



Simplex Projects Limited

AN ISO 9001:2008 & ISO 14001:2004 COMPANY

SPL/NSE/169/2018-19
January 2, 2019

To,
National Stock Exchange of India Limited
Bandra Kurla Complex,
Bandra (East)
Mumbai - 400 051

Scrip Code: SIMPLEX EQ

Dear Sir / Madam,

Ref: NSE/LIST/FR/11239 dated 30th November, 2018

Sub: Non-Compliance as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the abovementioned letter of yours. We would like to submit that:

We are enclosing herewith the Copy of Statement on Impact of Audit Qualification for the financial year ended 31st March, 2018 for your consideration.

Kindly take the above into your record.

Thanking you,

Yours faithfully

For Simplex Projects Limited

Sohini Shukla
Company Secretary



Registered & Corporate Office :

12/1, Nellie Sengupta Sarani, 4th Floor, Kolkata-700087, India
Phone : +91 33 22527231/7232/4125, Fax : +91 33 2252 9443
E-mail : info@simplexprojects.com, CIN : L45201WB1990PLC050101
www.simplexprojects.com



Simplex Projects Limited

CIN:L45201WB1990PLC050101

Registered Office:12/1 Nellie Sengupta Sarani,Kolkata - 700087

Phone No.033-2252-7231 Fax No. 033-2252-8013

Website:www.simplexprojects.com, Email:info@simplexprojects.com

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31st March,2018

Particulars	Three Months Ended			Year Ended	
	31st March, 2018	31st December,2017	31st March, 2017	31st March, 2018 (Audited)	31st March, 2017 (Audited)
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
I Revenue from operations	4,705.79	5,082.65	15,739.80	24,929.50	48,643.15
II Other income	33.24	38.55	831.21	531.29	1,155.37
III Total revenue (I+II)	4,739.03	5,121.20	16,571.01	25,460.79	49,798.52
IV Expenses					
Cost of materials consumed for Executing Contract Work	1,313.23	1,567.21	1,560.40	4,621.86	9,141.81
Purchase of Trading Goods	129.20	855.47	5,367.42	9,308.52	16,880.75
Cost of Subcontracting & Other Site Expenses	1,759.90	2,079.71	5,624.70	8,347.93	17,078.73
Employee Benefits Expense	173.61	110.85	131.83	499.02	485.85
Finance costs	(44.14)	93.93	473.71	441.74	3,822.29
Depreciation and amortisation expense	368.53	370.69	396.35	1,487.90	1,625.85
Other Administrative expenses	405.13	63.12	378.14	736.39	631.91
Total expenses	4,105.46	5,140.98	13,932.55	25,443.34	49,667.19
V Profit before exceptional items and tax	633.57	(19.78)	2,638.46	17.45	131.33
VI Exceptional items	-	-	313.89	-	-
VII Profit before tax	633.57	(19.78)	2,952.35	17.45	131.33
VIII Tax expense:					
1) Current Tax	-	-	-	-	-
2) Deferred Tax	(18.36)	(34.11)	(70.82)	(151.02)	(241.42)
IX Net Profit after tax	651.93	14.33	3,023.17	168.47	372.75
X Other Comprehensive Income ,net of income tax	438.31	0.39	(578.68)	438.93	(578.28)
XI Total Comprehensive Income for the Period (IX + X)	1,090.24	14.72	2,444.49	607.40	(205.53)
XII Paid-up Equity Share Capital (Face Value of Rs.10/- Per Share)	1,260.04	1,260.04	1,260.04	1,260.04	1,260.04
XIII Other Equity				10,701.55	10,094.15
XIV Earnings Per Share (EPS) (of Rs. 10/- each)					
Basic	5.17	0.11	23.99	1.34	2.96
Diluted	5.17	0.11	23.99	1.34	2.96
See accompanying notes to the Financial Results					

(Contd.....)





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Website:www.simplexprojects.com, Email:info@simplexprojects.com

Statement of Standalone Assets and Liabilities

Particulars	As at 31st March, 2018 (Audited)	As at 31st March, 2017 (Audited)
	₹ in lakhs	₹ in lakhs
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	7,195.77	8,732.67
Capital work-in-progress	1,972.12	1,955.87
Financial Assets		
i. Investments	704.63	704.53
ii. Other Financial Assets	697.98	983.91
Other Non-Current Assets	1,081.44	895.46
Total Non-Current Assets	11,651.94	13,272.44
Current Assets		
Inventories	70,113.57	68,600.23
Financial Assets		
i. Investments	-	-
ii. Trade Receivables	103,107.16	92,386.40
iii. Cash and Cash Equivalents	696.90	825.80
iv. Bank Balances other than (iii) above	158.36	2,156.23
v. Loans	-	-
vi. Other Financial Assets	2,255.08	2,360.31
Current Tax Assets (Net)	589.27	1,856.04
Other current assets	2,004.75	2,462.02
Total Current Assets	178,925.09	170,647.03
Total Assets	190,577.03	183,919.47
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	1,260.04	1,260.04
Other Equity	10,701.55	10,094.15
Total Equity	11,961.59	11,354.19
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
i. Borrowings	93.16	234.72
Provisions	56.01	74.33
Deferred Tax Liabilities (Net)	253.71	196.47
Other Non-Current Liabilities	77,377.38	73,266.14
Total Non-Current Liabilities	77,780.26	73,771.66
Current Liabilities		
Financial Liabilities		
i. Borrowings	56,640.49	60,206.35
ii. Trade Payables	31,743.17	25,915.15
iii. Other Financial Liabilities	2,738.83	2,516.03
Other Current Liabilities	9,597.32	10,066.91
Provisions	115.38	89.18
Total Current Liabilities	100,835.19	98,793.62
Total Liabilities	178,615.44	172,565.28
Total Equity and Liabilities	190,577.03	183,919.47

(Contd.....)



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₹n Lakhs)

Segment wise Revenue, Results, Assets and Liabilities (by Business Segment)

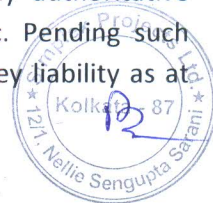
		Three months ended			Year ended	
		31st March, 2018	31st December, 2017	31st March, 2017	31st, March, 2018 (Audited)	31st, March, 2017 (Audited)
1	SEGMENT REVENUE					
	a. Construction	3,785.49	4,253.38	10,330.87	16,111.00	32,758.39
	b. Trading	953.54	867.83	5,408.93	9,349.79	17,040.13
	Total Segment Revenue	4,739.03	5,121.21	15,739.80	25,460.79	49,798.52
	Less: Inter Segment Revenue					
	Net Sales/Income from Operations	4,739.03	5,121.21	15,739.80	25,460.79	49,798.52
2	SEGMENT RESULTS					
	a. Construction	576.11	61.82	3,070.66	417.89	3,794.24
	b. Trading	13.32	12.35	41.51	41.28	159.38
	Total	589.43	74.17	3,112.17	459.17	3,953.62
	Less:					
	Finance Costs	(44.14)	93.96	473.71	441.74	3,822.29
	Others un-allocable expenditure (Net of un-allocable income)			313.89		
	Total Profit Before Tax	633.57	(19.79)	2,952.35	17.43	131.33
3	SEGMENT ASSETS					
	a. Construction	184,858.24	128,037.10	174,724.62	184,858.24	174,300.80
	b. Trading	5,718.79	11,260.54	9,618.67	5,718.79	9,618.67
	Total	190,577.03	139,297.64	184,343.29	190,577.03	183,919.47
4	SEGMENT LIABILITIES					
	a. Construction	189,506.88	128,049.45	173,651.47	189,506.88	173,651.47
	b. Trading	1,070.15	11,248.19	10,268.00	1,070.15	10,268.00
	Total	190,577.03	139,297.64	183,919.47	190,577.03	183,919.47

(Contd.....)



Notes:

1. The above results, after review by the Audit Committee, have been approved and taken on record by the Board of Directors at its meeting held on 29.11.2018. The Statutory Auditors of the Company have carried out a "Audit" of the results for the quarter and year ended 31st March, 2018 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning 1st April, 2017, the company has for the first time adopted Ind AS with a transition date of 1st April, 2016.
3. The format for unaudited results as prescribed in SEBI's circular dated 30th November, 2015 has been modified to comply with the requirement of SEBI's circular dated 5th July, 2016, Ind AS and Schedule III (Division II) of the Companies Act, 2013 applicable to Companies that are required to comply with Ind AS.
4. The operation of the company's branch at Libya, was stopped due to prevailing political situation. The company has signed a supplementary agreement with the government for realization of dues and resumption of contract. In view of this the amount of dues and assets deployed in Libya are realizable and no provisions thereof are required at this stage. The depreciation of Rs. 286.51 Lakhs (previous year Rs. 386.57 Lakh) relating to the machineries deployed there, have been considered as work-in-progress. However, in view of prolonged uncertainty of resumption the company has moved an application with the Hon'ble High Court at Delhi for proceeding with Arbitration and has been granted an interim stay for further extension/invocation of Bank Guarantees for the project.
5. The Company's account with Bank of Baroda, DBS Bank, ICICI Bank, IDBI Bank, State Bank of India, Yes Bank, UCO Bank, State Bank of Travancore & Axis Bank for working capital facilities and ICICI bank for Term loan have been classified as Non-Performing Assets and accordingly the provision for interest has not been made amounting to Rs. 10,017.29 lakh approximately for the year ended March, 2018. No further provision of interest has been made on term loan from Kotak Mahindra Bank.
6. Sundry Debtors include overdue amount aggregating to Rs. 10053.17 Lakh (Previous Year - Rs. 560.92 Lakh) 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.
7. Capital work in progress consists of office building at Delhi under construction amounting of Rs. 78.11 lacs and materials lying outside amounting to Rs. 1894 lacs which includes Rs. 465.29 lakhs pertaining to materials imported and kept at port.
8. In the opinion of the Management, there is lack of clarity in respect of application of Ind AS 11 read with Ind AS 109 and Ind AS 32 with regard to measurement of retention money (included in Debtors) and unbilled revenue not due for collection under the respective contracts (in form of work in progress) and retention money liability which are not due for payment to subcontractors (as the respective contracts are in progress) at the balance sheet date in absence of any authoritative clarification/ interpretation from any statutory authorities, professional bodies, etc. Pending such clarifications, the outstanding retention money, unbilled revenue and retention money liability as at 31st March, 2018 as aforesaid have been accounted for at transactional value.



9. The reconciliation of net profit reported in accordance with previous Indian GAAP for the quarter and year ended 31st March, 2017 to Total Comprehensive Income in accordance with Ind AS is given below:

PARTICULARS	Three Months Ended	Year Ended (Audited)
	31 st March, 2017 ₹ in Lakhs	31 st March, 2017 ₹ in Lakhs
Net Profit as per Indian GAAP	2985.98	273.71
Impact of certain receivables at fair value	37.19	99.04
Re-measurement of post-employment benefit Obligations	(19.23)	(19.23)
Changes in Fair value of equity Instrument	0.36	0.76
Adjustment for translation of Foreign operations	(559.81)	(559.81)
Total Comprehensive Income as per Ind AS	2444.49	(205.53)

10. Reconciliation between total equity previously reported (referred to "Previous GAAP") and Ind AS for the year presented are as under:

PARTICULARS	Total Equity as on 31 st March, 2017 ₹ in Lakhs
Total Equity as per the Previous GAAP	11,557.53
Impact of measurement of retain receivables at fair value	(205.58)
Impact of measurement of Quoted Equity Instrument at Fair value	2.24
Total Equity as per Ind AS	11,354.19

11. The figures for the quarter ended 31st March, 2018 and 31st March, 2017 are the balancing figures between audited figures for the full financial year and the year to date published figures up to the quarter ended 31st December, 2017 and 31st December, 2016.

Place: Kolkata

Dated: 29th November, 2018



For and on behalf of Board of Directors

Balkishan Das Mundhra
Chairman & Director
DIN: 00013125



**Statement on Impact of Audit Qualification (for Audit Report of M/s. H.S.Bhattacharjee) for the
Financial Year ended 31st March, 2018 (Standalone)**

I	SL.NO.	PARTICULARS	AUDITED FIGURES	ADJUSTED FIGURES
			(AS REPORTED BEFORE ADJUSTING FOR QUALIFICATIONS) (Rs. In Lakhs)	(AUDITED FIGURES AFTER ADJUSTING FOR QUALIFICATIONS) (Rs. In Lakhs)
	1	TURNOVER/TOTAL INCOME	25,460.79	25,460.79
	2	TOTAL EXPENDITURE	25,443.34	25,443.34
	3	NET (PROFIT)/LOSS	167.47	167.47
	4	EARNINGS PER SHARE	1.34	1.34
	5	TOTAL ASSETS	190,577.03	190,577.03
	6	TOTAL LIABILITIES	178,615.44	178,615.44
	7	NET WORTH *	11,961.59	11,961.59
	8	ANY OTHER FINANCIAL ITEMS(S) (AS FELT APPROPRIATE BY THE MANAGEMENT)		
		* Represents Total Equity as per Balance Sheet		
II	Audit Qualification (each audit qualification seperately) :			
	a.	DETAILS OF AUDIT QUALIFICATION:	M/s. H.S.Bhattacharjee & Co., Chartered Accountants, the Statutory Auditor has qualified their audit opinion in their Report dated November 29, 2018 on the Standalone Financial Statements of the company for the year ended 31st March, 2018. Relevant excerpts from the Independent Auditors' Report on the said Standalone Financial Statements are given below : "8. We draw your attention to the following : a) Note 35 to the standalone Ind AS financial statements regarding Company's branch at Libya where operation was stopped due to prevailing political situation. The company has signed a supplementary agreement with the government for realization of dues and resumption of contract. As such in the opinion of the management the amount of dues and assets deployed in Libya are realizable and no provision thereof are required at this stage. However, in view of prolonged uncertainty of resumption the company has moved an application with the Hon'ble High court at Delhi for proceeding with arbitration and has granted a stay for further extension / invocation of Bank Guarantees for the project. Accordingly, no provision for charges has been made after extension. We are unable to comment on the extent of the recoverability of the amounts due and the assets at Libya due to lack of adequate information. The impact of this matter on the Total Assets & Total Equity and Liabilities as at March 31, 2018; Total Expenses, Profit before Tax, Tax Expense, Profit for the Year, Total Comprehensive Income and Earnings per Share of the company for the year ended March 31, 2018 is presently not ascertainable. b) We did not audit the financial statements of Libya branch having Net Assets Rs. 17341.51 Lakhs & Net Receivables Rs. 18512.68 Lakhs as at March 31, 2018 included in the Standalone Ind AS Financial Statements, which reflect depreciation charged of Rs. 286.51 Lakhs relating to the machineries deployed for the year ended March 31, 2018. The financial statements of this branch is unaudited and have been furnished to us by the management and are certified by the management and our report is based solely on certificate of management.	

c) We did not audit the financial statements of Kuwait branch having Net Assets Rs. 13270.75 Lakhs & Net Receivables Rs. 16301.52 Lakhs as at March 31, 2018 included in the Standalone Ind AS Financial Statements, which reflect work done Rs. 10645.01 Lakhs and expenses incurred of Rs. 6472.81 Lakhs for the for the year ended March 31, 2018. The financial statements of this branch is unaudited and have been furnished to us by the management and are certified by the management and our report is based solely on certificate of management.

d) Investment of Rs. 542.94 Lakhs in the partnership firm Simplex Projects (Netherlands) Co-operative U.A. is doubtful of recovery since project has not started from very long time and no provision for the same has been made by the company.

e) The company has not made any provision against Advances paid to Suppliers of material, Subcontractors & Staff advances amounting to Rs: 5076 Lakhs since long and advance against projects Rs. 548 Lakhs.

f) Note 33 to the standalone Ind AS financial statements regarding non provisioning of interest for cash credit facilities from Bank of Baroda, DBS Bank, ICICI Bank, IDBI Bank, State Bank of India, Yes Bank, UCO Bank, State Bank of Travancore & Axis Bank for working capital facilities and ICICI bank & Kotak Mahindra Bank for Term loan have been classified as Non-Performing Assets and accordingly the provision for interest has not been made amounting to Rs. 10,017.29 Lakhs approximately for the year ended March 31, 2018. No provision of interest on term loan from Kotak Mahindra Bank has been quantified by the management.

g) Attention is invited to Note no 34 to the standalone Ind AS financial statements where no provision for diminution in the value or impairment has been made for Capital Work in Progress consists of office building at Delhi under construction amounting of Rs. 78.11 Lakhs and materials lying outside amounting to Rs. 1894 Lakhs which includes Rs.465.29 Lakhs pertaining to materials imported and kept at port since long.

h) Site work in progress (included under inventory) amounting to Rs. 5160 Lakh (including Rs. 1679.28 Lakh due to dispute with customers) and uncertified sales amounting to Rs. 1585 Lakh (included under revenue) has been lying as such since long against which no provision have been made.

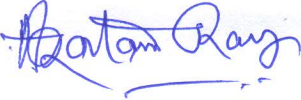
i) Attention is invited to Note no 8 to the standalone Ind AS financial statements in respect of certain projects wherein the Management of the company has considered Trade Receivables include overdue amount aggregating to Rs. 10053.17 Lakh (Previous Year - Rs. 560.92 Lakh) that are under arbitration. However, the same is considered good by the management, based on the opinion obtained and the earlier experiences on realization. In view of pending arbitration against the customer and lack of adequate information, we are unable to comment on the extent of recoverability of these balances.

j) Since the company is executing works under item rate, recording of Revenue & Expenses related to contracts as required under Percentage of Completion Method not followed by the company. The impact of this on these financial statements has not been ascertained by the management.

k) Provident Fund contributions in respect of employees are made to Trust administered by the company. In absence of Audit of such Trust for the financial year ended 31st March, 2017 & 31st March 2018 we are unable to comment on the utilization of the funds.

b.	TYPE OF AUDIT QUALIFICATION:	Qualified Opinion
c.	FREQUENCY OF QUALIFICATION:	Qualification no. 8 (i), 8 (j) & 8 (k) have appeared for the first time in the Auditors' reports financial year ended 31st March, 2018 Qualification no. 8 (a) to 8 (h) have been appearing since earlier.
d.	FOR AUDIT QUALIFICATIONS(S) WHERE THE IMPACT IS QUANTIFIED BY THE AUDITOR, MANAGEMENT'S VIEWS:	Not Applicable

e.	FOR AUDIT QUALIFICATION(S) WHERE THE IMPACT IS NOT QUANTIFIED BY THE AUDITOR:	The Auditor has not quantified the impact of their qualification mentioned at 8 (a) to (k) of the Auditors' report
	(i) MANAGEMENT'S ESTIMATION ON THE IMPACT OF AUDIT QUALIFICATION:	Not Ascertainable
	(ii) IF, MANAGEMENT IS UNABLE TO ESTIMATE THE IMPACT, REASONS FOR THE SAME :	Management's views to Audit Qualifications 8 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) & (k) of the Audit Report : 8(a) & (b). The libyan project had been stopped since 2011 due to civil unrest. 8(c). The audit report of Kuwait branch is under process. 8(d). The Investment made earlier in Simplex - Netharlands (JV) Rs.542.94 Lakhs was only for the purpose of Libiyan Project procurement which is under Arbitration proceedings and the Management are quite confident about recovery / settlement of these issue although the auditors asked for provisions of doubtful debts in the standalone financial statements as at 31st March, 2018. 8(e). There are advances to suppliers, sub-contractors & staffs related to certain projects amounting to Rs. 5076 Lakhs on which the company is in active pursuit and confident of recovery / settlement of these advances with in a reasonable period of time and amount of Rs. 584 Lakhs under the head of advance against project is hundred percent recoverable as it is given to the subsidiaries. The above reason explain the qualification by the auditor on this issues in their Audit reports on the companys financial results for the year ended 31st March, 2018. 8(f). Interest on bank loan of Rs.10,017.29 Lakhs, for which no provisions have been made as all the stated bank account are classified as NPA Accounts since long period which has been stated by the Auditors' in the Financial statement as on 31st March, 2018. 8(g). Capital Work in Progress amounting of Rs. 78.11 Lakhs consists of office building at Delhi under construction and materials lying outside amounting to Rs. 1894 Lakhs as at 31st March , 2018. The said amount of work is at completion stage and hopefully will be capitalised in the next fiancial year and the management is quite confident about it. 8(h). Site Working Progress amounting to Rs. 5160 Lakhs and uncertified sales amounting to Rs. 1585 Lakhs has been lying as such since long, due to some dispute arise with the customer for some of the projects which is under regular follow up by the management and will be resolved very shortly. 8(i). Arbitration proceedings are on the respect of certain trade receivables due from customers which are under legal proceedings amounting to Rs. 10053.17 Lakh as at 31st Mach, 2018. There has not been any development in this regard during the current year and accordingly till the disposal of legal proceedings, the company considers the above amount as good and recoverable. The said reasons explain the qualification by the auditors' on the same issue in their Audit reports on the Company's financial results for the year ended 31st March, 2018. 8(j). Since the company is executing works under item rates, so there is no question about percentage method. 8(k). The audit report of PF Trust is under process.
	(iii) AUDITORS' COMMENTS ON (i) or (ii) ABOVE:	No Comment further to "Details of Audit Qualification" in Item II(a) above

III	SIGNATORIES:	
	CEO / MANAGING DIRECTOR/ CFO	 Sudarshan Mundhra Managing Director
	AUDIT COMMITTEE CHAIRMAN	 B. N. Thakur Audit Committee Chairman
	STATUTORY AUDITOR	for H.S.Bhattacharjee & Co. Firm Registration Number : 322303E Chartered Accountants  A Ray Partner Membership No. 57516

Place: Kolkata
Date: 31/12/2018