISTLE BLOWER

To strengthen its policy of corporate transparency, the company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

## GENERAL BODY MEETINGS

The venue, time and date where the last three Annual General Meetings of the Company were held are given hereunder:

Date	Venue	Time
23rd September, 2013	Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700020	3:30 P.M
27th September, 2012	Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700020	3:30 P.M
29th September, 2011	Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700020	3:30 P.M

As required under Clause 49 IV (G) (i) of the Listing Agreement, the particulars of the Directors who are proposed to be re-appointed are given in the Notice.

Management Discussion & Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

### DISCLOSURES

#### a. Materially significant related party transactions

There has been no materially related party transactions with the Company's Promoters, Directors, the management, their subsidiary or relatives which may have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions with related parties are given in the notes to the accounts. None of the transactions with any of the related parties were in conflict with the interest of the Company.

#### b. Regulatory Compliances by the Company

The Company has complied with the requirements of the stock exchanges/ SEBI/ any other statutory authority on all the matters related to capital markets. There has not been any non-compliance by the Company and there are no penalties or strictures imposed on the Company by SEBI, Stock Exchanges or any other statutory authority on any matters related to capital markets during the last three years.

#### c. During the year, no person has been denied access to the Audit Committee.

#### d. There has been complete compliance with mandatory requirements and in respect of non-mandatory requirements disclosures have been made to the extent of adoption.

#### e. Accounting Treatment in preparation of Financial Statements

Simplex Projects Limited has followed the guidelines laid down by Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

#### f. Risk Management

The Company has put in place Risk Management Policy and Procedures for assessing, timely responding and mitigating these risks on continuous basis. The Policy seeks to address the risks involved in four major areas i.e. Pre-bidding/ Tendering Risks, Post award or

execution Risks, Contractual Risks and Financial/ Statutory Compliance Risks with a view to/ avoid mitigate adverse impact if any.

During the year, the Board has reviewed the risk assessment and minimization procedure adopted by the Company.

#### g. Pledge of Equity Shares

The Promoters have not pledged any shares of the Company held by them as on 31<sup>st</sup> March, 2014.

The aggregate shareholding of the Promoters and persons belonging to Promoters and Promoters Group as on 31<sup>st</sup> March, 2014 comprised of 70,82,791 Equity Shares representing 56.21% of the Paid up Equity Share Capital of the Company.

### SUBSIDIARY COMPANIES

Simpark Infrastructure Pvt. Ltd. (SIPL), the Wholly owned subsidiary Company, continues to be subsidiary, during the year. Simpark Infrastructure Pvt. Ltd., undertakes construction and maintenance of multi-level car parking projects.

Another subsidiary Company, Simplex Agri-Infra Services Pvt. Ltd., which was incorporated to construct and maintain warehouses for FCI, also continues to be subsidiary.

With this the Company has two Non-Material Non-Listed Subsidiary Companies. The Audit committee reviews the financial statements, particularly, the investments made by Subsidiary Companies. Minutes of said Subsidiary Companies are being placed before the Board for its review. The Board also reviews the account of the said Subsidiary Companies on a quarterly basis.

### MEANS OF COMMUNICATION

The Company regularly intimates the quarterly unaudited financial results to the Stock Exchanges immediately after they are taken and recorded by the Board of Directors of the Company.

The Company's quarterly/half yearly and annual financial results are uploaded on the Company's website at [www.simplexprojects.com](http://www.simplexprojects.com) and also the same are published in widely circulated English and Bengali dailies, after its submission to the Stock Exchanges.

The Company has designated a separate e-mail id. [investors@simplexprojects.com](mailto:investors@simplexprojects.com) for handling investors' services.



## GENERAL SHAREHOLDERS INFORMATION

### Company Registration Details

The Company is registered in the state of West Bengal. The Corporate Identification Number (CIN) of the Company is : L45201WB1990PLC050101.

### Annual General Meeting

Date	10th September, 2014
Time	11:00 A.M.
Venue	Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700020

### Financial Calendar for the year 2014-15 (tentative)

Sl. No.	Particulars	Tentative Schedule
1	Financial reporting for the quarter ending June 30, 2014	By 14th August, 2014
2	Financial reporting for the quarter and half year ending September 30, 2014	By 14th November, 2014
3	Financial reporting for the quarter ending December 31, 2014	By 14th February, 2015
4	Financial reporting for the year ending March 31, 2015	By 30th May, 2015
5	Annual General Meeting for the year ending March 31, 2015	By 30th September, 2015

### Book Closure Date:

3rd September, 2014 to 10th September, 2014. (Both days inclusive)

### Listing on Stock Exchanges:

The Company's shares are listed on the following Stock Exchanges with effect from 3rd August, 2007.

BSE Limited, Mumbai
National Stock Exchange of India Ltd., Mumbai

The Company has paid the annual listing fees for the financial year 2014-15 and there is no outstanding payment towards the Exchange, as on date.

### Stock Code:

BSE Ltd	532877
National Stock Exchange of India Ltd	SIMPLEX EQ
Demat ISIN Number for NSDL/CDSL	INE898F01018

**STOCK PRICES DATA and PERFORMANCE OF COMPANY'S SHARE PRICES**
**1. BSE Limited :**

Month	High (Rs.)	Low (Rs.)	Sensex Closing
April-2013	28.90	24.05	19504.18
May- 2013	28.70	22.75	19760.30
June- 2013	26.30	16.70	19395.81
July- 2013	21.90	15.00	19345.70
August- 2013	17.75	8.10	18619.72
September- 2013	9.25	7.37	19379.77
October- 2013	10.00	7.21	21164.52
November- 2013	9.25	7.90	20791.93
December- 2013	9.85	7.81	21170.68
January- 2014	16.93	9.05	20513.85
February- 2014	13.20	11.80	21120.12
March- 2014	15.67	11.91	22386.27

**2. National Stock Exchange of India Limited**

Month	High (Rs.)	Low (Rs.)	Nifty Closing
April-2013	29.00	24.00	5930.20
May- 2013	27.20	22.30	5985.95
June- 2013	25.25	17.30	5842.20
July- 2013	20.00	15.25	5742.20
August- 2013	14.95	8.10	5471.80
September- 2013	9.20	7.30	5735.30
October- 2013	9.80	7.00	6299.15
November- 2013	9.45	8.00	6176.10
December- 2013	10.40	8.15	6304.00
January- 2014	16.30	9.30	6089.50
February- 2014	13.00	11.40	6276.95
March- 2014	15.90	11.75	6704.20

(Source: www.bseindia.com, www.nseindia.com)

**Registrar & Share Transfer Agents**

Cameo Corporate Services Limited,  
 "Subramanian Building", V – Floor  
 1, Club House Road,  
 Chennai – 600002  
 Tel: +91-44-28460390/22520464  
 Fax: +91-44-28460129

### Share Transfer System

M/s. Cameo Corporate Services Ltd has been appointed as the Company's Registrar and Share Transfer Agents. All share transfers and related activities are conducted by them, in accordance with the stipulated guidelines. The authority relating to transfer of shares and allied work relating to servicing of investors has been delegated by the Board to the Stakeholders' Relationship Committee which consists of Mr. Anand Chopra, (Chairman), Mr. Shyam Das Mundhra and Mr. Nitindra Nath Som.

### Distribution of shareholding by size class as on March 31, 2014:

SI No	Holding	Number	% of Total	Share Capital (Rs.)	% of Total
1	1 - 5000	5620	89.85	3636710	2.89
2	5001 - 10000	275	4.40	2278050	1.81
3	10001 - 20000	132	2.11	2001300	1.59
4	20001 - 30000	66	1.05	1699830	1.35
5	30001 - 40000	28	0.45	1010720	0.80
6	40001 - 50000	24	0.38	1119490	0.89
7	50001 - 100000	56	0.90	3942360	3.13
8	100001 - And Above	54	0.86	110315320	87.54
	<b>Total</b>	<b>6255</b>	<b>100.00</b>	<b>126003780</b>	<b>100.00</b>

### Distribution of shareholding by ownership as on March 31, 2014:

Category	No. of shares	Percentage of holding
<b>A Promoter &amp; Promoter Group</b>		
1 Indian Individuals/HUF Bodies Corporate	668187 6414604	5.30 50.91
2 Foreign Promoters Sub-total (A)	- 7082791	- 56.21
<b>B Non-Promoters Holdings</b>		
1 Institutional Investors Mutual Funds/UTI Foreign Institutional Investors Subtotal (B)(1)	211757 - 211757	1.68 - 1.68
2 Non-Institutional Investors Bodies Corporate Individuals : Holding nominal share capital up to Rs. 1 lakh Holding nominal share capital in excess of Rs. 1 Lakh	1893605 1221386 1678818	15.03 9.69 13.32
3 Clearing Members	9556	0.08
4 Directors & their relatives	330279	2.62
5 Hindu undivided families	126050	1.00
6 Non-resident Indians Sub-total (B)(2)	46136 5305830	0.37 42.11
<b>Sub -Total(B)=(B1)+(B2)</b>	<b>5517587</b>	<b>43.79</b>
<b>Grand Total (A)+(B)</b>	<b>1,26,00,378</b>	<b>100.00</b>

**Dematerialization of shares and liquidity:**

The shares of the Company form part of the compulsory demat segment. The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar, Cameo Corporate Services Ltd. As on 31<sup>st</sup> March 2014, 98.32% of the paid-up share capital of the Company were held in dematerialized form. **Equity Shares In suspense Account :**

As per Clause 5A(1) of the Listing Agreement, 240 equity shares are lying in the suspense account. None of the shareholders approached the Company for transfer of shares from suspense account during the year. The voting rights on the shares outstanding in the suspense account as on March, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

**Outstanding Convertible Instruments:**

There are no ADRs/GDRs /warrants or any convertible instruments issued by the Company during the year.

**Plant Location**

The Company has various work sites spread throughout the country and the operations are controlled by the Head Office and has its Branch office at New Delhi and Libya.

**Address for correspondence:****Corporate office**

S S Hogg Market Complex, (New Wing)  
3rd floor,  
19, Nellie Sengupta Sarani,  
Kolkata-700087

**Registered Office**

12/1, Nellie Sengupta Sarani,  
Kolkata 700087  
Tel:-+91-33-22524125/7900  
Fax:-+91-33-22528013  
Website: [www.simplexprojects.com](http://www.simplexprojects.com)

**Investors' correspondence may be addressed to:**

Company Secretary & Compliance Officer  
Simplex Projects Limited  
12/1, Nellie Sengupta Sarani,  
Kolkata 700087  
Tel:-+91-33- 32923330  
Fax:-+91-33- 22528013  
Email ID: [investors@simplexprojects.com](mailto:investors@simplexprojects.com)

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

The undersigned, as the Chairman & Managing Director of Simplex Projects Limited, as required by Clause 49(I)(D)(ii) of the Listing Agreement executed with the BSE Ltd. and National Stock Exchange of India Ltd., hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year 2013-14.

Place: Kolkata  
Date: 11th August, 2014

For Simplex Projects Limited  
**B K Mundhra**  
Chairman & Managing Director

**NON-MANDATORY REQUIREMENTS****CHAIRMAN OF THE BOARD**

The Chairman of the Company is an Executive Chairman of the Company and hence this provision is not applicable.

**NOMINATION AND REMUNERATION COMMITTEE**

The Company has a Nomination and Remuneration Committee whose terms of reference, composition and other relevant particulars have been mentioned in this Report.

**AUDIT QUALIFICATION**

Observations of the Auditors in their Report have been appropriately addressed in the Directors' Report.

**CHIEF EXECUTIVE OFFICER (CEO)  
& CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**



To

The Board of Directors of  
**Simplex Projects Limited**

Dear Sirs,

We, the undersigned, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Simplex Projects Limited ("the Company"), to the best of our knowledge and belief, certify that,

We have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014 and

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that, to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Simplex Projects Limited**

Date: 11th August, 2014

**B. K. Mundhra**  
*Chairman & Managing Director*

**Pradeep Mishra**  
*Chief Financial Officer*



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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To  
The Members of  
**Simplex Projects Limited**

We have examined the compliance of conditions of Corporate Governance by Simplex Projects Ltd. ("the Company") for the year ended on 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges.

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

In our opinion and to the best of our information and according to the information and explanations given to us, we certify that Company has complied with the conditions of Corporate Governance in total as stipulated in the above mentioned Listing Agreements.

We further state that our 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.

Place: Kolkata  
Date: 11 th August, 2014

**For Chaturvedi & Company**  
*Chartered Accountants*  
FRN: 302137E

**Nilima Joshi**  
*Partner*  
**Membership No. : 52122**

## Overview

Simplex Projects Limited (SPL) is India's one of the premier Construction and Engineering Companies, straddling over two decades in all departments of civil, mechanical and engineering construction activities with pan India presence. SPL has constructed over 70 Road and Rail-over-Bridges, over half a million square feet of residential and commercial buildings, power plants to chemical factories, multiplexes to shopping malls and emerged as a reputed player in Piling and Foundation, Transportation Engineering, High-rise Buildings, Residential Housing Complexes, Commercial Complexes and Shopping Malls, Hospitals and Educational Institution Buildings, Irrigation, Water Supply & Sewerage Schemes and Installation & Operation of Multi-level Car Parking systems.

We always strive for innovative ideas in the field of civil and mechanical engineering and thereby adding several milestone achievements in the field of civil construction. Having a strong foothold in the Indian Construction Industry, SPL also forayed into International market for mega projects.

## Macro Economy Overview

The Indian economy had been suffering from lower Growth of gross domestic product (GDP) at factor cost at constant 2004-05. Prices declined from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and further to 4.5 per cent in 2012-13. Among the factors that contributed to the slowdown included structural constraints viz. delays in projects, bottlenecks in environmental approvals and land acquisition, elevated inflation and external imbalances, in addition to uncertain global economic situation. There was a marginal improvement in 2013-14 with GDP growing at 4.7 per cent.

As per the provisional estimates released by the Central Statistical Organisation (CSO), the Indian economy grew at 4.7 per cent in 2013-14 (in terms of GDP at factor cost at 2004-05 prices). The sub-5 per cent growth of the economy in 2013-14 was primarily the result of the slowdown in industry for the second year in succession that registered a growth rate of 0.4 per cent in 2013-14. The economy recorded a modest pickup in Q2 2013-14 with a growth of 5.2%, compared to 4.7 per cent in Q1 2013-14.

Thanks to myriad political and economic difficulties — continued uncertainties about the allocation of coal blocks, lack of gas supply, the difficult monetary position of state-owned discoms, insufficient awards of highway projects plus the challenging financial state of most infrastructure companies, to name a few — there has been a distinct slowdown in activities across the various infrastructure sectors. It shows up in the data.

No less worrisome is the steady decline in Gross Fixed Capital Formation ("GFCF") as a share of GDP. Today's real investments determine tomorrow's GDP growth.

It is difficult to foretell what India's GDP growth will be in FY15. One wishes it to be higher at around 6.3% to 6.5%. However, it needs to be appreciated that even this modest uptick in growth

will not be easy given the current investment climate. For India to grow at around 7% per year, GFCF needs to rise to the region of 36% to 37% of GDP. That requires sound economic and political governance at the centre as well as the states and a common determination to eliminate all major barriers to investments — especially in infrastructure. Hopefully, that will happen. But till then it is problematic to take a bullish view of the economy for the next year, although there is no real reason why India should not transit to a higher growth path.

PPP is the new mantra for Infrastructure, asserting that lack of infrastructure will not be allowed to hit growth, a slew of steps to fast-track projects mostly in public-private-partnerships. An institution to provide support to mainstreaming PPPs (public-private-partnerships) called 3P India will be set up with a corpus of ₹ 500 crores for improving infrastructure in all sectors including roads, port, airports, railways, urban, rural and industrial infrastructure besides ensuring adequate flow of funds and financing of projects.

The government has improved its focus on the Indian Infrastructure Sector. The major infrastructure proposals for budget 2014-15 comprised the following:

- enhancing present corpus of pooled municipal debt obligation facility with participation of several banks to finance infra projects in urban areas on shared risk basis to ₹ 50,000 crore.
- an allocation of ₹ 5,000 crore for the fund for the year 2014-15 for Warehousing Infrastructure Fund, there was an announcement for setting up of "Long Term Rural Credit Fund" in NABARD for the purpose of providing refinance support to Cooperative Banks and Regional Rural Banks with an initial corpus of ₹ 5,000 crore.
- On strengthening road infrastructure ₹ 37,880 crore investment in National Highways Authority of India and State Roads, huge amount of investment along with de-bottlenecking from maze of clearances.
- To augment shipping infrastructure, the government announced to award sixteen new port projects this year besides ₹ 11,635 crore will be allocated for the development of Outer Harbour Project in Tuticorin for phase I. Also, SEZs will also be developed in Kandla and JNPT.
- Scheme for development of new airports in Tier I and Tier II will be launched for implementation through Airport Authority of India or PPPs.
- To start work on select expressways in parallel to the development of the Industrial Corridors and for project preparation NHAI will set aside ₹ 500 crore.
- Target of NH construction of 8500 km will be achieved in current financial year.

Thus the overall outlook of the Indian construction industry looks positive in view of the current economic scenario. Given the economic fundamentals and committed efforts of the government, the future of the Indian economy in particular the construction industry appears to be optimistic.

## Financial Review

During the year under review the Company has achieved a turnover of ₹ 561.56 Crore an increase of 13.82% over the last year. This year the Company has started 'Trading activities' in Steel and other Construction Materials. The Turnover in Construction Business is ₹ 511.17 Crore an increase of 3.38% over the Last year, so a steady growth in that sector can be seen and turnover of ₹ 50.39 Crore in Trading Business. The political crisis in Libya continued during the year under review and we could not resume the project work. However the Company has signed supplementary agreement for resumption of work in Libya during current year.

Our focus area continues to be the execution of civil engineering projects with specialization on pilling, buildings, bridges and flyovers. The Company has bagged project in Kuwait and we are in process of mobilization and expect a substantial increase in the order book position. Our present order book position as on 31<sup>st</sup> March 2014 is ₹ 1300 Crore (except Libya). The profit before tax (after interest and depreciation) is ₹ 4.16 Crore almost same as in last financial year. The Management is hopeful to increase the turnover as well as net profit in the next financial year.

## OPPORTUNITIES & STRENGTHS

The prospects in infrastructure sector seem to be good with numerous opportunities opening up for the construction Companies. Government announces to boost sector's growth, enhancing present corpus of pooled municipal debt obligation facility with participation of several banks to finance infra projects in urban areas on shared risk basis to ₹ 50,000 crore, to start work on select expressways in parallel to the development of the Industrial Corridors and for project preparation NHAI will set aside ₹ 500 crore, on strengthening road infrastructure ₹ 37,880 crore investment in National Highways Authority of India and State Roads. We have a diversified business portfolio which will help us in mitigating the risk of slowdown in any one particular segment. We are continuously exploring business opportunities in other segments of the Industry and the business mix of the Company is determined taking all the factors into account.

## THREATS & CONCERNS

India's infrastructure sector has been troubled for quite some time now. The full extent of the crisis is becoming apparent only now, with banks facing increasing difficulties in recovering loans made to the sector, delays in land acquisition and in securing clearances have bogged down several projects over the past few years. But the crisis in the sector is not just the product of policy paralysis alone. Many projects were unviable to start with, and lenders seemed to have glossed over the heroic assumptions involved in the projects during appraisals. Several public-private partnership (PPP) projects have been stuck because the private partners seeking to exploit the chinks in the various PPP models to aggrandize themselves at taxpayers' expense have been checkmated by regulatory actions.

The outburst of unprecedented political unrest in Libya and other North-African countries has restricted the emergence of new opportunities there, until the stability is restored.

## RISK MANAGEMENT

Risks are natural in every business and their successful alleviation is necessary to protect profitability. In a highly competitive market, the talent to manage diverse risks determines success for a company. Our Strategic focus on infrastructure sector in India and overseas exposes the Company to a vast variety of risks. We at Simplex ensure that the risks we undertake are commensurate with better returns. During the year, the Board has reviewed the process and the Risks that have been identified for the business. A process of careful selection of projects is being institutionalized to ensure adequate contractual obligations.

## INTERNAL CONTROL & THEIR ADEQUACY

The Company has a satisfactory system of internal control corresponding with its size and the nature of its operations. These have been designed to provide reasonable assurance & accuracy with regard to recording & reporting and providing reliable financial and operational, information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

## HUMAN RESOURCES

Human Resources continued to be one of the biggest assets of the Company. The management is paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Learning and Development continued to be a focus area. In addition to organising in-house customized programmes in focus areas, teams were nominated for national seminars for skill and knowledge enhancement. While the focus continued to be on bringing in talent into the organisation both at the project and corporate level, a recruitment tracking tool has also been developed to streamline the manpower budgeting and approval process. It also manages vacancies and optimizes human resource utilisation. The performance management process for the year was implemented and concluded as planned.

## CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Companies' objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Companies' operations include unavailability of finance at competitive rates — global or domestic or both, reduction in number of viable infrastructure projects, significant changes in political and economic environment in India or financial markets abroad, tax laws, litigation, exchange rate fluctuations, interest and other costs.



To  
The Members of  
Simplex Projects Limited  
Kolkata

**Report on the Financial Statements:**

1. We have audited the accompanying financial statements of Simplex Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors' Responsibilities:**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis of Qualified Opinion**

5. *Attention is invited to Note no. 33 regarding company's branch at Libya which has stopped functioning due to political unrest prevailing there. The total expenses incurred at the branch during the year amounts to Rs.3,739.57 Lakhs including depreciation which have been transferred to work in progress and the total assets of the branch as on the balance sheet date amounts to Rs.37,859.83 Lakhs. The management has certified the financial accounts, assets and liabilities of the branch (considering the audited accounts of the Libya Branch by the branch auditor till 31.12.13) and is confident of realising the above amounts and hence no adjustments have been considered necessary in the accounts by them, in respect of which we are unable to express our opinion for the financial transactions, assets and its liabilities.*

**Qualified Opinion:**

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matter:**

7. Without qualifying our opinion, we draw attention to:
  - a) note no. 30 regarding closing balance confirmations of Debtors, Creditors, Earnest Money deposits and advances being unconfirmed and Kisan Vikash Patra and National Saving

certificates being not available with the company, in respect of which we are unable to express our opinion.

- b) note no. 29 regarding site expenses and trading expenses for executing the contract work which have not been bifurcated under the different heads of expenditure.
- c) note no. 18 and 22 regarding recoverability of claim aggregating Rs.606.08 Lakhs in arbitration Rs. 1,826.54 Lakhs in legal cases and overdue amounts of Work-In-Progress aggregating Rs.148.50 Lakhs respectively due to disputes with the customers. The ultimate outcome of these disputes cannot be determined. However the company is of the view that these amounts are recoverable and no provision is required against the same. Hence we are unable to express our opinion in respect of same.
- d) note no. 34 regarding foreign exchange fluctuation on account of overseas borrowing which has been amortized by treating the same as long term from the initial time of borrowing. Due to this profit has increased by Rs. 1,367.46 Lakhs for the year as the same is amortized.
- e) The company has not made any provision against Trade Receivables for more than three years amounting to Rs. 964.48 Lakh and Advances paid to suppliers of material and Subcontractors amounting to Rs. 774.04 lakhs for more than 3 years, which according to management are recoverable / adjustable and no provision is required for the same.
- f) Attention is invited to note no. 31 regarding materials in transit amounting to Rs.471.61 lakhs which have been charged to capital work in progress but the materials are still lying at the port.
- g) Foreign Currency Term loan of Rs. 9,552.06 lacs has been considered as long term loan instead of short term loan.

**Report on Other Legal and Regulatory Requirements:**

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

9. As required by section 227(3) of the Act, we report that:

- a) except for the matter referred to in paragraph 5 above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion, except for the matter referred to in paragraph 5 above, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) except for the matter referred to in paragraph 5 above, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, except for the matter referred to in paragraph 5 above, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Chaturvedi & Company**  
*Chartered Accountants*  
 Firm's Registration No : **302137E**

Place : Kolkata  
 Date : 30th May 2014

**Nilima Joshi**  
*Partner*  
 Mem. No. 052122

**ANNEXURE TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 8 “UNDER REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” SECTION OF OUR REPORT OF EVEN DATE**

- (i) (a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year end *except for the assets deployed at its branch in Libya*, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification. *However, in absence of physical verification at its branch in Libya, we are unable to comment on the discrepancies therein, if any.*
- (c) According to the information and explanations given to us, no substantial part of the fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year *except for the branch at Libya*.
- (b) The procedures of physical verification of inventories followed by the management are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification. *However in absence of physical verification at its branch in Libya, we are unable to comment on the discrepancies therein, if any.*
- (iii) (a) According to the information and explanation given to us, the company has granted advance in the nature of loans to three parties (two subsidiaries of the company and Joint Venture) which are covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount outstanding at any point of time during the year was ₹ 4,667.89 Lakhs and the year-end balance of loan from two parties is ₹ 3,120.59 Lakhs.
- (b) According to the information and explanation given to us, the loans given to the subsidiary is interest free and payable on demand which as per the management is not prejudicial to the interest of the company.
- (c) According to information and explanation given to us the said advances in the nature of loans are repayable on demand and as such Clause (iii)(c) & (d) of Companies (Auditor's Report) Order, 2003, are not applicable to the company.
- (d) According to the information and explanations given to us, the company has taken unsecured loan from one party covered in the registered maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any point of time during the year was ₹ 382.62 Lakhs and the year-end balance of the same is ₹ 382.62 Lakhs.
- (e) In our opinion and according to the information and explanations given to us, the loan taken is interest free and other terms and conditions for such loan is not prima facie prejudicial to the interest of the Company.
- (f) In respect of the loan taken, repayment of the principal amount is on demand.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further during the course of our audit, we have neither come across nor have been informed of any instances of major weaknesses in internal controls system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management we are of the opinion that, transactions those needs to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the Act and exceeding a value of Rupees five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 does not arise. According to the information and explanation given to us no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of deposits.

(vii) In our opinion, the company's internal audit needs to be strengthened.

(viii) We have broadly reviewed the books and accounts maintained by the company pursuant to rules made by the Central Government of India, regarding the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed

accounts and records have been maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) (a) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, VAT, Cess, TDS and other material statutory dues *have been deposited with the appropriate authorities with delays throughout the year.* Undisputed amount payable in respect of Service Tax dues outstanding at the year-end for a period of more than three months from the date it became payable, is as follows:-

Nature of dues	Amount (₹ in Lakh)	Period to which it relates	Due date	Date of Payment
Service Tax	112.95	Sept'13 to Dec'13	6th of next month	Not Yet Paid

b) According to the information and explanation given to us, the particulars of dues of Income Tax, Service Tax, Sales Tax, VAT and Custom Duty which have not been deposited on account of dispute are as follows : (₹ in Lakh)

Nature of Dues	Period to which the amount relates	Amount	Forum where the dispute is pending
Service Tax	2000-01 to 2004-05	531.24	Commissioner of Service Tax, Kolkata
	2010-11	167.15	The Hon'ble Customs Excise & Service Tax Appellate Tribunal, EZB, Kolkata
	2012 - 13	3.32	Demand confirmed by Addl. Com. Of Service tax for which Appeal is pending before Commissioner (Appeal - I)
	2012 - 13	946.85	Demand confirmed by Commissioner of Service tax for which Appeal is pending before The Hon'ble Customs Excise & Service Tax Appellate tribunal, EZB, Kolkata
Sales Tax / VAT / CST	2005-06	39.36	Calcutta High Court
	2007-08	560.13	Appeal filed in W.B. Commercial Taxes Appellate & Revisioinal Board
		62.44	
	2008-09	1,092.16	
	2009-10	203.50	
Income Tax	A. Y. 2008-09	367.44	CIT (A) - XXX, Kolkata

(x) The Company does not have accumulated losses at the end of the Financial Year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) Based on our audit procedures and according to the information and explanation given to us, *the company has made delays in making repayment of dues to banks throughout the year. The Company has defaulted in repayment of dues to financial institutions and Banks. The outstanding dues as on 31.03.2014 are as follows :*

Sl No.	Name of Bank	Principal due	Interest due	Period of outstanding
1	DBS Bank Ltd.	-	111.51	Nov'13 to March'14
2	Kotak Mahindra Bank Ltd.	140.03	24.46	Dec'13 to March' 14
3	Axis Bank Ltd.	-	17.31	March'14
4	L & T Finance Ltd.	68.82	2.24	Jan'14 to March'14
5	Tata Capital Financial Services Ltd.	22.23	9.22	Dec'13 to March'14
6	Srei Equipment Finance Pvt. Ltd.	70.05	18.38	Jan'14 to March'14
7	Kotak Mahindra Prime Ltd.	0.97	0.09	Feb'14 to March'14
8	HDFC Bank Ltd.	10.00	0.25	Nov'13 to March'14
9	ICICI Bank Ltd.	0.63	0.04	March'14

(xii) Based on our examination of documents and records and according to the information and explanation given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.

(xiv) The Company has maintained proper records of securities and other investments, which it has traded in and also in respect of shares and other securities, held as investments and the said investments are in the name of the Company.

(xv) The company has given a counter guarantee on behalf of its subsidiaries to a bank for issuing Bank Guarantee by earmarking the limits of the company. In our opinion based on the information and explanation received, the terms and conditions of the guarantees are not prejudicial to the interest of the company.

(xvi) The term loans have been applied for the purpose for which they were raised.

(xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.

(xviii) The company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.

(xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.

(xx) Based on the records examined by us, we report that the Company has not raised any money from public issue during the year.

(xxi) During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

**For Chaturvedi & Company**  
Firm Registration Number – 302137E  
Chartered Accountants

**Nilima Joshi**  
Partner  
Membership No.52122

Place : Kolkata  
Dated : 30th May 2014

**BALANCE SHEET**

as at 31st March, 2014

		(₹ in Lakh)	
	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	1,260.04	1,260.04
Reserves and Surplus	4	19,932.74	20,689.04
		<b>21,192.78</b>	21,949.08
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	9,833.74	2,859.33
Deferred Tax Liabilities (Net)	6	1,054.72	1,009.61
Other Long-term Liabilities	7	76,413.87	71,604.45
Long-term Provisions	8	81.67	116.61
		<b>87,384.00</b>	75,590.00
<b>Current Liabilities</b>			
Short-term Borrowings	9	30,924.25	36,868.02
Trade Payables	10	27,978.31	19,897.02
Other Current Liabilities	11	11,909.85	3,487.76
Short-term Provisions	12	122.73	115.92
		<b>70,935.14</b>	60,368.72
<b>TOTAL</b>		<b>1,79,511.92</b>	1,57,907.80
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	13	13,829.51	13,193.06
Capital work-in-progress	31	1,894.11	481.86
		<b>15,723.62</b>	13,674.92
Non-Current Investments	14	1,319.45	1,319.45
Long-term Loans and Advances	15	5,050.31	6,671.82
Other Non-current Assets	16	1,381.17	751.79
		<b>7,750.93</b>	8,743.06
<b>Current Assets</b>			
Inventories	17	56,785.81	50,371.87
Trade Receivables	18	91,014.73	77,611.18
Cash and Bank Balances	19	4,597.06	5,268.95
Short-term Loans and Advances	20	3,313.40	1,948.58
Other Current Assets	21	326.37	289.24
		<b>1,56,037.37</b>	1,35,489.32
<b>TOTAL</b>		<b>1,79,511.92</b>	1,57,907.80
Significant Accounting Policies	2		

The accompanying notes including other explanatory information form an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date

For and on behalf of  
**CHATURVEDI & COMPANY**  
Firm Registration No. 302137E  
*Chartered Accountants*  
**Nilima Joshi**  
*Partner*  
Membership No. 52122  
Kolkata  
Dated: 30th May, 2014

For and on behalf of the Board of Directors

**B. K. Mundhra**  
*Chairman &  
Managing Director*

**Anand Chopra**  
*Director*

**J. K. Bagri**  
*Director*

**Anil Jain**  
*GM-Commercial &  
Company Secretary*

## STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2014



(₹ in Lakh)

	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Revenue from Operations	22	56,156.59	49,444.73
Other Income	23	818.33	610.61
<b>Total Revenue</b>		<b>56,974.92</b>	<b>50,055.34</b>
<b>Expenses</b>			
Cost of Materials Consumed for Executing Contract Work	24	21,585.43	16,397.27
Purchase of Trading Goods		4,698.71	-
Changes in Inventories of Trading Goods		(650.36)	-
Cost of Subcontracting & Other Site Expenses	25	23,599.78	26,327.25
Employee Benefits Expense	26	633.51	616.91
Finance Costs	27	4,329.34	4,121.38
Depreciation and Amortisation Expense	13	1,189.22	1,138.93
Other Administrative Expenses	28	1,173.42	1,014.16
<b>Total Expenses</b>		<b>56,559.05</b>	<b>49,615.90</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>415.87</b>	<b>439.44</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>415.87</b>	<b>439.44</b>
Extraordinary items		-	-
<b>Profit before tax</b>		<b>415.87</b>	<b>439.44</b>
<b>Tax expense:</b>			
Current tax expense for current year		83.22	88.03
(Less): MAT credit		83.22	88.03
Net current tax expense		-	-
Deferred tax		45.12	114.29
		45.12	114.29
<b>Profit for the year</b>		<b>370.75</b>	<b>325.15</b>
<b>Earnings per share (in Rupees):</b>	46		
Basic		2.94	2.58
Diluted		2.94	2.58
<b>Significant Accounting Policies</b>	2		

The accompanying notes including other explanatory information form an integral part of the financial statements.

This is the Profit & Loss statement referred to in our report of even date

For and on behalf of  
**CHATURVEDI & COMPANY**  
 Firm Registration No. 302137E  
*Chartered Accountants*  
**Nilima Joshi**  
*Partner*  
 Membership No. 52122  
 Kolkata  
 Dated: 30th May, 2014

For and on behalf of the Board of Directors

**B. K. Mundhra**  
*Chairman &  
 Managing Director*

**Anand Chopra**  
*Director*

**J. K. Bagri**  
*Director*

**Anil Jain**  
*GM-Commercial &  
 Company Secretary*

**CASH FLOW STATEMENT**

for the year ended 31st March, 2014

(₹ in Lakh)

	For the year ended 31 March, 2014		For the year ended 31st March, 2013	
<b>A. Cash flow from operating activities:</b>				
<b>Net profit before tax and extraordinary items</b>		<b>439.44</b>		439.91
<b>Adjustments for:</b>				
Depreciation	1,189.22		1,138.93	
Interest (Net)	3,608.03		3,572.31	
Loss on Sale of Fixed Assets	9.98		3.39	
Unrealised foreign exchange (Gain)/Loss	-		-	
Dividend Received	(0.11)		(0.09)	
Liabilities no longer required written back	(85.19)		(32.66)	
Exchange (Gain) / Loss on Non Integral Branch	(1,127.05)		88.29	
Provisions for employee benefits	(28.14)	<b>3,566.74</b>	(15.24)	4,754.93
<b>Operating profit before working capital changes</b>		<b>3,982.61</b>		5,194.37
<b>Increase / Decrease in:</b>				
Inventories	(6,413.95)		(7,936.63)	
Other Current Assets	(13,093.20)		(9,271.37)	
Current Liabilities	20,836.95	<b>1,329.80</b>	8,634.29	(8,573.71)
<b>Cash Generated from operations</b>		<b>5,312.41</b>		(3,379.34)
Direct Tax paid	(638.03)		(256.78)	
FBT	-	<b>(638.03)</b>	-	(256.78)
<b>Net Cash from / (Used in) Operating Activities</b>		<b>4,629.38</b>		(3,636.12)
<b>B. Cash flow from Investing Activities:</b>				
Purchase of Fixed Assets	(3,318.08)		(2,027.57)	
Sale of Fixed Assets	70.20		8.14	
Sale / (Purchase) of Investments	-		-	
Dividend Received	0.11		0.09	
Interest Received	443.03		492.39	
<b>Net Cash from / (Used in) Investing activities</b>		<b>(2,804.74)</b>		(1,526.95)
		<b>1824.64</b>		(5,163.07)
<b>C. Cash flow from Financing Activities:</b>				
Interest Paid	(3,934.07)		(3,975.37)	
Repayments of Long term Borrowings	-		(6,007.24)	
Inter corporate Loans and advances including Deposits	(293.60)		1,001.52	
Proceeds from Long term Borrowings	7,381.31		-	
Repayments of Short term Borrowings	(5,650.17)		-	
Proceeds from Short term Borrowings	-		10,942.70	
Dividend Paid (Including Tax)	-		-	
<b>Net Cash from / (Used in) Financing Activities</b>		<b>(2,496.53)</b>		1,961.61
<b>Net Increase / (Decrease) in Cash and Cash equivalents during the year</b>		<b>(671.89)</b>		(3,201.46)
<b>Cash and Cash Equivalents as at 31st March, 2013</b>	<b>5,268.95</b>		8,470.41	
<b>Cash and Cash Equivalents as at 31st March, 2014</b>	<b>4,597.06</b>	<b>(671.89)</b>	5,268.95	(3,201.46)

**Notes:**

The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India. This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of  
**CHATURVEDI & COMPANY**  
Firm Registration No. 302137E  
Chartered Accountants  
**Nilima Joshi**  
Partner  
Membership No. 52122  
Kolkata  
Dated: 30th May, 2014

For and on behalf of the Board of Directors

**B. K. Mundhra**  
Chairman &  
Managing Director

**Anand Chopra**  
Director

**J. K. Bagri**  
Director

**Anil Jain**  
GM-Commercial &  
Company Secretary



**1 Corporate Information**

Simplex Projects Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two Stock Exchanges in India. The Company is engaged in Engineering and Construction activities in India and abroad. The Company focuses on construction of Bridges for Railways, Industrial Projects, Urban Infrastructure and Automated Parking projects.

**2 DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2014**

**2.1 Basis of Preparation of Financial Statements**

The financial statements have been prepared on accrual basis of accounting in conformity with the generally accepted accounting principles in India (GAAP) and comply with Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**2.2 Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**2.3 Fixed Assets**

Tangible assets are valued at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Assets acquired under Hire Purchase arrangements are recorded at their cash values and the finance charges are charged to Profit and Loss Account as accrued. Small second hand assets acquired at sites for the use of employees are charged to revenue.

**2.4 Depreciation**

Depreciation on Fixed Assets is provided as per Schedule XIV of the Companies Act, 1956 under straight line method except assets deployed at foreign branches is provided as per the provisions of local laws at the following rates:

Description of the Assets	Rate of Depreciation
Plant and Machinery	15 %
Trucks	10 %
Motor Vehicles	20 %
Computers	20 %
Furniture and Fixtures	10 %
Office Equipments	10 %

## 2.5 Impairment of Assets

The carrying cost of assets is reviewed at each Balance Sheet date to determine whether there is any indication of impairment of assets. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

## 2.6 Inventories

Inventories are valued at cost under FIFO method or net realizable value, whichever is lower.

## 2.7 Investments

Long term Investments are valued at cost. Current Investments are stated lower of cost or fair market value. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

## 2.8 Revenue Recognition:

- a) Revenue is accounted for following "Percentage of Completion" method of accounting in respect of the Construction Contracts. The stage of completion determined on the basis of physical proportion of the contract work. Extra work and variation in contract (as mutually agreed), to the extent that it is probable that they will result in revenue. Bills submitted but not certified are also included in revenue. Claims on construction contracts are included based on management's estimates of the profitability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part.
- b) Share of Profit / Loss from joint ventures is accounted for in respect of the financial year of the venture, ending on the Balance Sheet date, on the basis of their audited / unaudited accounts.
- c) Price escalation claims and additional claims including those under arbitration are recognized as revenue when they are realized or receipts thereof are mutually settled or reasonably ascertained.
- d) Site start up expenses is charged off in the year these are incurred.
- e) Liabilities on account of Service Tax to the extent not reimbursable by the Clients have been charged off to the Profit & Loss Account.
- f) Interest income is recognized on a time proportion basis taking into the amount outstanding and the rate applicable.

## 2.9 Borrowing Cost

Borrowing costs, attributable to acquisition and construction of qualifying assets, are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Profit and Loss Account.

## 2.10 Employee Benefits

The company has adopted the Revised Accounting Standard 15 Employee benefits prescribed by Companies (Accounting Standards) Rules, 2006 with effect from 1st April 2007.

### i) Short term benefits

Short terms employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

### ii) Post employment benefits

Post employment benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation technique. Actuarial gains and losses in respect of post employment benefits are charged to Profit and Loss Account.

## **2.11 Foreign Currency transactions**

Transactions in foreign currencies are recognized in the reporting currency at the prevailing exchange rates on the transaction dates. Foreign currency monetary items are reported using the closing rate. Exchange difference arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise. Transactions completed during the year are accounted for at the then ruling rate.

Financial Statements of foreign branches are treated as non-integral operation. In translating the financial statement of foreign branches, the assets and liabilities, both monetary and non monetary, has been translated at the closing rate and income and expense items are translated at the average rate for the period. The resultant exchange differences are accumulated in Foreign Currency Translation Reserve Account.

Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset. In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities. For this purpose, the company treats a foreign monetary item as "Long-term Foreign Currency Monetary Item" if it has a term of 12 months or more at the date of its origination.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

## **2.12 Financial Derivatives & Hedging Transactions**

Financial derivatives and hedging contracts are accounted on the date of their settlement and realized gain/ loss in respect of settled contracts is recognized in the profit & loss account along with the underlying transactions.

## **2.13 Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax liability is recognized being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## **2.14 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

## **2.15 Earnings per share**

Earnings per shares are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

## **2.16 Cash and Bank Balance**

Cash and Bank Balance as indicated in the Cash Flow Statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2.17 Event occurring after the Balance Sheet Date**

Material events if any occurring after Balance Sheet date is taken into cognizance.

**3. Share Capital**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
(a) Authorised Equity shares of ₹ 10/- each with voting rights	1,50,00,000	1,500.00	1,50,00,000	1,500.00
(b) Issued, Subscribed and fully paid up Equity shares of ₹ 10/- each with voting rights	1,26,00,378	1,260.04	1,26,00,378	1,260.04
<b>Total</b>		<b>1,260.04</b>		<b>1,260.04</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh Issue	Buy back	Closing Balance
Equity shares with voting rights Year ended 31 March, 2014				
- Number of shares	1,26,00,378			1,26,00,378
- Amount (₹ in Lakh)	1,260.04	-	-	1,260.04
Year ended 31 March, 2013				
- Number of shares	1,26,00,378	-	-	1,26,00,378
- Amount (₹ in Lakh)	1,260.04			1,260.04

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Prozen Merchants Pvt. Ltd.	23,94,267	19.01	23,94,267	19.01
Simplex Fiscal Holdings Pvt. Ltd.	20,80,714	16.51	20,80,714	16.51
India Capital Fund Ltd.	-	-	8,12,906	6.45
Lata Bhanshali	11,80,000	9.36	11,80,000	9.36
Bharat Gypsum Pvt. Ltd.	6,91,429	5.49	6,91,429	5.49

**(iii) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. No dividend is proposed by the Board of Directors of the Company for the current year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**4 Reserves and Surplus**

(₹ in lakh)

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Securities premium account</b>		
Opening balance	<b>8,395.94</b>	8,395.94
Closing balance	<b>8,395.94</b>	8,395.94
<b>General reserve</b>		
Opening balance	<b>5,012.59</b>	5,012.59
Closing balance	<b>5,012.59</b>	5,012.59
<b>Foreign currency translation reserve ( Refer Note 2.11)</b>		
Opening balance	<b>(226.06)</b>	(314.35)
Add / (Less): Effect of foreign exchange rate variations during the year	<b>(1,127.05)</b>	88.29
Closing balance	<b>(1,353.11)</b>	(226.06)
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	<b>7,506.57</b>	7,181.42
Add: Profit / (Loss) for the year		
Amounts transferred from Statement of Profit & Loss	<b>370.75</b>	325.15
Closing balance	<b>7,877.32</b>	7,506.57
<b>Total</b>	<b>19,932.74</b>	20,689.04

**5 Long Term Borrowings**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Term Loans from Banks		
Secured	<b>15.01</b>	1,461.14
From Other Parties		
Secured	<b>266.67</b>	935.53
Foreign Currency Term Loan		
Unsecured	<b>552.06</b>	462.66
<b>Total</b>	<b>9,833.74</b>	<b>2,859.33</b>

- (i) Term Loan from Banks are secured by hypothecation of specific assets comprising of Plant & Machinery, Construction Equipment and Vehicles acquired out of the said Loans repayable in EMIs along with Interest ranging from 8% to 12% p.a. at a specified date for specific assets. Average tenure of each loan is 36 months.
- (ii) Term Loan from Other parties are secured by hypothecation of specific assets comprising of Plant & Machinery, Construction Equipment and Vehicles acquired out of the said Loans repayable in EMIs along with Interest ranging from 8% to 12% p.a. at a specified date for specific assets. Average tenure of each loan is 36 months.
- (iii) Foreign Currency term loan from banks carry rate of interest ranging from 6 month USD LIBOR +1% to 6 month USD LIBOR+2.65% and 6 months Euro LIBOR +1% to 6 months Euro LIBOR +3.50%.
- (iv) Foreign currency term loan relating to Libya Projects has been considered as Long term as the approval order has been received from the client in Libya, and such Term loans are expected to be rolled over.
- (v) Term Loan above does not include Current maturities and Unpaid matured Term Loans which is shown under the head 'Other Current Liabilities'.

**6 Deferred Tax Liabilities (Net)**
**(₹ in lakh)**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Liability on account of difference in value of Assets as per books and Tax Laws	<b>1,054.72</b>	1,009.61
	<b>1,054.72</b>	1,009.61

**7 Other long Term Liabilities**

Trade / security deposits received	<b>1,839.79</b>	948.38
Advances from customers	<b>74,574.08</b>	70,656.07
<b>Total</b>	<b>76,413.87</b>	71,604.45

**8 Long Term Provisions**

Provision for employee benefits:		
Leave Encashment	<b>25.18</b>	22.95
Gratuity	<b>56.49</b>	93.66
<b>Total</b>	<b>81.67</b>	116.61

In absence of Information from the Actuary for bifurcation of Current and Non Current Provision on Gratuity the total amount of Provision is disclosed under Long Term Provision.

**9 Short Term Borrowings**

Working Capital Loans repayable on demand		
From Banks		
Secured	<b>25,959.64</b>	<b>22,129.56</b>
From Others - Unsecured	<b>733.48</b>	<b>1,027.07</b>
	<b>26,693.12</b>	<b>23,156.63</b>
Term Loans		
From Banks - Secured	<b>1,500.00</b>	<b>1,300.00</b>
Foreign Currency Loan		
From Banks - Unsecured	<b>2,731.13</b>	<b>12,411.39</b>
<b>Total</b>	<b>30,924.25</b>	<b>36,868.02</b>

**Notes to Short term Borrowings:-**

- (i) Working Capital Loan from Banks are secured by hypothecation of stocks, work-in-progress and book debts and also charges of certain moveable plant & machinery ranking pari-passu with the Banks.
- (ii) Term Loan from Banks are secured by hypothecation of specific assets comprising of Plant & Machinery, Construction Equipment and Vehicles acquired out of the said Loans repayable in EMIs along with Interest ranging from 8% to 12% p.a. at a specified date for specific assets. Average tenure of each loan is 36 months.

- (iii) Foreign Currency term loan from banks carry rate of interest ranging from 6 month USD LIBOR + 1% to 6 month USD LIBOR +2.65% and 6 months Euro Libro +1% to 6 months Euro Libor +3050%.

**10 Trade Payables**

(₹ in lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade payable other than Acceptances (Refer Note below)	27,978.31	19,897.02
<b>Total</b>	<b>27,978.31</b>	<b>19,897.02</b>

- i) Payment against supplies from small scale and ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information, there was no amount overdue as on 31.03.2014.
- ii) Based on the available information with the Company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, there are no dues to micro and small enterprises.
- (iii) Trade payable have been shown net of advances of ₹ 8,845.30 Lakh paid to suppliers and sub contractors.

**11 Other Current Liabilities**

Current maturities of long-term debt (Refer Note below)	973.99	567.08
Unpaid Matured long term debts	312.75	-
Interest accrued but not due on Borrowings	188.60	34.48
Unclaimed dividends	1.06	1.07
Application money received for allotment of securities and due for refund and interest accrued thereon Share Refund A/C	12.21	12.21
Other payables		
Statutory dues (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	814.02	635.90
Unclaimed Exgratia	21.08	21.08
Liability for Expenses and Obligations	1,034.24	391.82
Trade / security deposits received	584.97	1,070.45
Advances from customers	3,322.74	212.64
Advance from related parties	2,142.82	242.99
Advance against projects	2,186.14	50.10
Salary Payable	315.22	248.04
<b>Total</b>	<b>11,909.85</b>	<b>3,487.76</b>

**Note : Current maturities of long-term debt (Refer Notes No. 5 - Long-term Borrowings for details of security and guarantee :**

Term Loans		
From Banks, Secured	18.55	99.47
From other parties, Secured	955.44	467.61
<b>Total</b>	<b>973.99</b>	<b>567.08</b>

**12 Short Term Provisions**

Provision for Employee Benefits:		
Bonus	109.93	63.13
Leave Encashment	12.80	13.42
Gratuity	-	39.37
<b>Total</b>	<b>122.73</b>	<b>115.92</b>



**Notes forming part of the Financial Statements**

**NOTE 13  
TANGIBLE FIXED ASSETS**

PARTICULARS	(₹ in lakh)											
	Original cost as at 01.04.2013	Additions during the period	MTM Adjustments	Deletion/ Exchange	Translation Exchange Difference	Original cost as at 31.03.2014	Depreciation as at 01.04.2013	Depreciation for the period	Depreciation on MTM	Deletion/ Adjustments	Depreciation as at 31.03.2014	Net Balance 31.03.2013
FREE HOLD LAND	155.38	6.23				161.61	-	-	-	-	-	155.38
PLANT & MACHINERY	3,401.46		138.70		286.63	3,826.79	1,267.89	342.98	20.82		1,631.69	2,195.10
CRANES	232.79				2.14	234.93	44.95	12.29			57.24	177.69
AIR CONDITIONER	18.38				1.91	20.29	4.78	1.52			6.30	13.99
WINCH & ENGINE	254.18	0.68		17.09		237.77	101.26	11.98		8.19	105.05	152.82
PILE FRAME	2,669.11	700.11	207.62	137.26		3,439.58	404.47	155.31		71.49	488.29	2,264.52
OTHER PLANTS	8,256.35	333.40	14.85		5.12	8,609.72	1,755.85	396.26			2,152.11	6,500.47
TOOLS & IMPLEMENTS	169.08				0.94	170.02	55.87	8.64			64.51	113.12
TRUCKS & TIPPERS	1,281.83	7.79			107.50	1,397.12	347.77	113.45			461.22	934.23
MOTOR VEHICLES	613.12	38.31		14.89	23.79	660.33	266.49	68.90		9.38	326.01	346.55
TWO WHEELERS	6.96	1.61				8.57	3.82	0.68			4.50	3.54
COMPUTERS	218.42	9.48			1.19	229.09	142.49	28.09			170.58	75.83
FURNITURE & FIXTURES	375.92	1.84			14.63	392.39	96.37	25.80			122.17	279.42
OFFICE EQUIPMENT	45.79	0.44			0.97	47.20	13.73	2.50			16.23	32.03
<b>TOTAL</b>	<b>17,698.77</b>	<b>1,099.89</b>	<b>361.17</b>	<b>169.24</b>	<b>444.82</b>	<b>19,435.41</b>	<b>4,505.74</b>	<b>1,168.40</b>	<b>20.82</b>	<b>89.06</b>	<b>5,605.90</b>	<b>13,829.51</b>
AS AT 31.03.2013 (in lakhs)	14,634.52	1,283.71	124.81	24.16	189.76	17,698.76	3,382.83	1,123.66	15.27	16.02	4,505.74	13,193.06

NOTE: 1. Original cost of Fixed Assets as on 31st March, 2014, includes ₹ 1487.41 Lakh acquired under Hire Purchase Schemes, out of which ₹ 1000.76 Lakh is outstanding as on 31st March, 2014, which has been shown under the head 'Long Term borrowings' and 'Other Current liabilities'.



## 14 Non Current Investments

(₹ in lakhs)

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments (At cost):</b>						
<b>A. Trade</b>						
Investment in equity instruments of Subsidiaries						
31,85,200 Fully Paid-up Equity Shares of ₹10 each in Simpark Infrastructure Pvt. Ltd.	-	1,201.51	1,201.51	-	1,201.51	1,201.51
10,05,100 Fully Paid-up Equity Shares of ₹ 10 each in Simplex Agri Infra Services Pvt. Ltd.	-	100.51	100.51	-	100.51	100.51
Investment in partnership firms (Refer Note below)	-	13.53	13.53	-	13.53	13.53
<b>Total - Trade (A)</b>	-	1,315.55	1,315.55	-	1,315.55	1,315.55
<b>B. Other investments</b>						
Investment in equity instruments of Associates						
5,000 Fully paid equity shares of Simplex Projects Road & Highway construction Pvt. Ltd. of other entities	-	0.50	0.50	-	0.50	0.50
15,000 Fully Paid-up Equity Shares of ₹10 each in Geo. Miller & Co. Ltd	-	1.05	1.05	-	1.05	1.05
1,600 Fully Paid-up Equity Shares of ₹ 10 each in Uco Bank	0.19	-	0.19	0.19	-	0.19
1,000 Fully Paid-up Equity Shares of ₹ 10 each in Vijaya Bank	0.24	-	0.24	0.24	-	0.24
100 Fully Paid-up Equity Shares of ₹ 10 each in Indraprasth Gas Ltd	0.05	-	0.05	0.05	-	0.05
22 Fully Paid-up Equity Shares of ₹ 10 each in Tata Consultancy Services Ltd	0.09	-	0.09	0.09	-	0.09
	0.57	1.55	2.12	0.57	1.55	2.12
Investment in government or trust securities	-	1.78	1.78	-	1.78	1.78
<b>Total - Other investments (B)</b>	0.57	3.33	3.90	0.57	3.33	3.90
<b>Total (A+B)</b>	0.57	1,318.88	1,319.45	0.57	1,318.88	1,319.45
Aggregate market value of listed and quoted investments (₹ in lakh)			1.98			2.49
Aggregate amount of quoted investments (₹ in lakh)			0.57			0.57
Aggregate amount of unquoted investments (₹ in lakh)			1,318.88			1,318.88

Note: Other details relating to investment in partnership firms

Name of the firm	As at 31 March, 2014			As at 31 March, 2013		
	Names of other partners in the firm	Total Capital	Share of partner in the profits of the firm	Name of other partners in the firm	Total Capital	Share of partner in the profits of the firm
Simplex Projects (Netherlands) Co-operatie U.A.	Simplex fiscal Holdings Pvt. Ltd.	13.66	1%	Simplex fiscal Holdings Pvt. Ltd.	13.66	1%

- (i) Decline, if any, in the market value of long term quoted investments, considered by management not of permanent nature, has not been provided for.
- (ii) Investments in National Savings Certificate and Kisan Vikas Patra amounting to **Rs.1.78 Lakh** (Previous Year – Rs.1.78 lakh) have matured in earlier years and hence no interest has been taken into accounts. These are not in possession of the company as they have been lodged as security deposit with clients.
- (iii) The Company has a co-operative incorporated under the laws of Netherland, by the name of Simplex Projects (Netherlands) Co-operative U.A., in partnership with M/s Simplex Fiscal Holdings Pvt. Ltd. The profit and loss sharing of the co-operative between the company and its partner is in the ratio of 99:1. As the co-operative is yet to commence its business, the entire expenses have been taken as pre-operative expenses.

**15 Long Term Loans and Advances**

(₹ in lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(Unsecured, considered good)		
Security deposits (Refer Note below)	<b>437.40</b>	831.47
Loans and advance to employees	-	324.56
Prepaid expenses	-	0.37
Advance income tax	<b>13.07</b>	58.28
MAT credit entitlement	<b>306.91</b>	223.69
Advance Fringe Benefit Tax	<b>13.32</b>	13.32
Other advances to Joint Ventures	<b>78.87</b>	78.87
Other advances against projects	<b>1,572.71</b>	724.35
Loans and advances to related parties (Refer note 42 )	<b>2,628.03</b>	4,416.91
<b>Total</b>	<b>5,050.31</b>	6,671.82

Note : Security deposits has been shown net of deposits of ₹ 40 Lakh received. Security Deposits includes Rs. 46.23 lakhs in the form of fixed deposits with UCO Bank.

**16 Other Non-Current Assets**

Long Term Deposits with Banks having maturity period of more than 12 months. (Refer Note no. 19 (iii) & (iv))	<b>1,381.17</b>	751.79
<b>Total</b>	<b>1,381.17</b>	751.79

**17 Inventories**

Raw materials at lower of cost and net realisable value		
At Sites	<b>8,326.64</b>	6368.11
At Stores	<b>16.56</b>	2.93
Goods-in-transit	<b>523.38</b>	457.68
	<b>8,866.58</b>	6,828.72
Work in Progress at estimated Cost		
Construction Contract	<b>45,704.51</b>	41,720.93
Project Development	<b>2,214.72</b>	1,822.22
	<b>47,919.23</b>	43,543.15
<b>Total</b>	<b>56,785.81</b>	50,371.87

**18 Trade Receivables**

(₹ in lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(Unsecured, considered good) Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer note 30 and note below)	<b>69,198.52</b>	54,382.53
Other Trade receivables	<b>21,816.21</b>	23,228.65
<b>Total</b>	<b>91,014.73</b>	77,611.18

Sundry Debtors include overdue amount aggregating to ₹ 606.08 Lakh (Previous Year - ₹ 606.08 Lakh) that are under arbitration and ₹ 1,826.54 Lakh (previous year - ₹ 1,826.54 Lakh) in court cases. However, the same is considered good by the management, based on the opinion obtained and the earlier experiences on realization. No provision in this regard is considered necessary by the management.

Trade Receivable include an amount of ₹ 8,282.78 lakh on account of bills submitted but not certified on the Balance Sheet date.

**19 Cash and Bank Balance**

Particulars	Current	
	As at 31 March, 2014	As at 31 March, 2013
Cash and Cash Equivalents		
Cash on hand	<b>141.54</b>	123.77
Cheques, drafts on hand	<b>1.30</b>	6.75
Balances with banks		
In current accounts	<b>290.02</b>	399.25
In EEFC accounts	<b>0.04</b>	0.04
Balances with Banks outside India (Refer Note (i) below)	<b>21.27</b>	19.06
In Deposit accounts less than 3 Month (Refer Note (iii) & (iv) below)	<b>321.19</b>	1,875.88
Other Bank Balances		
In deposit accounts with maturity less than 12 months (Refer Note (iii) & (iv) below)	<b>3,808.38</b>	2,830.88
In earmarked accounts		
- Unpaid dividend accounts	<b>1.12</b>	1.12
- Other earmarked accounts (Refer Note (ii) below)	<b>12.20</b>	12.20
<b>Total</b>	<b>4,597.06</b>	5,268.95

**Notes :**

(i) Balances with Banks outside India comprise of the following:-

Name of the Bank	Bank Balance as on 31st March 2014	Bank Balance as on 31st March 2013	Maximum balance outstanding	
			2013-14	2012-13
First Gulf Libyan Bank	<b>17.16</b>	15.35	<b>17.16</b>	37.32
Sahara Bank, Libya	<b>0.38</b>	0.33	<b>0.38</b>	0.33
First Gulf Bank, Dubai	<b>3.73</b>	3.38	<b>3.73</b>	2,242.79
<b>Total</b>	<b>21.27</b>	19.06		

(ii) Balances with banks - Other earmarked accounts have restriction on repatriation. It is lying unpaid in escrow refund account of the Company with its refund banker, which is shown under the head 'Other Current Liabilities'.

(iii) Fixed Deposits ₹ 5,494.66 Lakh (Previous Year - ₹ 5,458.55 Lakh) are not in possession of the company as they have been lodged as security deposit with clients / Banks.

(iv) Fixed Deposits with maturity of more than 12 months shown under 'Other non current assets'

**20 Short Term Loans and Advances**

(₹ in lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(Unsecured, considered good)		
Loans and Advances to employees (Refer Note (i) below)	458.85	67.56
Prepaid expenses	49.17	72.00
Balances with government authorities		
VAT credit receivable	444.13	133.53
Service Tax credit receivable	2.98	2.98
Income Tax Deducted by Clients and Others	1,697.70	1,014.67
Other Advance (Refer Note (ii) below)	600.37	597.64
Loans and Advances to related parties (Refer note 42)	60.20	60.20
<b>Total</b>	<b>3,313.40</b>	<b>1,948.58</b>

Note : (i) Employee advance have been shown net of credit balance of ₹ 18.51 Lakh  
(ii) Other advances are shown net of ₹ 8.35 lakh advance received.

**21 Other Current Assets**

(Unsecured, considered good)		
Interest accrued on deposits with Banks	326.37	289.24
<b>Total</b>	<b>326.37</b>	<b>289.24</b>

**22 Revenue From Operations**

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Construction Contract Works:</b>		
Gross Billing	49,772.36	42,728.18
Add: Accretion/ (Decretion) in Work in progress	953.89	6,595.08
	50,726.25	49,323.26
<b>Construction Housing Projects:</b>		
Gross Billing	-	-
Add: Accretion/ (Decretion) in Work in progress	391.16	121.47
	391.16	121.47
<b>Sale of Trading Goods :</b>	5,039.18	-
<b>Total</b>	<b>56,156.59</b>	<b>49,444.73</b>

Note : Work-in-progress include overdue amount aggregating to ₹.148.50 lakh (Previous Year - ₹ 148.50 Lakh) that are under arbitration. However, the same is considered good by the management, based on the opinion obtained and the earlier experiences on realization. No provision in this regard is considered necessary by the management.

Gross Billing includes ₹ 8,282.78 lakh on account of bills submitted but not certified as on the Balance Sheet date.

**23 Other income**

Interest income from Fixed Deposits with Banks	480.16	390.02
Dividend income from long-term investments	0.11	0.09
Excess provision written back	85.19	32.66
Other non-operating income	252.87	187.84
<b>Total</b>	<b>818.33</b>	<b>610.61</b>

Note : (i) Expenses recognised and Cenvat credit available in previous year, not availed earlier now availed and written back.  
(ii) Interest on Fixed Deposits with UCO Bank and Laying with other party (as EMD) has not been considered as income.

**24 Cost of Materials Consumed**

(₹ in lakhs)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Opening Stock	6,371.04	6,168.00
Add: Purchases	22,907.24	16,600.31
	29,278.28	22,768.31
Less: Closing Stock	7,692.85	6,371.04
<b>Total</b>	<b>21,585.43</b>	<b>16,397.27</b>

**25 Cost of Subcontracting & Other Site and Trading Expenses.**

Subcontracting Expenses	11,628.98	18,658.05
Other Site and Trading Expenses (Refer Note No. 29)	11,970.80	7,669.20
	23,599.78	26,327.25

Note : Other site and Trading Expenses includes 205.54 Lakh incurred toward Trading Expenses.

**26 Employee Benefits Expense**

Salaries and wages	562.60	539.60
Contributions to provident and other funds (Refer Note 43)	66.49	70.57
Staff welfare expenses	4.42	6.74
<b>Total</b>	<b>633.51</b>	<b>616.91</b>

**27 Finance Costs**

Interest expense on Borrowings	4,088.19	3,962.33
Other Borrowing costs	241.15	159.05
<b>Total</b>	<b>4,329.34</b>	<b>4,121.38</b>

**28 Other Expenses**

Rent including lease rentals	98.07	98.49
Repairs and maintenance:		
Buildings	-	-
Others	18.75	42.34
Insurance	28.72	46.35
Rates and Taxes	24.55	163.59
Travelling and Conveyance	60.31	47.51
Motor Vehicles Expenses	32.32	32.94
Stores and Godown Expenses	17.47	31.46
Donations and contributions	5.13	1.63
Legal and professional	108.91	108.84
Bank Charges	57.28	55.43
Payments to auditors (Refer Note below)	2.98	4.19
Net loss on foreign currency transactions and translation	537.33	94.34
Loss on fixed assets sold	9.98	3.79
Loss on Forward Contract	59.25	156.74
Loans and Advances written off	1.55	-
Miscellaneous expenses	110.82	126.52
<b>Total</b>	<b>1,173.42</b>	<b>1,014.16</b>

**Notes: Payments to Auditors**
**(₹ in lakh)**

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Payments to the Auditors:		
For Statutory Audit	<b>1.97</b>	1.97
For Tax Audit	<b>0.45</b>	0.45
For Management Services	<b>0.56</b>	1.77
<b>Total</b>	<b>2.98</b>	4.19

29. As regard Other Expenses for Executing Contract and Trading Work it has not been possible for the Company to bifurcate the expenses into different heads of account as per Schedule VI.
30. The Company is yet to receive the Balance confirmations in respect of certain Sundry Creditors, Sundry Debtors and Loans & advances. The balances are, therefore, as per the books of account only.
31. Capital Work-in-progress includes an unfinished commercial outlet purchased by the Company from its subsidiary for which the lease deed is yet to be executed. It also includes ₹ 471.61 lakh pertaining to materials imported and kept at port.
32. The Company has entered into an agreement dated 08/11/1999 with The Kolkata Municipal Corporation (KMC) for installation, development and maintenance of Multilevel Computerized Car Parking System (hereinafter referred to as 'Project') at Rawdon Street, Kolkata. The Company with the consent of KMC has nominated M/s Simpark Infrastructure Pvt. Ltd. (SIPL) to carry out the said project, which is on Build-Own-Operate-Transfer (BOOT) basis for a period of 20 years. KMC has given a deposit of Rupees Three crore to the Company as interest free deposit, to be refunded to them only out of the profits to be earned under a joint venture with KMC to develop commercial complex on a land to be allotted by the KMC. The same has been adjusted by the company against civil and other work of the project undertaken by it from SIPL. The company has, accordingly adjusted the deposit on completion of execution of civil and other works.
- Similarly, the Company has entered into another agreement dated 21/10/2002 with the KMC for installation, development and maintenance of another Multilevel Underground Car Parking System at New Market, Lindsay Street, Kolkata, which in accordance with its earlier agreement, has been nominated to the said SIPL to carry out the construction of said project, to lease out commercial outlets and also to enter into Lease Agreement with the prospective lessee with a right to collect all receivable against Lease Premium. The company, however, acts as a Confirming Party to all the lease agreements entered into by the said SIPL with the allottee's of the commercial outlets.
33. The operations of the company's branch at Libya, which was stopped due to prevailing political situation, has been since stabilized and the Company has executed a supplementary agreement with the Libyan Government to resume the project. However, the expenses incurred during the year in respect of its said branch amounting to ₹ **3,247.32 Lakh** (previous year ₹ 1,828.30 lakh) and the depreciation of ₹ **492.25 Lakh** (previous year ₹ 526.67 Lakh) relating to the machineries deployed there, have been considered as Work-in-progress, as the management is in the process of restarting the project.
34. Pursuant to the Companies (Accounting Standards) Amendment Rules, 2011 vide GSR 914(E) dated 29.12.2011, the Company has exercised option of adjusting the cost of assets arising on exchange differences, in respect of accounting period commencing from 1st April, 2011 on long term foreign currency monetary items resulting out of trade credits/overseas borrowings, which were hitherto recognized as income or expenses in the period in which they arose. As a result, such exchange differences so far as they relate to the acquisition of depreciable capital assets have been adjusted with the cost of such assets, to be depreciated over the balance useful life of the respective assets. In case of other long term foreign currency monetary items resulting out of trade credits/overseas borrowings, the exchange

difference have been transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities but not beyond accounting period ending on or before March 31, 2020. The unamortized balance in this account as at March 31, 2014 is ₹ 1,367.46 lakh (Previous year ₹ 737.32 Lakh).

### 35. Contingent Liabilities:

- There are outstanding guarantees amounting to ₹ 1,00,543.53 lakh (Previous Year - ₹ 1,00,654.06 lakh) and outstanding letters of credit amounting to ₹ 6,701.41 lakh ( Previous Year - ₹ 459.94 lakh) given on behalf of the Company by Banks. The receipts of term deposits are also held by Banks towards margin money against the guarantees / letters of credit given by them on Company's behalf, besides the counter indemnity by the Company for such guarantees/letters of credit.
- The Companies claims of certain deduction under the provisions of the Income Tax Act 1961 for the Assessment Year 2007-08 was disallowed by the Income Tax Authority, as stated last year that the company has preferred an appeal with the appellate Tribunal. The matter is last heard on 27<sup>th</sup> April 2012 but the case is yet to be decided. The Company has also challenged the issue of claiming the said deduction in respect of assessment years 2008-09 to 2009-10 by a writ petition before the Hon'ble Calcutta High Court and obtained interim stay order from the said High Court restraining the Tax Authority from enforcing any demand against the Company. The impact of tax in case of an adverse decision is estimated at ₹ 417.46 Lakh (Previous year ₹1,736.49 lakh).
- Disputed Sales Tax / VAT under appeal with appropriate forum – ₹ 1,957.59 lakh (Previous Year – ₹1,957.99 lakh)
- The Show cause cum demand Notice issued by the Service Tax Department as stated last year for an amount of ₹ 946.85 Lakh, the Appeal is still pending before The Hon'ble Customs Excise & Service Tax Appellate tribunal, EZB, Kolkata.

### 36. Value of Imports (C.I.F Basis)

(₹ in lakh)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Raw Materials	1,013.41	1,723.82

### 37. a) Earnings in Foreign Currency:

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Received	-	0.38

### b) Expenditure in Foreign Currency:

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Travelling	8.84	6.49
Contract Expenses except Depreciation (Overseas Branch)	3,247.32	1,828.30
Others administrative expenses	-	4.46

**38. Stores Consumed:**

(₹ in lakh)

Particulars	2013-14		2012-13	
	Value	% of total consumption	Value consumption	% of total
Imported (Into India)	1,013.41	4.69	1,723.82	10.51
Indigenous	20,572.02	95.31	14,673.45	89.49
<b>TOTAL</b>	<b>21,585.43</b>	<b>100</b>	<b>16,397.27</b>	<b>100</b>

**39. Information in accordance with the requirements of revised Accounting Standards – 7 on Construction Contracts prescribed by the Companies (Accounting Standard) Rules, 2006:**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Contract revenue recognized for the year ended 31st March, 2014	51,117.41	49,444.73
Aggregate amount of contracts costs incurred and recognized profits (less recognized losses) up to 31st March, 2014 for all the Contracts in progress	3,02,780.86	2,74,314.75
The amount of Customers advances outstanding for contracts in progress as at 31st March, 2014	4,251.07	6,599.49
The amount of retention due from customers for Contracts in progress as at 31st March, 2014	1,957.19	642.85
Gross amount due from customers for Contracts in progress as at 31st March, 2014 (including bills submitted but not certified of ₹. 8,282.78 lakh and work-in-progress of ₹ 17,858.33 lakh)	55,164.20	32,189.95
Gross amount due to customers for contracts in progress as at 31st March, 2014 (including work-in- progress of ₹ 280.97 lakh)	1,300.66	1,700.49

**40. Segment information for the year ended 31st March, 2014**

The Company's business activity falls mainly within a single primary segment i.e. construction business and hence there is no separate reportable business segment under primary segment reporting. However, as the Company is engaged in execution of work in overseas, the secondary segment reporting is prepared based on Geographical Segments.

The Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include respective amounts identifiable to each of the Segments and also amounts allocated on a reasonable basis.

**a) Information about Primary Segments**

(₹ in Lakh)

Particulars	Construction Activity	Trading Activity	Total
Segment Revenue	51,117.41	5,039.18	56,156.59
Segment Result	235.82	134.93	370.75
Segment Assets	1,74,843.23	4,668.63	1,79,511.86
Segment Liabilities	1,53,785.42	4,533.70	1,58,319.12

**b) Information about Secondary Business Segments (Geographical Segment)**

(₹ in Lakh)

Particulars	Revenue		Assets		Capital Expenditure	
	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013
India	56,156.59	49,444.73	1,41,652.02	1,27,700.12	1,099.89	1,283.71
Outside India	-	-	37,859.83	30,207.68	-	-
<b>Total</b>	<b>56,156.59</b>	<b>49,444.73</b>	<b>1,79,511.86</b>	<b>1,57,907.80</b>	<b>1,099.89</b>	<b>1,283.71</b>



**41. Disclosure in respect of Joint Ventures:****a) List of Joint Venture :**

Name of Joint Venture	Name of JV Partner	Proportion of ownership	Country of Incorporation / Residence	Method of Accounting
Triveni Engicons Pvt. Ltd.- Simplex Projects Ltd. (JV)	Triveni Engicons Pvt Ltd	98%	India	Percentage Completion

**b) Financial Interest in the Jointly Controlled Entity (unaudited):**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Assets	188.83	116.44
Liabilities	188.83	116.44
Income	-	-
Expenditure	0.08	0.06

In respect of Joint Venture the Company along with the JV partner is jointly & severally responsible for performance of the contract.

The amount of ₹ 87.49 Lakh (Previous Year – ₹ 105.85 Lakh) due from the joint venture have been included in Sundry Debtors. The investment in joint venture amounting to ₹ 0.20 Lakh (Previous Year – ₹ 0.20 Lakh ) are included under the head Other Advances.

**42. Related Party Disclosures pursuant to Accounting Standard (AS) – 18 issued by the Institute of Chartered Accountants of India****I. Related Parties and their Relationships:**

Name of Related Parties	Nature of Relationships
Mr. B.K. Mundhra	Key Management Personnel
Mr. J.K. Bagri	Key Management Personnel
Mr. S.D. Mundhra	Key Management Personnel
Mr. R.D. Mundhra	Relative of Key Management Personnel
Mrs. Krishna Devi Mundhra	Relative of Key Management Personnel (upto 7th Feb 2014)
Mrs. Pushpa Mundhra	Relative of Key Management Personnel
Mrs. Sarika Mundhra	Relative of Key Management Personnel
Vevaan Mundhra	Relative of Key Management Personnel
Mrs. Krishna Bagri	Relative of Key Management Personnel
Mrs. Gita Devi Bagri	Relative of Key Management Personnel
Simpark Infrastructure Pvt. Ltd.	Subsidiary
Simplex Agri-Infra Services Pvt. Ltd	Subsidiary
Simplex Projects (Netherlands) co-operative UA	Jointly controlled Entity / Joint Venture
Triveni Engicons Pvt. Ltd - Simplex Projects Ltd (JV)	Jointly controlled Entity / Joint Venture
Bharat Gypsum Pvt. Ltd.	Other related party (Entities in which Key Management Personnel or Relatives of Key Management Personnel have control or significant influence.)
SPL International BV	--Do--
Pioneer Engineering Co. Pvt. Ltd.	--Do--
Simplex Fiscal Holdings Pvt. Ltd.	--Do--
Kirti Vinimay Pvt. Ltd.	--Do--
Datson Exports Ltd.	--Do--
Prozen Merchants Pvt. Ltd.	--Do--
Simplex Foundation	--Do--
Mundhra Estate	--Do--

**II. Material Transactions with Related Parties during year ended 31st March, 2013.**

Nature of transaction	Description of relationship	Related party	March 31, 2014	March 31, 2013
<b>Transactions during the year</b>				
Director's Remuneration	Key management personnel	Mr. B. K. Mundhra	57.58	63.60
		Mr. J. K. Bagri	21.78	23.95
		Mr. S. D. Mundhra	19.37	21.30
Fabrication charges paid	Other related party	Pioneer Engineering Co. Pvt Ltd	294.61	0.00
Rent and maintenance charges	Other related party	Kirti Vinimay Pvt. Ltd.	12.00	12.00
		Datson Exports Ltd	0.77	0.77
		Mundhra Estate	0.46	0.46
Sale of Trading goods Rendering of service	Other related party	Pioneer Engineering Co. Pvt Ltd	226.14	0.00
	Jointly controlled entity / Joint venture	Triveni Engicons Pvt. Ltd. - Simplex Projects Ltd. (JV)	0.00	256.63
	Other related party	Pioneer engineering Co. Pvt Ltd	2.74	5.48
Payment received from Debtors	Jointly controlled entity / Joint venture	Triveni Engicons Pvt. Ltd. - Simplex Projects Ltd. (JV)	18.36	0.00
Payments to creditors	Other related party	Prozen Merchants Pvt Ltd	0.12 *	0.00
		Pioneer Engineering Co. Pvt Ltd	4.47	0.00
Loans and advance given	Subsidiary	Simplex Agri-Infra Services Pvt Ltd	411.91	367.37
Loans and Advance given earlier received back	Subsidiary	Simpark Infrastructure Pvt. Ltd	1,891.66	0.00
		Simplex Agri-Infra Services Pvt Ltd	47.90	42.86
	Other related party	Pioneer Engineering Co. Pvt Ltd	7.23	0.00
Loans and advances Taken	Subsidiary	Simpark Infrastructure Pvt. Ltd	667.75	1,577.19
	Other related party	Pioneer Engineering Co. Pvt Ltd	281.52	0.00
		Kirti Vinimay Pvt. Ltd.	1,172.45	143.19
Loans and advance repaid		Datson Export Ltd	4.76	0.00
	Subsidiary	Simpark Infrastructure Pvt. Ltd	285.13	0.00
	Other related party	Datson Export Ltd	2.50	0.00
		Kirti Vinimay Pvt. Ltd.	249.29	748.50
<b>Balance outstanding at the year end</b>				
Loans and advance given	Subsidiary	Simplex Agri-Infra Services Pvt Ltd	2,577.65	2,213.64
		Simpark Infrastructure Pvt. Ltd	0.00	1,891.66
	Jointly controlled entity / Joint venture	Simplex Projects (Netherlands) Co-operative UA	542.94	542.94
Loans and advance taken Sundry debtors	Subsidiary	Simpark Infrastructure Pvt. Ltd	382.62	0.00
	Jointly controlled entity / Joint venture	Triveni Engicons Pvt. Ltd. - Simplex Projects Ltd. (JV)	87.69	106.05
	Other related party	Pioneer Engineering Co. Pvt Ltd	226.14	0.00
Advance to sundry creditors	Other related party	Datson Export Ltd	8.28	6.79
	Other related party	Kirti Vinimay Pvt. Ltd.	748.50	760.50
Advance taken	Other related party	Pioneer Engineering Co. Pvt Ltd	281.52	0.00
		Kirti Vinimay Pvt. Ltd.	1,066.35	143.19
Sundry Creditor	Other related party	Prozen Merchants Pvt Ltd	0.00	0.12
		Pioneer Engineering Co. Pvt Ltd	11.62	6.36
		Mundhra Estate	0.15	0.12

\* Represent balance written back

43. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

**Defined Contribution plan**

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(₹ in lakh)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Employer's Contribution to Provident Fund	43.51	39.63
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	20.15	19.98

**Defined Benefit Plan**

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Gratuity (Funded)	Leave Encashment (unfunded)	Gratuity (Funded)	Leave Encashment (unfunded)
<b>a. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Defined Benefit obligation at beginning of the year	133.03	36.37	136.60	37.42
Current Service Cost	17.40	3.68	16.73	3.36
Interest Cost	10.87	3.18	10.21	2.99
Actuarial gain/(loss)	7.31	(5.25)	(12.46)	(7.41)
Benefits paid	17.55	-	18.05	-
Defined Benefit obligation at year end	151.05	37.98	133.03	36.37
<b>b. Reconciliation of opening and closing balances of fair value of plan assets.</b>				
Fair value of plan assets at beginning of the year	105.74	-	104.46	-
Expected return on plan assets	7.14	-	8.36	-
Actuarial gain/(loss)	-	-	1.05	-
Employer contribution	17.55	-	9.92	-
Benefits paid	94.57	-	18.05	-
Fair value of plan assets at year end	94.57	-	105.74	-
Actual return on plan assets	-	-	-	-
<b>c. Reconciliation of fair value of assets and obligations</b>				
Fair value of plan assets	94.57	-	105.74	-
Present value of obligation	151.05	-	133.03	-
Amount recognized in Balance Sheet	(56.48)	-	(27.29)	-

(₹ in lakh)

d. Expenses recognized during the year	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Gratuity (Funded)	Leave Encashment (unfunded)	Gratuity (Funded)	Leave Encashment (unfunded)
Current Service Cost	17.40	3.68	16.73	3.36
Interest Cost	10.87	3.18	10.21	2.99
Expected return on plan assets	7.14	-	8.36	-
Actuarial gain / (loss) recognized in the year	8.06	(5.25)	(13.51)	(7.41)
Net Cost	29.20	1.61	5.07	(1.06)
<b>e. Investment Details</b>	<b>% invested as at 31st March 2014</b>		<b>% invested as at 31st March 2013</b>	
L.I.C. Group Gratuity (Cash Accumulation) Policy		100		100

f. Actuarial assumptions	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Gratuity (Funded)	Leave Encashment (unfunded)	Gratuity (Funded)	Leave Encashment (unfunded)
Mortality Table (L.I.C.)	LICI 1994- 1996		LICI 1994- 1996	
Discount rate (per annum)	8.75%	8.75%	8%	8%
Expected rate of return on plan assets (per annum)	10 per thousand	10 per thousand	10 per thousand	10 per thousand
Rate of escalation in salary (per annum)	5%	5%	5%	5%
Formula used	Projected Unit Credit Method		Projected Unit Credit Method	

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

#### 44. Information pursuant to clause 32 of the listing agreements with Stock Exchange

The company has given interest free advance to Simplex Agri-Infra Services Pvt Ltd, (subsidiary), having no repayment schedule and outstanding balance is ₹. **2,577.65 Lakh** ( Previous Year ₹. 2,213.64 Lakh). The Company has taken interest free advance from Simpark Infrastructures Pvt Ltd, (its wholly owned subsidiary) having no repayment schedule and advance balance is ₹. **382.62 Lakh** on the Balance sheet date. ( Previous Year Loan Given ₹. 1891.66 Lakh)

45. Site cost for executing contract work charged off to Profit & Loss Account includes ₹. **11 Lakh** (previous year - ₹. 24.83 Lakh) relating to previous period.

**46. Earnings per Share:**

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
a)	Net Profit after tax available for equity shareholder	<b>Rs. 370.75 lakh</b>	Rs. 325 lakh
b)	Weighted Average number of equity shares for Basic EPS	<b>1,26,00,378</b>	1,26,00,378
c)	Weighted Average number of equity shares for Diluted EPS	<b>1,26,00,378</b>	1,26,00,378
d)	Basic EPS	<b>2.94</b>	2.58
e)	Diluted EPS	<b>2.94</b>	2.58

47. Amount in the financial statements are presented in INR lakhs, unless otherwise stated.

48. Comparative financial information (i.e. the amounts and other disclosure for the year ended as on 31st March 2013) presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

**SIGNATURES TO NOTES  
"1" TO "48"**

For and on behalf of  
**CHATURVEDI & COMPANY**  
 Firm Registration Number – 302137E  
*Chartered Accountants*  
**Nilima Joshi**  
*Partner.*  
 Membership No. 52122  
 Kolkata  
 Dated: 30th May, 2014

**B. K. Mundhra**  
*Chairman &  
 Managing Director*

**Anand Chopra**  
*Director*

**J. K. Bagri**  
*Director*

**Anil Jain**  
*GM-Commercial &  
 Company Secretary*

**STATEMENT OF HOLDING COMPANYS INTEREST IN SUBSIDIARY COMPANY**  
 Statement pursuant to section 212(1)(e) of the Companies Act, 1956

1. Name of the Subsidiary	<b>Simpark Infrastructure Private Limited</b>	<b>Simplex Agri-Infra Services Pvt. Ltd.</b>
2. The Financial Year of the Subsidiary Company ended on	<b>31st March, 2014</b>	<b>31st March, 2014</b>
3. i) No. of Shares held at the end of the financial year of the Subsidiary	<b>31,85,200</b>	<b>10,05,100</b>
ii) Extent of Holding	<b>100%</b>	<b>66.56%</b>
4. The net aggregate of profits/losses and reserves of the Subsidiary Company so far as it concerns the Holding Company :		
i) dealt with in the accounts of the Company by way of dividend on the shares held in the Subsidiary Company :		
a) For the financial year of the Subsidiary Company	<b>NIL</b>	<b>NIL</b>
b) For the previous financial year of Subsidiary Company since they became a subsidiary of the Simplex Projects Ltd.	<b>NIL</b>	<b>NIL</b>
ii) Not dealt with in the accounts of the Company		
a) For the financial year of the Subsidiary Company (₹ in Lakh)	<b>(251.32)</b>	<b>NIL</b>
b) For the previous financial year of Subsidiary since they became subsidiary Company of the Company (₹ in Lakh)	<b>(125.18)</b>	<b>NIL</b>

**B. K. Mundhra**  
*Chairman cum Managing Director*

**J. K. Bagri**  
*Director*

Place : Kolkata  
 Date : 30th May, 2014

**Anand Chopra**  
*Director*

**Anil Jain**  
*GM-Commercial &  
 Company Secretary*

**FINANCIAL DETAILS OF SUBSIDIARY COMPANIES**  
for the year ended on 31st March, 2014



(₹. in Lakh)

Name of the Subsidiary		<b>Simpark Infrastructure Pvt. Ltd.</b>	<b>Simplex Agri-Infra Services Pvt. Ltd.</b>
Year ending on		<b>31.03.2014</b>	<b>31.03.2014</b>
Share Capital		<b>318.52</b>	<b>151.00</b>
Share Warrants		-	-
Share Application Money		-	-
Reserves & Surplus		<b>335.19</b>	-
Total Assets		<b>3,295.94</b>	<b>4,808.01</b>
Total Liabilities		<b>3,295.94</b>	<b>4,808.01</b>
Details of Investment (except in case of Investment in Subsidiaries)	a) Shares	<b>84</b>	-
	b) Mutual Funds	-	-
	c) Optional FCD	-	-
	Total of Investments	<b>84</b>	-
Turnover (inclusive other income)		<b>434.17</b>	-
Profit Before Tax		<b>(251.32)</b>	-
Provision for Current & Deferred Tax		-	-
Profit After Tax		<b>(251.32)</b>	-
Proposed Dividend		-	-

To  
The Board of Directors  
**Simplex Projects Limited**  
Kolkata

We have audited the accompanying Consolidated Financial statements of Simplex Projects Limited (the Company) and its subsidiaries Simpark Infrastructure Pvt. Ltd. and Simplex Agri-Infra Services Pvt. Ltd. (the Company and its subsidiaries constitute "the group") which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Companies Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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 misstatements.

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 auditor's judgment, 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 control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Basis of Qualified Opinion**

*Attention is invited to Note no. 32 regarding company's branch at Libya which has stopped functioning due to political unrest prevailing there. The total expenses incurred at the branch during the year amounts to ₹ 3,739.57 Lakhs including depreciation which have been transferred to work in progress and the total assets of the branch as on the balance sheet date amounts to ₹ 37,859.83 Lakhs. The management has certified the financial accounts, assets and liabilities of the branch (considering the audited accounts of the Libya Branch by the branch auditor till 31.12.13) and is confident of realising the above amounts and hence no adjustments have been considered necessary in the accounts by them. Since effect of the same is not ascertainable in respect of which we are unable to express our opinion for the financial transactions, assets and its liabilities.*

#### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the report of the other auditors on the financial statements of the subsidiaries referred to below in the other matter paragraph, the aforesaid Consolidated Financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to:

- a) note no. 29 regarding closing balance confirmations of Debtors, Creditors, Earnest Money deposits and advances being unconfirmed and Kisan Vikash Patra and National Saving certificates being not available with



- the company, in respect of which we are unable to express our opinion.
- b) note no. 28 regarding site expenses for executing the contract work which have not been bifurcated under the different heads of expenditure.
- c) note no. 17 and 21 regarding recoverability of claim aggregating ₹ 606.08 Lakhs in arbitration 1,826.54 Lakhs in legal cases and overdue amounts of Work-In-Progress aggregating ₹148.50 Lakhs respectively due to disputes with the customers. The ultimate outcome of these disputes cannot be determined. However the company is of the view that these amounts are recoverable and no provision is required against the same. Hence we are unable to express our opinion in respect of same.
- d) note no. 33 regarding Foreign exchange fluctuation on account of overseas borrowing which has been amortized by treating the same as long term from the initial time of borrowing. Due to this profit has increased by ₹ 1,367.46 Lakhs for the year as the same is amortized.
- e) The company has not made any provision against Trade Receivables for more than three years amounting to Rs. 964.48 Lakh and Advances paid to suppliers of material and Subcontractors amounting to ₹ 774.04 lakhs for more than 3 years, which according to management are recoverable / adjustable and no provision is required for the same.
- f) Attention is invited to note no. 30 regarding materials in transit amounting to ₹ 471.61 lakhs which have been charged to capital work in progress but the materials are still lying at the port.
- g) Foreign Currency Term loan of ₹ 9,552.06 lakhs has been considered as long term loan instead of short term loan.
- h) For Simpark the amount due from Sundry Debtor amounting to ₹ 547 crore and due to Sundry Creditors amounting to ₹ 18.45 crores (come of which are very old) in respect of which we are unable to express our opinion in absence of confirmation from the parties.

**Other matter**

We did not audit the financial statement of M/s. Simplex Agri-Infra Services Pvt. Ltd. (the subsidiary), whose financial statements reflect total assets of ₹ 4,808.01 Lakhs as at 31.3.2014, total revenue of ₹ Nil and net cash flows of ₹ 29.33 Lakhs for the year ended on that date as considered in the consolidated financial statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinions in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

**For Chaturvedi & Company**  
Firm Registration Number - 302137E  
Chartered Accountants  
**Nilima Joshi**  
Partner  
Membership No.52122

Place : Kolkata  
Dated : 30th May, 2014

as at 31st March, 2014

(₹ in Lakh)

	Note No.	As at 31 March, 2014	As at 31 March, 2013
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share Capital	2	1,260.04	1,260.04
Reserves and Surplus	3	19,707.93	20,715.55
		<b>20,967.97</b>	<b>21,975.58</b>
<b>Non-current liabilities</b>			
Long-term Borrowings	4	11,393.50	4,158.96
Deferred Tax Liabilities (Net)	5	1,054.72	1,009.61
Other Long-term Liabilities	6	76,576.18	71,657.79
Long-term Provisions	7	93.26	124.78
Minority Interest		50.49	50.49
		<b>89,168.15</b>	<b>77,001.63</b>
<b>Current liabilities</b>			
Short-term Borrowings	8	30,924.25	36,868.02
Trade Payables	9	30,022.65	21,142.43
Other Current Liabilities	10	11,972.94	3,806.45
Short-term Provisions	11	122.85	116.01
		<b>73,042.69</b>	<b>61,932.91</b>
		<b>1,83,178.81</b>	<b>1,60,910.13</b>
<b>TOTAL</b>			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	12	15,258.21	14,741.31
Capital work-in-progress	30	5,012.37	2,800.19
		<b>20,270.58</b>	<b>17,541.50</b>
<b>Non-Current Investments</b>			
Long-term Loans and Advances	13	18.27	18.27
Other Non-current Assets	14	2,644.39	2,726.84
Goodwill (on consolidation)	15	2,891.89	2,223.40
		322.99	322.99
		<b>5,877.54</b>	<b>5,291.50</b>
<b>Current Assets</b>			
Inventories	16	57,518.55	52,253.10
Trade Receivables	17	91,064.01	78,161.39
Cash and Bank Balances	18	4,711.64	5,345.10
Short-term Loans and Advances	19	3,410.12	2,028.30
Other Current Assets	20	326.37	289.24
		<b>157,030.69</b>	<b>1,38,077.13</b>
		<b>183,178.81</b>	<b>1,60,910.13</b>
<b>TOTAL</b>			
<b>Significant Accounting Policies</b>	1		

The accompanying notes including other explanatory information form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date

For and on behalf of  
**CHATURVEDI & COMPANY**  
Firm Registration No. 302137E  
Chartered Accountants  
**Nilima Joshi**  
Partner

Membership No. 52122  
Kolkata  
Dated: 30th May, 2014

For and on behalf of the Board of Directors

**B. K. Mundhra**  
Chairman &  
Managing Director

**Anand Chopra**  
Director

**J. K. Bagri**  
Director

**Anil Jain**  
GM-Commercial &  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2014



(₹ in Lakh)

	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Revenue from Operations	21	56,584.78	49,712.48
Other Income	22	824.31	622.50
<b>Total Revenue</b>		<b>57,409.09</b>	<b>50,334.98</b>
<b>Expenses</b>			
Cost of Materials Consumed for Executing Contract Work	23	21,861.86	16,483.85
Purchase of Stock-in-Trade		4,698.71	-
Changes in Inventories of Stock-in-Trade / Work-in-Progress		(776.87)	(50.81)
Cost of Subcontracting & Other Site Expenses	24	23,691.76	26,408.22
Employee Benefits Expense	25	834.83	717.41
Finance Costs	26	4,329.34	4,123.23
Depreciation and Amortisation Expense	12	1,309.09	1,258.79
Other Administrative Expenses	27	1,295.82	1,080.04
<b>Total Expenses</b>		<b>57,244.54</b>	<b>50,020.73</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>164.55</b>	<b>314.25</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>164.55</b>	<b>314.25</b>
Extraordinary items		-	-
<b>Profit before tax</b>		<b>164.55</b>	<b>314.25</b>
<b>Tax Expense:</b>			
Current tax expense for current year		83.22	88.03
(Less): MAT credit		83.22	88.03
Net current tax expense		-	-
Deferred tax		45.12	114.29
		45.12	114.29
<b>Profit for the year</b>		<b>119.43</b>	<b>199.96</b>
<b>Earnings per share (in ₹):</b>	49		
Basic		0.95	1.59
Diluted		0.95	1.59
<b>Significant Accounting Policies</b>	1		

The accompanying notes including other explanatory information form an integral part of the financial statements.

This is the Profit & Loss Statement referred to in our report of even date

For and on behalf of  
**CHATURVEDI & COMPANY**  
 Firm Registration No. 302137E  
 Chartered Accountants  
**Nilima Joshi**  
 Partner  
 Membership No. 52122  
 Kolkata  
 Dated: 30th May, 2014

For and on behalf of the Board of Directors

**B. K. Mundhra**  
 Chairman &  
 Managing Director

**Anand Chopra**  
 Director

**J. K. Bagri**  
 Director

**Anil Jain**  
 GM-Commercial &  
 Company Secretary

**CASH FLOW STATEMENT**

for the year ended 31st March, 2014

(₹ in Lakh)

	For the year ended 31 March, 2014		For the Year ended 31st March, 2013	
<b>A. Cash flow from operating activities:</b>				
<b>Net profit before tax and extraordinary items</b>		<b>164.55</b>		<b>314.25</b>
Adjustments for:				
Depreciation	<b>1,309.09</b>		1,258.79	
Interest (Net)	<b>3,607.78</b>		3,567.63	
Loss on Sale of Fixed Assets	<b>9.98</b>		3.09	
Unrealised foreign exchange (Gain)/Loss	-		-	
Dividend Received	<b>(0.26)</b>		(0.22)	
Liabilities no longer required written back	<b>(85.19)</b>		(32.66)	
Exchange (Gain) / Loss on Non Integral Branch	<b>(1,127.05)</b>		88.29	
Provisions for employee benefits	<b>(24.68)</b>	<b>3,689.64</b>	(11.80)	<b>4,873.12</b>
<b>Operating profit before working capital changes</b>		<b>3,854.19</b>		<b>5,187.37</b>
Increase / Decrease in:				
Other Current Assets	<b>(14,187.45)</b>		(10,059.55)	
Inventories	<b>(5,265.45)</b>		(7,815.37)	
Current Liabilities	<b>21,489.26</b>	<b>2,036.36</b>	9,806.30	<b>(8,068.62)</b>
<b>Cash Generated from operations</b>		<b>5,890.55</b>		<b>(2,881.25)</b>
Direct Tax paid	<b>(683.03)</b>		(256.78)	
FBT	-	<b>(683.03)</b>	-	<b>(256.78)</b>
<b>Net Cash from / (Used in) Operating Activities</b>		<b>5,207.52</b>		<b>(3,138.03)</b>
<b>B. Cash flow from Investing Activities:</b>				
Purchase of Fixed Assets	<b>(4,118.36)</b>		(3,510.85)	
Sale of Fixed Assets	<b>70.20</b>		8.14	
Sale / (Purchase) of Investments	-		-	
Dividend Received	<b>0.26</b>		0.22	
Interest Received	<b>443.31</b>		497.48	
<b>Net Cash from / (Used in) Investing activities</b>		<b>(3,604.59)</b>		<b>(3,005.01)</b>
		<b>1,602.93</b>		<b>(6,143.04)</b>
<b>C. Cash flow from Financing Activities:</b>				
Interest Paid	<b>(3,934.07)</b>		(3,975.21)	
Repayments of Long term Borrowings	-		(5,024.51)	
Inter corporate Loans and Advances including Deposits	<b>(293.60)</b>		1,001.52	
Proceeds from Long term Borrowings	<b>7,641.45</b>		-	
Repayments of Short term Borrowings	<b>(5,650.17)</b>		-	
Proceeds from Short term Borrowings	-		10,921.89	
Dividend Paid (Including Tax)	-		-	
<b>Net Cash from / (Used in ) Financing Activities</b>		<b>(2,236.39)</b>		<b>2,923.69</b>
<b>Net Increase / (Decrease ) in Cash and Cash equivalents during the year</b>		<b>(633.46)</b>		<b>(3,219.35)</b>
<b>Cash and Cash Equivalents as at 31st March, 2013</b>	<b>5,345.10</b>		8,564.45	
<b>Cash and Cash Equivalents as at 31st March, 2014</b>	<b>4,711.64</b>	<b>(633.46)</b>	5,345.10	<b>(3,219.35)</b>

**Notes:**

The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India. This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of  
**CHATURVEDI & COMPANY**  
Firm Registration No. 302137E  
Chartered Accountants  
Nilima Joshi  
Partner

Membership No. 52122  
Kolkata  
Dated: 30th May, 2014

For and on behalf of the Board of Directors

**B. K. Mundhra**  
Chairman &  
Managing Director

**Anand Chopra**  
Director

**J. K. Bagri**  
Director

**Anil Jain**  
GM-Commercial &  
Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS



### 1 DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2014

#### 1.1 Basis of Preparation of Financial Statements

The consolidated financial statements have been prepared on accrual basis of accounting in conformity with the generally accepted accounting principles in India (GAAP) and comply with Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

As far as possible, the Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.

#### 1.2 Principles on consolidation

The Consolidated Financial Statements related to Simplex Projects limited (The Company) and its subsidiaries are drawn up to the same reporting date as of the company and the consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the Company and its Subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated.
- The excess of cost to the Company of its investments in its Subsidiary companies over its share of the Equity of the Subsidiary company at the dates, on which the investments in the Subsidiary companies are made, is recognized as Goodwill being an asset in the consolidated Financial Statements.
- The Company has invested in 66.56% shares of Simplex Agri-Infra Services Pvt Ltd. The said company has entered into a contract with Food Corporation of India & HIMFED to construct and maintain warehouses in different parts of Jammu & Kashmir and Himachal Pradesh. The company has yet to start its operation, hence no revenue has been generated.
- In terms of Accounting Standard-21 the minority interest has been computed in respect of Simplex Agri-Infra Services Pvt Ltd a non-fully owned subsidiary.
- The subsidiary Companies considered in the Consolidated financial statement is as under:

Name of the Company	Country of Incorporation	Percentage of Shareholding as on 31st March 2014	Percentage of Shareholding as on 31st March 2013
Simpark Infrastructure Pvt. Ltd.	India	100%	100%
Simplex Agri-Infra Services Pvt. Ltd,	India	66.56%	66.56%

#### 1.3 Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### 1.4 Fixed Assets

Tangible assets are valued at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Assets acquired under Hire Purchase arrangements are recorded at their cash values and the finance charges are charged to Profit and Loss Account as accrued.

#### 1.5 Cost of construction / development

For Simpark Infrastructure Pvt. Ltd cost of Construction / development incurred is charged to the Statement of Profit & Loss proportionate to project area sold. Adjustment, if required, is made in project work in progress.

The estimated salable area cost of the project as determined, is based on management's estimate of the cost expected to be incurred till the final completion of the project and includes material, services and other related overheads. The effect of such changes to estimates is recognized in the period such changes are determined.

**1.6 Project work-in-progress**

Work-in-progress comprises cost of material, services and other related overheads related to projects under construction.

**1.7 Depreciation**

Depreciation on Tangible Assets is provided as per Schedule XIV of the Companies Act, 1956 under straight line method except assets deployed at foreign branches is provided as per the provisions of local laws at the following rates:

Description of the Assets	Rate of Depreciation
Plant and Machinery	15 %
Trucks	10 %
Motor Vehicles	20 %
Computers	20 %
Furniture and Fixtures	10 %
Office Equipments	10 %

**1.8 Impairment of Assets**

The carrying cost of assets is reviewed at each Balance Sheet date to determine whether there is any indication of impairment of assets. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

**1.9 Inventories**

Inventories are valued at cost under FIFO method or net realizable value, whichever is lower.

**1.10 Investments**

Long term Investments are valued at cost. Current investments are stated lower of cost or fair market value. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

**1.11 Revenue Recognition**

- a) Revenue is accounted for following "Percentage of Completion" method of accounting in respect of the Construction Contracts. The stage of completion determined on the basis of physical proportion of the contract work. Extra work and variation in contract (as mutually agreed), to the extent that it is probable that they will result in revenue. Bills submitted but not certified are also included in revenue. Claims on construction contracts are included based on management's estimates of the profitability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part.
- b) Share of Profit / Loss from joint ventures is accounted for in respect of the financial year of the venture, ending on the balance sheet date, on the basis of their audited / unaudited accounts.
- c) Price escalation claims and additional claims including those under arbitration are recognized as revenue when they are realized or receipts thereof are mutually settled or reasonably ascertained.
- d) Site start up expenses is charged off in the year these are incurred.
- e) Liabilities on account of Service Tax to the extent not reimbursable by the Clients have been charged off to the profit & loss account.
- f) Fee collections from users of facility are accounted for when the amount is due and recovery is certain.
- g) Fee for amenities are accounted for on accrual basis and are net of Service tax, if any. Fee for consulting are recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measure.
- h) Revenue from Commercial Real estate (received as lease premium) is recognized on making the initial agreement with the parties and receipt of substantial amount of total lease premium value.
- i) The management revises the estimates of saleable area and costs periodically. The effect of such changes to estimates is recognized in the period such changes are determined.

- j) Revenue from sale of parking systems are recognised upon delivery and erection, which is when the title passes to the customer
- k) Interest income is recognized on a time proportion basis taking into the amount outstanding and the rate applicable.

#### **1.12 Borrowing Cost**

Borrowing costs, attributable to acquisition and construction of qualifying assets, are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the profit and loss account.

#### **1.13 Employee Benefits**

The company has adopted the Revised Accounting Standard 15 Employee benefits prescribed by Companies (Accounting Standards) Rules, 2006 with effect from 1st April 2007.

##### **i) Short term benefits:**

Short terms employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

##### **ii) Post employment benefits:**

Post employment benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation technique. Actuarial gains and losses in respect of post employment benefits are charged to profit and loss account.

#### **1.14 Foreign Currency transactions**

Transactions in foreign currencies are recognized in the reporting currency at the prevailing exchange rates on the transaction dates. Foreign currency monetary items are reported using the closing rate. Exchange difference arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise. Transactions completed during the year are accounted for at the then ruling rate.

Financial Statements of foreign branches are treated as non-integral operation. In translating the financial statement of foreign branches, the assets and liabilities, both monetary and non monetary, has been translated at the closing rate and income and expense items are translated at the average rate for the period. The resultant exchange differences are accumulated in Foreign Currency Translation Reserve Account.

Foreign exchange difference on account of a depreciable asset is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset. In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities. For this purpose, the company treats a foreign monetary item as "Long-term Foreign Currency Monetary Item" if it has a term of 12 months or more at the date of its origination. All other exchange differences are recognized as income or as expenses in the period in which they arise.

#### **1.15 Financial Derivatives & Hedging Transactions**

Financial derivatives and hedging contracts are accounted on the date of their settlement and realized gain/ loss in respect of settled contracts is recognized in the profit & loss account along with the underlying transactions.

#### **1.16 Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax liability is recognized being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

#### **1.17 Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

#### **1.18 Earnings per share**

Earnings per shares are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**1.19 Cash and cash equivalents**

Cash and cash equivalents as indicated in the Cash Flow Statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**1.19 Event occurring after the Balance Sheet Date**

Material events if any occurring after Balance Sheet date is taken into cognizance.

**2. Share Capital**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
(a) Authorised Equity shares of ₹ 10/- each with voting rights	1,50,00,000	1,500.00	1,50,00,000	1,500.00
(b) Issued, Subscribed and fully paid up Equity shares of ₹ 10/- each with voting rights	1,26,00,378	1,260.04	1,26,00,378	1,260.04
<b>Total</b>		<b>1,260.04</b>		<b>1,260.04</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh Issue	Buy back	Closing Balance
Equity shares with voting rights Year ended 31 March, 2014				
- Number of shares	1,26,00,378	-	-	1,26,00,378
- Amount (₹ in Lakh)	1,260.04	-	-	1,260.04
Year ended 31 March, 2013				
- Number of shares	1,26,00,378	-	-	1,26,00,378
- Amount (₹ in Lakh)	1,260.04	-	-	1,260.04

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of
Equity shares with voting rights				
Prozen Merchants Pvt. Ltd.	23,94,267	19.01	23,94,267	19.01
Simplex Fiscal Holdings Pvt. Ltd.	20,80,714	16.51	20,80,714	16.51
India Capital Fund Ltd.	-	-	8,12,906	6.45
Lata Bhanshali	11,80,000	9.36	11,80,000	9.36
Bharat Gypsum Pvt. Ltd.	6,91,429	5.49	6,91,429	5.49

**(iii) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. No dividend is proposed by the Board of Directors of the Company for the current year.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



**3 Reserves and Surplus**

(₹ in lakh)

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>Securities premium account</b>		
Opening balance	8,395.94	8,395.94
Closing balance	8,395.94	8,395.94
<b>General reserve</b>		
Opening balance	5,012.59	5,012.59
Closing balance	5,012.59	5,012.59
<b>Foreign currency translation reserve ( Refer Note 1.14)</b>		
Opening balance	(226.06)	(314.35)
Add / (Less): Effect of foreign exchange rate variations during the year	(1127.05)	88.29
Closing balance	(1353.11)	(226.06)
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	7,533.08	7,333.11
Add: Profit / (Loss) for the year	-	-
Amounts transferred from Statement of Profit & Loss	119.43	199.97
Closing balance	765.51	7,533.08
<b>Total</b>	<b>19,707.93</b>	<b>20,715.55</b>

**4 Long Term Borrowings**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Term Loans from Banks		
Secured	15.01	1,461.14
From other Parties		
Secured	1,526.43	1,935.16
Unsecured (Refer Note No. 31)	300.00	300.00
Foreign Currency Term Loan		
Unsecured	9,552.06	462.66
<b>Total</b>	<b>11,393.50</b>	<b>4,158.96</b>

Term Loan from Banks are secured by Hypothecation of specific assets comprising of Plant & Machinery, Construction Equipment and Vehicles acquired out of the said Loans repayable in EMIs along with Interest ranging from 8% to 12% p.a. at a specified date for specific assets. Average tenure of each loan is 36 months.

Term Loan from Other parties are secured by Hypothecation of specific assets comprising of Plant & Machinery, Construction Equipment and Vehicles acquired out of the said Loans repayable in EMIs along with Interest ranging from 8% to 12% p.a. at a specified date for specific assets. Average tenure of each loan is 36 months.

Foreign Currency term loan from banks carry rate of interest ranging from 6 month USD LIBOR +1% to 6month USD LIBOR+2.65% and 6 months Euro Libor +1% to 6 months Euro Libor +3.50%.

foreign currency term loan relating to Libya Projects has been considered as Long term as the approval order has been received from the client in Libya, and such Term loans are expected to be rolled over.

(v) Term Loan above does not include Current maturities and Unpaid matured Term Loans which is shown under the head 'Other Current Liabilities'.

**5 Deferred Tax Liabilities (Net)**

(₹ in lakh)

Particulars	As at 31 March, 2014	As at 31 March, 2013
Liability on account of difference in value of Assets as per books and Tax Laws	1,054.72	1,009.61
	<b>1,054.72</b>	<b>1,009.61</b>

**6 Other long Term Liabilities**

Trade / security deposits received	1,895.99	1,001.72
Advances from customers	74,624.08	70,656.07
Subsidy eserve Fund	56.11	-
<b>Total</b>	<b>76,576.18</b>	<b>71,657.79</b>

**7 Long Term Provisions**

Provision for employee benefits:		
Leave Encashment	28.74	25.28
Gratuity	64.52	99.50
<b>Total</b>	<b>93.26</b>	<b>124.78</b>

**8 Short Term Borrowings**

Working capital Loans repayable on demand		
From banks		
Secured	25,959.64	22,129.56
Unsecured	-	-
From Others - Unsecured	733.48	1,027.07
	<b>26,693.12</b>	<b>23,156.63</b>
Term loans		
From banks - Secured	1,500.00	1,300.00
Foreign Currency Loan		
From banks - Unsecured	2,731.13	12,411.39
<b>Total</b>	<b>30,924.25</b>	<b>36,868.02</b>

**Notes to Short term Borrowings:-**

- (i) Working Capital Loan from Banks are secured by hypothecation of stocks, work-in-progress and book debts and also charges of certain moveable plant & machinery ranking pari-passu with the banks.
- (ii) Term Loan from Banks are secured by Hypothecation of specific assets comprising of Plant & Machinery, Construction Equipment and Vehicles acquired out of the said Loans repayable in EMIs along with Interest ranging from 8% to 12% p.a. at a specified date for specific assets. Average tenure of each loan is 36 months.
- (iii) Foreign Currency term loan from banks carry rate of interest ranging from 6 month USD LIBOR +1% to 6month USD LIBOR+2.65% and 6 months Euro Libor +1% to 6 months Euro Libor +3.50%.

**9 Trade Payables****(₹ in lakh)**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade payable other than Acceptances (Refer Note below)	30,022.65	21,142.43
<b>Total</b>	<b>30,022.65</b>	<b>21,142.43</b>

- i) Payment against supplies from small scale and ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information, there was no amount overdue as on 31.03.2014.
- ii) Based on the available information with the Company relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, there are no dues to micro and small enterprises.
- (iii) Trade payable have been shown net of advances of ₹ 9,945.30 Lakh (Previous Year ₹ 8,525.73 Lakh) paid to suppliers and sub contractors.

**10 Other Current Liabilities**

Current maturities of long-term debt (Refer Note (i) below)	973.99	567.08
Unpaid matured long term debt	312.75	
Interest accrued but not due on borrowings	188.60	34.48
Unclaimed dividends	1.06	1.07
Application money received for allotment of securities and due for refund and interest accrued thereon Share Refund A/C	12.21	12.21
Other payables		
Statutory dues (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	856.00	667.84
Advance against Lease Premium	66.55	51.72
Bonus and Unclaimed Exgratia	21.74	21.74
Liability for Expenses and Obligations	1,051.03	401.04
Trade / security deposits received	584.97	1,077.80
Advances from customers	3,602.03	403.49
Advances from related parties	2,142.82	-
Advance against projects	1,803.52	292.99
Salary Payable	355.67	275.00
<b>Total</b>	<b>11,972.94</b>	<b>3,806.45</b>

**Note : Current maturities of long-term debt (Refer Notes No. 4 - Long-term borrowings for details of security and guarantee :**

Term loans		
From Banks, Secured	18.55	99.47
From other parties, Secured	955.44	467.61
<b>Total</b>	<b>973.99</b>	<b>567.08</b>

**11 Short Term Provisions**

Provision for employee benefits:		
Bonus	110.01	63.13
Leave Encashment	12.84	13.45
Gratuity	-	39.43



**Notes forming part of the Consolidated Financial Statements**

**NOTE 12  
TANGIBLE FIXED ASSETS**

PARTICULARS	(₹ in lakhs)												
	Original cost as at 01.04.2013	Additions during the period	MTM	Deletion/ Adjust- ments	Translation Exchange Difference	Original cost as at 31.03.2014	Depreciation as at 01.04.2013	Depreciation for the period	Deletion/ Adjustments	Translation Exchange Difference	Depreciation as at 31.03.2013	Net Balance 31.03.2014	Net Balance 31.03.2013
LEASE HOLD LAND	254.03	6.23				260.26	-	-			-	260.26	254.03
BUILDING	1,035.73	0.00			286.63	1,035.73	426.92	51.79			478.71	557.02	608.81
PLANT & MACHINERY	4,680.99	0.00	138.70		2.14	5,106.32	1778.65	407.16		20.82	2,206.63	2,899.69	2,902.34
CRANES	232.79	0.00			1.91	234.93	44.95	12.29			57.24	177.69	187.84
AIR CONDITIONER	18.38	0.00				20.29	4.78	1.52			6.30	13.99	13.60
WINCH & ENGINE	254.18	0.68		17.09		237.77	101.26	11.98	8.19		105.05	132.72	152.92
PILE FRAME	2,669.11	700.11	207.62	137.26		3,439.58	404.47	155.31	71.49		488.29	2,951.29	2,264.64
OTHER PLANTS	8,256.35	333.40	14.85		5.12	8,609.72	1755.85	396.26			2,152.11	6,457.61	6,500.50
TOOLS & IMPLEMENTS	169.08	0.00			0.94	170.02	55.87	8.64			64.51	105.51	113.21
TRUCKS & TIPPERS	1,281.83	7.79			107.50	1,397.12	347.77	113.45			461.22	935.90	934.06
MOTOR VEHICLES	637.21	38.31		14.89	23.79	684.42	266.49	68.95	9.38		326.06	358.36	370.65
TWO WHEELERS	6.96	1.61				8.57	3.82	0.68			4.50	4.07	3.14
COMPUTERS	225.78	9.72			1.19	236.69	147.35	28.56			175.91	60.78	78.43
ELECTRICAL INSTALATION	53.17	0.00			-	53.17	18.92	2.69			21.61	31.56	34.25
FURNITURE & FIXTURES	379.43	1.84			14.63	395.90	98.06	25.96			124.02	271.88	281.37
OFFICE EQUIPMENT	57.90	0.44			0.97	59.31	16.41	3.02			19.43	39.88	41.52
<b>TOTAL</b>	<b>20,212.92</b>	<b>1,100.13</b>	<b>361.17</b>	<b>169.24</b>	<b>444.82</b>	<b>21,949.80</b>	<b>5,471.57</b>	<b>1,288.26</b>	<b>89.06</b>	<b>20.82</b>	<b>6,691.59</b>	<b>15,258.21</b>	<b>14,741.31</b>
AS AT 31.03.2013 (in lakhs)	18,638.42	1,007.68	124.81	24.16	189.77	20,212.92	4,228.87	1,243.52	16.02	15.27	5,471.64	14,741.31	

NOTE: 1. Original cost of Fixed Assets as on 31st March, 2014, includes Rs 1487.41 Lakh acquired under Hire Purchase Schemes, out of which Rs 1000.76 Lakh is outstanding as on 31st March, 2014, which has been shown under the head 'Long term borrowings' and 'Other Current liabilities'.

**13 Non Current Investments**

Particulars	As at 31 March, 2014			As at 31 March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
<b>Investments (At cost):</b>						
<b>A. Trade</b>						
Investment in partnership firms (Refer Note below)	-	13.53	13.53	-	13.53	13.53
<b>Total - Trade (A)</b>	-	13.53	13.53	-	13.53	13.53
<b>B. Other investments</b>						
Investment in equity instruments of associates						
5,000 Fully paid equity shares of Simplex projects Road & Highway const. Pvt. Ltd.	-	0.50	0.50	-	0.50	0.50
of other entities						
15,000 Fully Paid-up Equity Shares of Rs.10 in Geo.Miller & Co. Ltd	-	1.05	1.05	-	1.05	1.05
4,900 Fully Paid-up Shares of ₹. 10 each in Simplex Housing Projects Pvt Ltd.	-	-	-	-	-	-
4,000 Fully Paid-up Equity Shares of ₹. 10 each in Uco Bank	0.48	-	0.48	0.48	-	0.48
2,000 Fully Paid-up Equity Shares of ₹. 10 each in Vijaya Bank	0.48	-	0.48	0.48	-	0.48
100 Fully Paid-up Equity Shares of ₹. 10 each in Indraprasth Gas Ltd	0.05	-	0.05	0.05	-	0.05
251 Fully paid equity shares of ₹. 10 each in NTPC	0.16	-	0.16	0.16	-	0.16
72 Fully Paid-up Equity Shares of ₹. 10 each in Tata Consultancy Services Ltd	0.24	-	0.24	0.24	-	0.24
	<b>1.41</b>	<b>1.55</b>	<b>2.96</b>	<b>1.41</b>	<b>1.55</b>	<b>2.96</b>
Investment in government or trust securities	-	1.78	1.78	-	1.78	1.78
<b>Total - Other investments (B)</b>	<b>1.41</b>	<b>3.33</b>	<b>4.74</b>	<b>1.41</b>	<b>3.33</b>	<b>4.74</b>
<b>Total (A+B)</b>	<b>1.41</b>	<b>16.86</b>	<b>18.27</b>	<b>1.41</b>	<b>16.86</b>	<b>18.27</b>
Aggregate market value of listed and quoted investments (₹. In lakh)			5.27			6.22
Aggregate amount of quoted investments (₹. In lakh)			1.41			1.41
Aggregate amount of unquoted investments (₹. In lakh)			18.27			18.27

**Note:** Other details relating to investment in partnership firms

Name of the firm	As at 31 March, 2014			As at 31 March, 2013		
	Names of other partners in the firm	Total Capital	Share of partner in the profits of the firm	Name of other partners in the firm	Total Capital	Share of partner in the profits of the firm
Simplex Projects (Netherlands) Co-operatie U.A.	Simplex fiscal Holdings Pvt. Ltd.	13.66	1%	Simplex fiscal Holdings Pvt. Ltd.	13.66	1%

- (i) Decline, if any, in the market value of long term quoted investments, considered by management not of permanent nature, has not been provided for.
- (ii) Investments in National Savings Certificate and Kisan Vikas Patra amounting to ₹.1.78 Lakh (Previous Year – ₹.1.78 lakh) have matured in earlier years and hence no interest has been taken into accounts. These are not in possession of the company as they have been lodged as security deposit with clients.
- (iii) The Company has a co-operative incorporated under the laws of Netherland, by the name of Simplex Projects (Netherlands) Co-operative U.A., in partnership with M/s Simplex Fiscal Holdings Pvt. Ltd. The profit and loss sharing of the co-operative between the company and its partner is in the ratio of 99:1. As the co-operative is yet to commence its business, the entire expenses have been taken as pre-operative expenses

**14 Long Term Loans and Advances**

(₹ in Lakh)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(Unsecured, considered good)		
Security deposits (Refer Note below)	<b>582.96</b>	972.31
Prepaid expenses - Unsecured, considered good	<b>0.33</b>	0.70
Advance income tax	<b>36.54</b>	76.52
MAT credit entitlement - Unsecured, considered good	<b>306.91</b>	223.69
Balances with government authorities		
Advance Fringe Benefit Tax	<b>13.32</b>	13.32
Other advances	<b>80.15</b>	79.67
Loans and advances to employees	<b>1.09</b>	324.67
Advance against projects	<b>1,572.71</b>	724.35
Loans and advances to related parties (Refer note 45)	<b>50.38</b>	311.61
<b>Total</b>	<b>2,644.39</b>	2,726.84

Note: Security deposits has been shown net of deposits of Rs. 40 Lakh received. Security Deposits includes Rs. 46.23 lakhs in the form of fixed deposits with UCO Bank.

**15 Other Non-Current Assets**

Advance against Land (Refer Note no. 36)	<b>1,453.68</b>	1,468.68
Long Term Deposits with Banks having maturity period of more than 12 months. ( Refer note no. 18 (iii) & (iv))	<b>1,438.12</b>	754.72
Client TDS	<b>0.09</b>	-
<b>Total</b>	<b>2,891.89</b>	2,223.40

**16 Inventories**

Raw materials at lower of cost and net realisable value		
At Sites	<b>8,326.64</b>	6,722.29
At Stores	<b>16.56</b>	2.93
Goods-in-transit	<b>523.38</b>	457.68
	<b>8,866.58</b>	7,182.90
Work in Progress at estimated Cost		
Construction Contract	<b>46,058.69</b>	41,720.93
Project Development	<b>2,593.28</b>	3,349.27
	<b>48,651.97</b>	45,070.20
<b>Total</b>	<b>57,518.55</b>	52,253.10

**17 Trade Receivables**

Particulars	As at 31 March, 2014	As at 31 March, 2013
(Unsecured, considered good) Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer note below)	<b>69,699.60</b>	54,901.42
Other Trade receivables	<b>21,364.41</b>	23,259.97
<b>Total</b>	<b>91,064.01</b>	78,161.39

Sundry Debtors include overdue amount aggregating to ₹. 606.08 Lakh (Previous Year - ₹. 657.70 Lakh) that are under arbitration and ₹. 1,826.54 Lakh (previous year ₹. 1,826.54 Lakh) in court cases. However, the same is considered good by the management, based on the opinion obtained and the earlier experiences on realization. No provision in this regard is considered necessary by the management.

Trade Receivable include an amount of ₹. 8,282.78 lakh on account of bills submitted but not certified as on the Balance Sheet date.

**18 Cash and Bank Balance**

Particulars	Current	
	As at 31 March, 2014	As at 31 March, 2013
<b>Cash and Cash Equivalents</b>		
Cash on hand	<b>141.59</b>	123.77
Cheques, drafts on hand	<b>1.30</b>	6.75
Balances with banks		
In current accounts	<b>404.54</b>	451.83
In EEFC accounts	<b>0.04</b>	0.04
Balances with Banks outside India (Refer Note (i) below)	<b>21.27</b>	19.06
In Deposit accounts less than 3 Month	<b>321.19</b>	1,875.88
<b>Other Bank Balances</b>		
In deposit accounts	<b>3,808.39</b>	2,854.28
In earmarked accounts		
- Unpaid dividend accounts	<b>1.12</b>	1.12
- Other earmarked accounts (Refer Note (ii) below)	<b>12.20</b>	12.20
<b>Total</b>	<b>5,345.10</b>	8,564.45

**Notes :**

(i) Balances with Banks outside India comprise of the following:-

Name of the Bank	Bank Balance as on 31st March 2014	Bank Balance as on 31st March 2013	Maximum balance outstanding	
			2013-14	2012-13
First Gulf Libyan Bank	<b>17.16</b>	15.35	<b>17.16</b>	37.32
Sahara Bank, Libya	<b>0.38</b>	0.33	<b>0.38</b>	0.33
First Gulf Bank, Dubai	<b>3.73</b>	3.38	<b>3.73</b>	2,242.79
<b>Total</b>	<b>21.27</b>	19.06		

(ii) Balances with banks - Other earmarked accounts have restriction on repatriation. It is lying unpaid in escrow refund account of the Company with its refund banker, which is shown under the head 'Other Current Liabilities'.

(iii) Fixed Deposits ₹ 5,484.88 Lakh (Previous Year - ₹ 5,458.55 Lakh) are not in possession of the company as they have been lodged as security deposit with clients / Banks.

(iv) Fixed Deposits with maturity of more than 12 months shown under 'Other non current assets'

**19 Short Term Loans and Advances**

(₹ in lakhs)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(Unsecured, considered good)		
Security deposits	6.08	2.48
Loans and Advances to employees (Refer Note (i) below)	465.71	75.90
Prepaid expenses	52.89	74.58
Balances with government authorities		
VAT credit receivable (Refer Note No. 35)	446.68	134.03
Service Tax credit receivable	3.01	6.55
Income Tax Deducted by Clients and Others	1,697.70	1,014.67
Advance to parties	76.31	58.99
Other Advance (Refer Note (ii) below)	601.54	600.89
Loans and Advances to related parties (Refer note 45)	60.20	60.20
<b>Total</b>	<b>3410.12</b>	<b>2,028.30</b>

Note : (i) Employee advance have been shown net of credit balance of ₹. 18.51 Lakh  
(ii) Other advances are shown net of ₹. 8.35 lakh advance received.

**20 Other Current Assets**

(Unsecured, considered good)		
Interest accrued on deposits with Banks	326.37	289.24
<b>Total</b>	<b>326.37</b>	<b>289.24</b>

**21 Revenue From Operations**

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Construction Contract Works:		
Gross Billing	49,772.36	42,728.18
Add: Accretion/ (Decretion) in Work in progress	935.89	6,595.08
	<b>50,726.25</b>	<b>49,323.26</b>
Construction Housing Projects:		
Gross Billing	-	-
Add: Accretion/ (Decretion) in Work in progress	391.16	121.47
	<b>391.16</b>	<b>121.47</b>
Income from Parking Operations and advertisement	157.19	172.44
Sale of Parking System	271.00	95.31
	<b>428.19</b>	<b>267.75</b>
Sale of Trading Goods	5,039.18	-
<b>Total</b>	<b>56,584.78</b>	<b>49,712.48</b>

Note : Work-in-progress include overdue amount aggregating to ₹.148.50 lakh (Previous Year - ₹. 148.50 Lakh) that are under arbitration. However, the same is considered good by the management, based on the opinion obtained and the earlier experiences on realization. No provision in this regard is considered necessary by the management.

Gross billing ₹. 8,282.78 lakh on account of bills submitted but not certified as on the balance sheet date.

**22 Other income**

Interest income from Fixed Deposits with Banks	480.44	394.70
Dividend income from long-term investments	0.26	0.22
Excess provision written back	85.19	32.66
Other non-operating income	258.42	194.92
<b>Total</b>	<b>824.31</b>	<b>622.50</b>

Note : Expenses recognised and Cenvat credit available in previous year, not availed earlier now availed and written back



**23 Cost of Materials Consumed**

(₹ in lakh)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Opening stock	6,371.04	6,168.00
Add: Purchases	23,183.67	16,686.89
	29,554.71	22,854.89
Less: Closing stock	7,692.85	6,371.04
<b>Total</b>	<b>21,861.86</b>	<b>16,483.85</b>

**24 Cost of Subcontracting & Other Site Expenses for Executing Contract Work**

Subcontracting Expenses	11,636.27	18,703.015
Other Site Expenses (Refer Note No. 28)	12,055.49	7,705.21
	23,691.76	26,408.22

**25 Employee Benefits Expense**

Salaries and wages	751.08	629.65
Contributions to provident and other funds (Refer Note 46)	77.51	78.91
Staff welfare expenses	6.24	8.84
<b>Total</b>	<b>834.83</b>	<b>717.41</b>

**26 Finance Costs**

Interest expense on Borrowings	4,088.19	3,962.33
Other Borrowing costs	241.15	160.90
<b>Total</b>	<b>4,329.34</b>	<b>4,123.23</b>

**27 Other Expenses**

Rent including lease rentals	98.07	98.49
Repairs and maintenance:	-	-
Buildings	-	-
Machinery	37.07	13.59
Others	19.26	47.38
Insurance	32.65	48.43
Rates and taxes	25.77	165.24
Travelling and Conveyance	75.08	54.67
Motor Vehicles Expenses	32.32	32.94
Stores and Godown Expenses	17.47	31.46
Donations and contributions	5.13	1.63
Legal and professional	150.73	109.62
Bank Charges	57.57	55.64
Revenue Share with KMC	6.14	7.10
Payments to auditors (Refer Note below)	3.71	4.92
Net loss on foreign currency transactions and translation	537.33	94.34
Loss on fixed assets sold	9.98	3.79
Loss on Forward Contract	59.25	156.74
Expenses written off	1.55	-
Miscellaneous expenses	126.74	154.06
<b>Total</b>	<b>1295.82</b>	<b>1,080.04</b>

**Notes: Payments to Auditors**

(₹ in lakh)

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Payments to the auditors:		
For Statutory audit	2.53	2.53
For Tax Audit	0.62	0.62
For Management services	0.56	1.77
<b>Total</b>	<b>3.71</b>	<b>4.92</b>

28. As regard Other Expenses for Executing Contract Work it has not been possible for the Company to bifurcate the expenses into different heads of account as per Schedule VI.
29. The Company is yet to receive the Balance confirmations in respect of certain Sundry Creditors, Sundry Debtors and advances. The balances are, therefore, as per the books of account only.
30. Capital Work-in-progress includes an unfinished commercial outlet purchased by the Company from its subsidiary for which the lease deed is yet to be executed. It also includes ₹ 471.61 lakh pertaining to materials imported and kept at port.
31. The Company has entered into an agreement dated 08/11/1999 with The Kolkata Municipal Corporation (KMC) for installation, development and maintenance of Multilevel Computerized Car Parking System (hereinafter referred to as 'Project') at Rawdon Street, Kolkata. The Company with the consent of KMC has nominated M/s Simpark Infrastructure Pvt. Ltd. (SIPL) to carry out the said project, which is on Built-Own-Operate-Transfer (BOOT) basis for a period of 20 years. KMC has given a deposit of Rupees Three crore to the Company as interest free deposit, to be refunded to them only out of the profits to be earned under a joint venture with KMC to develop commercial complex on a land to be allotted by the KMC. The same has been adjusted by the company against civil and other work of the project undertaken by it from SIPL. The company has, accordingly adjusted the deposit on completion of execution of civil and other works.
- Similarly, the Company has entered into another agreement dated 21/10/2002 with the KMC for installation, development and maintenance of another Multilevel Underground Car Parking System at New Market, Lindsay Street, Kolkata, which in accordance with its earlier agreement, has been nominated to the said SIPL to carry out the construction of said project, to lease out commercial outlets and also to enter into Lease Agreement with the prospective lessee with a right to collect all receivable against Lease Premium. The company, however, acts as a Confirming Party to all the lease agreements entered into by the said SIPL with the allottee's of the commercial outlets.
32. The operations of the company's branch at Libya, which was stopped due to prevailing political situation, has been since stabilized and the Company has executed a supplementary agreement with the Libyan Government to resume the project. However, the expenses incurred during the year in respect of its said branch amounting to ₹ 3,247.32 Lakh (previous year ₹ 1,828.30 lakh) and the depreciation of ₹ 492.25 Lakh (previous year ₹ 526.67 Lakh) relating to the machineries deployed there, have been considered as Work-in-progress, as the management is in the process of restarting the project.
33. Pursuant to the Companies (Accounting Standards) Amendment Rules, 2011 vide GSR 914(E) dated 29.12.2011, the Company has exercised option of adjusting the cost of assets arising on exchange differences, in respect of accounting period commencing from 1st April, 2011 on long term foreign currency monetary items resulting out of trade credits/overseas borrowings, which were hitherto recognized as income or expenses in the period in which they arose. As a result, such exchange differences so far as they relate to the acquisition of depreciable capital assets have been adjusted with the cost of such assets, to be depreciated over the balance useful life of the respective assets. In case of other long term foreign currency monetary items resulting out of trade credits/overseas borrowings, the exchange difference have been transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities but not beyond accounting period ending on or before March 31, 2020. The unamortized balance in this account as at March 31, 2014 is ₹ 1,367.46 lakh (Previous year ₹ 737.32 Lakh).

34. Simplex Agri Infra Services Pvt Ltd. has not yet commenced any commercial operation, hence Profit & Loss Account has not been prepared for the period ended 31st March 2014 for the company. However, necessary details as per Schedule-VI of the Companies Act, 1956 to the extent applicable have been disclosed under the head 'Unamortized Expenses' and 'Capital Work-in-Progress' which shall be amortized / capitalized on completion of the project.
35. Simplex Agri Infra Services Pvt Ltd has been awarded contracts for construction of godowns in certain locations in the state of Jammu & Kashmir and Himachal Pradesh for Food Corporation of India and HIMFED under Built-Own-Operate (BOO) basis. The company has, accordingly, entered into a non-cancellable lease for an initial period of 21 years and further extendable, acquiring certain lands in the state of Jammu & Kashmir and Himachal Pradesh for construction of the godowns for letting out.
36. Advance against Land as shown under the head 'Other Non-Current Assets' includes ₹ 1,453.68 Lakh (paid by Simplex Agri Infra Services Pvt Ltd against a Joint Venture agreement with M/s MK Agro Services and M/s Kashmir Warehousing Services, pursuant to which it has paid the advance. These advances have been used by the parties for purchase of certain land, which has been given to the Company on a long term non-cancellable lease for an initial period of 21 years and further extendable. The advances have been secured by way of a charge on the assets of the firm and through personal indemnity guarantees of the partners.
37. Leasehold Land comprised of ₹ 98.65 Lakh (Previous year ₹ 98.65 Lakh) paid as deposits by Simplex Agri Infra Services Pvt Ltd to landowners against long term non-cancellable lease that are refundable on termination of lease.
38. **Contingent Liabilities:**
- a) There are outstanding guarantees amounting to ₹ 1,00,543 lakh (Previous Year - ₹ 1,00,654.06 lakh) and outstanding letters of credit amounting to ₹ 6,701.41 lakh ( Previous Year - ₹ 459.94 lakh) given on behalf of the Company by Banks. The receipts of term deposits are also held by Banks towards margin money against the guarantees / letters of credit given by them on Company's behalf, besides the counter indemnity by the Company for such guarantees/letters of credit.
- b) The Companies claims of certain deduction under the provisions of the Income Tax Act 1961 for the Assessment Year 2007-08 was disallowed by the Income Tax Authority, as stated last year that the company has preferred an appeal with the appellate Tribunal. The matter is last heard on 27<sup>th</sup> April 2012 but the case is yet to be decided. The Company has also challenged the issue of claiming the said deduction in respect of assessment years 2005-06 to 2009-10 by a writ petition before the Hon'ble Calcutta High Court and obtained interim stay order from the said High Court restraining the Tax Authority from enforcing any demand against the Company. The impact of tax in case of an adverse decision is estimated at ₹ 417.46 lakh (Previous year ₹ 1,736.49 lakh).
- c) Disputed Sales Tax / VAT under appeal with appropriate forum – ₹ 1,957.59 lakh (Previous Year – ₹ 1,957.99 lakh)
- d) The Show cause cum demand Notice issued by the Service Tax Department for an amount of ₹ 946.85 Lakh, the Appeal is still pending before The Hon'ble Customs Excise & service Tax Appellate tribunal, EZB, Kolkata.

## 39. Value of Imports (C.I.F Basis)

(₹ in lakh)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Raw Materials	1,013.41	1,723.82

**40. a) Earnings in Foreign Currency: (₹ in lakh)**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Received	-	0.38

**b) Expenditure in Foreign Currency: (₹ in lakh)**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Travelling	11.91	7.54
Contract Expenses (Overseas Branch)	3,247.32	1,828.30
Others administrative expenses	-	4.46

**41. Stores Consumed: (₹ in lakh)**

Particulars	2013-14		2012-13	
	Value	% of total consumption	Value consumption	% of total
Imported (Into India)	1,013.41	4.69	1,723.82	10.51
Indigenous	20,572.02	95.31	14,673.45	89.49
<b>TOTAL</b>	<b>21,585.43</b>	<b>100</b>	<b>16,397.27</b>	<b>100</b>

**42. Information in accordance with the requirements of revised Accounting Standards – 7 on Construction Contracts prescribed by the Companies (Accounting Standard) Rules, 2006: (₹ in lakh)**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Contract revenue recognized for the year ended 31st March, 2014	51,117.41	49,444.73
Aggregate amount of contracts costs incurred and recognized profits (less recognized losses) up to 31st March, 2014 for all the Contracts in progress	3,02,780.86	2,74,314.75
The amount of Customers advances outstanding for contracts in progress as at 31st March, 2014	4,251.07	6,599.49
The amount of retention due from customers for Contracts in progress as at 31st March, 2014	1,957.19	642.85
Gross amount due from customers for Contracts in progress as at 31st March, 2014 (including bill submitted but not certified of ₹. 8,282.78 lakh and work-in-progress of ₹. 17,858.33 lakh)	55,164.20	32,189.95
Gross amount due to customers for contracts in progress as at 31st March, 2014 (including work-in-progress of ₹. 280.97 lakh)	1,300.66	2,200.46

**43. Segment information for the year ended 31st March, 2014**

The Company has disclosed Business Segment as the primary segment. The Segment has been identified taking into account the nature of activities, the differing risks and returns. The Company's operations relate to 'Construction activity' and 'Trading activity'. As the Company is engaged in execution of work in overseas, the secondary segment reporting is prepared based on Geographical Segments.

The Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include respective amounts identifiable to each of the Segments and also amounts allocated on a reasonable basis.

**a) Information about Primary Segments** (₹ in Lakh)

Particulars	Construction Activity	Trading Activity	Total
Segment Revenue	51,117.41	5,039.18	56,156.59
Segment Result	235.82	134.93	370.75
Segment Assets	1,74,843.23	4,668.63	1,79,511.86
Segment Liabilities	1,53,785.42	4,533.70	1,58,319.12

**b) Information about Secondary Business Segments (Geographical Segment)** (₹ in Lakh)

Particulars	Revenue		Assets		Capital Expenditure	
	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013	Year ended 31st March, 2014	Year ended 31st March, 2013
India	56,156.59	49,712.48	1,41,652.02	1,27,700.12	1,099.89	1,283.71
Outside India	-	-	37,859.83	30,207.68	-	-
Total	56,156.59	49,444.73	1,79,511.86	1,57,907.80	1,099.89	1,283.71

**44. Disclosure in respect of Joint Ventures:****a) List of Joint Venture :**

Name of Joint Venture	Name of JV Partner	Proportion of ownership	Country of Incorporation / Residence	Method of Accounting
Triveni Engicons Pvt. Ltd.- Simplex Projects Ltd. (JV)	Triveni Engicons Pvt Ltd	98%	India	Percentage Completion

**b) Financial Interest in the Jointly Controlled Entity (un-audited):**

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Assets	188.83	116.44
Liabilities	188.83	116.44
Income	-	-
Expenditure	0.06	0.06

In respect of Joint Venture the Company along with the JV partner is jointly & severally responsible for performance of the contract.

The amount of ₹. 87.49 Lakh (Previous Year – ₹. 362.47 Lakh) due from the joint venture have been included in Sundry Debtors. The investment in joint venture amounting to ₹. 0.20 Lakh (Previous Year – ₹. 0.20 Lakh) are included under the head Other Advances.

**45. Related Party Disclosures pursuant to Accounting Standard (AS) – 18 issued by the Institute of Chartered Accountants of India**

**I. Related Parties and their Relationships:**

Name of Related Parties	Nature of Relationships
Mr. B.K. Mundhra	Key Management Personnel
Mr. J.K. Bagri	Key Management Personnel
Mr. S.D. Mundhra	Key Management Personnel
Mr. R.D. Mundhra	Relative of Key Management Personnel
Mrs. Krishna Devi Mundhra	Relative of Key Management Personnel
Mrs. Pushpa Mundhra	Relative of Key Management Personnel
Mrs. Sarika Mundhra	Relative of Key Management Personnel
Vevaan Mundhra	Relative of Key Management Personnel
Mrs. Krishna Bagri	Relative of Key Management Personnel
Mrs. Gita Devi Bagri	Relative of Key Management Personnel
Simplex Projects (Netherlands) co-operative UA	Jointly controlled Entity / Joint Venture
Triveni Engicons Pvt. Ltd - Simplex Projects Ltd (JV)	Jointly controlled Entity / Joint Venture
Bharat Gypsum Pvt. Ltd.	Other related party (Entities in which Key Management Personnel or Relatives of Key Management Personnel have control or significant influence.)
SPL International BV	–Do–
Pioneer Engineering Co. Pvt. Ltd.	–Do–
Simplex Fiscal Holdings Pvt. Ltd.	–Do–
Kirti Vinimay Pvt. Ltd.	–Do–
Datson Exports Ltd.	–Do–
Prozen Merchants Pvt. Ltd.	–Do–
Simplex Foundation	–Do–
Mundhra Estate	–Do–

**II. Material Transactions with Related Parties during year ended 31st March, 2014.**

Nature of transaction	Description of relationship	Related party	March 31, 2014	March 31, 2013
<b>Transactions during the year</b>				
Director's Remuneration	Key management personnel	Mr. B. K. Mundhra	<b>57.58</b>	63.60
		Mr. J. K. Bagri	<b>21.78</b>	23.95
		Mr. S. D. Mundhra	<b>19.37</b>	21.30
		Mr. R. D. Mundhra	<b>19.50</b>	15.82
Fabrication charges paid Rent and maintenance charges	Other related party	Pioneer Engineering Co. Pvt Ltd	<b>294.61</b>	0.00
	Other related party	Kirti Vinimay Pvt. Ltd.	<b>12.00</b>	12.00
		Datson Exports Ltd	<b>0.77</b>	0.77
		Mundhra Estate	<b>0.46</b>	0.46
Sale of Trading goods	Other related party	Pioneer Engineering Co. Pvt Ltd	<b>226.14</b>	0.00
Rendering of service	Jointly controlled entity / Joint venture	Triveni Engicons Pvt. Ltd. - Simplex Projects Ltd. (JV)	<b>0.00</b>	256.63
	Other related party	Pioneer engineering Co. Pvt Ltd	<b>2.74</b>	5.48
Payment received from Debtors	Jointly controlled entity / Joint venture	Triveni Engicons Pvt. Ltd. - Simplex Projects Ltd. (JV)	<b>18.36</b>	0.00
Payments to creditors	Other related party	Prozen Merchants Pvt Ltd	<b>0.12 *</b>	0.00
		Pioneer Engineering Co. Pvt Ltd	<b>4.47</b>	0.00
Loans and Advance given	Other related party	Pioneer Engineering Co. Pvt Ltd	<b>7.23</b>	0.00
earlier received back Loans and advances Taken	Other related party	Pioneer Engineering Co. Pvt Ltd	<b>281.52</b>	0.00
		Kirti Vinimay Pvt. Ltd.	<b>1,172.45</b>	143.19
Loans and advance repaid	Other related party	Datson Export Ltd	<b>4.76</b>	0.00
		Datson Export Ltd	<b>2.50</b>	0.00
		Kirti Vinimay Pvt. Ltd.	<b>249.29</b>	748.50
<b>Balance outstanding at the year end</b>				
Loans and advance given	Jointly controlled entity / Joint venture	Simplex Projects (Netherlands) Co-operative UA	<b>542.94</b>	542.94
Sundry debtors	Jointly controlled entity / Joint venture	Triveni Engicons Pvt. Ltd. - Simplex Projects Ltd. (JV)	<b>87.69</b>	106.05
	Other related party	Pioneer Engineering Co. Pvt Ltd	<b>226.14</b>	0.00
Advance to sundry creditors	Other related party	Datson Export Ltd	<b>8.28</b>	6.79
	Other related party	Kirti Vinimay Pvt. Ltd.	<b>748.50</b>	760.50
Advance taken	Other related party	Pioneer Engineering Co. Pvt Ltd	<b>281.52</b>	0.00
		Kirti Vinimay Pvt. Ltd.	<b>1,066.35</b>	143.19
Sundry Creditor	Other related party	Prozen Merchants Pvt Ltd	<b>0.00</b>	0.12
		Pioneer Engineering Co. Pvt Ltd	<b>11.62</b>	6.36
		Mundhra Estate	<b>0.15</b>	0.12

46. The disclosures required under Accounting Standard 15 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

**Defined Contribution plan**

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(₹ in lakh)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Employer's Contribution to Provident Fund	48.59	43.17
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Pension Scheme	22.97	21.77

**Defined Benefit Plan**

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Gratuity (Funded)	Leave Encashment (unfunded)	Gratuity (Funded)	Leave Encashment (unfunded)
<b>a. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Defined Benefit obligation at beginning of the year	138.93	38.73	140.11	38.73
Current Service Cost	19.02	4.71	18.08	4.28
Interest Cost	11.39	3.39	10.49	3.09
Actuarial gain/(loss)	7.39	(5.24)	(11.69)	(7.39)
Benefits paid	17.55	-	18.05	-
Defined Benefit obligation at year end	159.16	41.58	138.93	38.72
<b>b. Reconciliation of opening and closing balances of fair value of plan assets.</b>				
Fair value of plan assets at beginning of the year	105.74	-	104.46	-
Expected return on plan assets	7.14	-	8.36	-
Actuarial gain/(loss)	(0.76)	-	1.05	-
Employer contribution	-	-	9.92	-
Benefits paid	17.55	-	18.05	-
Fair value of plan assets at year end	94.57	-	105.74	-
Actual return on plan assets	-	-	-	-
<b>c. Reconciliation of fair value of assets and obligations</b>				
Fair value of plan assets	94.57	-	105.74	-
Present value of obligation	151.05	-	133.03	-
Amount recognized in Balance Sheet	(56.48)	-	(27.29)	-



d. Expenses recognized during the year	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Gratuity (Funded)	Leave Encashment (unfunded)	Gratuity (Funded)	Leave Encashment (unfunded)
Current Service Cost	19.02	4.71	18.08	4.28
Interest Cost	11.39	3.38	10.49	3.09
Expected return on plan assets	7.14	-	8.36	-
Actuarial gain / (loss) recognized in the year	8.14	(5.24)	(12.75)	(7.39)
Net Cost	31.41	2.85	7.46	(0.01)
<b>e. Investment Details</b>	<b>% invested as at 31st March 2013</b>		<b>% invested as at 31st March 2012</b>	
L.I.C. Group Gratuity (Cash Accumulation) Policy		100		100

f. Actuarial assumptions	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Gratuity (Funded)	Leave Encashment (unfunded)	Gratuity (Funded)	Leave Encashment (unfunded)
Mortality Table (L.I.C.)	IALM (2006-2008) Ultimate		LICI 1994-1996	
Discount rate (per annum)	8.75%	8.75%	8%	8%
Expected rate of return on plan assets (per annum)	10 per thousand	10 per thousand	10 per thousand	10 per thousand
Rate of escalation in salary (per annum)	6%	6%	5%	5%
Formula used	Projected Unit Credit Method		Projected Unit Credit Method	

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

#### 47. Information pursuant to clause 32 of the listing agreements with Stock Exchange

The company has given interest free advance to Simplex Agri-Infra Services Pvt Ltd, (subsidiary), having no repayment schedule and outstanding balance is ₹ 2,577.65 Lakh ( Previous Year ₹ 2,213.64 Lakh). The Company has taken interest free advance from Simpark Infrastructures Pvt Ltd, (its wholly owned subsidiary) having no repayment schedule and advance balance is ₹ 382.62 Lakh on the Balance sheet date. ( Previous Year Loan Given ₹ 1891.66 Lakh).

#### 48. Site cost for executing contract work charged off to Statement of Profit & Loss includes ₹ 11 Lakh (previous year ₹ 24.83 Lakh) relating to previous period.

**49. Earnings per Share:**

Sl. No.	Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
a)	Net Profit after tax available for equity shareholder	₹ 119.43 lakh	₹ 199.96 lakh
b)	Weighted Average number of equity shares for Basic EPS	1,26,00,378	1,26,00,378
c)	Weighted Average number of equity shares for Diluted EPS	1,26,00,378	1,26,00,378
d)	Basic EPS	0.95	1.59
e)	Diluted EPS	0.95	1.59

50. Amount in the financial statements are presented in INR lakhs, unless otherwise stated.

51. Comparative financial information (i.e. the amounts and other disclosure for the year ended as on 31<sup>st</sup> March 2013 presented above, is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.

**SIGNATURES TO NOTES**  
"1" TO "51"

For and on behalf of  
CHATURVEDI & COMPANY  
Firm Registration Number – 302137E  
Chartered Accountants  
**Nilima Joshi**  
Partner.  
Membership No. 52122  
Kolkata  
Dated: 30th May, 2014

**B. K. Mundhra**  
Chairman &  
Managing Director

**Anand Chopra**  
Director

**J. K. Bagri**  
Director

**Anil Jain**  
GM-Commercial &  
Company Secretary



▼ Civil Secretariat Building - Itanagar, Arunachal Pradesh

Boys Hostel at IIT Guwahati Campus (under construction)



**SIMPLEX PROJECTS LIMITED**  
[www.simplexprojects.com](http://www.simplexprojects.com)





# Simplex Projects Limited

AN ISO 9001:2008 & ISO 14001:2004 COMPANY

## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

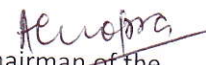
1.	Name of the Company:	SIMPLEX PROJECTS LIMITED
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit qualification	Matter of Emphasis as per Annexure A
4.	Frequency of qualification	As per Annexure A



The Chairman &  
Managing Director



Chief Financial Officer



Chairman of the  
Audit committee



Auditor

### Corporate Office :

19 Nellie Sengupta Sarani, 3rd Floor, Kolkata-700087, India  
Phone : +91 33 22522105/4125/7900, Fax : +91 33 22528013

### Registered Office :

12/1 Nellie Sengupta Sarani, 3rd Floor, Kolkata, 700087, India

ANNEXURE - A

Reference No of the Auditors' Report	Matter of Emphasis	Frequency of qualification
Independent Auditors' report para no. 7	note no. 30 regarding closing balance confirmations of Debtors, Creditors, Earnest Money deposits and advances being unconfirmed and Kisan Vikash Patra and National Saving certificates being not available with the company, in respect of which we are unable to express our opinion	Repetitive
	note no. 29 regarding site expenses for executing the contract work which have not been bifurcated under the different heads of expenditure	Repetitive
	note no. 18 and 22 regarding recoverability of claim aggregating Rs.606.08 lakhs and overdue amounts of Work-In-Progress aggregating Rs.148.50 lakhs respectively due to disputes with the customers. The ultimate outcome of these disputes cannot be determined. However the company is of the view that these amounts are recoverable and no provision is required against the same. Hence we are unable to express our opinion in respect of same.	Repetitive
	note no. 34 regarding Foreign exchange fluctuation on account of overseas borrowing which has been amortized by treating the same as long term from the initial time of borrowing. Due to this profit has increased by Rs.1,367.46 lakhs for the year as the same is amortized.	Last 3 years
	The company has not made any provision against Trade Receivables for more than three years amounting to Rs. 964.48 Lakh and Advances paid to suppliers of material and Subcontractors amounting to Rs. 774.04 lakhs for more than 3 years, which according to management are recoverable / adjustable and no provision is required for the same.	Last year
	Attention is invited to note no. 31 regarding materials in transit amounting to Rs.471.61 lakhs which have been charged to capital work in progress but the materials are still lying at the port	Last year
	Foreign Currency Term loan of Rs. 9,552.06 lacs has been considered as long term loan instead of short term loan.	Last year



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# Simplex Projects Limited

AN ISO 9001:2008 & ISO 14001:2004 COMPANY


## FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	SIMPLEX PROJECTS LIMITED
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit qualification	Qualified / Except for As per Annexure B
4.	Frequency of qualification	As per Annexure B
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	As per Annexure C
6.	Additional comments from the board/audit committee chair:	As per Annexure C

  
The Chairman & Managing Director

  
Chief Financial Officer

  
Chairman of the Audit committee



### Corporate Office :

19 Nellie Sengupta Sarani, 3rd Floor, Kolkata-700087, India  
Phone : +91 33 22522105/4125/7900, Fax : +91 33 22528013

### Registered Office :

12/1 Nellie Sengupta Sarani, 3rd Floor, Kolkata-700087, India

ANNEXURE - B

Reference No of the Auditors' Report	Type of Audit qualification	Frequency of qualification										
Qualified												
'Basis of Qualified Opinion' in paragraph 5 of the Independent Auditor's report	'Attention is invited to Note no. 33 regarding company's branch at Libya which has stopped functioning due to political unrest prevailing there. The total expenses incurred at the branch during the year amounts to Rs.3,739.57 Lakhs including depreciation which have been transferred to work in progress and the total assets of the branch as on the balance sheet date amounts to Rs.37,859.83 Lakhs. The management has certified the financial accounts, assets and liabilities of the branch (considering the audited accounts of the Libya Branch by the branch auditor till 31.12.13) and is confident of realising the above amounts and hence no adjustments have been considered necessary in the accounts by them, in respect of which we are unable to express our opinion for the financial transactions, assets and its liabilities.'	Last 4 years										
2) Except for												
Annexure to Independent Auditors Report in para no.(i) (b)	Fixed assets have been physically verified by the management during the year end <i>except for the assets deployed at its branch in Libya</i> , which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification. <i>However, in absence of physical verification at its branch in Libya, we are unable to comment on the discrepancies therein, if any.</i>	Last 4 years										
Annexure to Independent Auditors Report in para no.(ii) (c)	'The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification. <i>However in absence of physical verification at its branch in Libya, we are unable to comment on the discrepancies therein, if any.</i>	Last 4 years										
Annexure to Independent Auditors Report in para no. (ix) (a)	Undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, VAT, Cess, TDS and other material statutory dues <i>have been deposited with the appropriate authorities with delays throughout the years.</i> Undisputed amount payable in respect of Service Tax dues outstanding at the year-end for a period of more than three months from the date it became payable, is as follows:- <table border="1" data-bbox="483 1774 1172 1986"> <thead> <tr> <th>Nature of dues</th> <th>Amount (Rs. in Lakh)</th> <th>Period to which it relates</th> <th>Due date</th> <th>Date of Payment</th> </tr> </thead> <tbody> <tr> <td>Service Tax</td> <td>112.95</td> <td>Sept'13 to Dec'13</td> <td>6<sup>th</sup> of next month</td> <td>Not Yet Paid</td> </tr> </tbody> </table>	Nature of dues	Amount (Rs. in Lakh)	Period to which it relates	Due date	Date of Payment	Service Tax	112.95	Sept'13 to Dec'13	6 <sup>th</sup> of next month	Not Yet Paid	Last 2 years
Nature of dues	Amount (Rs. in Lakh)	Period to which it relates	Due date	Date of Payment								
Service Tax	112.95	Sept'13 to Dec'13	6 <sup>th</sup> of next month	Not Yet Paid								



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Annexure to Independent Auditors Report in para no. (xi)

Based on our audit procedures and according to the information and explanation given to us, the company has made delays in making repayment of dues to banks throughout the year. The Company has defaulted in repayment of dues to financial institutions and Banks. The outstanding dues as on 31.03.2014 are as follows :

(Rs. in Lakh)

Sl No.	Name of Bank	Principal due	Interest due	Period of outstanding
1	DBS Bank Ltd	-	111.51	Nov'13 to March'14
2	Kotak Mahindra Bank Ltd	140.03	24.46	Dec'13 to March' 14
3	Axis Bank Ltd	-	17.31	March'14
4	L & T Finance Ltd	68.82	2.24	Jan'14 to March'14
5	Tata Capital Financial services Ltd Limited	22.23	9.22	Dec'13 to March'14
6	Srei Equipment Finance Ltd	70.05	18.38	Jan'14 to March'14
7	Kotak Mahindra Prime Limited	0.97	0.09	Feb'14 to March'14
8	HDFC Bank Ltd	10.00	0.25	Nov'13 to March'14
9	ICICI Bank Ltd	0.63	0.04	March'14

Last 2 years



ANNEXURE - C

Reference No of the Auditors' Report	Relevant notes in the Annual Financial statement	Management's Response to the qualification in the Directors' report	Additional comments from the board/audit committee
<b>1) Qualified</b>			
<p><b>'Basis of Qualified Opinion' in the Independent Auditor's report para no. 5</b></p>	<p><i>Attention is invited to Note no. 33 regarding company's branch at Libya which has stopped functioning due to political unrest prevailing there. The total expenses incurred at the branch during the year amounts to Rs.3,739.57 Lakhs including depreciation which have been transferred to work in progress and the total assets of the branch as on the balance sheet date amounts to Rs.37,859.83 Lakhs. The management has certified the financial accounts, assets and liabilities of the branch (considering the audited accounts of the Libya Branch by the branch auditor till 31.12.13) and is confident of realising the above amounts and hence no adjustments have been considered necessary in the accounts by them, in respect of which we are unable to express our opinion for the financial transactions, assets and its liabilities.'</i></p>	<p>The Independent Auditors' report read with the Annexure does not contain any qualification of significant nature. Comments under para (xxi) of the annexure to the independent auditors' report are self explanatory and, therefore, require no further comments from the Board of Directors.</p>	<p>The operation of the company's branch / projects at Libya, was stopped due to prevailing political situation since February 2011 and the company withdrew the expatriated manpower with the initiative of Government of India. The political situation has not been stabilized and the management is in constant touch with the Client and local administrative authorities, based on which the management is confident of reassuming the projects, once the situation is conducive. However, there are certain fixed expenses relating to the assets deployed there for the projects there which have been considered as work-in-progress, as these expenses form a part of the project stalled due to force measure and shall be realizable once the project is reassumed. The management is confident of submitting its claim and realizing it on resumption. The board has taken a note of the treatment of expense incurred in respect of Libya project and the depreciation on assets deployed for Libya project and ratified the action considering the present developments with the Client.</p>
<b>2) Except for</b>			
<p><b>Annexure to Independent Auditors Report in para no.(i)(b)</b></p>		<p>Same as above</p>	<p>Considering the present situation in Libya not being conducive to expatriate labour resources, the physical verification of the Fixed assets were not possible. However, based on reviews carried out by the local representatives, the assets are intact. The physical verification can only be carried out when a sizeable technical and non-technical manpower are</p>



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			remobilized on resumption of the project once the situation is conducive. The board has recommended for carrying out the physical verification, as soon as the situation is conducive and project is reassumed.
<b>Annexure to Independent Auditors Report in para no.(ii)(c)</b>		Same as above	Same as above
<b>Annexure to Independent Auditors Report in para no. (ix)(a)</b>		Same as above	The Company is generally regular in depositing the TDS and Service Tax, On certain occasion, due to non availability of information from the sites, which are remotely location such as in Jammu & Kashmir, Manipur, etc., and delay in availability of information from the clients, there is some delay in depositing of these statutory payments. However, the quantum of these delays is insignificant as compared to total payments being made. Besides wherever there is any delay, the Company deposits the said amount along with the interest as per the provisions. The quantum being insignificant, the management does not expect any adverse impact. The board has advised to ensure timely deposits.
<b>Annexure to Independent Auditors Report in para no. (xi)</b>		Same as above	The Company has been regular in servicing of the dues to the banks and financial institutions, both the principal amount and the interest thereon. However, as the entire economy of the country is passing through a bad phase, there has been significant delays in release of payments by the client inspite of the fact that most of them are government bodies. As a result, there is delay in repayment of interest, which was regularized out of other resources. The management does not expect any adverse impact. The board has advised to ensure timely payments to banks through proper financial planning.



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