



# Simplex Projects Limited

AN ISO 9001:2008 & ISO 14001:2004 COMPANY

No. SPL/SE/34/2021-22

Date: September 8, 2021

|                                                                         |                                                                                                               |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| To,<br>BSE Limited,<br>P J Towers,<br>Dalal Street,<br>Mumbai - 400 001 | To,<br>National Stock Exchange of India Limited<br>Bandra Kurla Complex,<br>Bandra (East)<br>Mumbai - 400 051 |
| Scrip Code - 532877                                                     | Scrip Code: SIMPLEX EQ                                                                                        |

Dear Sir / Madam,

**Sub: Intimation about technical error in announcement made on 24<sup>th</sup> August, 2021**

This is to inform you that due to technical error, only four pages of Annual report uploaded on BSE and NSE website.

So please find Copy of full Annual report as uploaded now for the financial year ending 31<sup>st</sup> March, 2020.

This is for your information and record.

Thanking you,  
Yours faithfully  
For **Simplex Projects Limited**

**Sohini Shukla**  
**Company Secretary**  
**Mem.no. 48409**  
**Encl: a/a**

**Registered & Corporate Office:**

12/1, Nellie Sengupta Sarani, 4<sup>th</sup> Floor, Kolkata-700087, India  
Phone : +91 33 22527231/7232/4125, Fax : +91 33 2252 9443  
E-mail: [info@simplexprojects.com](mailto:info@simplexprojects.com), CIN: L45201WB1990PLC050101  
[www.simplexprojects.com](http://www.simplexprojects.com)

**SIMPLEX**  
PROJECTS LIMITED



ANNUAL REPORT  
2019-2020



IIM Building.Shillong

**BOARD OF DIRECTORS*****Chairman & Managing Director***

Mr. Balkrishan Das Mundhra

***Managing Director***

Mr. Sudarshan Das Mundhra

***Independent Directors***

Mr. Bhabhya Nath Thakur

Mrs. Sagarika Ghosh

***Chief Financial Officer***

Mr. Sudarshan Das Mundhra

***Company Secretary***

Ms. Sohini Shukla

***Auditors***

H. S. Bhattacharjee & Co.  
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  
Phone : +91 33 2252 7231/7232  
E-mail : [info@simplexprojects.com](mailto:info@simplexprojects.com)  
Website : [www.simplexprojects.com](http://www.simplexprojects.com)

(Note: Mr. Balkrishan Das Mundhra has been designated as Chairman & Non executive Director of the Company w.e.f 14.07.2018, Mr. Sudarshan Das Mundhra has been designated as Managing Director w.e.f 14.07.2018, Mr. Keshav Das Mundhra resigned from the Board w.e.f 16.07.2018, Mrs. Sagarika Ghosh joined the Board w.e.f 12.03.2020, Mr. Vikram Kumar Mishra resigned from the Company on 08.11.2018 and Ms. Sohini Shukla has been appointed as Company Secretary of the Company w.e.f 19.11.2018)



|                                           | Page |
|-------------------------------------------|------|
| DIRECTORS' REPORT                         | 3    |
| CORPORATE GOVERNANCE REPORT               | 24   |
| MANAGEMENT DISCUSSION & ANALYSIS          | 39   |
| INDEPENDENT AUDITORS' REPORT              | 43   |
| STANDALONE FINANCIAL STATEMENTS           | 54   |
| CONSOLIDATED INDEPENDENT AUDITORS' REPORT | 85   |
| CONSOLIDATED FINANCIAL STATEMENTS         | 93   |

Dear Members,

It is our pleasure to present the 30<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2020.

## 1. FINANCIAL RESULTS

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2020, compared with the previous financial year, is summarized below:

(Rs. in lacs)

|                                                             | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|-------------------------------------------------------------|--------------------------------|--------------------------------|
| Total Income                                                | <b>17,913.32</b>               | 25,137.30                      |
| Less: Expenses                                              | <b>17,907.26</b>               | 25,127.34                      |
| Profit / (Loss) before exceptional and extra-ordinary items | <b>6.06</b>                    | 9.96                           |
| Exceptional Items                                           | <b>0</b>                       | 0                              |
| Profit before extra-ordinary items & tax                    | <b>6.06</b>                    | 9.96                           |
| Less: Provisions for Taxation                               | <b>(82.36)</b>                 | (187.44)                       |
| Profit After Tax                                            | <b>88.42</b>                   | 197.40                         |
| Add: Balance brought forward from last year                 | <b>(3,684.67)</b>              | (3,850.31)                     |
| Profit Available For Appropriation                          | <b>85</b>                      | 166                            |
| 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>(3,599.54)</b>              | (3,684.67)                     |

## 2. OPERATIONAL PERFORMANCE :

On Consolidated basis, for the financial year ended March 31, 2020, your Company has achieved a Gross Turnover of Rs.17,657.61 Lakhs as against Rs. 24,871.95 Lakhs for the previous period.

On Standalone basis, your Company has achieved a Gross Turnover of Rs.17,657.61 Lakhs for the financial year ended March 31, 2020 as against (Rs. 24,680.40 Lakhs in financial year 2019-20). The company has incurred a profit of Rs. 88.42 Lakhs (after interest and depreciation charges) as against a profit of Rs. 197.40 Lakhs for the previous year.

Due to competitive pressure Infrastructure development in India has been going through a very difficult phase over the last few years, affecting the overall performance. Consequently players in the construction space, especially those in business of building large infrastructure for the state and central governments, have had to face severe financial, operational and regulatory challenges, such as very tight liquidity conditions, serious stress on cash flows, as well as other sundry issues.

The operations of the company's branch at Libya, was stopped due to prevailing political situation. However, in view of the prolonged uncertainty of resumption, the company has initiated international Arbitration. The overseas order for construction work at Kuwait is nearing completion.

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

## 2. COVID 19 IMPACT ON BUSINESS OPERATIONS

The World Health Organisation has declared COVID-19 a pandemic. The outbreak which has infected millions number of people globally has had an unprecedented impact on people and economies worldwide. In compliance with the directives of the Government of India / State Governments, the Company had during the lockdown period, suspended all its project site operations across India, except where specific permission was granted by the State Governments to resume operations.

On account of lockdown declared by Central Government and State Government on 23rd March, 2020 due to Covid-19 the Company suspended all its operations. The operations at our working sites and offices gradually resumed from May, 2020 with limited man power which has an adverse impact on the normal business operations of the company for the six months ended 30th September, 2020. The company has taken various cost cutting measures and also made assessment of carrying value of its Assets.

The Company has been taking necessary precautionary measures at all its project site operations to contain the spread of COVID-19 as advised by the Government and its Clients, from time to time. The Company has also followed "Work from Home" policy for its employees and continues to follow the Government guidelines pertaining to re-opening of offices. At this stage, the Company is unable to ascertain the financial impact on the business of the Company.

At the outset let us all remind ourselves that the relaxation of lockdown is for getting on with our lives and businesses but we need to take the safety norms more seriously with the number of Covid-19 cases rising exponentially in our country. Let us all stay safe and take a pledge that we will do our best to break the Covid-19 transmission chain. At our corporate office, regional offices and construction sites we have taken all necessary precautions to make our people and contract workers safe.

### 3. DIVIDEND

With a view to conserve the resources for the future development of the Company the Board of Directors of the Company did not recommend any dividend during the year.

### 4. RESERVES

There is no amount available for transfer to Reserves for the year ended March 31, 2020.

### 5. SUBSIDIARY, ASSOCIATES & JOINT VENTURES

As on 31st March, 2020, Your Company has two Associates namely, (i) Simpark Infrastructure Pvt Ltd. (ii) Simplex Projects Road & Highway Construction Pvt Ltd .

During the period under review, Simplex Agri Infra Services Private limited ceased to be subsidiary w.e.f.14.01.2020.

The Consolidated Financial Statements comprises the financial statements of the Company and its subsidiary, Joint Ventures and its Associate Companies. Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's associates in Form AOC-1 is appended to this Report as Annexure I.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors hereby confirm that:-

- In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
- The Directors have 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 as at March 31, 2020 and of the profit and loss of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of Internal Financial Controls and compliance systems established by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by management and the audit committee of the Company, the board is of the opinion that the Internal Financial Controls of the Company were adequate and effective during the financial year 2019-20.

### 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of your Company consists of Four directors as on 31st March, 2020, with an optimum mix of Executive and Non-executive Directors. Details of the composition of the Board have been disclosed in details in the Corporate Governance Report, which forms an integral part of this report.

In pursuance of Section 152 of the Companies Act, 2013 and the Rules framed there under, Mr. Sudarshan Das Mundhra (DIN-00013158), Executive-Managing Director would liable to retire by rotation, at the ensuing Annual General Meeting and being eligible have offered himself for reappointment.

During the period under review Mrs. Sagarika Ghosh Chakraborty (DIN:08719309), joined the board on 12.03.2020 as an Independent Director during his tenure as Director of the Company.

All the directors of the Company, including the Independent Directors, have disclosed their concern and interest in other companies, bodies corporate, firms, and other association of individuals, including the shareholding, in Form MBP-1. Further, all the Independent Directors have confirmed that they meet the criteria of independence, as laid down under Section 149(6) of the Act, read with the Regulation 16(1) (b) of the SEBI Listing Regulations.

Pursuant to Listing Regulations, your Company had arranged a familiarization program for the Independent Directors of your Company on 16th March, 2020. The detail of the familiarization program is available on the website of the Company at [http://www.simplexprojects.com/form\\_doc/1584600696.pdf](http://www.simplexprojects.com/form_doc/1584600696.pdf)

### 8. BOARD EVALUATION

The Nomination & Remuneration Committee of the Company has framed a Policy on evaluation of the Board, evaluation of Board Committees, their functioning and evaluation of individual Director. The Company believes that it is the collective effectiveness of the

Board and the senior management that determines the Company performance.

The Board of Directors had carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI Listing Regulations. The performance of the Board was evaluated after seeking inputs from all the directors and the senior management of the Company, on the parameters derived from Board's core role of trusteeship to protect and enhance shareholder value as well as fulfill expectations of other stakeholders through strategic supervision. Board performance is assessed against the role and responsibilities of the Board as provided in the Act and the SEBI Listing Regulations.

The performance of the various committees of the Board was evaluated after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, flow of information, etc. Reports on functioning of Committees were placed by the respective Committee before the Board.

The Board as well as the Nomination and Remuneration Committee of the Company reviewed the performance of the individual directors on the basis of the role played by each Director as a member of the Board, contribution to the Company, relationship with the stakeholders, peer evaluation, etc. In addition, the Chairman and Managing Director was also evaluated on the key aspects of his role.

Pursuant to Clause VII of the Schedule IV to the Act, in a separate meeting, the Independent Directors of the Company evaluated the performance of non-independent directors, performance of the board as a whole and performance of the Chairman, taking into account the views of the Non-independent Directors and the senior management. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the director being evaluated.

During the year a meeting of the Independent Directors was held on 30th March, 2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole. The meeting was attended by all independent directors.

However, Mr. Bhabya Nath Thakur, Independent Director has done performance evaluation of non-independent directors, The Chairman of the Company and the Board as a whole for the financial year 2019-20. He expressed satisfaction with the quality, quantity and timeliness of flow of information between the Company's management and the Board.

## **9. MEETINGS OF THE BOARD**

The Board of Directors held 19 (Nineteen) meetings during the financial year 2019-20, in accordance with the provisions of the Act and the rules made there

under. The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report, which forms a part of this report. The intervening gap between the Meetings was within the stipulated period prescribed under the Act and the principles & guidelines prescribed by the Secretarial Standard-1, issued by The Institute of Company Secretaries of India, have also been followed by the Company.

## **10. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under section 149(6) of the Act, and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

## **11. AUDIT COMMITTEE**

Pursuant to Section 177 of the Act, 2013 and the SEBI Listing Regulations, the Company has in place Audit Committee which acts in accordance with the terms of reference specified in the Act and the details of composition, terms of reference and number of meetings held for the Committee is provided in the Corporate Governance Report, which forms part of this report. The Board has accepted all the recommendations made by the Audit Committee during the financial year 2019-20.

## **12. NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to Section 178(1) of the Act, 2013 and SEBI Listing Regulations, the Company has in place Nomination and Remuneration Committee to perform such functions as enumerated in the Act and the SEBI Listing Regulations. The details of composition, terms of reference and number of meetings held for the Committee is provided in the Corporate Governance Report, which forms part of this report.

Your Company has devised Remuneration Policy pursuant to recommendation of Nomination and Remuneration Committee applicable to Directors, Key Managerial Personnel and Senior Management Employees. A detailed report on the same is given in the Corporate Governance Report, which forms an integral part of this report.

## **13. AUDITORS & AUDIT REPORTS:**

### **Statutory Auditors**

M/s. H.S. Bhattacharjee & Co., Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 25th September, 2017, for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

The Report given by the Auditors on the financial statement of the Company is part of this Report. The qualification, reservation, and adverse remark, if any given by the Auditors also forms part of this report.

Management views to audit qualifications 8(a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m) of the Audit Report.

**8(a) & (b).** The Libyan project had been stopped since 2011 due to civil unrest in Libya.

**8(c)** The audit report of Kuwait branch is under process.

**8(d)** Provision for Interest amounting to Rs. 9201.96 Lakhs, has not been made as all the stated bank account are classified as NPA since long, as stated by the Auditor's in the Financial Statement.

**8(e)** The Investment made earlier in Simplex - Netherlands (JV) Rs. 542.94 Lakhs was only for the purpose of Libyan Project procurement which is under Arbitration proceedings and the Management is confident about the recovery / settlement of the issue.

**8(f)** There are advances to suppliers, sub-contractors & staffs related to certain projects amounting to Rs. 4672.62 Lakhs on which the company is in active pursuit and is confident of recovery / settlement of these advances within a reasonable period of time and the amount of Rs. 924.67 Lakhs under the head of advance against project is fully recoverable as it is given to the subsidiaries.

**8(g)** Materials lying outside amounting to Rs. 1894 Lakhs as on 31st March, 2020. The work is put on hold due to Covid 19 pandemic.

**8(h)** Site Working Progress amounting to Rs. 6095.76 Lakhs and uncertified sales amounting to Rs. 1908.78 Lakhs has been lying as such since long, due to some dispute arise with the customer for some of the projects which are under regular follow up by the management and will be resolved shortly.

**8(i)** Arbitration proceedings are on with respect to certain trade receivables due from customers which are under legal proceedings amounting to Rs. 9746.90 Lakh & Work in Progress 4587.87 Lakh as on 31st March, 2020. the company considers the above amount as good and recoverable based on favourable progress of the proceedings.

**8(j)** The audit report of PF Trust is under process.

**8(k)** The substantial debtor of the Company constitutes Government departments, undertakings and central or state Government agencies, wherein no system for confirmation of payables or deposits prevails in respect of construction contracts. The trade receivables, EMDs and trade payables are true and fair as per the record of the Company and all requisite documents were furnished. The Company is in the process of obtaining confirmation from the creditors.

**8(l)** The Company is obliged to submit and/or publish the financial results for the Quarterly /Annual Audited for the financial year ended on 31st March, 2020.

**8(m)** The matter is under *subjudice*.

### Cost Auditors

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on August 5, 2019 had appointed M/s. S. Chhaparia & Associates, Cost Accountants, Kolkata (Firm Registration No. 101591) as the Cost Auditors of the Company for the financial year 2019-20 and their remuneration has been approved at the previous Annual General Meeting.

M/s. S. Chhaparia & Associates, have been reappointed as cost auditors for the financial year 2019-20 as required under the Companies Act 2013 and the remuneration payable to the cost auditors is required to be placed before the members in the ensuing annual general meeting (AGM) for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to them is included in the notice convening the AGM. The Board recommends the same for approval by members at the ensuing AGM.

### Secretarial Auditor

Pursuant to Section 204 of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company had appointed Mr. Asit Kumar Labh, Practising Company Secretary of M/s. A. K. Labh & Co., Company Secretaries, Kolkata as its secretarial auditor to undertake the secretarial audit for the financial year 2019-20. The Secretarial Auditor Report for the financial year 2019-20 in the specified form MR-3 is appended to this Report and the matter on which the emphasis has been laid down in the Report has been duly taken care of.

### 14. LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Act have been disclosed in the notes to the Financial Statements.

### 15. RELATED PARTY TRANSACTIONS

None of the transactions with the Related Parties fall under the ambit of Section 188(1) of the Act since all the agreement and transactions were in the ordinary course of business and on an arm's length basis. None of the transactions could be considered as material in accordance with the policy of your Company on Materiality of Related Party Transactions, which is available on the Company's website. Further, none of the transactions with related parties required approval of the shareholders as the same were within the prescribed limits, under Section 188(1) of the Act and the Rules framed there under, as amended from time to time.

Information on transactions with related parties pursuant to section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure II in Form AOC-2 and the same forms part of this report.

### 16. DEPOSITS

The Company, during the year under review, has not accepted any deposit from public and as such, no

amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

#### **17. CHANGES IN THE SHARE CAPITAL OF THE COMPANY**

During the financial year 2019-20, the Company has not issued any Equity Shares. Accordingly, the details of Shares issued with Differential Voting Rights, Issue of Sweat Equity Shares and Issue of Employee Stock Option Scheme are not applicable on your Company.

#### **18. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Companies Act, 2013.

#### **19. MATERIAL CHANGES & COMMITMENTS**

Except as disclosed elsewhere in this report, there have been no material changes or commitments which could affect the financial position of your Company, between the end of Financial Year 2019-20 and the date of this report.

#### **20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS.**

There are no significant material orders passed by any Regulator / Court which would impact the going concern status of your Company and its future operations.

#### **21. ISSUE OF EMPLOYEE STOCK OPTION**

Your Company has not provided any Employee Stock Option for the financial year 2019-20.

#### **22. CORPORATE GOVERNANCE**

Pursuant to the provisions of Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders. A certificate received from Mr. A K Labh, Practising Company Secretary (FCS-4848/ CP-3238) regarding compliance with the conditions of Corporate Governance as stipulated under the said Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Annual Report.

#### **23. HUMAN RESOURCE**

Your Company treats its "Human Resource" as one of its most important assets. It has always provided a congenial atmosphere for work to all its employees that are free from discrimination and harassment. Your Company has zero tolerance towards sexual harassment at the workplace. To strengthen the security against sexual harassment, the Company has adopted Anti-Sexual Harassment Policy and also constituted an Internal Complaints Committee (ICC). The said

policy is available at [http://www.simplexprojects.com/form\\_doc/1529389295.pdf](http://www.simplexprojects.com/form_doc/1529389295.pdf). No complaint has been received by the Internal Complaints Committee of the Company during the financial year 2019-20.

#### **24. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under Section 118(10) of the Companies Act, 2013.

#### **25. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The disclosure pertaining to remuneration and other details as required under the provisions of section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 as amended from time to time forms part of the Directors' Report as Annexure- III.

#### **26. WHISTLE BLOWER POLICY/VIGIL MECHANISM :**

In terms of Section 177(9) & (10) of the Companies Act, 2013 and the Listing Regulations, The Company has framed Whistle Blower Policy to establish a Vigil Mechanism for Directors and employees to report genuine concerns about unethical behavior, fraud or violation of the Company policies including Code of Conduct or complaints regarding accounting, auditing, internal controls without fear of reprisal. The Whistle Blower Policy is available at [http://www.simplexprojects.com/form\\_doc/1402298207.pdf](http://www.simplexprojects.com/form_doc/1402298207.pdf)

#### **27. MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provisions of Regulation 34(2) of the SEBI Listing Regulations, the Management Discussion and Analysis for the year ended 31st March, 2020 is attached and forms an integral part of this report.

#### **28. RISK MANAGEMENT**

The Company is exposed to uncertainties, owing to the sectors in which it operates. These uncertainties create new business opportunities with inherent risks. The Company has been proactive in adopting new and effective tools to protect the interests of its stakeholders. The Company's Risk Management processes focus on ensuring that the risks are identified on a timely basis and reasonably addressed.

The Directors of your Company has formed a Risk Management Committee and also adopted a policy on the same which enables the Company to proactively manage uncertainties from changes in the internal and external environment and also capitalize on the opportunities. The Audit Committee has additional oversight in the area of financial risk and controls. The Risk management Policy of the Company is available on the website of the Company at [http://www.simplexprojects.com/form\\_doc/1433929235.pdf](http://www.simplexprojects.com/form_doc/1433929235.pdf).

#### **29. EXTRACT OF ANNUAL RETURN:**

As required under Section 92(3) of the Act, the extract of annual return in MGT 9 is attached as a part of this Report as Annexure IV.

### 30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### A. CONSERVATION OF ENERGY :

##### a) Energy Conservation measures taken:

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

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:

- Electric Energy
- Fuel oil consumption

In this industry 99% equipments are powered by either electrical motor or by fuel oil powered engines. 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.

**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 :

##### i. Research and Development :-

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

##### ii. Technology Absorption, Adoption and Innovation:-

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.

#### 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.

#### Technology imported during the last five years:

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

#### C. FOREIGN EXCHANGE EARNINGS

| Particulars                                         | As on 31st March, 2019 | As on 31st March, 2020 |
|-----------------------------------------------------|------------------------|------------------------|
| On Contract Work (Gross Billing at Overseas Branch) | 8,300.25               | NIL                    |

#### D. FOREIGN EXCHANGE OUTGO

| Particulars                                    | As on 31st March, 2019 | As on 31st March, 2020 |
|------------------------------------------------|------------------------|------------------------|
| Travelling Contract Expenses (Overseas Branch) | 5.47                   | NIL                    |
|                                                | NIL                    | NIL                    |

#### 31. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to your Company.

#### 32. LISTING WITH STOCK EXCHANGES

Your Company is presently listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The details of trading, listing fees etc. are given in the Corporate Governance Report.

#### 33. ACKNOWLEDGEMENTS

Your Directors like to express their sincere appreciation for the co-operation the Company has received from the Statutory Authorities, Banks, Other Financial Institutions, Stakeholders and Customers during the year under review. Your Directors also wish to thank and place on record their deep appreciation for the committed services by the Company's executives, employees and workers.

For and on behalf of the Board of Directors

Place : Kolkata  
Date : 22.01.2021

**B. K. Mundhra**  
Chairman  
(DIN-00013125)

**ANNEXURE - I**  
**FORM AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

**Part "A"**

**Subsidiaries**

During the period under review, Simplex Agri Infra Services Private Limited ceased to be subsidiary w.e.f. 14.01.2020.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

| Sr. No. | Name of Associates                                                         | Simpark Infrastructure Pvt. Ltd. |
|---------|----------------------------------------------------------------------------|----------------------------------|
| 1.      | Latest audited Balance Sheet Date                                          | 31st March, 2020                 |
| 2.      | Date on which the Associate or Joint Venture was associated or acquired    | 31st March, 2016                 |
| 3.      | Shares of Associate/Joint Ventures held by the company on the year end     |                                  |
|         | No.                                                                        | 15,53,800                        |
|         | Amount of Investment in Associates/Joint Venture                           | 586.13                           |
|         | Extent of Holding (in percentage)                                          | 48.78%                           |
| 4.      | Description of how there is significant influence                          | Because of controlling stake     |
|         |                                                                            |                                  |
| 5.      | Reason why the associate/joint venture is not consolidated                 | Consolidated                     |
| 6.      | Net worth attributable to shareholding as per latest audited Balance Sheet | 104.21                           |
| 7.      | Profit/Loss for the year                                                   |                                  |
|         | i. Considered in Consolidation                                             | 18.57                            |
|         | ii. Not Considered in Consolidation                                        | Nil                              |

1. Names of associates or joint ventures which are yet to commence operations - Nil

2. Names of associates or joint ventures which have been liquidated or sold during the year - Nil

For and on behalf of the Board of Directors

**B. K. MUNDHRA**  
*Chairman*  
(DIN : 00013125)

**Annexure – II**  
**FORM NO. AOC - 2**

**Pursuant to Clause (h) of sub-section 134 of the Companies Act, 2013, and rule 8(2) of the Companies (Accounts) Rule, 2014-AOC-2]**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto –

**1. Details of contracts or arrangements or transactions not at arm's length basis :**

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

**2. Details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2020 are as follows :**

| <b>Name of Related party</b> | <b>Nature of transaction</b> | <b>Description of relationship</b> | <b>Salient Terms</b>            | <b>Duration</b>             | <b>March 31st, 2020</b> |
|------------------------------|------------------------------|------------------------------------|---------------------------------|-----------------------------|-------------------------|
| Kirti Vinimay Pvt. Ltd.      | Loan and advance given       | Other related party                | Non-interest bearing            | One year subject to renewal | 515.66                  |
|                              |                              |                                    |                                 |                             |                         |
| Jemtec Engineering Pvt. Ltd. | Interest paid                | Other related party                | Interest on unsecured loan      | One year subject to renewal | 16.65                   |
|                              | Loans and advance given      |                                    | Interest bearing unsecured loan |                             | 175.76                  |
| Balkrishna Das Mundhra       | Interest paid                | Key Management Personnel           | Interest on unsecured loan      | One year                    | 132.20                  |
|                              | Loans and advance taken      |                                    | unsecured loan                  | One year subject to renewal | 1258.85                 |

For and on behalf of the Board of Directors

**B. K. MUNDHRA**  
*Chairman*  
 (DIN : 00013125)

Place : Kolkata  
 Date : 22.01.2021

### ANNEXURE – III

**INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER**  
Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:

The ratio of the remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2019-20 and

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.

(Rs. in Lacs)

| Sr. No. | Name of Director/KMP and Designation                     | Remuneration of Director/KMP for Financial Year 2019-20 | Percentage increase in Remuneration for the Financial Year 2019-20 | Ration of Remuneration of each Director to the Median Remuneration of Employees |
|---------|----------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 1.      | Mr. Balkrishan Das Mundhra*<br>Chairman & Director       | NIL                                                     | NIL                                                                | NIL                                                                             |
| 2.      | Mr. Sudarshan Das Mundhra<br>Managing Director & CFO     | 19.37                                                   | NIL                                                                | 4.61:1                                                                          |
| 3.      | Mr. Bhabya Nath Thakur<br>Independent Director           | 0.42                                                    | NIL                                                                | 0.10:1                                                                          |
| 4.      | Mrs. Sagarika Ghosh Chakraborty*<br>Independent Director | 0.03                                                    | NIL                                                                | 0.007:1                                                                         |
| 5.      | Mr. Sohini Shukla*<br>Company Secretary                  | 4.32                                                    | NIL                                                                | 1.02:1                                                                          |

\*Mrs. Sagarika Ghosh Chakraborty appointed w.e.f 12.03.2020 and received remuneration for the part of financial year 2019-20, hence not comparable.

Remuneration for the Executive Directors and Key Managerial Personnel (KMP) in the table above is based on Cost To Company (CTC).

The Median Remuneration of Employees (MRE) of the Company is Rs. 4,20,000/- for the financial year 2019-20. The MRE for the year increased by Rs. 60,000/- as compared to the previous financial year.

The number of permanent employees on the rolls of the Company is 74 for the year ended March 31, 2020.

(iii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year was NIL. The percentage increase in the salary of managerial staff was NIL. The increase in remuneration, if any, is determined based on the performance by the employees of the Company.

(iv) It is hereby affirmed that the remuneration paid during the year ended 31.03.2020 is as per the Remuneration Policy of the Company.

#### 2. Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (A) Employed throughout the Financial Year under review and in receipt of remuneration for the financial year in aggregate of not less than Rupees One Crore and Two Lakh per annum. - **NIL**
- (B) Employed for the part of the Financial Year under review and in receipt of remuneration at the rate of not less than Rupees Eight Lakhs and Fifty Thousand per month - **NIL**

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 22.01.2021

**B. K. Mundhra**  
Chairman  
(DIN: 00013125)



**ANNEXURE - IV**  
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended 31st March, 2020**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the**  
**Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

|      |                                                                           |                                                                                                                             |
|------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| i.   | CIN                                                                       | L45201WB1990PLC050101                                                                                                       |
| ii.  | Registration Date                                                         | 31st October, 1990                                                                                                          |
| iii. | Name of the Company                                                       | Simplex Projects Limited                                                                                                    |
| iv.  | Category/ Sub-Category of the Company                                     | Construction and Infrastructure Development Company                                                                         |
| v.   | Address of the Registered Office and Contact Details                      | 12/1, Nellie Sengupta Sarani, 4th Floor,<br>Kolkata 700 087<br>Tel. No. 033-2252 7231<br>Fax No. 033-2252 8013              |
| vi.  | Whether listed company                                                    | Yes                                                                                                                         |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Cameo Corporate Services Limited<br>"Subramanian Building"<br>1, Club House Road, Chennai 600 002<br>Tel. No. 044-2846 0390 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| S.No. | Name and Description of main Products / services | NIC Code of the Product/service | % to total turnover of the company |
|-------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1.    | Construction                                     | 42101, 42904, 43309             | <b>100</b>                         |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

| S.No. | NAME AND ADDRESS OF THE COMPANY                                                                                                       | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held | Applicable Section |
|-------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1.    | Simplexprojects Road & Highway Constructions Private Limited<br>12/1, Nellie Sengupta Sarani, 4th Floor,<br>Kolkata-700087, W.B.India | U45203WB2006PTC109010 | Associate                      | 50%              | 2 (6)              |
| 2.    | Simpark Infrastructure Private Limited, 11/1C/2,<br>East Topsia Road,<br>Kolkata- 700046,<br>West Bengal, India                       | U51909WB1995PTC076031 | Associate                      | 48.78%           | 2 (6)              |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A. Category-wise Share Holding

| Category of Shareholders                                    | No. of Shares held at the beginning of the year i.e. 31st March, 2019 |          |                |                   | No. of Shares held at the end of the year i.e. 31st March, 2020 |          |                |                   | % change during the year |
|-------------------------------------------------------------|-----------------------------------------------------------------------|----------|----------------|-------------------|-----------------------------------------------------------------|----------|----------------|-------------------|--------------------------|
|                                                             | Demat                                                                 | Physical | Total          | % of Total Shares | Demat                                                           | Physical | Total          | % of Total Shares |                          |
| <b>A. Promoter</b>                                          |                                                                       |          |                |                   |                                                                 |          |                |                   |                          |
| <b>1.Indian</b>                                             |                                                                       |          |                |                   |                                                                 |          |                |                   |                          |
| a.Individual/ HUF                                           | 764187                                                                | 0        | 764187         | 6.06              | 764187                                                          | 0        | 764187         | 6.06              | 0.00                     |
| b.Central Govt.                                             | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| c.State Govt.(s)                                            | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| d.Bodies Corp.                                              | 6324604                                                               | 0        | 6324604        | 50.19             | 6324604                                                         | 0        | 6324604        | 50.19             | --                       |
| e.Banks / FI                                                | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| f.Any Other                                                 | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| <b>Sub-total (A)(1):-</b>                                   | <b>7088791</b>                                                        | <b>0</b> | <b>7088791</b> | <b>56.26</b>      | <b>7088791</b>                                                  | <b>0</b> | <b>7088791</b> | <b>56.26</b>      | <b>0.00</b>              |
| <b>2.Foreign</b>                                            |                                                                       |          |                |                   |                                                                 |          |                |                   |                          |
| a.NRIs-Individuals                                          | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| b.Other-Individuals                                         | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| c.Bodies Corp.                                              | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| d.Banks / FI                                                | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| e.Any Other                                                 | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| <b>Sub-total (A)(2):-</b>                                   | <b>0</b>                                                              | <b>0</b> | <b>0</b>       | <b>--</b>         | <b>0</b>                                                        | <b>0</b> | <b>0</b>       | <b>--</b>         | <b>--</b>                |
| <b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b> | <b>7088791</b>                                                        | <b>0</b> | <b>7088791</b> | <b>56.26</b>      | <b>7088791</b>                                                  | <b>0</b> | <b>7088791</b> | <b>56.26</b>      | <b>0.00</b>              |
| <b>B. Public Shareholding</b>                               |                                                                       |          |                |                   |                                                                 |          |                |                   |                          |
| <b>1.Institutions</b>                                       |                                                                       |          |                |                   |                                                                 |          |                |                   |                          |
| a.Mutual Funds                                              | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| b.Banks / FI                                                | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| c.Central Govt.                                             | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| d.State Govt.(s)                                            | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| e.Venture Capital Funds                                     | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| f.Insurance Companies                                       | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| g.FIIs                                                      | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| h.Foreign Venture Capital Funds                             | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| i.Others (specify)                                          | 0                                                                     | 0        | 0              | --                | 0                                                               | 0        | 0              | --                | --                       |
| <b>Sub-total (B)(1):-</b>                                   | <b>0</b>                                                              | <b>0</b> | <b>0</b>       | <b>--</b>         | <b>0</b>                                                        | <b>0</b> | <b>0</b>       | <b>--</b>         | <b>--</b>                |

| Category of Shareholders                                                                | No. of Shares held at the beginning of the year i.e. 31st March, 2019 |            |                 |                 | No. of Shares held at the end of the year i.e. 31st March, 2020 |            |                |              | % change during the year |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------|-----------------|-----------------|-----------------------------------------------------------------|------------|----------------|--------------|--------------------------|
|                                                                                         | Demat                                                                 | Physical   | Total           | %               | Demat                                                           | Physical   | Total          | %            |                          |
| 2.Non Institutions                                                                      |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| a.Bodies Corp.                                                                          | 1422082                                                               | 0          | 1422082         | 11.2860         | 1387486                                                         | 0          | 1387486        |              |                          |
| b.Individuals                                                                           |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh               | 2041818                                                               | 135        | 2041953         | 16.2054         | 2076278                                                         | 135        |                |              |                          |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh       | 1709169                                                               | 0          | 1709169         | 13.5644         | 1714571                                                         | 0          | 1714571        |              |                          |
| c. Qualified Foreign Investor                                                           | 0                                                                     | 0          | 0               | 0               | 0                                                               | 0          | 0              | 0            | 0                        |
| d. Any Other                                                                            |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| Hindu Undivided Families                                                                | 264592                                                                | 0          | 264582          | 2.0998          | 259426                                                          | 0          | 259426         |              |                          |
| Non Resident Indians                                                                    | 73791                                                                 | 0          | 73791           | 0.5856          | 73691                                                           | 0          | 73691          |              |                          |
|                                                                                         |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| <b>Sub-total (B)(2):-</b>                                                               | <b>5511452</b>                                                        | <b>135</b> | <b>5511587</b>  | <b>43.74</b>    | <b>5511452</b>                                                  | <b>135</b> | <b>5511587</b> | <b>43.74</b> | <b>0.00</b>              |
|                                                                                         |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| <b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>                                  | <b>5511452</b>                                                        | <b>135</b> | <b>5511587</b>  | <b>43.74</b>    | <b>5511452</b>                                                  | <b>135</b> | <b>5511587</b> | <b>43.74</b> | <b>0.00</b>              |
|                                                                                         |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| <b>Total (A)+(B)</b>                                                                    | <b>12600243</b>                                                       | <b>135</b> | <b>12600378</b> | <b>100.0000</b> | <b>12600243</b>                                                 | <b>135</b> |                |              |                          |
|                                                                                         |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| <b>Shares Held By Custodians And Against Which Depository Receipts Have Been Issued</b> |                                                                       |            |                 |                 |                                                                 |            |                |              |                          |
| Promoter And Promoter Group                                                             | 0                                                                     | 0          | 0               | 0               | 0                                                               | 0          | 0              | 0            | 0                        |
| Public                                                                                  | 0                                                                     | 0          | 0               | 0               | 0                                                               | 0          | 0              | 0            | 0                        |
| <b>Total Custodian(C)</b>                                                               | <b>0</b>                                                              | <b>0</b>   | <b>0</b>        | <b>0</b>        | <b>0</b>                                                        | <b>0</b>   | <b>0</b>       | <b>0</b>     | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>                                                              | <b>12600243</b>                                                       | <b>135</b> | <b>12600378</b> | <b>100.0000</b> | <b>12600243</b>                                                 | <b>135</b> |                |              |                          |

**B. Shareholding of Promoters**

| S. N. | Shareholder's Name                       | Shareholding at the beginning of the year, i.e., 01.04.2019 |                                  |                                                 | Shareholding at the end of the year, i.e., 31.03.2020 |                                  |                                                 | % change in share-holding during the year |
|-------|------------------------------------------|-------------------------------------------------------------|----------------------------------|-------------------------------------------------|-------------------------------------------------------|----------------------------------|-------------------------------------------------|-------------------------------------------|
|       |                                          | No. of Shares                                               | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                                         | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares |                                           |
| 1.    | Prozen Merchants Private Limited#        | 862323                                                      | 6.84                             | 6.84                                            | 862323                                                | 6.84                             | 6.84                                            | NIL                                       |
| 2.    | Simplex Fiscal Holdings Private Limited# | 624214                                                      | 4.95                             | 4.95                                            | 624214                                                | 4.95                             | 4.95                                            | NIL                                       |
| 3.    | Jemtec Engineering Private Limited##     | 964143                                                      | 7.65                             | NIL                                             | 964143                                                | 7.65                             | NIL                                             | NIL                                       |
| 4.    | Kirti Vinimay Private Limited            | 3516066                                                     | 27.90                            | 18.25                                           | 3516066                                               | 27.90                            | 18.25                                           | NIL                                       |
| 5.    | Datson Exports Limited                   | 150429                                                      | 1.19                             | NIL                                             | 150429                                                | 1.19                             | NIL                                             | NIL                                       |
| 6.    | Bharat Gypsum Private Limited##          | 207429                                                      | 1.65                             | NIL                                             | 207429                                                | 1.65                             | 1.65                                            | NIL                                       |
| 7.    | Balkrishan Das Mundhra                   | 425473                                                      | 3.38                             | NIL                                             | 425473                                                | 3.38                             | 2.83                                            | NIL                                       |
| 8.    | Sudarshan Das Mundhra                    | 85857                                                       | 0.68                             | NIL                                             | 85857                                                 | 0.68                             | NIL                                             | NIL                                       |
| 9.    | Raghav Das Mundhra                       | 85714                                                       | 0.68                             | NIL                                             | 85714                                                 | 0.68                             | NIL                                             | NIL                                       |
| 10.   | Pushpa Mundhra                           | 167143                                                      | 1.33                             | NIL                                             | 167143                                                | 1.33                             | NIL                                             | NIL                                       |
|       | <b>TOTAL</b>                             | <b>7088791</b>                                              | <b>56.26</b>                     | <b>NIL</b>                                      | <b>7088791</b>                                        | <b>56.26</b>                     | <b>NIL</b>                                      | <b>NIL</b>                                |

# Vide Kolkata High Court order dated 16th August, 2016 M/s. Prozen Merchant Private Limited and M/s. Simplex Fiscal Holdings Private Limited was amalgamated with M/s. Kirti Vinimay Private Limited.

## Vide Kolkata High Court order dated 2nd August, 2016 M/s. Bharat Gypsum Private Limited and M/s. Pioneer Engineering Private Limited was amalgamated with M/s. Jemtec Engineering Private Limited.

**C. Change in Promoters' Shareholding (NO CHANGE)**

| S. No. | Shareholder's Name | Shareholding at the beginning of the year, i.e., 01.04.2019 |                                  | Change in Shareholding during the year |          | Shareholding at the end of the year, i.e., 31.03.2020 |                                  |
|--------|--------------------|-------------------------------------------------------------|----------------------------------|----------------------------------------|----------|-------------------------------------------------------|----------------------------------|
|        |                    | No. of Shares                                               | % of total Shares of the company | Increase                               | Decrease | No. of Shares                                         | % of total shares of the Company |
|        |                    |                                                             |                                  |                                        |          |                                                       |                                  |

**D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRS and ADRS).**

| S. No. | Shareholder's Name              | Shareholding at the beginning of the year, i.e., 01.04.2019 |                                  | Change in Shareholding during the year |          | Shareholding at the end of the year, i.e., 31.03.2020 |                                  |
|--------|---------------------------------|-------------------------------------------------------------|----------------------------------|----------------------------------------|----------|-------------------------------------------------------|----------------------------------|
|        |                                 | No. of Shares                                               | % of total Shares of the Company | Increase                               | Decrease | No. of Shares                                         | % of total shares of the Company |
| 1.     | Lata Bhanshali                  | 357247                                                      | 2.83                             | --                                     | --       | 357247                                                | 2.83                             |
| 2.     | S F Distributors Pvt Ltd        | 624255                                                      | 4.95                             | --                                     | --       | 624255                                                | 4.95                             |
| 3.     | Vallabh Roopchand Bhanshali     | 277094                                                      | 2.19                             | --                                     | --       | 277094                                                | 2.19                             |
| 4.     | Pravik Developers Pvt Ltd       | 351634                                                      | 2.79                             | --                                     | --       | 351634                                                | 2.79                             |
| 5.     | Akash Bhanshali                 | 118962                                                      | 0.94                             | --                                     | --       | 118962                                                | 0.94                             |
| 6.     | Blue Diamond Properties Pvt Ltd | 85000                                                       | 0.67                             | --                                     | --       | 85000                                                 | 0.67                             |
| 7.     | Neelam Agarwal                  | 81673                                                       | 0.64                             | --                                     | --       | 81673                                                 | 0.64                             |
| 8.     | Hallmark Dealer Pvt Ltd         | 83143                                                       | 0.66                             | --                                     | --       | 83143                                                 | 0.66                             |
| 9.     | Vinay Kumar Kejriwal            | 81000                                                       | 0.64                             | --                                     | --       | 81000                                                 | 0.64                             |
| 10.    | Kamal Kumar Kapur               | 123022                                                      | 0.97                             | --                                     | --       | 123022                                                | 0.97                             |

**E. Shareholding of Directors and Key Managerial Personnel**

| S. No. | Shareholder's Name    | Shareholding at the beginning of the year, i.e., 01.04.2018 |                                  | Change in Shareholding during the year |          | Shareholding at the end of the year, i.e., 31.03.2019 |                                  |
|--------|-----------------------|-------------------------------------------------------------|----------------------------------|----------------------------------------|----------|-------------------------------------------------------|----------------------------------|
|        |                       | No. of Shares                                               | % of total Shares of the company | Increase                               | Decrease | No. of Shares                                         | % of total shares of the Company |
| 1      | Balkrishandas Mundhra | 419473                                                      | 3.32                             | 6000                                   | --       | 425473                                                | 3.38                             |
| 2      | Sudarshan Das Mundhra | 85857                                                       | 0.68                             | --                                     | --       | 85857                                                 | 0.68                             |
| 3      | Sohini Shukla         | --                                                          | --                               | --                                     | --       | --                                                    | --                               |

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

|                                                     | Secured Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|-----------------------------------------------------|----------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year |                                        |                    |          |                       |
| i) Principal Amount                                 | 57117.75                               | 1644.18            | -        | 58761                 |
| ii) Interest due but not paid                       | 6538.35                                | 325.00             | -        | 6863                  |
| iii) Interest accrued but not due                   | -                                      | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                             | <b>63656.10</b>                        | <b>1969.18</b>     | <b>-</b> | <b>65625</b>          |
| Change in Indebtedness during the financial year    |                                        |                    |          |                       |
| - Addition                                          | 11159.19                               | <b>379.18</b>      | -        | 11538                 |
| - Reduction                                         | -                                      | -                  | -        | -                     |
| Net Change                                          | 11159.19                               | 379.18             | -        | 11538                 |
| Indebtedness at the end of the financial year       |                                        |                    |          |                       |
| i) Principal Amount                                 | 68300.37                               | 1864.71            | -        | 70165                 |
| ii) Interest due but not paid                       | 6514.92                                | 483.65             | -        | 6998                  |
| iii) Interest accrued but not due                   | -                                      | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                             | <b>74815.29</b>                        | <b>2348.36</b>     | <b>-</b> | <b>77163</b>          |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl.<br>No. | Particulars of Remuneration                                                         | Name of MD/WTD/Manager                                                                    |              | Total Amount |
|------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------|--------------|
|            |                                                                                     | B K Mundhra                                                                               | S D Mundhra  |              |
| 1          | Gross salary                                                                        |                                                                                           |              |              |
|            | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NIL                                                                                       | 19.37        | 19.37        |
|            | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                                                                                         | -            | -            |
|            | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                                                                                         | -            | -            |
| 2          | Stock Option                                                                        | -                                                                                         | -            | -            |
| 3          | Sweat Equity                                                                        | -                                                                                         | -            | -            |
| 4          | Commission                                                                          |                                                                                           |              |              |
|            | - as % of profit                                                                    |                                                                                           |              |              |
|            | - Others                                                                            | -                                                                                         | -            | -            |
| 5          | Others                                                                              | -                                                                                         | -            | -            |
|            | <b>Total (A)</b>                                                                    | <b>-</b>                                                                                  | <b>19.37</b> | <b>19.37</b> |
|            | Ceiling as per the Act                                                              | Remuneration is paid as per Schedule V of the Companies Act, 2013 under inadequate profit |              |              |

Note:- 1. Mr. B. K. Mundhra resigned from the position of Managing Director w.e.f. 14.07.2018 and continued to be Chairman and Non executive Director of the Company.  
2. Mr. Sudarshan Das Mundhra appointed as Managing Director in place of B. K. Mundhra w.e.f. 14.07.2018

**B. Remuneration to Other Directors**

| SN | Particulars of Remuneration                  | Name of Directors                                                                       |                | Total Amount |
|----|----------------------------------------------|-----------------------------------------------------------------------------------------|----------------|--------------|
|    |                                              | Bhabya Nath Thakur                                                                      | Sagarika Ghosh |              |
| 1  | Independent Directors                        |                                                                                         |                |              |
|    | Fee for attending board / committee meetings | 42,028/-                                                                                | 3,002/-        | 45,030/-     |
|    | Commission                                   | -                                                                                       | -              | -            |
|    | Others                                       | -                                                                                       | -              | -            |
|    | Total (1)                                    | 42,028/-                                                                                | 3,002/-        | 45,030/-     |
| 2  | Other Non-Executive Directors                | -                                                                                       | -              | -            |
|    | Fee for attending board / committee meetings | -                                                                                       | -              | -            |
|    | Commission                                   | -                                                                                       | -              | -            |
|    | Others                                       | -                                                                                       | -              | -            |
|    | Total (2)                                    | -                                                                                       | -              | -            |
|    | Total (B)=(1+2)                              | 42,028/-                                                                                | 3,002/-        | 45,030/-     |
|    | Total Managerial Remuneration                | 42,028/-                                                                                | 3,002/-        | 45,030/-     |
|    | Overall Ceiling as per the Act               | The Company is paying only sitting fees to its Non-Executive and Independent Directors. |                |              |

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**
**(Rs. in Lacs)**

| Sl. No. | Particulars of Remuneration                                                         | Key Managerial Personnel |                                                     |                       |       |
|---------|-------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------|-----------------------|-------|
|         |                                                                                     |                          | Sudarshan Das Mundhra<br>(Executive Director & CFO) | Sohini Shukla<br>(CS) | TOTAL |
| 1       | Gross salary                                                                        |                          |                                                     |                       |       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                          | 19.37                                               | 4.32                  | 23.69 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                          | -                                                   | -                     | -     |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          | -                                                   | -                     | -     |
| 2       | Stock Option                                                                        |                          | -                                                   | -                     | -     |
| 3       | Sweat Equity                                                                        |                          | -                                                   | -                     | -     |
| 4       | Commission                                                                          |                          |                                                     |                       |       |
|         | - as % of profit                                                                    |                          | -                                                   | -                     | -     |
|         | - Others                                                                            |                          | -                                                   | -                     | -     |
| 5       | Others                                                                              |                          | -                                                   | -                     | -     |
|         | Total                                                                               |                          | 19.37                                               | 4.32                  | 23.69 |

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

| Type                                | Section of the companies Act | Brief Description | Details of Penalty / Punishment/ compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|-----------------------------------------------------------|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   | NIL                                                       |                            |                                    |
| Penalty                             |                              |                   |                                                           |                            |                                    |
| Punishment                          |                              |                   |                                                           |                            |                                    |
| Compounding                         |                              |                   |                                                           |                            |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   | NIL                                                       |                            |                                    |
| Penalty                             |                              |                   |                                                           |                            |                                    |
| Punishment                          |                              |                   |                                                           |                            |                                    |
| Compounding                         |                              |                   |                                                           |                            |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   | NIL                                                       |                            |                                    |
| Penalty                             |                              |                   |                                                           |                            |                                    |
| Punishment                          |                              |                   |                                                           |                            |                                    |
| Compounding                         |                              |                   |                                                           |                            |                                    |

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 22.01.2021

**B. K. Mundhra**  
*Chairman*  
(DIN: 00013125)

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Simplex Projects Limited**  
12/1, Nellie Sengupta Sarani  
Kolkata-700087

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Simplex Projects Limited having CIN : L45201WB1990PLC050101 and having registered office at 12/1, Nellie Sengupta Sarani, Kolkata-700087 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors, except as mentioned in the Notes hereunder, on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | Name of Director           | DIN      | Date of appointment in Company |
|---------|----------------------------|----------|--------------------------------|
| 1.      | Balkrishnan Das Mundhra    | 00013125 | 15/03/2006                     |
| 2.      | Sudarshan Das Mundhra      | 00013158 | 30/09/2005                     |
| 3.      | Bhabya Nath Thakur         | 05250206 | 24/08/2017                     |
| 4.      | Sagarika Ghosh Chakraborty | 08719309 | 12/03/2020                     |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Note:**

1. *Mr. Bhabya Nath Thakur (DIN: 05250206), Independent Director of the Company has not registered himself with the Databank of Independent Directors as maintained by the Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.*
2. *The Company had appointed Mr. Sudarshan Das Mundhra as Managing Director at the AGM held for F.Y. 2017-18 on 27.08.2019. Since the Company has defaulted in payment of Interest and dues to Banks and Financial Institutions (lenders), prior approval from the lenders was required to be taken before the aforesaid appointment pursuant to Schedule V.*

Place: Kolkata  
Date : 22.01.2021

Signature :  
Name : Atul Kumar Labh  
Membership No. : FCS 4848  
CP No. : 3238  
PRCN : 1038/2020  
UIN : S1999WB026800  
UDIN : F004848B002150827

# SECRETARIAL AUDIT REPORT

## For the financial year ended 31.03.2020

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
The Members,  
Simplex Projects Limited  
12/1, Nellie Sengupta Sarani  
Kolkata-700 087

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Simplex Projects Limited** having its Registered Office at 12/1, Nellie Sengupta Sarani, Kolkata-700 087, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

### **Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per

the provisions of various statutes as mentioned hereinafter.

Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

I have relied upon the accuracy of the documents and information as shared by the Company with me through appropriate Information Technology tools to assist me in completing the secretarial audit work during lock down period due to unprecedented situation prevailing in the Country due to CoVID-19 virus pandemic and the same is subject to physical verification by me post normalization of the situation.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

**I report that,** I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Housing Board Act, 1965;
2. Transfer of Property Act, 1882; and
3. Building and Other Construction Workers' (Regulation of Employment and Condition of Services) Act, 1996

to the extent of their applicability to the Company during the financial year ended 31.03.2020 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to me by the Company and its management and to the best of my judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of my knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, except:

1. *The Company had less number of Independent Directors (ID) on the Board during the financial year till 12th March, 2020. There has been a gap of more than 3 months in appointment of requisite number of Independent Director.*
2. *The Company did not have any woman Director on the Board during the financial year till 12th March, 2020. There has been a gap of more than 3 months in appointment of Woman Director.*
3. *The composition of Audit Committee was not in accordance with Section 177 of the Companies Act, 2013 and Reg. 18 of SEBI (LODR) Regulations, 2015 during the financial year till 12th March, 2020.*
4. *The composition of Nomination and Remuneration Committee was not in accordance with Section 178 of the Companies Act, 2013 and Reg. 19 of SEBI (LODR) Regulations, 2015 during the financial year till 12th March, 2020.*
5. *No separate meeting of Independent Directors was held during the calendar year 2019 since there was only 1 Independent Director on the Board.*
6. *Mr. Bhabya Nath Thakur (DIN: 05250206), Independent Director of the Company has not registered himself with the Databank of Independent Directors as maintained by the Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.*

7. *There has been delay in holding AGM for F.Y. 2018-19 which was held on 18.12.2020. No Approval for extension for holding AGM was granted to the Company by the Registrar of Companies.*
8. *There has been delay in approval of Cost Audit Report by the Board of Directors for the financial year 2018-19.*
9. *E-form MGT-14 has not been filed for availing of credit facilities from Banks and appointment of Secretarial Auditor for the Financial Year 2019-20.*
10. *There was delay in approval of Financial Results and submission of the same to the Stock Exchange for the following periods:*
  - a. *Audited Results for the quarter and financial year ended 31.03.2019;*
  - b. *Unaudited Financial Results and Limited Review Reports for the quarter ended 30.06.2019, 30.09.2019, 31.12.2019 and Audited Financial Results for Quarter and Financial Year ended 31.03.2020.*
11. *While submitting the Audited Financial Results for the year ended 31.03.2019 with the Stock Exchanges, the Company has not mentioned if the auditors' report was qualified or unqualified.*
12. *Annual Secretarial Compliance under Reg. 24A of SEBI (LODR) Regulations, 2015, for the Financial Year ended 31.03.2019 was not submitted with the Stock Exchanges within the stipulated time.*
13. *The Company had delayed in submission of disclosure with the Stock Exchange regarding Large Corporate Entity pursuant to SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.*
14. *The Company had not submitted half yearly disclosures under Reg. 23(9) of SEBI (LODR) Regulations, 2015 with respect to related party transactions.*
15. *There has been delay in submission of Shareholding Pattern for the quarter ended 30th September, 2019.*
16. *The Company has received Show Cause Notice for delisting of shares and also pending penalties for various non-compliances and violations of SEBI (LODR) Regulations, 2015 for which the reply has been submitted by the Company. However, no fines / penalties levied on the Company has been cleared off till date.*
17. *The Company has not paid Listing Fees to Stock Exchanges for F.Y. 2019-20.*
18. *The Company's shares have been transferred to "Z" category w.e.f 25.09.2018 by BSE and NSE for continuous default with respect to approval of Financial Results for two consecutive quarters.*

19. *Promoters' shareholding has been frozen by BSE and NSE w.e.f. 02.11.2018.*
20. *BSE and NSE have suspended trading in securities of the Company w.e.f. 26.11.2018.*
21. *Insider Trading Code of the Company as well as Code of Fair Disclosure has not been modified in accordance with the SEBI Circulars issued in this regard during the financial year under report.*
22. *The Company is in process of maintaining structured digital database pursuant to SEBI Circular issued in this regard.*
23. *Payment of statutory dues including Provident Fund, Employees State Insurance, Income Tax, TDS, GST and other material statutory dues have been deposited with the appropriate authorities with certain delays.*
24. *The Company has delayed in making repayment of dues to Banks and Financial Institutions and also defaulted in repayment of dues to certain Banks and some Bank Accounts have become NPA.*
25. *The Company has appointed Mr. Sudarshan Das Mundhra as Managing Director at the AGM held for F.Y. 2017-18 on 27.08.2019. Since the Company has defaulted in payment of Interest and dues to Banks and Financial Institutions (lenders), prior approval from the lenders was required to be taken before the aforesaid appointment pursuant to Schedule V.*

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009.

**I further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.

- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that :**

- a) The Company is in process of Complying with the applicable provisions of the Secretarial Standards.
- b) In the light of heightened concern on spread of Covid-19 across the nation and as per the notifications issued by the Central / State Government(s), the Company's Registered Office including all branch offices and around 7 operating project contracts were shut down from last week of March 2020. However, the Company had partially resumed operations at one of the working sites from the last week of May, 2020 with a limited labour force. The Registered Office of the Company including branch offices have progressively started from third week of May, 2020 with minimum staff strength with due permissions from local authorities in compliance of the directives issued and permissions granted by Central/ State Government(s) Authorities.

**Asit Kumar Labh**

*Practicing Company Secretary*

Place : Kolkata

ACS-32891 / C.P.No. - 14664

Dated : 22.01.2021

UDIN : A032891B002151581

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company sets forth the report on the Corporate Governance on the matters as stated in the said schedule and practices followed by the Company.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Simplex Projects Limited (SPL) believes in the philosophy of Corporate Governance that oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company strives to comply with Corporate Governance practices as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At Simplex Projects Limited we are committed to sustainable and long-term growth of shareholders wealth, without compromising on the ethical and moral principles, generally expected from a corporate organization. The company considers its inherent responsibility to

disclose timely and accurate information regarding its financials performance as well as the leadership and governance of the Company. The Company has adopted revised Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. All the Directors, Key Management Persons, Employees and Connected Persons who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declarations of results and at the occurrence of any material events as per the code.

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2020.

## 2. BOARD OF DIRECTORS

- a) Composition of the Board of Directors:- As on 31st March, 2020, the Board of Directors consists a Non-Executive and Non-Independent Director who is Chairman of the Company as well, a Managing Director who is also CFO of the Company and two Non-Executive Independent Directors.

**The Composition and Category of Directors, attendance of Directors at Board Meetings and Annual General Meeting, number of other Board of Directors or Committees in which a Director is a member or chairperson is shown in following table:-**

| Name of the Directors                          | Category                             | No. of other Directorship held in other public Companies | *No. of committees Membership of other public companies | *No. of committees Membership of other public companies | Committee positions held in the Company |        | No. of Equity Shares held | Relationship with other Director    |
|------------------------------------------------|--------------------------------------|----------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|-----------------------------------------|--------|---------------------------|-------------------------------------|
|                                                |                                      |                                                          |                                                         |                                                         | Chairman                                | Member |                           |                                     |
| Mr. Balkrishan Das Mundhra (DIN:00013125)      | Promoter/Non-Executive/Chairman      | Nil                                                      | Nil                                                     | Nil                                                     | 0                                       | 0      | 425473 (3.38%)            | Father of Mr. Sudarshan Das Mundhra |
| Mr. Sudarshan Das Mundhra (DIN:00013158)       | Promoter/Executive/Managing Director | Nil                                                      | Nil                                                     | Nil                                                     | 0                                       | 0      | 85857 (0.68%)             | Son of Mr. Balkrishan Das Mundhra   |
| Mr. Bhabya Nath Thakur (DIN:005250206)         | Non-Executive Independent Director   | Nil                                                      | Nil                                                     | Nil                                                     | 0                                       | 0      | Nil                       | None                                |
| Mrs. Sagarika Ghosh Chakraborty (DIN:08719309) | Non-Executive Independent Director   | Nil                                                      | Nil                                                     | Nil                                                     | 0                                       | 0      | Nil                       | None                                |

### Notes: -

- Mrs. Sagarika Ghosh Chakraborty (DIN: 08719309) was appointed as an Independent Director w.e.f. 12.03.2020.
- Directorship excludes Private Limited Companies, Foreign Companies and Section 8 Companies.
- Chairmanships/Memberships only include Audit Committee and Stakeholders' Relationship Committee.
- Details of Director(s) retiring or being re-appointed are given in notice to Annual General Meeting.
- None of the Directors of the Company are on the Boards of more than Ten Public Companies /overall Twenty Companies (including Private Limited Companies but excluding Companies incorporated outside India and Companies incorporated under Section 8 of the Companies Act, 2013). Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director.

b) **Directorship in other listed entities:-** Except in Simplex Projects Limited, none of the Directors on the Board holds directorship in any other listed entity.

c) **No. of Board Meetings held and dates on which held:** Nineteen (19) Board Meetings were held during the financial year 2019-20 on 02/04/2019, 09/04/2019,

22/04/2019, 25/04/2019, 02/05/2019 20/05/2019, 29/05/2019, 06/06/2019, 02/07/2019, 12/07/2019, 05/08/2019, 27/08/2019, 09/09/2019, 04/10/2019, 22/10/2019, 06/11/2019, 31/01/2020, 20/02/2020 and 12/03/2020 and the gap between any two Board Meetings did not exceed 120 days.

| Name of the Directors                             | No. of Board Meetings during the financial year |          | Attendance at last year's AGM |
|---------------------------------------------------|-------------------------------------------------|----------|-------------------------------|
|                                                   | Held                                            | Attended |                               |
| Mr. Balkrishan Das Mundhra<br>(DIN:00013125)      | 19                                              | 19       | Yes                           |
| Mr. Sudarshan Das Mundhra<br>(DIN:00013158)       | 19                                              | 19       | Yes                           |
| Mr. Bhabya Nath Thakur<br>(DIN:005250206)         | 19                                              | 19       | No                            |
| Mrs. Sagarika Ghosh Chakraborty<br>(DIN:08719309) | 1                                               | 1        | Yes                           |

**Note:** i) Mrs. Sagarika Ghosh Chakraborty (DIN: 08719309) was appointed as an Independent Director w.e.f. 12.03.2020.

d) **Attendance of each Director at the Board Meetings and the last Annual General Meeting:**

The attendance of each Director at Board Meetings during the financial year 2019-20 and the last Annual General Meeting (AGM) is as under:

e) **Confirmation of Independence by Independent Director:**

All the Independent Directors have confirmed to the Board that they meet the criteria as mentioned under Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Section 149 (6) of the Companies Act, 2013.

f) **Familiarization programme for Independent Director:**

The Company conducts Familiarization programme for the Board Members and particularly for Independent Directors to enable them to be familiarized with the company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. Details of the familiarization programmes are hosted at the Company's website at [https://www.simplexprojects.com/form\\_doc/Familiarization%20Programme%202019-20.pdf](https://www.simplexprojects.com/form_doc/Familiarization%20Programme%202019-20.pdf).

g) **Separate meeting of Independent Director:**

During the year a meeting of the Independent Directors was held on 30th March, 2020. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole. The meeting was attended by all independent directors.

However, Mr. Bhabya Nath Thakur, Independent Director has done performance evaluation of non-independent directors, The Chairman of the Company and the Board

as a whole for the financial year 2019-20. He expressed satisfaction with the quality, quantity and timeliness of flow of information between the Company's management and the Board.

h) **Code of Conduct:**

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. All Directors and designated personnel in the senior management affirmed compliance with the Code for the year under review. The Code of Conduct is posted on the Company's website at [https://www.simplexprojects.com/form\\_doc/1427885642.pdf](https://www.simplexprojects.com/form_doc/1427885642.pdf)

The declaration to this effect, signed by Mr. Sudarshan Das Mundhra, Managing Director is annexed to this report.

i) **Skills/expertise/competencies:**

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board.

Leadership & Strategic Planning, Risk Management, Legal & Regulatory Compliances, Corporate Governance, Proficiency in Finance, Accounting, Administration, Cost Control, Project Planning and Management and relevant industry experience.

In terms of SEBI (LODR), the Company identified the list of core skills/expertise/competencies as is required in the context of the Company's business(es) and sector(s) for it to function effectively and those which are actually available with the Board. The specific areas of skills/expertise/competencies of individual Board members are given hereunder:

| Name of the Directors           | Identified Skill / Knowledge set for Directors |                       |                                                                                |                                             |                             |                    |
|---------------------------------|------------------------------------------------|-----------------------|--------------------------------------------------------------------------------|---------------------------------------------|-----------------------------|--------------------|
|                                 | Leadership Traits                              | Operations Management | Expertise in Engineering and Construction, Infrastructure, Industrial Projects | Strategic Thinking, Planning and Management | Industry Related Experience | General Management |
| Mr. Balkrishan Das Mundhra      | ✓                                              | ✓                     | ✓                                                                              | ✓                                           | ✓                           | ✓                  |
| Mr. Sudarshan Das Mundhra       | ✓                                              | ✓                     | ✓                                                                              | ✓                                           | ✓                           | ✓                  |
| Mr. Bhabya Nath Thakur          | ×                                              | ✓                     | ✓                                                                              | ×                                           | ✓                           | ✓                  |
| Mrs. Sagarika Ghosh Chakraborty | ×                                              | ✓                     | ✓                                                                              | ×                                           | ✓                           | ✓                  |

**j) Prevention of Insider Trading Code:**

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, Key Managerial Personnel, Employees and Connected Persons who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Ms. Sohini Shukla, Company Secretary of the Company as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities.

**3. AUDIT COMMITTEE**

The Audit Committee acts as a link between the Statutory Auditors, the Internal Auditors and the Board of Directors.

**a) Terms of reference of the Audit Committee**

The Audit Committee shall act in accordance with the terms of reference specified under Section 177 of the Companies Act, 2013 (as amended) and as per the provisions of Regulation 18 read with Schedule-II, Part-C of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time) which shall inter alia include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of the Statutory and the Internal Auditors of the company;
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and Auditor's Report thereon

before submission to the board for approval, with particular reference to:-

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by Management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Modified opinions in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
  - Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the company with related parties;
  - Scrutiny of inter-corporate loans and investments;

- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; 18. To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### b) Composition, names of members, Chairman and Attendance of the Audit Committee

As on 31st March, 2020, the Audit Committee comprised of Three Non-Executive Directors out of which two are Independent Directors. The Chairman of the Committee is an Independent Director. Mr. Bhabya Nath Thakur is the Chairman of the Committee and Mr. Balkrishan Das Mundhra and Mrs. Sagarika Ghosh Chakraborty are the other two Members of the Committee. The members of the Committee are financially literate and have accounting and financial management expertise.

In view of resignations of Independent Directors of the Company during the previous year and recent year the composition of the Committee has been affected.

The meetings are usually held at the Registered Office of the Company in Kolkata and are also attended by senior Company Executives and Statutory Auditors. The quorum for the Audit Committee Meetings is Two Members. The Company Secretary acts as Secretary to the Committee. The Chairman of audit committee was present at the previous Annual General Meeting of the Company

During the FY 2019-20, Six meetings of the Audit committee were held on 09/04/2019, 20/05/2019, 05/08/2019, 09/09/2019, 22/10/2019 and 31/01/2020. The maximum time gap between the two consecutive meetings was less than 120 days.

The Composition of the Audit Committee with names of members, Chairman and the details of Meetings attended during the Year 2019-2020 are as follows:

| Sl. No. | Name of the Directors                          | Designation | Category                           | No. of Meetings Held | No. of Meetings Attended |
|---------|------------------------------------------------|-------------|------------------------------------|----------------------|--------------------------|
| 1.      | Mr. Bhabya Nath Thakur (DIN:005250206)         | Chairman    | Non-Executive Independent Director | 6                    | 6                        |
| 2.      | Mrs. Sagarika Ghosh Chakraborty (DIN:08719309) | Member      | Non-Executive Independent Director | 0                    | 0                        |
| 3.      | Mr. Balkrishan Das Mundhra (DIN:00013125)      | Member      | Non-Executive Director             | 6                    | 6                        |
| 4.      | Mr. Sudarshan Das Mundhra                      | Member      | Executive Director                 | 6                    | 6                        |

**Note:** i) Mrs. Sagarika Ghosh Chakraborty (DIN: 08719309) was inducted in the Committee w.e.f. 12.03.2020.

#### 4. NOMINATION & REMUNERATION COMMITTEE

The Company has in place its Nomination and Remuneration Committee in line with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### a) Terms of reference of the Nomination and Remuneration Committee

The Nomination & Remuneration Committee shall act in accordance with the terms of reference specified under Section 178 of the Companies Act, 2013 (as amended) and as per the provisions of

Regulation 19 read with Schedule-II, Part-D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) which shall inter-alia includes the following:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors and various Committees of the Board.
- Devising policy on diversity of Board of Directors.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

- Perform such other duties and responsibilities as may be consistent with the provisions of the Committee charter.

**b) Composition, names of members, Chairman and Attendance of the Nomination and Remuneration Committee**

As on 31st March, 2020, the Nomination and Remuneration Committee comprised of Three Non-Executive Directors Mr. Bhabya Nath Thakur Chairman of the Committee ,Mr.Balkrishan Das Mundhra and Mrs Sagarika Ghosh Chakraborty Members of the Committee. The Chairman of the Committee is an Independent Director The Chairman of audit committee was present at the previous Annual Genereal Meeting of the Company During the FY 2019-20, two meetings of the Nomination and Remuneration committee were held on 06/11/2019 and 12/03/2020.

The Composition of the Nomination and Remuneration Committee with names of members, Chairman and the details of Meetings attended during the Year 2019- 2020 are as follows: Regulations, 2015, (as amended) which shall inter-alia includes the following:-

| Sl. No. | Name of the Directors                          | Designation | Category                           | No. of Meetings Held | No. of Meetings Attended |
|---------|------------------------------------------------|-------------|------------------------------------|----------------------|--------------------------|
| 1.      | Mr. Bhabya Nath Thakur (DIN:005250206)         | Chairman    | Non-Executive Independent Director | 2                    | 2                        |
| 2.      | Mrs. Sagarika Ghosh Chakraborty (DIN:08719309) | Member      | Non-Executive Independent Director | 1                    | 1                        |
| 3.      | Mr. Balkrishan Das Mundhra (DIN:00013125)      | Member      | Non-Executive Director             | 2                    | 2                        |

**Note:** i) Mrs. Sagarika Ghosh Chakraborty (DIN: 08719309) was inducted in the Committee w.e.f. 12.03.2020.

**c) Performance Evaluation**

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (as amended) and the Guidance Note issued by SEBI in this regard, the annual performance evaluation of the Directors including Chairman, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out with an objective to improve the effectiveness of the Board and its Committees.

A structured questionnaire covering various aspects such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared based on the Guidance note Issued by SEBI dated 05.01.2017.

The Performance evaluation of Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

Some of the specific issues and questions that are considered in the performance evaluation of an Independent Director are set out below:-

- Attendance and participation in the board and committee meetings and timely inputs on the minutes of the meetings, including Resolutions passed by Circulation.
- Adherence to the ethical standards & code of conduct of the Company and disclosure of non-independence, as and when it arises and disclosure of interest.
- Effective deployment of knowledge and constructive contribution to the issues being discussed at meetings.



- Effective management of interpersonal relationship with other directors, management and various stakeholders.
- Maintenance of integrity and confidentiality of the matters discussed at the meetings.
- Understanding the internal and external environment in which the Company operates and contribution to strategic decision making.
- Understanding the internal and external environment in which the Company operates and contribution to strategic decision making.
- Safeguarding the interest of whistle-blowers under the Vigil Mechanism.

## 5. REMUNERATION OF DIRECTORS

### a) Nomination and Remuneration Policy

In terms of Section 178 of the Companies Act, 2013 and pursuant to Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has been constituted to determine and review remuneration payable to Directors, Key Managerial Personnel, and other Employees of the Company, based on their performance and vis-à-vis with the performance of the Company on defined assessment parameters and

Details of the sitting fees paid to the Non-executive Directors during the year 2019-20 are as under:

| Sl. No. | Name of the Directors            | Sitting Fees paid (Rs.) |
|---------|----------------------------------|-------------------------|
| 1.      | Mr. Bhabya Nath Thakur           | 42028/-                 |
| 2.      | Mrs. Sagarika Ghosh Chakraborty* | 3002/-                  |

\* Mrs. Sagarika Ghosh Chakraborty (DIN: 08719309) was inducted in the Committee w.e.f. 12.03.2020.

#### Notes: -

- Non-Executive Directors are paid sitting fees of Rs. 1501/- for every Board and Committee Meeting.
- The annual remuneration payable to any single non-executive director does not exceed fifty per cent of the total annual remuneration paid to all non-executive directors.
- The Company has not granted any Employee Stock Option to its Non-Executive Directors.

- d) **Remuneration paid to Executive Directors:** The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Executive Directors. While determining the remuneration of the Executive Directors and the Key Managerial Personnel, the Board, on the recommendation of the Nomination & Remuneration Committee, considers the following factors:

recommends to the Board, the remuneration terms to the Executive Directors within the prescribed limits as approved by the shareholders in the general meeting and as per applicable provisions of the Companies Act, 2013. Further, the Company has formulated Nomination and Remuneration Policy that provides for criteria and qualifications for appointment of Directors, Key Managerial Personnel and Senior Management Personnel, remuneration payable to them, Board diversity etc. Nomination & Remuneration Policy has been uploaded on the website of the Company at [https://www.simplexprojects.com/form\\_doc/1434544192.pdf](https://www.simplexprojects.com/form_doc/1434544192.pdf).

- b) **Pecuniary relationship or transactions of Non-Executive Directors:** During the year under review, there was no pecuniary relationship or transactions between the Company and its Non-Executive Directors apart from sitting fees for attending the Board and Committee meetings of the Company.

- c) **Remuneration/Sitting fees paid to Non-Executive Directors:** The Non-executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees which are within the limits laid down by the Companies Act, 2013 read with Rules made thereunder.

- Existing remuneration drawn by the candidate
  - Industry standards, if the data in this regard is available
  - The nature and extent of job description
  - Qualifications and experience level of the candidate
- The remuneration paid to Executive Directors of the Company is in compliance with Provisions stipulated in Companies Act, 2013 and rules made thereunder.

Details of the remuneration paid to Executive Directors during the year 2019-20 are as under:

(Rs. in Lacs)

| S. No. | Name of the Directors                                  | Salary | Medical | Other Perquisites | Total |
|--------|--------------------------------------------------------|--------|---------|-------------------|-------|
| 1.     | Mr. Sudarshan Das Mundhra<br>(Managing Director & CFO) | 15.43  | .77     | 3.17              | 19.37 |

**Notes:-** (i) The Company has not granted any Employee Stock Option to its Executive Directors.

- (ii) The appointment of Managing Director is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. The terms of employment of Mr. Sudarshan Das Mundhra, Managing Director, stipulate a severance notice of two months on either side.
- (iii) The annual remuneration paid to any promoter executive director does not exceed Rs. 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is of the Company is constituted in accordance with Section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

### a) Terms of reference of the Stakeholders' Relationship Committee

The terms of reference of the Stakeholders Relationship Committee is made in accordance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the committee is to consider, monitor and resolve the grievances of shareholders, debenture holders and other security holders of the Company including complaints related to transfer transfers/transposition/transmission of shares, non-receipt of annual report and non-receipt of declared dividends. The Committee also looks into issues including status of dematerialization/

rematerialization of shares and issue of duplicate share certificates and tracks investor complaints and suggests measures for improvement from time to time.

The Company Secretary places before the Board the status of various complaints received by the Committee at every Board meeting.

### b) Composition, names of members, Chairman and Attendance of the Stakeholders' Relationship Committee

As on 31st March, 2020, the Stakeholders' Relationship Committee comprised of three members of which two are Non-Executive Directors and one is Executive Director. The Chairman was present at Previous Annual General Meeting.

During the FY 2019-20, the Stakeholders' Relationship committee meeting were held on 06/11/2019.

The Composition of the Stakeholders' Relationship Committee with names of members, Chairman and the details of Meetings attended during the Year 2019-2020 are as follows:

| Sl. No. | Name of the Directors                             | Designation | Category                           | No. of Meetings Held | No. of Meetings Attended |
|---------|---------------------------------------------------|-------------|------------------------------------|----------------------|--------------------------|
| 1.      | Mr. Bhabya Nath Thakur<br>(DIN:005250206)         | Chairman    | Non-Executive Independent Director | 1                    | 1                        |
| 2.      | Mr. Sudarshan Das Mundhra<br>(DIN:00013158)       | Member      | Executive Director                 | 1                    | 1                        |
| 3.      | Mr. Balkrishan Das Mundhra<br>(DIN:00013125)      | Member      | Non-Executive Director             | 1                    | 1                        |
| 4.      | Mrs. Sagarika Ghosh Chakraborty<br>(DIN:08719309) | Member      | Non-Executive Independent Director | 0                    | 0                        |

## Notes :-

### c) Name and designation of Compliance Officer

Ms. Sohini Shukla, Company Secretary  
Address: 12/1, Nellie Sengupta Sarani, Kolkata-700087

d) Phone: 033-22527231

e) Email id: secretarial@simplexprojects.com

### f) Complaints from Investors

During the year under review, the Company had received Nil complaints from the investors and there were no investor complaints pending as on 31st March 2019.

## 7. RISK MANAGEMENT COMMITTEE

In accordance with the provisions of Regulation 21 of the Listing Regulations provides that the requirement to constitute Risk Management Committee shall be applicable to top 100 listed entities determined on the basis of market capitalisation as at

the end of immediate previous financial year. Under the Listing Regulation the Company needs not to constitute a Risk Management Committee however Board has constituted it to oversee tangible threats to the overall growth prospects of company.

The committee analysis the prospective opportunities and threats to the Company and forwards it's reports to the Board of Directors to take proactive actions. The Policy of the Company on risk management is provided at [http://www.simplexprojects.com/form\\_doc/1433929235.pdf](http://www.simplexprojects.com/form_doc/1433929235.pdf)

## 8. GENERAL BODY MEETINGS

### a) Location, Date and time for the last three Annual General Meetings (AGMs):

| Financial Year | Date of AGM | Time     | Venue                                                                                                               |
|----------------|-------------|----------|---------------------------------------------------------------------------------------------------------------------|
| 2018-19        | 18.12.2020  | 03.30 PM | Through video conferencing mode at Registered Office (deemed venue) at 12/1, Nellie Sengupta Sarani, Kolkata-700087 |
| 2017-18        | 27.08.2019  | 11:00 AM | Uttam Manch, 10/1/1, Manohar Pukur Road, Hazra, Kolkata-700026                                                      |
| 2016-17        | 25.09.2017  | 11:00 AM | Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020                                                                |

### b) Special Resolutions passed at last three Annual General Meetings (AGMs):

| Financial Year | Special Resolutions passed                                                                                                                                                                                                                                                                                                                                                                         |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2018-19        | 1. Approval for re-appointment of Mr. Sudarshan Das Mundhra (DIN: 00013158) as Managing Director for a period of 1 years from October 1, 2020 to September 30, 2021.                                                                                                                                                                                                                               |
| 2017-18        | 1. Approval for re-appointment of Mr. Sudarshan Das Mundhra (DIN:00013158) as a Whole-time Director of the Company from October 1, 2017 to July 13, 2018 and appointment as Managing Director from July 14, 2018 to September,30, 2020.<br>2. Approval of the re-appointment of Mr. Jai Kishan Bagri (DIN:00268722) as a Whole-time Director of the Company from October 1, 2017 to March 19, 2018 |
| 2016-17        | No special Resolution was passed in the meeting.                                                                                                                                                                                                                                                                                                                                                   |

### c) Passing of Resolution by Postal Ballot:-

During the year, no resolution was passed through postal ballot under the provisions of the Companies Act, 2013.

Further there is no item on the agenda that needs approval by Postal Ballot at the forthcoming Annual General Meeting No resolution is proposed to be passed through postal ballot.

## 9. MEANS OF COMMUNICATION

- Financial Results:-** The Company communicates the quarterly financial results to the Stock Exchanges immediately after its approval by the Board. Quarterly Financial Results are published in leading newspapers of India which include one English daily newspaper (Financial Express) and one regional language newspaper (Arthik lipi) within 48 hours of declaration thereof. The Company also submits its financial results to the Stock Exchanges on which the securities of the Company are listed i.e. National Stock Exchange of India Limited and BSE Limited. The Company's results are also displayed on the Company's website at [www.simplexprojects.com](http://www.simplexprojects.com).
- Annual Report:-** The main channel of communication to the shareholders is through the annual report which inter alia includes the Directors' Report, Auditors' Report, Audited Annual Accounts, 'Management Discussion and Analysis Report, the Secretarial Audit Report, Special Initiatives and Shareholders Information. The Annual Report of previous years is also available on Company's website.
- Website:-** The Company's website [www.simplexprojects.com](http://www.simplexprojects.com) contains comprehensive information about the Company. There is separate section for investors wherein annual reports, quarterly/half yearly financial results, notices, shareholding patterns, policies among others are available for reference or download.
- News Release and presentation:-** The press releases and official news, as applicable, are sent to the stock exchanges and also displayed on the website of the Company.
- Presentations made to institutional investors or to the analysts:** All price sensitive information is promptly intimated to the stock exchanges before releasing to the media, other stakeholders and uploading on Company's website.

## 10. GENERAL SHAREHOLDERS' INFORMATION

(a) **Day, date and time of 30th Annual General Meeting:-**

30th Annual General Meeting of Members of the Company is scheduled to be held on Saturday the 18th September at 2 P.M through video conferencing or Other Audio Visual Means only as per the General Circulars dated April 8,2020 and April 13,2020 issued by the Ministry of Corporate Affairs.

(b) **Financial year:-** 1st April to 31st March

(c) **Financial calendar (Tentative) for the Financial Year 2020-21:**

|                             |                                |
|-----------------------------|--------------------------------|
| [i] 1st Quarterly results   | On or before August 14, 2020   |
| [ii] 2nd Quarterly results  | On or before November 14, 2020 |
| [iii] 3rd Quarterly results | On or before February 14, 2021 |
| [iv] 4th Quarterly results  | On or before May 30, 2021      |

(d) **Book Closure Date:-**

Sunday 12th September to Saturday 18th September 2021 (both days inclusive).

(e) **Dividend Payment Date:-**

No Dividend is recommended for F.Y. 2019-20.

(f) **Listing on Stock Exchange:-**

The Equity shares of the Company are presently listed on the following Stock Exchanges:

| Name of Stock Exchanges                        | Address                                                                                                 |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| BSE Limited (BSE)                              | P. J. Towers, Dalal Street, Mumbai 400 001                                                              |
| National Stock Exchange of India Limited (NSE) | Exchange Plaza, 5th Floor, Plot no. C / 1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. |
| ISIN Number                                    | INE 898501018                                                                                           |

Listing fees to the Stock Exchanges for the financial year 2019-20 yet to be paid by the Company.

(g) **Stock code Equity shares:-**

Stock codes BSE Limited (BSE): 532877, National Stock Exchange of India Limited (NSE): SIMPLEX EQ

(h) **The monthly High and Low stock quotations during the year under review and performance in comparison to SENSEX (BSE) and NIFTY (NSE) are given below year 2018-19:-**

(i) **BSE Ltd.**

| Month          | High (Rs.) | Low (Rs.) | Sensex    |           | No. of Shares Traded |
|----------------|------------|-----------|-----------|-----------|----------------------|
|                |            |           | High      | Low       |                      |
| April 2019     | 12.54      | 11.92     | 39,487.45 | 38,480.65 | 300                  |
| May 2019       | -          | -         | 40,124.96 | 36,956.10 | --                   |
| June 2019      | 11.33      | 11.33     | 40,312.07 | 38,870.96 | 1100                 |
| July 2019      | -          | -         | -         | -         | -                    |
| August 2019    | -          | -         | -         | -         | -                    |
| September 2019 | -          | -         | -         | -         | -                    |
| October 2019   | -          | -         | -         | -         | -                    |
| November 2019  | -          | -         | -         | -         | -                    |
| December 2019  | -          | -         | -         | -         | -                    |
| January 2020   | -          | -         | -         | -         | -                    |
| February 2020  | -          | -         | -         | -         | -                    |
| March 2020     | -          | -         | -         | -         | -                    |

(ii) **National Stock Exchange of India Ltd.**

| Month          | High (Rs.) | Low (Rs.) | Nifty     |           | No. of Shares Traded |
|----------------|------------|-----------|-----------|-----------|----------------------|
|                |            |           | High      | Low       |                      |
| April 2019     | 8.00       | 6.60      | 11,856.15 | 11,549.10 | 7000                 |
| May 2019       | 6.30       | 5.70      | 12,041.15 | 11,108.30 | 2000                 |
| June 2019      | 5.45       | 5.20      | 12,103.05 | 11,625.10 | 1000                 |
| July 2019      | -          | -         | -         | -         | -                    |
| August 2019    | -          | -         | -         | -         | -                    |
| September 2019 | -          | -         | -         | -         | -                    |
| October 2019   | -          | -         | -         | -         | -                    |
| November 2019  | -          | -         | -         | -         | -                    |
| December 2019  | -          | -         | -         | -         | -                    |
| January 2020   | -          | -         | -         | -         | -                    |
| February 2020  | -          | -         | -         | -         | -                    |
| March 2020     | -          | -         | -         | -         | -                    |

\*BSE and NSE have suspended trading in securities of the Company w.e.f. 26.11.2018.

\*15 Days after the Suspension has been effected, trading in the shares of non-complaint Company would be allowed on trade for trade basis in (Series "BZ") on the first trading day of every week for six months.

(i) **Registrar & Share Transfer Agents:**

**M/s Cameo Corporate Services Limited,**

"Subramanian Building" 1, Club House Road, Chennai 600002

Tel: +91- 44 2846 0390/ 2252 0464

Fax: +91- 44 2846 0129

(j) **Share Transfer System:**

The Share transfer is processed by the Registrar & Share Transfer SEBI vide its Circular dated June 8, 2018 effective from April 01, 2019, mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Any investor who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized. However this does not prohibit the investor from holding the shares in physical form and investor has the option of holding shares in physical form even after April 01, 2019. The Company appointed M/s. Cameo Corporate Services Limited as common Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the Securities of the Company.

(k) **Distribution of Shareholding as on 31st March, 2020:**

| Category (Amount)  | No. of Shareholders | Percentage (%) to total | Total No. of Shares | Percentage (%) to total |
|--------------------|---------------------|-------------------------|---------------------|-------------------------|
| 1 - 5000           | 6164                | 85.4212                 | 5583690             | 4.4313                  |
| 5001 - 10000       | 462                 | 6.4024                  | 3885620             | 3.0837                  |
| 10001 - 20000      | 303                 | 4.1990                  | 4811760             | 3.8187                  |
| 20001 - 30000      | 88                  | 1.2195                  | 2277360             | 1.8073                  |
| 30001 - 40000      | 46                  | 0.6374                  | 1637470             | 1.2995                  |
| 40001 - 50000      | 33                  | 0.4573                  | 1587830             | 1.2601                  |
| 50001 - 100000     | 60                  | 0.8314                  | 4507700             | 3.5774                  |
| 100001 - And Above | 60                  | 0.8314                  | 101712350           | 80.7216                 |
| <b>Total :</b>     | <b>7216</b>         | <b>100</b>              | <b>12600378</b>     | <b>100</b>              |

(j) **Shareholding pattern as on 31st March, 2019:**

| Category                        | No. of Shareholders | Total No. of Shares held | Percentage (%) to Equity |
|---------------------------------|---------------------|--------------------------|--------------------------|
| <b>Promoters Shareholdings:</b> |                     |                          |                          |
| Directors & their relatives     | 6                   | 764187                   | 6.06                     |
| Bodies Corporate                | 4                   | 6324604                  | 50.19                    |
| <b>Public Shareholdings:</b>    |                     |                          |                          |
| <b>Non-Institutions</b>         |                     |                          |                          |
| Bodies Corporate                | 74                  | 1387486                  | 11.01                    |
| Individuals                     | 6828                | 4050410                  | 32.14                    |
| NRIs                            | 66                  | 73691                    | 0.58                     |
| <b>Total</b>                    | <b>7167</b>         | <b>12600378</b>          | <b>100</b>               |

(k) **Dematerialization of Shares & Liquidity:**

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 31st March 2020, 99.99% of the paid-up share capital of the Company was held in dematerialized form.

Shares held in Physical and Dematerialized Form as on 31st March 2020:-

| Category     | No. of Shareholders | No. of Shares   | Percentage (%) |
|--------------|---------------------|-----------------|----------------|
| PHYSICAL     | 14                  | 135             | 0.00           |
| NSDL         | 4380                | 9331419         | 74.05          |
| CDSL         | 2822                | 3268824         | 25.95          |
| <b>TOTAL</b> | <b>7167</b>         | <b>12600378</b> | <b>100</b>     |

(l) **Outstanding GDRs / ADRs / Warrants / any other convertible instruments:**

The Company does not have any outstanding instruments of the captioned type.

(m) **Pledge of Equity Shares:**

The promoter of the Company have pledged 2124839 (16.86%) equity shares of the Company held by them as on 31st March, 2020. The aggregate shareholding of the Promoters and persons belonging to Promoters and Promoters Group as on 31st March, 2020 comprised of 7088791 Equity Shares representing 56.25% of the Paid up Equity Share Capital of the Company.

(n) **Plant Locations:**

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 Kuwait.

- (o) **Address for correspondence:** Simplex Projects Limited  
12/1, Nellie Sengupta Sarani,  
Kolkata 700 087.  
Tel: + 91-33-2252 4125/ 7900  
Fax: + 91-33-2252 8013

**11. 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 details of the transactions with the related parties are given in notes to the Financial Statements. The Company has formulated Policy on Related Party Transactions which is available on the website of the Company at [http://www.simplexprojects.com/form\\_doc/1416907473.pdf](http://www.simplexprojects.com/form_doc/1416907473.pdf)

**b) Accounting treatment in preparation of financial statements**

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, read with relevant rules thereunder.

**c) Total Fees paid to the statutory auditors for all services received by the Company and its subsidiaries, on a consolidated basis**

The details of payment made to them on consolidated basis are available under Notes to the Financial Statement.

**d) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

**e) There was no such instance during the financial year 2019-20 when the board had not accepted any recommendation of any Committee of the Board.**

**f) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). - Not Applicable.**

**g) The Company has not paid Listing Fees to Stock Exchanges for 2019-20.**

**h) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years as follows :**

| F.Y.    | Authority | Particulars                               | Fine amount (Rs.) |
|---------|-----------|-------------------------------------------|-------------------|
| 2018-19 | BSE       | For late submission of financial results. | 16,30,000         |
|         | NSE       | For late submission of financial results. | 8,05,000          |
| 2017-18 | BSE       | For late submission of financial results. | 11,73,000         |
|         | NSE       | For late submission of financial results. | 13,82,002         |
| 2016-17 | BSE       | For late submission of financial results. | 2,82,900          |
|         | NSE       | For late submission of financial results. | 2,06,004          |

**i) Vigil Mechanism / Whistle Blower Policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a Whistle Blower Policy/Vigil Mechanism wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups Whistle Blower policy/Vigil Mechanism, has been made available on the website of the Company at [http://www.simplexprojects.com/form\\_doc/1402298207.pdf](http://www.simplexprojects.com/form_doc/1402298207.pdf).

None of the personnel of the Company has been denied access to Chairman of Audit Committee.

**j) Risk Management**

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

**k) Material Subsidiary Policy**

During the period under review, Simplex Agri Infra Services Private Limited ceased to be subsidiary w.e.f. 14.01.2020.

The Company's policy for determining 'material' subsidiaries has been disclosed on the website of the Company at [http://www.simplexprojects.com/form\\_doc/1428732078.pdf](http://www.simplexprojects.com/form_doc/1428732078.pdf).

**l) Certificate from Company Secretary in Practice certifying the eligibility of the Directors**

Certificate from Mr. A. K. Labh, Company Secretary in Practice, having ICSI Membership No. F4848, C.P. No. 3238, certifying that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by The Securities and Exchange Board of India, Ministry of Corporate Affairs and/ or any such statutory authority, is enclosed as Annexure to this Report on Corporate Governance.

- m) As per disclosures received from Senior Management Personnel, they have not entered into any material, financial or commercial transactions which may have a potential conflict with interests of the Company at large.
- n) The Board of Directors has confirmed that in their opinion the Independent Directors fulfill the conditions specified in SEBI (LODR) and are independent of the Management.
- o) A certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Director of any Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority has been obtained from a Company Secretary in Practice which forms part of this Report.
- p) Disclosure regarding commodity price risk or foreign exchange risk and hedging activities to be provided.
- q) **Adoption of Discretionary requirements**

The Internal Auditor of the Company is appointed on the recommendation of the Audit Committee and is given the opportunity to report directly to the Committee.

The Company prepares half-yearly Financial Statements for six months ended September 30, every year. The same is forwarded to the Stock Exchange(s), published in newspapers and also displayed on the Company's website. Accordingly, it does not envisage sending the same separately.

This Annual Report has a detailed section on Management Discussion and Analysis.

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

I, Sudarshan Das Mundhra, Managing Director & CFO of Simplex Projects Limited, do hereby declare that all the Board Members and Senior Management Personnel as required by Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have affirmed their compliance on annual basis with the Code of Conduct and Ethics for the year ended 31st March, 2020.

For SIMPLEX PROJECTS LIMITED

Place : Kolkata

Date : 22nd January, 2021

**Sudarshan Das Mundhra**

*Managing Director & CFO*  
(DIN - 00013158)

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER  
(CFO) PURSUANT TO REGULATION 17(8) OF SEBI LISTING REGULATIONS**

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

Dear Sirs,

I, the undersigned, in my capacity as Managing Director & CFO of the M/s. Simplex Projects Limited ("the Company") certify that,

- A.** I have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief-
- (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.** There are, to the best of our knowledge and belief, 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 the 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 and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we 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**

**Sudarshan Das Mundhra**  
*Managing Director & CFO*  
(DIN 00013158)

Date: 22nd January, 2021  
Place: Kolkata



To the Members of

**SIMPLEX PROJECTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Simplex Projects Limited ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the year ended 31.03.2020.

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 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations except:

1. *The Company had less number of Independent Directors (ID) on the Board during the financial year till 12th March, 2020. There has been a gap of more than 3 months in appointment of requisite number of Independent Director.*
2. *The Company did not have any woman Director on the Board during the financial year till 12th March, 2020. There has been a gap of more than 3 months in appointment of Woman Director.*
3. *The composition of Audit Committee was not in accordance with Regulation 18 of the Listing Regulations during the financial year till 12th March, 2020. However, post appointment of Independent Director w.e.f. 12th March, 2020, the composition of the Audit Committee is in accordance with the relevant provisions of the Listing Regulations as on 31st March, 2020.*
4. *The composition of Nomination and Remuneration Committee was not in accordance with Regulation 19 of the Listing Regulations during the financial year till 12th March, 2020. However, post appointment of Independent Director w.e.f. 12th March, 2020, the composition of the Audit Committee is in accordance with the relevant provisions of the Listing Regulations as on 31st March, 2020.*
5. *There was delay in approval of Financial Results and submission of the same to the Stock Exchange for the following periods:*
  - a. *Audited Results for the quarter and financial year ended 31.03.2019;*
  - b. *Unaudited Financial Results and Limited Review Reports for the quarter ended 30.06.2019, 30.09.2019, 31.12.2019 and Audited Financial Results for Quarter and Financial Year ended 31.03.2020.*
6. *While submitting the Audited Financial Results for the year ended 31.03.2019 with the Stock Exchanges, the Company has not given declaration whether the auditors' report was qualified or unqualified.*
7. *Annual Secretarial Compliance under Reg. 24A of the Listing Regulations, for the Financial Year ended 31.03.2019 was not submitted with the Stock Exchanges within the stipulated time.*
8. *The Company had not submitted half yearly disclosures under Reg. 23(9) of SEBI (LODR) Regulations, 2015 with respect to related party transactions.*
9. *The Company has received Show Cause Notice for delisting of shares and also pending penalties for various non-compliances and violations of SEBI (LODR) Regulations, 2015 for which the reply has been submitted by the Company. However, no fines / penalties levied on the Company has been cleared off till date.*
10. *The Company has not paid Listing Fees to Stock Exchanges for F.Y. 2019-20.*
11. *The Company's shares have been transferred to "Z" category w.e.f. 25.09.2018 by BSE and NSE for continuous default with respect to approval of Financial Results for two consecutive quarters.*
12. *Promoters' shareholding has been frozen by BSE and NSE w.e.f. 02.11.2018.*
13. *BSE and NSE have suspended trading in securities of the Company w.e.f. 26.11.2018.*

We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A. K. Labh & Co.**

Company Secretaries

**CS A. K. Labh**

Practicing Company Secretary

FCS - 4848 / CP No - 3238

UDIN : F004848B002150871

Place: Kolkata

Date : 22.01.2021

## Introduction

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.

## Macroeconomic Review

The estimates for FY2020 released by the Central Statistics Office (CSO) in May 2020 put India's real gross domestic product (GDP) growth rate at 4.2% compared to 6.1% for FY2019 the lowest since FY2009. In fact, last year CSO had reported FY2019 growth estimate at 7.2%, which was revised

downwards to 6.1%. The GDP growth decelerated consecutively for the five quarters with Q4, FY2020 at 3.1% - the lowest since 2004. The CSO also revised downwards growth estimates of the preceding three quarters for FY2020. The revision confirmed fears of a deeper economic slowdown that existed prior to COVID-19's impact on the economy. Sharp growth deceleration during FY2020 reflected the impact of the recession in the manufacturing and construction sectors and further weakening of private consumption demand, which grew only by 5.3% during FY2020, as against 7.2% in FY2019. The marginal rise in government expenditure was not enough to compensate for overall weak demand.

On the GDP growth front, the worst is yet to come. Core sector industries contracted 38% in April and are expected to worsen. For the first time in decades, the economy is predicted to contract, with some forecasts predicting a staggering 5% decline in FY2021 due to the unprecedented crisis brought on by COVID-19. By global standards, India's lockdown has been among the longest and most strict. The International Monetary Fund (IMF) in its latest World Economic Outlook update pared down India's GDP forecast to negative 4.5% in FY2021 compared to its projection of 1.9% growth made in April. The sharp forecast revision is due to a prolonged lockdown and slower recovery than anticipated in April with factors such as social distancing, etc. affecting both demand and supply side of economic activity.

The government has responded to the recessionary challenge by announcing a large stimulus package of Rs. 20.9 lakh crore or 10% of the nominal GDP. While providing

support to various targeted segments, such as MSMEs, banking, trade, farmers, and so on, the stimulus package also aimed at reforms in select segments to make India 'self-reliant' as articulated by the PM. The reform measures included an easing of limits on foreign direct investment in defense manufacturing, privatization of six more airports, opening of more air space, and allowing the private sector in commercial coal mining. State governments such as in MP, UP and Karnataka have also announced reforms in land and labour laws to attract business investment.

While the intent of the stimulus package is laudable, many experts remain sceptical as the package implies limited direct public spending. The package has a large monetary component

(Rs. 8 lakh crore) in the form of extra liquidity through reductions in cash reserve ratio and repo rate by the RBI and push for lending by the banking system. The RBI measures alone are expected to release Rs.3.75 lakh crore of additional liquidity in the system. However, in a scenario where the non-food credit continues to be sluggish and risk-averse banks continue to park Rs.5.2 lakh crore funds with RBI (figure as on mid-May 2020), this additional liquidity may not result in the revival of output growth and employment.

The Rs.3 lakh crore collateral free and automatic loans for businesses including micro, small and medium enterprises, are expected to help this segment. Under this, businesses with borrowings of up to Rs.25 crore and turnover of up to Rs.100 crore would be able to borrow up to Rs.5 crore additionally.

Further Rs.2.4 lakh crore is provided for MSMEs, NBFCs, electricity distribution companies, etc. No doubt, some of these measures would help MSME activities, however, the stimulus leaves scant relief to a large part of the industry, which was already reeling under recessionary pressures well before COVID-19 related disruptions.

Any consequent additional borrowings to finance government expenditure in a lower growth environment would maintain upward pressure on interest rates, inflation rate and could result in depreciation of the rupee. Already, retail inflation, measured by the year-on-year change in the Consumer Price Index (CPI), rose to 5.84% in March 2020 compared to 2.86% in March 2019, signalling the presence of inflationary pressures. It remains to be seen how the Indian economy fares amidst recession the world has seen since World War II. The latest IMF report estimates World GDP to contract by 4.9% and global trade volume by 11.9% in 2020. The report is optimistic about a GDP growth recovery in 2021 to about 5.4%, predicated on the spread of the virus and timing for a vaccine.

Infrastructure Plan, the COVID-19 pandemic hit the global economy in March 2020. In India, the lockdowns and their extensions, which have been among the most stringent in the world, had a triple whammy effect on the Construction Industry due to: a) Stoppage of all Project execution activity; b) Slowdown in fresh orders; c) Compounding of working capital woes of the industry.

Though Government has announced that COVID-19 will be treated as Force Majeure and accordingly, project duration

will be suitably extended to account for these delays, project execution in near term is likely to face problems on account of labour shortage, supply change disruption, onset of monsoons and liquidity issues hampering project re-mobilisation. The industry will require working capital support and swift reimbursements from Clients, without which normalisation of activity will be hampered.

#### India's Construction and Infrastructure Sector

Construction is the third largest sector in India, next only to agriculture and services. It accounts for 8% of India's GDP and offers direct and indirect employment for nearly 40 million people. India is also among the fastest growing economies in the world with a growth rate of 6.8% in 2018 and 6.1% in 2019.

Though the economy has experienced slowdown in 2019, India has a huge demand for Infrastructure projects in Power, Roads, Railways, Ports, Airports, Water Supply & Irrigation. The Government of India has announced several Infrastructure Development programs such as Bharatmala, Sagarmala, Smart Cities, Housing for all etc. to strengthen the country's infrastructure. Budgetary allocations to the sector have also been increased over the years to support infrastructure led growth in India. Investments in Infrastructure totalled Rs.24 lakh crore in the 11th five-year plan (FY2007-12) and Rs.36 lakh crore in the 12th five-year plan (FY2012-17). Investments of Rs.10.2 lakh crore and Rs.10 lakh crore were made in fiscal years FY18 and FY19, respectively. Power, Roads, Railways, Water Supply & Irrigation were the main beneficiaries of this investment.

Despite higher budget allocations and investments, the sector has been facing significant challenges on account of land acquisition, MOEF clearances, conflicts between central & state acquisition, MOEF clearances, conflicts between central & state and dispute resolution bottlenecks, especially mechanical challenges of arbitration payments stuck in courts for years have stretched the balance sheets of almost all companies in the Sector.

Consequently, these unresolved legacy issues coupled with the inability of the banking system and regulatory bodies to structure flexible solutions have resulted in a vicious cycle of further systemic stress leading to a heightened risk aversion by financial institutions to fund infrastructure projects in the country. This is one the largest bottlenecks the construction sector faces today.

Over a period, Government of India has been focusing on reforms and laws to improve the regulatory framework and speed up dispute resolution. GOI has brought about important amendments in Arbitration Act and announced initiatives through the Cabinet Committee on Economic Affairs (CCEA) to address the issue being faced by the Contracting community.

Though these changes have given some relief to the Industry, the regulatory framework needs to ensure much swifter measures for contract enforcement and dispute resolution. This will in turn attract greater and less expensive financing that will address the huge infrastructure gap being faced by the nation.

Government of India has set a target to become a \$5 trillion (Rs.375 lakh crore) economy by 2025. It is estimated

that India would need to spend \$4.5 trillion (Rs.338 lakh crore) on infrastructure by 2030 to realise the vision of a \$5 trillion economy by 2025.

Construction halt, revocation of toll collection, labour crunch and severe working capital pressure these nightmares for any infrastructure company have now become a reality. The infrastructure sector is one of the worst-hit on account of COVID-19.

The Infrastructure Sector recovery in FY21 will be slow and is expected to be visible from Q3 onwards. While calculating earnings, downgrade of COVID-19 remains challenging, but FY21 revenue estimates to (-)10 % year on year (YoY) revenue decline for all companies and a 100-150bps YoY fall in margins for all in FY21.

The more imminent challenge for the construction players remains working capital management. In the wake of COVID-19 pandemic, the focus of state and central Govt has shifted to the welfare of citizens and health care measures, hence infrastructure activity has taken a backseat.

Infrastructure players are facing a severe liquidity crunch and as bills and dues from Govt are not being honoured in time on one hand and on the other hand companies are striving to maintain steady salary flows to contract labour and employees. The same has resulted in a stark mismatch in fund inflow and outflow, putting pressure on balance sheets.

The banking system has come to support the corporate sector with COVID-19 loans upto 10% of the "Fund Based Limits" enjoyed by Corporates, as directed by RBI. This is a big relief for Corporates.

Government of India has announced Atmanirbhar Bharat Abhiyan Economic Relief Package of 20 lakh crore to tide over the COVID-19 Crisis:

#### Key Highlights of the Atmanirbhar Bharat Abhiyan

- This special economic package, along with earlier announcements made during the COVID crisis and decisions taken by RBI, is to the tune of Rs 20 lakh crore, which is equivalent to almost 10% of India's Gross Domestic Product (USD 2.72 lakh crore(2018)).
- The package will also focus on land, labour, liquidity and laws.
- It will cater to various sections including cottage industry, MSMEs, labourers, middle class, Industries, among others.

#### Opportunities & Threats

The Company has a well diversified business portfolio viz., Buildings & Housing, Roads, Bridges, Tunnels, flyovers, Electrical, Irrigation, Power, Water & Environment, Mining and Railways.

The Company has more than years of experience in all departments of civil, mechanical and engineering construction activities with pan India presence and is recognized as one of the key construction players in the country. The Company has successfully executed complex engineering projects across the country and also in international geographies. The Company is recognized for

timely completion of projects within budgets. Our core strength is our people who carry several years of industry experience in various domains including engineering, design, construction, procurement, planning, etc. 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. There are several constraints which affect the smooth functioning of the industry, besides the recent global economic downturn. The Construction industry has always been adversely affected by high volatility in prices of major inputs, delays in approval by Authorities and lack of availability of skilled laborers. Natural calamities like poor weather conditions and manmade disruptions like encroachment, disruption of supply chain etc. continue to be a major constraint in project completion. 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.

#### **Opportunities:**

- Demand for world class infrastructure in India
- “Make in India” initiative would demand good infrastructure specifically roads, railways, etc thus offerings opportunities for construction companies
- Government’s “100 Smart Cities initiative”.
- Higher budgetary allocation for infrastructure sector
- Pro-industry policies and initiatives such as lowering of corporate tax, setting up of REITs and Infrastructure Investment Trusts would drive investment in infrastructure sector, etc.
- Good construction opportunities in the new state of Andhra Pradesh.

#### **Threats:**

- Currently the biggest threat is Covid-19 and its impact. It is expected that overall business will be severely affected.
- Financing is a major challenge-the infrastructure projects are highly capital intensive and funding had been one of the major impediments in achieving the infrastructure goals. Land acquisition, need for clearances from numerous agencies across the project cycle at every stage, right from the pre-tendering stage to post construction, protracted procedure for securing approvals are often considered serious disincentives for developers and contractors.
- Most of the measures taken up by the Government are yet to translate into development work on the ground.
- Recognised Industry leader in large civil construction and infrastructure projects.
- Revival of stalled projects which have accumulated due to the freeze in decision making over the years.
- Infusion of liquidity into the entire infrastructure and construction sector which is highly cash strapped as long as these issues exist, there is very little scope of revival in the sector as most of the companies do not have the financial strength to absorb the past losses & simultaneously continue financing new projects.

- Ensuring quality and timely completion of the projects without cost overruns.
- Diversified business portfolio and strong order book.
- Enduring relationships built on mutual trust and respect with our clients, sub-contractors, financial institutions and shareholders.
- Pan India presence.
- Large pool talented and skilled employees with low attrition rate.

#### **Outlook**

The Indian Economic growth is projected to remain robust in the years to come. The Public investment has picked up and we also envisage faster clearance of key projects; better infrastructure and greater ease of doing business. We believe that the government’s fiscal policy will remain supportive and investments in the energy, transport, infrastructure and core areas would be promoted. The Company remains confident on the prospects of the business however an upside to its performance would directly correlate to the way overall economy performs. If the overall capex activity picks up in India, the Company may have a quicker translation of orders into sales and thus a better performance. The Company believes that the government is taking effective measures to take care of economic activity revival. Sooner than later, it should see the momentum coming back in the economy.

The domestic economy is expected to steadily improve in the current year on the back of Structural reforms and supportive monetary policy. The Government has reiterated its emphasis on Infrastructure build-out in the areas of transportation, augmentation of water resources, power, affordable housing and smart cities. Increased private sector participation in the Defence business affords strong business opportunities for your Company. Various upcoming projects provide the Company with a broad perspective of the opportunity basket opening up in 2020-21.

#### **Risk and Concerns**

The Company is exposed to uncertainties, owing to the sectors in which it operates. The key issues like shortage of qualified workers and labours, technology adoption, Environment sustainability and project complexity were challenging during the year. However, your Company has surpassed all the internal challenges like, technology upgrades, lack of skilled labour, supply chain, etc. to continue the momentum in business operations. The external challenges can be met as economic reforms will get in placed because of a stable government.

The Company has continuous project monitoring system in terms of quality, time and cost parameters. These are being further upgraded through greater use of modern technologies and also adopted a policy on the same which enables the Company to proactively manage uncertainties from changes in the internal and external environment and also capitalize on the opportunities.

#### **Internal Control System and their adequacy**

The Company has in place adequate system of Internal Controls commensurate with the size and nature of operations which ensure that the resources of the Company

are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly, financial and other data are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures. Significant audit observations and corrective actions thereon are presented to the Audit Committee. Based on the report of Internal Audit, corrective actions are undertaken in the respective areas, thereby strengthening and maintaining a healthy Internal Control System.

In compliance with Section 143(3)(i) of the Companies Act, 2013 the Statutory Auditors have issued a report on Internal Financial Controls forming part of this Annual Report.

#### **Financial Performance**

From a financial perspective, On Consolidated basis, for the financial year ended March 31, 2020, your Company has achieved a Gross Turnover of Rs. 17,657.61 Lacs as against Rs. 24871.95 Lacs for the previous period (figures reclassified due to applicability of IND AS). Therefore there has been a decline in the turnover of the Company of 29.05%.

On Standalone basis, your Company has achieved a Gross Turnover of Rs.17,657.61 lacs for the financial year 2019-20 against the previous year figure of Rs 24680.40 lacs, resulting in a decline of Rs 28.45% over the last year.

Our focus area continues to be the execution of civil engineering projects with specialization in piling, building, roads, cannal, bridge, jetties and flyovers. Further your Company had been successful in bagging various contracts for execution of Infrastructure Projects. Our order book position as on 31st March 2020 was in tune of Rs. 204.29 Crores. The Company expects substantial increase in the order book position in next financial year.

#### **Human Resources (HR)**

The Company did a lot of consolidation in the area of Human Resource. Human Resource continues to be one of the biggest assets of the Company. Your Company's business is managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the sector. External hiring was done for junior & senior levels in the organization. Efforts have been made to induct fresh talent inducing more and more professionalism. 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. Safety related training also remained as one of the primary focus areas.

#### **Cautionary Statement**

Statement in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations are "forward looking statements" within the applicable laws and regulations.

Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performances to differ materially from those indicated by such statements. Simplex Projects Limited disclaims any obligation to update these forward-looking statements to reflect future events or developments.

For **SIMPLEX PROJECTS LIMITED**

**Sudarshan Das Mundhra**

*Managing Director & CFO*

(DIN 00013158)

Place: Kolkata

Date: 21st January, 2021

TO  
THE MEMBERS OF  
**SIMPLEX PROJECTS LIMITED**

**Report on the Audit for Standalone Financial Statements**  
**Qualified Opinion**

1. We have audited the accompanying standalone financial statements of Simplex Projects Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including Statement of Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We draw your attention to the following:

- a. Note 35 to the accompanying IND AS Standalone 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. In view of this as per management the amount of dues and assets deployed in Libya are realizable and no provision thereof are required at this stage. The depreciation relating to the machineries deployed there has 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 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, 2020; 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, 2020 is presently not ascertainable.

- b. We did not audit the financial statements of the foreign project site of the company at Libya having Net Assets Rs. 18,316.89 lakh & Net Receivables Rs. 20,451.47 lakh as on 31st March, 2020 included in the accompanying IND AS Standalone Financial Statement, which reflect depreciation charged of Rs. 225.57 Lakh relating to the machineries deployed for the year ended 31st March, 2020. 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 also did not audit the financial statements of the foreign project site of the company at Kuwait having Net Assets Rs. 17,786.01 lakh & Net Receivables Rs. 32,818.67 lakh as on 31st March, 2020 included in the accompanying IND AS Standalone Financial Statement, which reflect no work done and depreciation charged of Rs. 39.89 Lakh for the year ended 31st March, 2020. 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. Note 33 to the accompanying IND AS Standalone Financial Statements regarding 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 & Kotak Mahindra Bank for Term loan have been classified as Non-performing assets and accordingly the provision for interest has not been made for the quarter ended March, 2020 and year ended March, 2020 amounting to Rs. 2675.94 Lakh & Rs. 9201.96 Lakh respectively.
- e. Investments of Rs. 542.94 Lakh in the partnership firm Simplex Projects (Netherlands) Co-operative U.A. is doubtful of recovery since project has not started from FY 2013-2014 and no provision for the same has been made by the company.
- f. The company has not made any provision against Advances paid to Suppliers of material, Subcontractors & Staff advances amounting to Rs. 4672.62 Lakh since long and advance against projects Rs. 924.67 Lakh.
- g. Note 34 to the accompanying IND AS Standalone Financial Statements regarding no provision for diminution in the value or impairment has been made for Capital Work in Progress consists of materials

lying outside amounting to Rs. 1894.01 Lakh which includes Rs. 465.29 Lakh pertaining to materials imported and kept at port since FY 2012-13.

- h. Site work in progress (included under Other Current Assets) amounting to Rs. 6095.76 Lakh and uncertified sales amounting to Rs. 1908.78 Lakh (included under revenue) has been lying as such from various projects against which no provision have been made.
- i. Note 8 & 13 to the accompanying IND AS Standalone Financial Statements regarding certain projects wherein the Management of the company has considered Trade Receivables include overdue amount aggregating to Rs. 9746.90 Lakh & Work In Progress (for Unbilled Revenue) Rs. 4587.87 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. 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, 31st March 2019 & 31st March 2020 we are unable to comment on the utilization of the funds.
- k. Regarding closing balance confirmations of Debtors, Creditors, Earnest Money, loans and advances being unconfirmed in respect of which we are unable to express our opinion.
- l. Pursuant to the provisions of SEBI circular no. CIR/CFD/CMD/12/2015 dated November 30, 2015 with respect to Standard Operating Procedure (SOP) for suspension and revocation of trading of shares of listed entities for non-compliance of certain regulations of SEBI (LODR) Regulation, 2015. The company has not submitted the Financial Results as per Reg. 33 of SEBI (LODR) Regulation, 2015 within due date repeatedly and also liable to pay fine, consequently to be levied for the said non-compliance.  
In view of above, the entire promoter shareholding of the company has been frozen w.e.f. November 02, 2018 and trading in the equity shares of the company suspended w.e.f. November 26, 2018.
- m. Note 50 to the accompanying IND AS Standalone Financial Statements regarding default in repayment of interest and principal amounting to Rs. 421.36 lakh up to 31.03.2019 payable to SREI Equipment Finance Limited and the interest for the year ended March 31, 2020 has not been ascertained and booked. Thus, profit is overstated to that extent.

The matters (a to l) mentioned above were also qualified in our last audit report for the year ended March 31, 2019. We conducted our audit of the standalone financial

statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified audit opinion on the standalone financial statements.

#### **Emphasis of Matter**

We draw attention to the following matters:

- a. Note 48 to the accompanying IND AS Standalone Financial Statements which describe the uncertainties and the management assessment of possible impact of COVID-19 pandemic on its business operations, financial assets, contractual obligations and its overall liquidity position as at March 31, 2020. Management will continue to monitor in future any material changes arising on financial and operational performance of the company due to the impact of this pandemic and necessary measure to address the situation.
- b. The Company has generated negative cash flow from operating activities amounting to Rs. 9,787.69 Lakhs for the year ended March 31, 2020, as also there is default in payment of financial debts, to its bankers and others. As stated in Note 49 these financial statements, the Company is confident of improving the credit profile including time bound realization of its assets, arbitration claims etc. which would result in meeting its obligation in due course of time. Accordingly, the Management considers it appropriate to prepare these financial statements on going concern basis.
- c. Note 51 to the accompanying IND AS Standalone Financial Statements regarding GSTR -1 & GSTR 3B which is not yet filed in the states of Meghalaya, Assam & Uttar Pradesh for the FY 2019-20. Also, GST Audit for the year ended March, 2018 & March, 2019 is still pending.

Our opinion is not modified in respect of these matters.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31st 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for Qualified Opinion"

section, We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below our description of how our audit address the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in

relation to these matters. Accordingly, our audit included the performance of procedure designed to response to our assessment of the risks of material misstatement of the standalone financial statement. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Sr.No.                                                                                                                                                                                               | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Correctness of Project Revenue recognition Construction Contracts</b> (as described in note 2.10 and 43(a) of the standalone Ind AS financial statements)                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1                                                                                                                                                                                                    | <p>Revenue from construction contracts is recognised over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, reliable estimation of total project cost, identification of contractual obligations in respect of Company's rights to receive payments for performance completed till date, estimation of period of recovery of receivables, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations.</p> <p>Project revenue recognition is significant to the financial statements based on the quantitative materiality and the degree of management judgment required to apply the percentage of completion method. Management has also considered this area to be a key accounting estimate as disclosed in the 'critical estimates and judgements' note 2A to the standalone financial statements. We therefore determined this to be a key audit matter.</p> | <p>Our procedures included :</p> <ul style="list-style-type: none"> <li>● Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;</li> <li>● Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard;</li> <li>● Testing a sample of contracts for appropriate identification of performance obligations;</li> <li>● For the sample selected, reviewing for amendments of orders and the impact on the estimated costs to complete; and</li> <li>● Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> |
| <b>Unbilled Revenue balance, Trade Receivables and Retention Money relating to construction contracts of the Company</b> (as described in note 8 & 13 of the standalone Ind AS financial statements) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2                                                                                                                                                                                                    | <p>Unbilled Revenue balance, Trade Receivables and Retention Money of the Company aggregates Rs. 1,86,931 lakh as at March 31, 2020.</p> <p>The collectability of above balances is a key element of the Company's working capital management. In assessing the recoverability of the aforesaid balances, management's judgement involves consideration of status of the project, the likelihood of collection based on the terms of the contract and evaluation of litigations, if any.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>As part of our audit procedures:</p> <ul style="list-style-type: none"> <li>● Testing of the design and implementation of controls involving management's assessment of recoverability of Unbilled Revenue balance, Trade Receivables and Retention Money relating to construction contracts.</li> <li>● We performed test of details, and tested relevant contracts and documents on the basis of materiality for Unbilled Revenue, Trade Receivables and Retention Money balances.</li> <li>● We also carried out additional test procedures, in respect of long outstanding balances, i.e. tested subsequent documents with customers with respect to recoverability of the same.</li> <li>● We tested contracts to determine the provisioning requirement for loss making contracts/onerous obligations, if any.</li> </ul>                 |

| <b>Pending litigations including arbitrations</b> (as described in note 44 & 46 of the standalone Ind AS financial statements) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3                                                                                                                              | <p>The Company is subject to number of claims and litigations including arbitrations, mainly with customers and tax authorities. The assessment of the likely outcome of these matters can be judgmental due to the uncertainty inherent in their nature.</p> <p>This area is significant to our audit, since the accounting and disclosure of claims and litigations are complex and judgmental, and the amounts involved are, or may be, material to the standalone financial statements.</p> | <p><b>Principal Audit Procedures:</b></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> <li>● Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested to assess the status of Arbitration/legal proceedings with reference to related counselors' views for likely outcome of these matters.</li> </ul> |

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Report of the Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report and other annexure to Directors Report including Shareholder's Information, but does not include the standalone financial statements and our auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements during the course of our audit or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

Due to the outbreak of COVID 19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/ local administrations during the period of our audit, we could not travel to the branches / contract sites and carry out the audit processes physically at the respective places. Necessary records / reports / documents / certificates were made available to us by the management through e-mail at Head Office, Kolkata and on which were relied upon as audit evidence for conducting the audit and reporting for the current period.

Our opinion on the Statement is not modified in respect of this matter.

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

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act based on our audit, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained, except for the matter(s) described in the "Basis for Qualified Opinion" paragraph as well as reported "Emphasis of Matter" paragraph all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, except for the matter(s) referred to in Basis for Qualified Opinion and Emphasis of Matter paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) In our opinion, except for the indeterminate effects of the matters referred to in Basis for Qualified Opinion and Emphasis of Matter paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except in case of branches which have not been audited and for which we are unable to give our comments. The reports on the accounts of the two branch offices of the company duly certified by the management have been given to us and have been properly dealt with by us in preparing this report;
  - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- e) Except for the matter(s) described in the Basis for Qualified Opinion and Emphasis of Matters paragraph in our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- f) In view of the matter(s) described in the Basis for Qualified Opinion and Emphasis of matter paragraph above, we are unable to comment whether these may have an adverse effect on the functioning of the company.
- g) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion and Emphasis of Matters paragraph above.
- i) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, as Amended, in our opinion and to the best of our knowledge & belief and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements [Refer Note No. 44 & 46 to the accompanying standalone financial statements].
- ii. The Company has made provision, as required under the applicable law or accounting standard for material foreseeable losses, if any, on long term contracts including derivative contract.
- iii. There has been delay in transferring Rs. 49131/- required to be transferred to the Investors Education and Protection Fund by the Company during the year ended March 31, 2020.

For **H. S. Bhattacharjee & Co.**  
 Firm Registration No. 322303E  
*Chartered Accountants*

**A Ray**  
*Partner*

Place : Kolkata

Date : 22nd January, 2021

Membership No.: 57516

UDIN 21057516AAAAK9770

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**
**Report on the Companies (Auditor's Report) Order, 2016,  
(‘the Order’) issued by the Central Government of India  
in terms of Section 143(11) of the Act (“the Order”),**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) Fixed assets have not been physically verified by the management during the year due to limitation of Covid-19.
- (c) We could not verify whether the title deeds of the immovable properties are held in the name of the Company.
- ii. Inventories have not been physically verified by the management during the year due to limitation of Covid-19.
- iii. a. According to the information and explanation given to us, the company has granted interest free advance in the nature of loans to its Related Parties which are covered in the register maintained under section 189 of the Companies Act 2013.
- b. The advance in the nature of loans is given interest free.
- c. According to the information and explanation given to us loans are repayable on demand.
- d. There are no overdue amounts as there is no demand of repayment in respect of loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied

with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.

- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable
- vi. According to the information and explanation given and in our opinion the company has made and maintained cost records as specified under Section 148(1) of the Act in respect of its products pursuant to the rules made by the Central Government of India. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanation given to us and as per the records of the Company examined by us undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, duty of customs, GST, TDS and other material statutory dues have been deposited with the appropriate authorities with certain delays. Undisputed statutory dues outstanding at the year-end for a period of more than six months from the date it became payable, is in respect of ESI- Rs. 0.12 lakhs , Provident Fund Rs. 7.72 lakhs, Service Tax - Rs. 493.48 lakhs , GST - Rs. 1182.83 lakhs and TDS - Rs. 24.94 lakhs.
- (b) According to the information and explanation given to us, the particulars of dues of Sales Tax, Service Tax, duty of customs, duty of excise, VAT which have not been deposited on account of dispute are as follows:

| Nature of Dues     | Period to which the amount related | Amount  | Forum where the dispute is pending                                                                                                                                         |
|--------------------|------------------------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Service Tax        | 2000-01 to 2004-05                 | 531.24  | Commissioner of Service Tax, Kolkata                                                                                                                                       |
|                    | 2005-06 to 2008-09                 | 167.15  | The Hon'ble Customs Excise & Service Tax Appellate Tribunal, EZB, Kolkata, Stay Granted.                                                                                   |
|                    | 2007-08 to 2009-10                 | 3.32    | Demand confirmed by Addl. com. of Service tax for which Appeal is pending before Commissioner (Appeal-I)                                                                   |
|                    | 2006-07 to 2010-11                 | 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. Stay Granted |
|                    | 2006-07 to 2007-08                 | 26.75   | Addl. Com. Of Service Tax                                                                                                                                                  |
|                    | 2010-11 to 2011-12                 | 62.58   | Commissioner of Service Tax-I Commissionerate Kolkata                                                                                                                      |
| Sales Tax/VAT/ CST | 2005-06                            | 1.79    | Calcutta High Court                                                                                                                                                        |
|                    | 2007-08                            | 560.13  | Appeal filed before Revisional Board                                                                                                                                       |
|                    | 2008-09                            | 1060.04 |                                                                                                                                                                            |
|                    | 2009-10                            | 203.50  |                                                                                                                                                                            |
|                    | 2010-11                            | 363.82  |                                                                                                                                                                            |
|                    | 2014-15                            | 99.77   |                                                                                                                                                                            |
|                    | 2012-13                            | 57.71   | Appeal filed before Joint Commissioner Commercial Taxes Kolkata (South) Circle.                                                                                            |
|                    | 2013-14                            | 428.44  | Appeal filed before West Bengal Tribunal Authority                                                                                                                         |

- viii. Based on our audit procedures and according to the information and explanation given to us, the company has delayed in making repayment of dues to banks and financial Institution. The Company has also defaulted in repayment of dues to certain Banks and some bank accounts have become NPA. The outstanding dues as on 31.03.2020 are as follows :

(Rs. in Lakhs)

| Sl.No.    | Bank                        | Principal due | Interest and other charges due | Period of outstanding                                                                                                                                    |
|-----------|-----------------------------|---------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A.</b> | <b>Cash Credit Accounts</b> |               |                                |                                                                                                                                                          |
| 1.        | State Bank of Travancore    | 4000.00       | 1333.00                        | Delay in payment throughout the year and Irregular from SEPT'16 Onward from when it has become NPA. No interest booked in accounts after December, 2016. |
| 2.        | Axis Bank                   | 11900.00      | 861.00                         | Delay in payment throughout the year and irregular from April '17, no interest booked in the accounts                                                    |
| 3.        | UCO Bank                    | 7305.00       | 518.00                         | Delay in payment throughout the year and Irregular from DEC'15 Onward from where it has become NPA, no interest booked in accounts.                      |
| 4.        | State Bank of India         | 8750.00       | 4230.00                        | Delay in payment throughout the year and Irregular From JULY'16 Onward from where it has become NPA. No interest booked in accounts after July, 2016.    |

(Rs. in Lakhs)

| Sl.No.    | Bank                       | Principal due | Interest and other charges due | Period of outstanding                                                                                                                                      |
|-----------|----------------------------|---------------|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.        | Bank of Baroda             | 2520.00       | 7643.00                        | Delay in payment throughout the year and Irregular From Jan'16 Onward from where it has become NPA. No interest booked in accounts after April, 2016.      |
| 6.        | Yes Bank                   | 750.00        | 541.00                         | Delay in payment throughout the year and Irregular From SEPT'15 Onward from where it has become NPA. No interest booked in accounts after September, 2016. |
| 7.        | DBS Bank                   | 1750.00       | 421.00                         | Delay in payment throughout the year and Irregular From 2014-15 Onward from where it has become NPA. No interest booked in the accounts.                   |
| 8.        | ICICI                      | 4000.00       | 3329.00                        | Delay in payment throughout the year and Irregular From JULY'16 Onward from where it has become NPA. No interest booked in accounts after July, 2016.      |
| 9.        | IDBI Bank                  |               | 397.00                         | No interest booked in accounts after June, 2015.                                                                                                           |
| <b>B.</b> | <b>Term Loan Account :</b> |               |                                |                                                                                                                                                            |
| 10.       | ICICI                      | 2000.00       | 365.00                         | Irregular From JULY'16 Onward from where it has become NPA. No further provision of interest has been made thereafter                                      |
| 11.       | Kotak Mahindra Bank        | 289.32        |                                | Irregular From 2014-15 Onward from where it has become NPA. No further provision of interest has been made thereafter                                      |

- ix. In our opinion, and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. We could not verify whether, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of

Sections 177 and 188 of Companies Act, 2013 where applicable and details of such related party transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **H. S. Bhattacharjee & Co.**  
Firm Registration No. 322303E  
Chartered Accountants

**A Ray**  
Partner

Place : Kolkata

Date : 22nd January, 2021

Membership No.: 57516

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Simplex Projects Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020:

- (a) The Company's internal financial controls relating to non-application of appropriate policies and procedures that provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non provisioning of interest on cash credit and term loan .

- (b) The Company's internal financial controls relating to review of Advances to Trade Creditors and Sub Contractors including Staff and Project Advance for appropriate provisioning did not operate effectively which resulted in non-ascertainment of adequate provision against advances to certain Trade Creditors, Sub Contractors including Staff.
- (c) The Company's internal financial controls for assessing the period over which certain old balances of unbilled revenue, loans / advances, trade receivables and retention monies are expected to be recovered were not operating effectively as on March 31, 2020 which could potentially result in the company not appropriately measuring the fair values of those financial assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company, has, in all material respects, maintained adequate internal financial control over financial reporting which reference to these Standalone financial statements as of March 31, 2020 based on the internal control over financial reporting criteria establish by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial

Control over financial reporting issued by institute of chartered accountants of India, and except for the possible effects of material weakness described above on the achievement of the objectives of the control criteria, the internal financial control over financial reporting with reference to these standalone financial statements were operating effectively as of March 31, 2020.

#### **Explanatory Paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the standalone financial statements of Simplex Projects Limited, which comprise the Balance Sheet as at March 31, 2020, and the related 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. These material weaknesses were considered in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2020 standalone financial statements of Simplex Projects Limited and this report does not affect our report dated 22nd January, 2021, which expressed a qualified opinion on those financial statements.

For **H. S. Bhattacharjee & Co.**

Firm Registration No. 322303E

*Chartered Accountants*

**A Ray**

*Partner*

Place : Kolkata

Date : 22nd January, 2021

Membership No.: 57516

# BALANCE SHEET

  
as at 31st March, 2020

(Rs. in Lakhs, unless otherwise stated)

**Particulars**
**ASSETS**
**Non-current assets**

Property, plant and equipment

Capital work-in-progress

Financial Assets

i. Investments

ii. Other financial assets

Other Non-current Assets

**Total Non-current Assets**

Current Assets

Inventories

Financial Assets

i. Inventories

ii. Trade receivables

iii. Cash and cash equivalents

iv. Bank balances other than (iii) above

v. Loans

vi. Other financial assets

Current tax assets (net)

Other current assets

**Total current assets**
**Total Assets**
**EQUITY AND LIABILITIES**
**Equity**

Equity Share capital

Other Equity

**Total Equity**
**LIABILITIES**
**Non-current Liabilities**

Financial Liabilities

i. Borrowings

Provisions

Deferred tax liabilities (net)

Other non-current liabilities

**Total non-current liabilities**
**Current Liabilities**

Financial Liabilities

i. Borrowings

ii. Trade Payables

Total Outstanding dues of MSE'S

Total Outstanding creditors other than MSE'S

iii. Other financial liabilities

Other current liabilities

Provisions

Current tax liabilities (net)

**Total current liabilities**
**Total liabilities**
**Total Equity and Liabilities**

Significant Accounting Policies

| Note No. | As at<br>31st March, 2020 | As at<br>31st March, 2021 |
|----------|---------------------------|---------------------------|
| 3        | 4,445.78                  | 5,640.19                  |
| 3        | 1,894.01                  | 1,894.01                  |
| 4        | 622.40                    | 704.44                    |
| 5        | 839.60                    | 850.78                    |
| 6        | 73.01                     | 573.11                    |
|          | <b>7,874.80</b>           | <b>9,662.53</b>           |
| 7        | 7,154.90                  | 6,995.77                  |
|          | -                         | -                         |
| 8        | 112,816.75                | 100,584.46                |
| 9        | 77.40                     | 79.87                     |
| 10       | 404.95                    | 352.64                    |
|          | -                         | -                         |
| 11       | 2,450.08                  | 814.88                    |
| 12       | -                         | 185.08                    |
| 13       | 75,730.25                 | 71,820.33                 |
|          | <b>198,634.33</b>         | <b>180,833.03</b>         |
|          | <b>206,509.14</b>         | <b>190,495.56</b>         |
| 14       | 1,260.04                  | 1,260.04                  |
| 15       | 12,357.63                 | 11,322.68                 |
|          | <b>13,617.67</b>          | <b>12,582.72</b>          |
| 16       | -                         | -                         |
| 17       | 117.17                    | 95.92                     |
| 18       | 473.61                    | 227.13                    |
| 19       | 83,623.53                 | 78,731.70                 |
|          | <b>84,214.31</b>          | <b>79,054.75</b>          |
| 20       | 77,163.67                 | 65,625.27                 |
| 21       | 23,441.48                 | 23,546.21                 |
| 22       | 3,000.86                  | 3,002.51                  |
| 23       | 4,459.32                  | 6,540.22                  |
| 24       | 146.93                    | 143.88                    |
|          | 464.90                    | -                         |
|          | <b>108,677.15</b>         | <b>98,858.09</b>          |
|          | <b>192,891.46</b>         | <b>177,912.84</b>         |
|          | <b>206,509.14</b>         | <b>190,495.56</b>         |
| 2        |                           |                           |

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

For and on behalf of

**H. S. BHATTACHARJEE & CO.**

Firm Registration No. 322303E

Chartered Accountants

**A. Roy**

Partner

Membership No. 57516

Kolkata

Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**
**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)

**STATEMENT OF PROFIT AND LOSS**  
for the year ended 31st March, 2020



(Rs. in Lakhs, unless otherwise stated)

| Particulars                                                                            | Notes | Year ended<br>31st March, 2020 | Year ended<br>31st March, 2019 |
|----------------------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| Revenue from Operations                                                                | 25    | 17,657.61                      | 24,680.40                      |
| Other Income                                                                           | 26    | 255.71                         | 456.90                         |
| <b>Total Revenue/Income</b>                                                            |       | <b>17,913.32</b>               | <b>25,137.30</b>               |
| <b>EXPENSES :-</b>                                                                     |       |                                |                                |
| Cost of materials consumed                                                             | 27    | 495.62                         | 4,077.11                       |
| Cost of Sub contracting and other site expenses                                        | 28    | 14,942.01                      | 18,276.71                      |
| Employee Benefit Expenses                                                              | 29    | 331.98                         | 440.33                         |
| Finance Cost                                                                           | 30    | 372.58                         | 415.34                         |
| Depreciation                                                                           | 3     | 1,247.35                       | 1,390.38                       |
| Other Administrative Expenses                                                          | 31    | 517.72                         | 527.47                         |
| <b>Total Expenses</b>                                                                  |       | <b>17,907.26</b>               | <b>25,127.34</b>               |
| <b>Profit before exceptional items and tax</b>                                         |       | <b>6.06</b>                    | <b>9.96</b>                    |
| Exceptional items                                                                      |       | -                              | -                              |
| <b>Profit before tax</b>                                                               |       | <b>6.06</b>                    | <b>9.96</b>                    |
| Income Tax expense :                                                                   |       |                                |                                |
| - Current Tax                                                                          |       | 1.58                           | 2.59                           |
| - MAT Credit entitlement                                                               |       | (1.58)                         | (2.59)                         |
| - Current Tax provision for earlier years written back (net)                           |       | -                              | -                              |
| - Deferred Tax - charge / (credit)                                                     |       | (82.36)                        | (187.44)                       |
| <b>Total Tax Expense</b>                                                               |       | <b>(82.36)</b>                 | <b>(187.44)</b>                |
| <b>Profit for the year</b>                                                             |       | <b>88.42</b>                   | <b>197.40</b>                  |
| <b>Other comprehensive income</b>                                                      |       |                                |                                |
| (a) <b>Items that may be reclassified to statement of Profit and Loss</b>              |       |                                |                                |
| Exchange differences on translation of foreign operations                              | 15    | 1,283.56                       | 615.84                         |
| Income Tax relating to this item                                                       | 15    | (333.72)                       | (160.12)                       |
|                                                                                        |       | 949.82                         | 455.72                         |
| (b) <b>Items that will not be reclassified to statement of Profit and Loss</b>         |       |                                |                                |
| Remeasurements of post - employment benefit obligations                                |       | (3.29)                         | (31.76)                        |
| Income Tax relating to this item                                                       |       | -                              | -                              |
| Changes in fair value of FVOCI equity instruments                                      |       | (0.02)                         | (0.16)                         |
|                                                                                        |       | (3.31)                         | (31.92)                        |
| <b>Other comprehensive income for the year, net of tax (a+b)</b>                       |       | <b>946.52</b>                  | <b>423.80</b>                  |
| <b>Total comprehensive income for the year</b>                                         |       | <b>1,034.94</b>                | <b>621.20</b>                  |
| Earnings per equity share [Nominal Value Rs.10/- per share (31st March 2018: Rs.10/-)] |       |                                |                                |
| <b>Basic and Diluted earnings per share</b>                                            |       |                                |                                |
| Significant Accounting Policies                                                        | 41    | 0.70                           | 1.57                           |
|                                                                                        | 2     |                                |                                |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

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

For and on behalf of

**H. S. BHATTACHARJEE & CO.**  
Firm Registration No. 322303E  
Chartered Accountants

**A. Roy**  
Partner  
Membership No. 57516  
Kolkata  
Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**

**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)

## CASH FLOW STATEMENT

for the year ended 31st March, 2020

All amounts in Rs. Lakhs

**A CASH FLOW FROM OPERATING ACTIVITIES :**

|                                                        |          |
|--------------------------------------------------------|----------|
| Profit before Tax                                      |          |
| Adjustments for :                                      |          |
| Depreciation and Amortisation Expenses                 | 1,247.35 |
| Finance Cost                                           | 372.58   |
| Dividend received                                      | (0.09)   |
| Interest Income                                        | 153.49   |
| (Profit)/Loss on Disposal of Fixed Asset               | (0.23)   |
| (Profit)/Loss on sale of shares/investments            | (7.95)   |
| Allowance for Expected Credit Loss                     | 460.33   |
| Fair value gain from financial assets measured at FVPL | (8.68)   |
| Liabilities no longer required written back            | (8.78)   |
| Exchange (Gain) / Loss on non Integral branch          | 949.82   |
| Provision for employee benefits                        | (3.31)   |

|                                                        |             |
|--------------------------------------------------------|-------------|
| <b>Operating Profit before Working Capital Changes</b> | 6.06        |
| <b>Change in operating assets and liabilities</b>      |             |
| (Increase) / Decrease in Trade and other payables      | 3,154.54    |
| (Increase) / Decrease in Trade and other receivables   | 3,160.60    |
| (Increase) / Decrease in Non- current Assets           | 4,787.10    |
| (Increase) / Decrease in Inventories                   | (12,692.62) |
|                                                        | (5,533.61)  |
|                                                        | (159.13)    |

**Cash generated from operations**

Income Taxes (Paid) / Refund

**Net Cash inflow from operating activities**

**B CASH FLOW FROM INVESTING ACTIVITIES :**

|                                           |          |
|-------------------------------------------|----------|
| (Increase) / Decrease in Investments      | 82.04    |
| Purchase of Property, plant and equipment | (52.94)  |
| Dividend received                         | 0.09     |
| Interest received                         | (153.49) |
| Profit on Disposal of Fixed Asset         | 0.23     |
| Profit on sale of shares / investments    | 7.95     |

**Net Cash used in Investing Activities**

**C CASH FLOW FROM FINANCING ACTIVITIES :**

|                                                  |            |
|--------------------------------------------------|------------|
| Repayment of Non-current borrowings              | -          |
| Intercompany loans and advances (incl. deposits) | (1,264.51) |
| Proceeds from short term borrowings              | 11,538.42  |
| Finance cost paid                                | (372.58)   |

**Net Cash used in Financing Activities**

Net increase / (decrease) in cash and cash equivalents

Cash and Cash Equivalents at the beginning of the year

Cash and Cash Equivalents at the end of the year

| For the year ended<br>31st March, 2020 | For the year ended<br>31st March, 2019 |
|----------------------------------------|----------------------------------------|
| 6.06                                   | 9.96                                   |
| 1,247.35                               | 1,390.38                               |
| 372.58                                 | 415.34                                 |
| (0.09)                                 | (0.05)                                 |
| 153.49                                 | 139.53                                 |
| (0.23)                                 | -                                      |
| (7.95)                                 | -                                      |
| 460.33                                 | 760.76                                 |
| (8.68)                                 | (77.55)                                |
| (8.78)                                 | (5.57)                                 |
| 949.82                                 | 455.72                                 |
| (3.31)                                 | (31.92)                                |
| 3,154.54                               | 3,046.64                               |
| 3,160.60                               | 3,056.60                               |
| 4,787.10                               | (8,196.96)                             |
| (12,692.62)                            | (4,099.45)                             |
| (5,533.61)                             | 783.99                                 |
| (159.13)                               | 64.18                                  |
| (13,598.25)                            | (11,448.23)                            |
| (10,437.65)                            | (8,391.65)                             |
| 649.98                                 | 404.20                                 |
| (9,787.68)                             | (7,987.44)                             |
| 82.04                                  | 0.19                                   |
| (52.94)                                | 243.31                                 |
| 0.09                                   | 0.05                                   |
| (153.49)                               | (139.53)                               |
| 0.23                                   | -                                      |
| 7.95                                   | -                                      |
| (116.12)                               | 104.02                                 |
| (9,903.80)                             | (7,883.43)                             |
| -                                      | (93.16)                                |
| (1,264.51)                             | (1,209.83)                             |
| 11,538.42                              | 8,984.71                               |
| (372.58)                               | (415.34)                               |
| 9,901.33                               | 7,266.39                               |
| (2.47)                                 | (617.04)                               |
| 79.87                                  | 696.90                                 |
| 77.40                                  | 79.87                                  |
| (2.47)                                 | (617.04)                               |

**Reconciliation of cash and cash equivalents as per cash flow statement**

**Description**

**Cash and Cash Equivalents (Refer Note 9)**

|                                                  |  |
|--------------------------------------------------|--|
| Balances with Banks                              |  |
| in Current Accounts                              |  |
| in EEFC accounts                                 |  |
| Cheque on hand                                   |  |
| Deposits with maturity of less than three months |  |

**Total :-**

| As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---------------------------|---------------------------|
| 77.40                     | 79.87                     |
| -                         | -                         |
| -                         | -                         |
| -                         | -                         |
| <b>77.40</b>              | <b>79.87</b>              |

**Notes :**

The above cash flow statement is prepared as per "Indirect method" as set out in Ind AS 7 "Statement of Cash Flows"

The above cash flow statement should be read in conjunction with the accompanying notes.

This is the Cash flow Statement referred to in our report of even date.

For and on behalf of

**H. S. BHATTACHARJEE & CO.**

Firm Registration No. 322303E

Chartered Accountants

**A. Roy**

Partner

Membership No. 57516

Kolkata

Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**

**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019

## A. Equity Share Capital :-

Rs. in Lakhs

|                                 | Notes | Amount          |
|---------------------------------|-------|-----------------|
| As at 01st April 2018           |       | 1,260.04        |
| Changes in Equity Share Capital |       | -               |
| <b>As at 31st March 2019</b>    | 14    | <b>1,260.04</b> |
| Changes in Equity Share Capital |       | -               |
| <b>As at 31st March 2020</b>    | 14    | <b>1,260.04</b> |

## B. Other Equity :-

Rs. in Lakhs

| Description                                                 | Notes | Reserves and Surplus (Refer Note (5)) |                 |                   | Other Reserves          |                                      | Total Other Equity |
|-------------------------------------------------------------|-------|---------------------------------------|-----------------|-------------------|-------------------------|--------------------------------------|--------------------|
|                                                             |       | Securities Premium Reserve            | General Reserve | Retained Earnings | FVOCI-Equity Instrument | Foreign Currency Translation Reserve |                    |
| <b>Balance as at 01st April 2018</b>                        |       | <b>8,395.94</b>                       | <b>5,012.59</b> | <b>(3,850.31)</b> | <b>0.84</b>             | <b>1,142.49</b>                      | <b>10,701.55</b>   |
| Profit for the Year                                         |       | -                                     | -               | 197.40            | -                       | -                                    | 197.40             |
| Other Comprehensive income for the year                     |       | -                                     | -               | (31.76)           | (0.16)                  | 455.65                               | 423.72             |
| <b>Transactions with owners in their capacity as owners</b> |       |                                       |                 |                   |                         |                                      |                    |
| Dividend                                                    |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Other Transactions                                          |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Dividend Distribution Tax                                   |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Transfer to General Reserve                                 |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Transfer to Debenture redemption Reserve                    |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Transfer from foreign currency Monetary item                |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Translation difference Account (net)                        |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| <b>Balance as at 31st March 2019</b>                        |       | <b>8,395.94</b>                       | <b>5,012.59</b> | <b>(3,684.67)</b> | <b>0.68</b>             | <b>1,598.14</b>                      | <b>11,322.68</b>   |
| <b>Balance as at 01st April 2018</b>                        |       | <b>8,395.94</b>                       | <b>5,012.59</b> | <b>(3,684.67)</b> | <b>0.68</b>             | <b>1,598.14</b>                      | <b>11,322.68</b>   |
| Profit for the Year                                         |       | -                                     | -               | 88.42             | -                       | -                                    | 88.42              |
| Other Comprehensive income for the year                     |       | -                                     | -               | (3.29)            | (0.02)                  | 949.82                               | 946.51             |
| <b>Transactions with owners in their capacity as owners</b> |       |                                       |                 |                   |                         |                                      |                    |
| Dividend                                                    |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Other Transactions                                          |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Dividend Distribution Tax                                   |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Transfer to General Reserve                                 |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Transfer to Debenture redemption Reserve                    |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Transfer from foreign currency Monetary item                |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| Translation difference Account (net)                        |       | -                                     | -               | -                 | -                       | -                                    | -                  |
| <b>Balance as at 31st March 2019</b>                        |       | <b>8,395.94</b>                       | <b>5,012.59</b> | <b>(3,599.54)</b> | <b>0.66</b>             | <b>2,547.97</b>                      | <b>12,357.63</b>   |

This is the statement of Changes in Equity referred to in our report of even date.

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

For and on behalf of  
**H. S. BHATTACHARJEE & CO.**  
Firm Registration No. 322303E  
Chartered Accountants

**A. Roy**  
Partner  
Membership No. 57516  
Kolkata  
Dated : 22nd January, 2021

For and on behalf of the Board of Directors  
**Simplex Projects Limited**

**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)



(All amounts Rs. In Lakhs, unless otherwise stated)

## **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 primarily 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, 2020**

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements.

### **2.1 Basis of Preparation of Financial Statements**

#### **i) Compliance with Ind AS**

These standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle which is more than 12 months considering the average project period in respect of its construction business and 12 months in respect of its other business and other criteria set out in the Schedule III of the Act.

These Standalone Financial Statement were approved and authorized for issue with the resolution of the Board of Directors on 22nd January, 2021.

#### **ii) Historical Cost Convention**

These financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value amount:-

- Certain Financial assets and liabilities
- Defined benefit plans Plan Assets

#### **iii) Items reported in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements of the company are presented in Indian Rupee (Rs.) which is the functional and presentation currency of the company.**

### **2.2 Segment Reporting**

The Company's operating segment are established on the basis of those components of the Company that are evaluated regularly by the 'Chief Operating Decision Making Group'(CODMG) as defined Ind-AS108 'Operating Segments', in deciding how to allocate resources and in assessing performance. CODMG examines the Company's performance both from business and geographical perspective and has considered business segment as primary segment for disclosure.

### **2.3 Property, Plant and Equipment.**

All items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The Carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repair and maintenance are charged to Profit and loss during the reporting period in which they are incurred.

The items of property, Plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at cost.

An asset's carrying amount written down immediately to its recoverable amount if the asset's carrying is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or loss within "Other Income/Expense."

### Depreciation Methods, estimated useful lives and residual value

Depreciation is calculated using straight line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in schedule II to the Act. In respect of the following assets, useful lives different from schedule II have been considered on the basis of technical evaluation:

| Assets Category        | Life        |
|------------------------|-------------|
| Plant and Machinery    | 12-15 Years |
| Trucks                 | 8 Years     |
| Motor Vehicles         | 8 Years     |
| Computers              | 6 Years     |
| Furniture and Fixtures | 10 Years    |
| Office Equipments      | 5 Years     |

### 2.4 Impairment of Non-Financial Assets(including Property, Plant &Equipment)

The Company assesses at each reporting date as to whether there is any indication that any non-financial asset or group of assets, identified as Cash Generating Units(CGU) may impaired.If any such indication exists,the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.

An impairment loss is recognized in the Statement of Profit & Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher often asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 2.5 Inventories

Raw material, stores, work-in-progress and traded goods are stated at the lower of cost under FIFO method and net realisable value.Cost of inventories comprise all cost of purchase and other cost incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### 2.6 Financial Instruments

#### (i) Financial Assets

##### A. Initial Recognition and Measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.On initial recognition, a financial asset is recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through Profit or Loss, are adjusted to the fair value on initial recognition.

##### B. Subsequent Measurement

Financial Assets are subsequently classified as measured at

- Amortized Cost: A Financial Assets is measured at amortized cost if it is held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Fair value through Other Comprehensive Income (FVOCI) A financial assets is measured at FVOCI is it is held within a business model whose objects is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on the specified dates to cash flows that are payments of principal and interest on the principal amount outstanding.
- Fair Value through Profit or Loss (FVPL): a Financial Assets which is not classified in any of the above categories are measured at FVPL.

#### **C. Investments in Associates**

Investments in associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

#### **D. Disposal of investment in subsidiary**

On disposal of investments in subsidiary the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

During the year the Company disposed off its investments in subsidiary at cost resulting in no profit or loss.

#### **E. Other Equity Instrument**

Equity instruments which are held for trading are required to measure at FVPL. All other equity instrument are initially measured at fair value, with value changes recognized in As statement of Profit and Loss, except for those equity investments for the Company has elected to present the value changes in "Other Comprehensive Income".

For Investment in quoted equity instruments the Company has made an irrevocable election at the time of initial recognition to account for equity instruments at FVOCI. The Company makes such election on an instrument by instrument basis. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are non subsequently reclassified to the statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'Other Income' in the statement of Profit and Loss.

#### **F. Impairment of financial assets and contract assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at FVPL and contract assets.

Expected credit losses are measured through a loss allowances at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument), as applicable.

The Company assesses on a forward looking basis the expected credit losses associated with its financial and contract assets considered for ECL. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

ECL allowances (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

### **(ii) Financial Liabilities**

#### **A. Initial Recognition and Measurement**

All Financial liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the statement of Profit and Loss as finance cost.

## **B. Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest method.

For trade and other financial liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **(iii) Derecognition of Financial Instruments**

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the financial asset expire or it transfer the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## **2.7 Cash and bank Balances**

Cash and Bank balances 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.

## **2.8 Employee Benefits**

### **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.

## **2.9 Provision and Contingent Liabilities**

Provisions are recognised when the company has a present or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and the amount can be reliably estimated.

Contingent Liability is not recognised. However, a disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

## **2.10 Revenue Recognition**

### **i. Revenue from Construction Contracts**

Contract Revenue is recognized under 'percentage-of-completion method'. Use of the 'percentage-of-completion method' requires the Company to measures the efforts or costs expended to date to the satisfaction of a performance obligation as a proportion of the total expected efforts or costs to be expended to the satisfaction of that performance obligation over the time. Efforts or costs expended have been used measures progress towards completion as there is a direct relationship between input and productivity. Costs incurred in the year in connection with future activity on contract are excluded from contract costs in determining the stage of completion.

Further, the Company uses significant judgments while determining the transaction price allocated to performance obligation using the expected cost plus margin approach.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and are capable of being reliably measured.

## ii. Other Revenue

### A. Interest Income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the entity estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, pre-payment, extension and similar options) but does not consider the expected credit losses.

### B. Dividends

Dividends are recognized in Profit & Loss only when the right to receive payment is established, it is probable that the economic benefits associated with dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## 2.11 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 2.12 Foreign Currency transactions

### i) Functional and presentation currency

Items reported in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements of the Company are presented in Indian Rupee (₹) which is the functional and presentation currency of the Company.

### ii) Transaction and balances

Foreign currency transactions are translated into the functional currency at the reporting date using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in that foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## 2.13 Foreign Operation

- The result and financial position of foreign operation (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet.
- Income and Expenses are translated at average exchange rates (unless this is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- All resulting exchange differences are recognized in Other Comprehensive Income.

**2.14 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.

**2.15 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. Earnings considered in ascertaining the Company's earnings per share is the net profit and loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, if any.

For the purpose of calculating diluted earnings per share, the net profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2A Critical estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions which affect the reported amount of assets, liabilities, revenue and expenses and the accompanying disclosures. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been discussed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which such changes are made.

- a. Depreciation/ Amortisation and useful lives of Property, Plant and Equipment: Refer Note 2.3, 2.4 & 3.
- b. Revenue Recognition: Refer Note 2.10.
- c. Provisions: Refer Note 2.9.
- d. Impairment of Financial Assets and contract Assets: Refer Note 2.6(F).
- e. Impairment of Non-Financial Assets: Refer Note 2.4.


**Note 3 : Property, plant and equipment and Capital Work-in-Progress**

| Description                             | Free-<br>hold<br>Land | Plant &<br>Machi-<br>nery | Other<br>Plants | Pile<br>Frame   | Winch<br>and<br>Engine | Tools<br>and<br>Imple-<br>ment | Cranes        | Com-<br>puter &<br>Printer | Furniture<br>&<br>Fittings | Motor<br>Car  | Trucks        | Two<br>Wheeler | Office<br>Equip-<br>ment | Air<br>Condi-<br>tioner | Total of<br>Property,<br>plant and<br>quipments | Capital<br>work-in<br>progress |
|-----------------------------------------|-----------------------|---------------------------|-----------------|-----------------|------------------------|--------------------------------|---------------|----------------------------|----------------------------|---------------|---------------|----------------|--------------------------|-------------------------|-------------------------------------------------|--------------------------------|
| <b>Year ended 31st march, 2019</b>      |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Gross carrying amount                   |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Deemed cost as at 1st April, 2018       | 161.61                | 1,074.56                  | 3,330.57        | 1,671.74        | 38.03                  | 43.75                          | 111.97        | 12.47                      | 121.91                     | 104.47        | 515.44        | 2.81           | 4.82                     | 1.40                    | 7,195.55                                        |                                |
| Exchange differences                    |                       | 22.96                     | 12.43           |                 |                        | 0.06                           | 0.18          | 0.10                       | 1.36                       | 1.41          | 9.70          |                | 0.00                     | 0.04                    | 48.24                                           |                                |
| Addition during the year                |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Disposals                               | -161.61               |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         | 161.61                                          |                                |
| Transfers                               |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| <b>Closing Gross carrying amount</b>    | <b>-0.00</b>          | <b>1,097.52</b>           | <b>3,343.00</b> | <b>1,671.74</b> | <b>38.03</b>           | <b>43.81</b>                   | <b>112.15</b> | <b>12.57</b>               | <b>123.27</b>              | <b>105.88</b> | <b>525.14</b> | <b>2.81</b>    | <b>4.82</b>              | <b>1.44</b>             | <b>7,082.18</b>                                 | <b>1,972.12</b>                |
| <b>Accumulated Depreciation</b>         |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Depreciation charged during the year    |                       | 172.67                    | 736.57          | 310.10          | 13.69                  | 9.17                           | 16.12         | 0.91                       | 27.76                      | 22.90         | 77.97         | 0.51           | 1.07                     | 0.94                    | 1,390.38                                        |                                |
| Disposals                               |                       |                           | 45.45           |                 |                        |                                |               |                            |                            | 6.16          |               |                |                          |                         | 51.61                                           | 78.11                          |
| Exchange differences                    |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Closing accumulated depreciation        |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| <b>Closing accumulated depreciation</b> |                       | 172.67                    | 736.57          | 310.10          | 13.69                  | 9.17                           | 16.12         | 0.91                       | 27.76                      | 22.90         | 77.97         | 0.51           | 1.07                     | 0.94                    | 1,390.38                                        |                                |
| <b>Net carrying amount</b>              | <b>-0.00</b>          | <b>924.85</b>             | <b>2,560.98</b> | <b>1,361.64</b> | <b>24.34</b>           | <b>34.64</b>                   | <b>96.03</b>  | <b>11.66</b>               | <b>95.51</b>               | <b>76.82</b>  | <b>447.17</b> | <b>2.30</b>    | <b>3.75</b>              | <b>0.51</b>             | <b>5,640.19</b>                                 | <b>1,894.01</b>                |
| <b>Year ended 31st march, 2020</b>      |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Gross carrying amount                   |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Opening Gross carrying amount           |                       | 1,097.52                  | 3,343.00        | 1,671.74        | 38.03                  | 43.81                          | 112.15        | 12.57                      | 123.27                     | 105.88        | 525.14        | 2.81           | 4.82                     | 1.44                    | 7,082.18                                        | 1,972.12                       |
| Exchange differences                    |                       | 47.02                     | 10.09           | -               | -                      | 0.13                           | 0.36          | 0.12                       | 3.09                       | 2.53          | 21.99         | 0.13           | 0.00                     | 0.00                    | 85.46                                           |                                |
| Addition during the year                |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Disposals                               |                       | -                         | 64.20           | 11.59           | 1.93                   | -                              | -             | -                          | -                          | 0.25          | -             | -              | -                        | -                       | 77.97                                           | -78.11                         |
| Transfers                               |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| <b>Closing Gross carrying amount</b>    | <b>-</b>              | <b>1,144.54</b>           | <b>3,288.88</b> | <b>1,660.15</b> | <b>36.10</b>           | <b>43.94</b>                   | <b>112.51</b> | <b>12.69</b>               | <b>126.39</b>              | <b>108.16</b> | <b>547.13</b> | <b>2.94</b>    | <b>4.82</b>              | <b>1.44</b>             | <b>7,089.67</b>                                 | <b>1,894.01</b>                |
| <b>Accumulated Depreciation</b>         |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Opening accumulated depreciation        |                       | 172.67                    | 736.57          | 310.10          | 13.69                  | 9.17                           | 16.12         | 0.91                       | 22.76                      | 29.06         | 77.97         | 0.51           | 1.07                     | 0.94                    | 1,396.53                                        | 1,894.01                       |
| Depreciation charged during the year    |                       | 148.99                    | 679.97          | 278.90          | 8.25                   | 8.68                           | 15.83         | 0.53                       | 17.52                      | 18.35         | 68.32         | 0.48           | 1.04                     | 0.51                    | 1,247.35                                        |                                |
| Disposals                               |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| Exchange differences                    |                       |                           |                 |                 |                        |                                |               |                            |                            |               |               |                |                          |                         |                                                 |                                |
| <b>Closing accumulated depreciation</b> |                       | 321.66                    | 1,416.53        | 589.00          | 21.94                  | 17.85                          | 31.95         | 1.44                       | 45.27                      | 47.41         | 146.29        | 0.99           | 2.11                     | 1.45                    | 2,643.89                                        |                                |
| <b>Net carrying amount</b>              | <b>-</b>              | <b>822.88</b>             | <b>1,872.35</b> | <b>1,071.15</b> | <b>14.16</b>           | <b>26.09</b>                   | <b>80.56</b>  | <b>11.25</b>               | <b>81.09</b>               | <b>60.76</b>  | <b>400.83</b> | <b>1.95</b>    | <b>2.71</b>              |                         | <b>4,445.78</b>                                 | <b>1,894.01</b>                |

**Note 4 : Non Current Investments**

Rs. in Lakh

| Particulars                                                                                                                                                           | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Investments (At cost):</b>                                                                                                                                         |                           |                           |
| <b>Unquoted</b>                                                                                                                                                       |                           |                           |
| <b>Investment in equity instruments in Associates :</b>                                                                                                               |                           |                           |
| 1553800 Fully Paid-up Equity Shares of Rs.10 each in<br>Simpark Infrastructure Pvt Ltd.                                                                               | 586.13                    | 586.13                    |
| <b>Other entities :</b>                                                                                                                                               |                           |                           |
| 195100 Fully Paid-up Equity Shares of Rs. 10 each in<br>Simplex Agri Infra Services Pvt Ltd. (Previous year : 1005100 Fully<br>Paid-up Equity Shares of Rs. 10 each)* | 19.51                     | 100.51                    |
| 15000 Fully Paid-up Equity Shares of Rs.10 each in<br>Geo.Miller & Co. Ltd                                                                                            | -                         | 1.05                      |
| 5000 Fully paid equity shares of Simplex Projects Road &<br>Highway construction Pvt. Ltd.                                                                            | 0.50                      | 0.50                      |
| Investment in partnership firms (Refer Note below)                                                                                                                    | 13.53                     | 13.53                     |
| <b>Sub-Total :-</b>                                                                                                                                                   | <b>619.70</b>             | <b>701.72</b>             |
| <b>Quoted</b>                                                                                                                                                         |                           |                           |
| 1600 Fully Paid-up Equity Shares of Rs. 10 each in Uco Bank                                                                                                           | 0.14                      | 0.30                      |
| 402 Fully Paid-up Equity Shares of Rs. 10 each in Bank of Baroda                                                                                                      | 0.22                      | 0.46                      |
| 100 Fully Paid-up Equity Shares of Rs. 10 each in Indraprasth Gas Ltd                                                                                                 | 1.94                      | 1.52                      |
| 22 Fully Paid-up Equity Shares of Rs. 10 each in Tata Consultancy Services Ltd                                                                                        | 0.40                      | 0.44                      |
| <b>Sub-Total :-</b>                                                                                                                                                   | <b>2.70</b>               | <b>2.72</b>               |
| <b>Total :-</b>                                                                                                                                                       | <b>622.40</b>             | <b>704.44</b>             |
| Aggregate amount of unquoted investments                                                                                                                              | 619.70                    | 701.72                    |
| Aggregate amount of Quoted Investments and market value thereof                                                                                                       | 2.70                      | 2.72                      |
| Aggregate amount of impairment in value of investments                                                                                                                | -                         | -                         |

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

|      | Name of the firm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Share of each<br>partner in the<br>profits of the firm | Share of each<br>partner in the<br>profits of the firm |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| 1    | Simplex Projects (Netherlands) Co-operative U.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1%                                                     | 1%                                                     |
| (i)  | 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.                                                                                                                                                                                                                                                          |                                                        |                                                        |
| (ii) | These invstmnts in equity instruments are not held for trading instead they are held for medium or long-term stragetic purpose. Upon the application of IND-AS 109, the company has chosen to designate these investments in equity instruments as at FVOCI as the management believe that this provides a more meaningful presentation for medium or long term stragetic investments than reflecting changes in fair value immediately in Profit or loss. The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated with in the FVOCI equity investments reserve within equity. |                                                        |                                                        |

\* During the year company has sold 8,10,000 shares @ of Rs. 10 each of Simplex Agri Infra Services Pvt. Ltd.

**Note 5 : Non Current Financial Assets**

Rs. in Lakh

| Description                                                           | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Security Deposits                                                     | 145.14                  | 245.28                  |
| Deposit for Contract                                                  | 479.83                  | 390.87                  |
| Long Term Deposit with Banks with Maturity Period More than 12 Months | 214.63                  | 214.63                  |
| <b>Total :-</b>                                                       | <b>839.60</b>           | <b>850.78</b>           |

**Note 6 : Other Non Current Assets**

Rs. in Lakh

| Description                               | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-------------------------------------------|-------------------------|-------------------------|
| Advance Against Subsidiary/ Joint Venture | -                       | -                       |
| Advance against Projects                  | 73.01                   | 573.11                  |
| <b>Total :-</b>                           | <b>73.01</b>            | <b>573.11</b>           |

**Note 7 : Inventories**

Rs. in Lakh

| Description                              | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------|-------------------------|-------------------------|
| At lower of cost and net relisable value |                         |                         |
| <b>Raw Materials :-</b>                  |                         |                         |
| At Sites                                 | 886.80                  | 948.04                  |
| At Stores                                | 5,699.72                | 5,510.29                |
| Goods-in-transit                         | 568.37                  | 537.44                  |
| <b>Total :-</b>                          | <b>7,154.90</b>         | <b>6,995.77</b>         |

**Note 8 : Current Trade Receivables**

Rs. in Lakh

| Description                               | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-------------------------------------------|-------------------------|-------------------------|
| <b>(Unsecured, considered good)</b>       |                         |                         |
| Trade Receivables                         |                         |                         |
| Considered Good                           |                         |                         |
| SUNDRY DEBTORS                            | 110,315.98              | 95,782.31               |
| Less : Allowance for Expected Credit Loss | (229.80)                | (140.82)                |
| DEBTORS FOR TRADING GOODS                 | 2,730.57                | 4,942.97                |
| Considered Doubtful                       | 631.96                  | 489.96                  |
| Allowance for doubtful debts              | (631.96)                | (489.96)                |
| <b>Receivables from related parties</b>   |                         |                         |
| Considered Good                           | -                       | -                       |
| <b>Total :-</b>                           | <b>112,816.75</b>       | <b>100,584.46</b>       |

Sundry Debtors include overdue amount aggregating to Rs. 9746.90 Lakh (Previous Year - Rs. 12948.42 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.

**Note 9 : Cash and Cash Equivalents**

Rs. in Lakh

| Description                                      | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>Cash and Cash Equivalents</b>                 |                         |                         |
| Balances with Banks                              |                         |                         |
| in Current Accounts                              | 77.40                   | 79.87                   |
| Cheque on hand                                   | -                       | -                       |
| Deposits with maturity of less than three months | -                       | -                       |
| <b>Total :-</b>                                  | <b>77.40</b>            | <b>79.87</b>            |

**Note 10 : Bank Balances other than (iii)above**

Rs. in Lakh

| Description                                           | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-------------------------------------------------------|-------------------------|-------------------------|
| In Unpaid Dividend Account                            | 0.50                    | 0.50                    |
| In deposit accounts with maturity less than 12 months |                         |                         |
| Balances with Banks outside India*                    | 16.37                   | 15.48                   |
| Cash on hand at Libya Branch                          | 196.78                  | 145.35                  |
| Margin Money with Bank                                | 191.31                  | 191.31                  |
| <b>Total :-</b>                                       | <b>404.95</b>           | <b>352.64</b>           |

**\* Note:**

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

Rs. in Lakh

| Name of the Bank       | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------|-------------------------|-------------------------|
| First Gulf Libyan Bank | 15.05                   | 14.23                   |
| Sahara Bank, Libya     | 0.41                    | 0.39                    |
| First Gulf Bank, Dubai | 0.86                    | 0.82                    |
| Gulf Bank, Kuwait      | 0.04                    | 0.04                    |
| <b>Total</b>           | <b>16.37</b>            | <b>15.48</b>            |

(i) Fixed Deposits **Rs. 191.31 Lakh** (Previous Year – Rs. 191.31 Lakh) are not in possession of the company as they have been lodged as security deposit with clients / Banks.

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

**Note 11 : Other Current Financial Assets**

Rs. in Lakh

| Description                                        | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured considered good</b>                   |                         |                         |
| Advances recoverable in cash                       |                         |                         |
| Due from related parties                           |                         |                         |
| Subsidiaries                                       | 2,106.18                | 383.07                  |
| Joint Ventures                                     | -                       | 97.80                   |
| Accrued Interest on Deposits with Banks and Others | 343.90                  | 334.01                  |
| <b>Total :-</b>                                    | <b>2,450.08</b>         | <b>814.88</b>           |

**Note 12 : Current Tax Assets (Net)**

Rs. in Lakh

| Description                            | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| Advance Income Tax (net of provisions) | -                       | 185.08                  |
| <b>Total :-</b>                        | <b>-</b>                | <b>185.08</b>           |

**Note 13 : Other Current Assets**

Rs. in Lakh

| Description                                                      | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured considered good</b>                                 |                         |                         |
| Advances to employees (Refer note (i) below)                     | 82.29                   | 423.80                  |
| Less : Allowance for Expected Credit Loss                        | (17.78)                 | -                       |
| Prepaid Expenses                                                 | 2.92                    | 3.03                    |
| <b>Balances with government authorities (Statutory Advances)</b> |                         |                         |
| VAT credit receivable                                            | 141.17                  | 309.41                  |
| GST credit receivable                                            | 1,110.99                | 944.84                  |
| Service Tax credit receivable                                    | 7.93                    | 7.93                    |
| Other Advance                                                    | 288.49                  | 553.79                  |
| <b>Contract Assets</b>                                           |                         |                         |
| Retention Money on Construction Contracts                        | 6,254.19                | 6,150.61                |
| Less : Allowance for Expected Credit Loss                        | (11.81)                 | (24.33)                 |
| Unbilled Revenue for Construction Contracts                      | 68,072.81               | 64,046.86               |
| Less : Allowance for Expected Credit Loss                        | (200.94)                | (595.61)                |
| <b>Total :-</b>                                                  | <b>75,730.25</b>        | <b>71,820.33</b>        |

Note:

- (i) Employee advance have been shown net of credit balance of Rs. 6.50 Lakhs.
- (ii) Unbilled Revenue include overdue amount aggregating to Rs. 4587.87 lakhs (Previous Year - Rs. 3680.67 lakhs) 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.

**Note 14 : Equity Share Capital**

Rs. in Lakh

| Description                                                                                                   | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(a) Authorised :</b><br>15000000 Equity shares of Rs. 10/- each with voting rights                         | 1,500.00                | 1,500.00                |
|                                                                                                               | <b>1,500.00</b>         | <b>1,500.00</b>         |
| <b>(b) Issued, Subscribed and fully paid up</b><br>12600378 Equity shares of Rs. 10/- each with voting rights | 1,260.04                | 1,260.04                |
| <b>Total</b>                                                                                                  | <b>1,260.04</b>         | <b>1,260.04</b>         |

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

| Description                             | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Equity shares with voting rights</b> |                         |                         |
| Kirti Vinimay Private Limited           | 5,002,603<br>39.70%     | 5,002,603<br>39.70%     |
| Jemtech Engineering Private Limited     | 1,171,572<br>9.30%      | 1,171,572<br>9.30%      |

**(ii) 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 share 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.

**Note 15 : Other Equity**

Rs. in Lakh

| Description                          | Refer following Items | As at 31 March, 2020 | As at 31 March, 2019 |
|--------------------------------------|-----------------------|----------------------|----------------------|
| (i) Reserve and Surplus              |                       |                      |                      |
| Securities Premium Reserve           | (a)                   | 8,395.94             | 8,395.94             |
| General Reserve                      | (b)                   | 5,012.59             | 5,012.59             |
| Retained earnings                    | (c)                   | (3,599.54)           | (3,684.67)           |
| <b>Total</b>                         |                       | <b>9,808.99</b>      | <b>9,723.86</b>      |
| (ii) Other Reserves                  |                       |                      |                      |
| FVOCI Equity instruments             |                       | 0.66                 | 0.68                 |
| Foreign Currency translation Reserve |                       | 2,547.98             | 1,598.14             |
| <b>Total</b>                         |                       | <b>2,548.64</b>      | <b>1,598.82</b>      |
| <b>Total Other Equity ( i + ii )</b> |                       | <b>12,357.63</b>     | <b>11,322.68</b>     |

| Description                                                                   | As at 31 March, 2020 | As at 31 March, 2019 |
|-------------------------------------------------------------------------------|----------------------|----------------------|
| (a) Securities Premium Reserve - Balance at the beginning and end of the year | 8,395.94             | 8,395.94             |
| (b) General Reserve                                                           |                      |                      |
| Balance at the beginning of the year                                          | 5,012.59             | 5,012.59             |
| Add : Transferred from Retained Earnings                                      |                      |                      |
| Balance at the end of the year                                                | 5,012.59             | 5,012.59             |
| (c) Retained Earnings                                                         |                      |                      |
| Balance at the beginning of the year                                          | (3,684.67)           | (3,850.31)           |
| Profit for the year                                                           | 88.42                | 197.40               |
| Remeasurement of post-employment benefit obligations                          | (3.29)               | (31.76)              |
| Balance at the end of the year                                                | (3,599.54)           | (3,684.67)           |
| <b>Total</b>                                                                  | <b>9,808.99</b>      | <b>9,723.86</b>      |

| Description                                             | For VOCI-Equity Instruments | Foreign Currency Translation Reserve | Total Other reserves |
|---------------------------------------------------------|-----------------------------|--------------------------------------|----------------------|
| <b>As at 31st March, 2018</b>                           | 0.84                        | 1142.48                              | <b>1143.32</b>       |
| Changes in fair value of FVOCI- Equity instruments      | (0.16)                      | -                                    | (0.16)               |
| Exchange difference on translation of foreign operation | -                           | 615.78                               | 615.78               |
| Income Tax relating to this item                        | -                           | (160.12)                             | (160.12)             |
| <b>As at 31st March, 2019</b>                           | <b>0.68</b>                 | <b>1,598.14</b>                      | <b>1,598.82</b>      |
| Changes in fair value of FVOCI- Equity instruments      | (0.02)                      | -                                    | (0.02)               |
| Exchange difference on translation of foreign operation | -                           | 1,283.56                             | 1,283.56             |
| Income Tax relating to this item                        | -                           | (333.72)                             | (333.72)             |
| <b>As at 31st March, 2020</b>                           | <b>0.66</b>                 | <b>2,547.98</b>                      | <b>2,548.64</b>      |

**Nature and purpose of Reserves**

**Securities Premium Reserve :** The amount received from share holders in excess of face value of the equity shares is recognised in Securities Premium Reserve and will be utilised as per provisions of the Companies Act, 2013.

**General Reserve :** The Company has transferred a portion of the net profit of the company before declaring dividend to General Reserve pursuant to the earlier provisions of companies act, 1956. Mandatory transfer to General Reserve is not required under the companies act, 2013. General Reserve will be utilised as per provisions of the companies act, 2013.

**FVOCI-Equity Instruments** : The company has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the FVOCI-Equity Instruments reserve within equity. Transfer of amounts from this reserves to retained earnings are effected when the relevant equity securities are de-recognised.

**Foreign Currency Translation Reserve** : Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a foreign currency translation reserve within equity. The cumulative amount of foreign currency translation reserve is re classified to profit or loss when the net investment is disposed-off.

**Note 16 : Non Current Borrowings**

Rs. in Lakh

| Description               | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------|-------------------------|-------------------------|
| <b>Secured Borrowings</b> |                         |                         |
| From Other parties        | -                       | -                       |
| <b>Total :-</b>           | -                       | -                       |

**Note 17 : Non Current Provisions**

Rs. in Lakh

| Description                            | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| <b>Provision for Employee Benefits</b> |                         |                         |
| Leave Encashment                       | 13.86                   | 13.62                   |
| Gratuity                               | 103.31                  | 82.30                   |
| <b>Total :-</b>                        | <b>117.17</b>           | <b>95.92</b>            |

**Note 18 : Deferred Tax Liabilities (Net)**

Rs. in Lakh

| Description                                                                     | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
| MAT Credit Entitlement                                                          | (231.18)                | (226.28)                |
| Liability on account of difference in value of Assets as per books and tax Laws | 704.78                  | 453.41                  |
| <b>Total :-</b>                                                                 | <b>473.61</b>           | <b>227.13</b>           |

**Note 19 : Other Non current liabilities**

Rs. in Lakh

| Description                        | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Trade / Security Deposits received | 2,404.56                | 2,425.57                |
| <b>Contract Liabilities</b>        |                         |                         |
| Advance from Customers             | 81,218.97               | 76,306.13               |
| <b>Total :-</b>                    | <b>83,623.53</b>        | <b>78,731.70</b>        |

**Note 20 : Current Borrowings**

Rs. in Lakh

| Description                                          | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Secured Borrowings</b>                         |                         |                         |
| Term Loans from Banks                                | 1,391.23                | 1,503.78                |
| Working Capital Loans repayable on demand from Banks | 73,424.08               | 62,152.31               |
| <b>Sub-Total</b>                                     | <b>74,815.29</b>        | <b>63,656.09</b>        |
| <b>B. Unsecured Borrowings</b>                       |                         |                         |
| Intercompany Deposit (repayable on demand)           | 2,348.36                | 1,969.18                |
| <b>Sub-Total</b>                                     | <b>2,348.36</b>         | <b>1,969.18</b>         |
| <b>Total :-</b>                                      | <b>77,163.67</b>        | <b>65,625.27</b>        |

**Notes to Current Borrowings:-**

- 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.
- 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.

**Note 21 : Trade Payables**

Rs. in Lakh

| Description                           | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Acceptances                           | -                       | -                       |
| Other Trade Payables to other parties | 23,441.48               | 23,546.21               |
| <b>Total :-</b>                       | <b>23,441.48</b>        | <b>23,546.21</b>        |

- 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 31.03.2020.
- Trade payable have been shown net of advances of Rs. 10197.00 Lakh (Previous Year Rs. 10197.00 Lakh) paid to suppliers and sub contractors.

**Note 22 : Other Current Financial Liabilities**

Rs. in Lakh

| Description                                 | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------------------------|-------------------------|-------------------------|
| Current maturities of long term debts*      | 421.36                  | 421.36                  |
| Unpaid matured long term debt               | 289.33                  | 289.33                  |
| Interest accrued and due on borrowings      | 849.77                  | 849.77                  |
| Unclaimed dividends                         | 0.49                    | 0.49                    |
| Liability for expenses and obligations      | 1,439.91                | 1,441.56                |
| <b>Total :-</b>                             | <b>3,000.86</b>         | <b>3,002.51</b>         |
| Note: Current maturities of long term debts |                         |                         |
| Description                                 | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
| Term loans                                  |                         |                         |
| From Banks, Secured                         | -                       | -                       |
| From other parties, Secured                 | 421.36                  | 421.36                  |
| <b>Total</b>                                | <b>421.36</b>           | <b>421.36</b>           |

**Note 23 : Other Current Liabilities**

Rs. in Lakh

| Description                                                         | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| Contract Liability                                                  |                         |                         |
| Advance from Customers                                              | 1,342.07                | 2,790.74                |
| Others                                                              |                         |                         |
| Statutory Dues (Contributions to PF and ESIC, Service Tax, GST etc) | 1,787.16                | 1,854.49                |
| Trade / Security Deposits received                                  | 405.41                  | 301.33                  |
| Advance against projects                                            | 924.67                  | 1,593.66                |
| Advances from related parties                                       | -                       | -                       |
| <b>Total :-</b>                                                     | <b>4,459.32</b>         | <b>6,540.22</b>         |

**Note 24 : Current Provisions**

Rs. in Lakh

| Description                       | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-----------------------------------|-------------------------|-------------------------|
| Provision for employee benefits : |                         |                         |
| Exgratia                          | 124.09                  | 124.09                  |
| Leave encashment                  | 22.84                   | 19.79                   |
| <b>Total :-</b>                   | <b>146.93</b>           | <b>143.88</b>           |

**Note 24A : Current Tax Liabilities (Net)**

Rs. in Lakh

| Description                            | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| Advance Income Tax (Net of provisions) | 464.90                  | -                       |
| <b>Total :-</b>                        | <b>464.90</b>           | <b>-</b>                |

**Note 25 : Revenue from Operations**

Rs. in Lakh

|                                                | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Construction Contract Works</b>             |                                      |                                      |
| Gross Billing                                  | 15,531.59                            | 25,261.58                            |
| Add :Accretion/(Decretion) in Work in Progress | 2,126.02                             | (581.18)                             |
|                                                | <b>17,657.61</b>                     | <b>24,680.40</b>                     |
| <b>Sale of Trading Goods</b>                   | -                                    | -                                    |
| <b>Total</b>                                   | <b>17,657.61</b>                     | <b>24,680.40</b>                     |

Gross Billing includes Rs. 1908.78 lacs on account of bills submitted but not certified as on the Balance Sheet date.

Gross Billing also includes an amount Rs. 13,048.67 lacs against certified work done on "debitable basis". Thus, liability for GST does not arise on us on this work.

**Note 26 : Other Income**

Rs. in Lakh

|                                                        | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| Dividend Income from Equity Instruments                | 0.09                                 | 0.05                                 |
| Interest Income from Fixed Deposits                    | 153.49                               | 139.53                               |
| Excess Provision written back (refer note below)       | 8.78                                 | 5.57                                 |
| Fair value gain from financial assets measured at FVPL | 8.68                                 | 77.55                                |
| Profit on Disposal of Fixed Assets                     | 0.23                                 | 47.78                                |
| Profit on sale of shares                               | 7.95                                 | -                                    |
| Other Income                                           | 76.50                                | 186.42                               |
| <b>Total</b>                                           | <b>255.71</b>                        | <b>456.90</b>                        |

Note: Interest on Fixed Deposits with Banks and laying with other party (as EMD) has not been considered as income.

**Note 27 : Cost of Material Consumed**

Rs. in Lakh

|                      | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|----------------------|--------------------------------------|--------------------------------------|
| Opening Stock        | 6,458.33                             | 6,532.46                             |
| Add : Purchases      | 623.81                               | 4,002.98                             |
|                      | 7,082.14                             | 10,535.44                            |
| Less : Closing Stock | 6,586.52                             | 6,458.33                             |
| <b>Total</b>         | <b>495.62</b>                        | <b>4,077.11</b>                      |

**Note 28 : Cost of subcontracting, other site and Trading expenses**

Rs. in Lakh

|                         | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|-------------------------|--------------------------------------|--------------------------------------|
| Subcontracting Expenses | 13,663.81                            | 15,507.13                            |
| Other site Expenses     | 1,278.19                             | 2,769.58                             |
| <b>Total</b>            | <b>14,942.01</b>                     | <b>18,276.71</b>                     |

**Note 29 : Employee benefits expenses**

Rs. in Lakh

|                                                            | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and wages                                         | 275.90                               | 388.41                               |
| Contributions to provident and other funds (Refer Note 40) | 52.73                                | 47.85                                |
| Staff welfare expenses                                     | 3.35                                 | 4.07                                 |
| <b>Total</b>                                               | <b>331.98</b>                        | <b>440.33</b>                        |

**Note 30 : Finance costs**

Rs. in Lakh

|                                 | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Interest expenses on Borrowings | 370.59                               | 293.02                               |
| Other Borrowing costs           | 2.00                                 | 122.32                               |
| <b>Total</b>                    | <b>372.58</b>                        | <b>415.34</b>                        |

**Note 31: Other Administrative Expenses**

Rs. in Lakh

|                                                 | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|-------------------------------------------------|--------------------------------------|--------------------------------------|
| Rent including lease rentals                    | 35.48                                | 35.97                                |
| Repairs and maintenance:                        |                                      |                                      |
| Others                                          | 12.22                                | 34.61                                |
| Buildings                                       | 1.65                                 | 0.60                                 |
| Insurance                                       | 14.79                                | 18.11                                |
| Rates and taxes                                 | 23.90                                | 0.25                                 |
| Travelling and Conveyance                       | 68.84                                | 50.70                                |
| Motor Vehicles Expenses                         | 11.82                                | 22.66                                |
| Stores and Godown Expenses                      | 0.24                                 | 2.49                                 |
| Legal and professional                          | 198.93                               | 86.36                                |
| Bank Charges                                    | 11.33                                | 20.03                                |
| Payments to auditors (Refer Note below)         | 5.76                                 | 5.76                                 |
| Loss on disposal of property, plant & equipment | -                                    | 2.17                                 |
| Advances written off                            | 79.80                                | 189.26                               |
| Miscellaneous expenses                          | 52.97                                | 58.90                                |
| <b>Total</b>                                    | <b>517.72</b>                        | <b>527.47</b>                        |

**Notes: Payments to Auditors**

| Particulars               | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|---------------------------|--------------------------------------|--------------------------------------|
| Payments to the auditors: |                                      |                                      |
| For Statutory audit       | 5.18                                 | 5.18                                 |
| For Tax Audit             | 0.58                                 | 0.58                                 |
| <b>Total</b>              | <b>5.76</b>                          | <b>5.76</b>                          |

(Rs. in Lakhs, unless otherwise stated)

- 32 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.
- 33 The Company 's cash credit accounts with Bank of Baroda, DBS bank, Yes bank, ICICI, State bank of India, State bank of Travancore ,Axis Bank, IDBI bank & UCO bank & term loan facilities with Kotak Mahindra & ICICI have been classified as Non performing assets & no provision of interest amounting Rs. 9201.96 lakhs as computed on an approximate basis on cash credit accounts have been made. Also no further provision of interest on term loan from Kotak Mahindra & ICICI has been made.
- 34 Capital Working Progress amounting to Rs. 1894.01 lakhs which includes Rs.465.29 lakhs pertaining to materials imported and kept at port.
- 35 The operation of the company's branch at Libya, which 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 provision thereof are required at this stage. The depreciation of **Rs. 225.57 Lakhs** (previous year Rs.258.55 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. The Company has filed a claim of INR 770.00 Crores against State of Libya in International Arbitration.

36. a) Earnings in Foreign Currency :

| Particulars                                     | Year ended<br>31 March, 2020 | Year ended<br>31 March, 2019 |
|-------------------------------------------------|------------------------------|------------------------------|
| On Contract Work (Work Done at Overseas Branch) | NIL                          | 8,300.25                     |

b) Expenditure in Foreign Currency :

| Particulars | Year ended<br>31 March, 2020 | Year ended<br>31 March, 2019 |
|-------------|------------------------------|------------------------------|
| Travelling  | NIL                          | 5.47                         |

37. Stores Consumed :

| Particulars           | Year ended 31st March, 2020 |                           | Year ended 31st March, 2019 |                           |
|-----------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
|                       | Value                       | % of total<br>consumption | Value                       | % of total<br>consumption |
| Imported (Into India) | -                           | -                         | -                           | -                         |
| Indigenous            | 495.62                      | 100                       | 4077.11                     | 100                       |
| <b>Total</b>          | <b>495.62</b>               | <b>100</b>                | <b>4077.11</b>              | <b>100</b>                |

(Rs. in Lakhs, unless otherwise stated)

38. The Company has recognised, in the statement of Profit and Loss for “Employee Benefits” are given below :

**Defined Contribution plan**

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

| Particulars                                    | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund      | 7.59                                 | 11.10                                |
| Employer's Contribution to Superannuation Fund | -                                    | -                                    |
| Employer's Contribution to Pension Scheme      | 6.96                                 | 9.87                                 |

**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.

**a. Reconciliation of opening and closing balances of Defined Benefit obligation**

| Particulars                                         | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|-----------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                     | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Defined Benefit obligation at beginning of the year | 150.60                               | 18.47                             | 121.53                               | 25.83                             |
| Current Service Cost                                | 6.57                                 | 2.64                              | 8.07                                 | 5.92                              |
| Interest Cost                                       | 9.38                                 | 2.08                              | 8.87                                 | 1.88                              |
| Actuarial gain/(loss)                               | (3.89)                               | (1.43)                            | 12.12                                | (15.16)                           |
| Benefits paid                                       | -                                    | -                                 | -                                    | -                                 |
| Defined Benefit obligation at year end              | 162.66                               | 21.76                             | 150.60                               | 18.47                             |

**b. Reconciliation of opening and closing balances of fair value of plan assets**

| Particulars                                        | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|----------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                    | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Fair value of plan assets at beginning of the year | 68.30                                | -                                 | 80.96                                | -                                 |
| Expected return on plan assets                     | 4.26                                 | -                                 | 5.91                                 | -                                 |
| Actuarial gain/(loss)                              | (13.21)                              | -                                 | (19.63)                              | -                                 |
| Employer contribution                              | -                                    | -                                 | 1.06                                 | -                                 |
| Benefits paid                                      | -                                    | -                                 | -                                    | -                                 |
| Fair value of plan assets at year end              | 59.35                                | -                                 | 68.30                                | -                                 |
| Actual return on plan assets                       | 6.23%                                | -                                 | 7.30%                                | -                                 |

**c. Reconciliation of fair value of assets and obligations**

| Particulars                        | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                    | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Fair value of plan assets          | 59.35                                | -                                 | 68.30                                | -                                 |
| Present value of obligation        | 162.66                               | -                                 | 150.60                               | -                                 |
| Amount recognized in balance Sheet | (103.31)                             | -                                 | (82.30)                              | -                                 |

**d. Expenses recognized during the year**

(Rs. in Lakhs, unless otherwise stated)

| Particulars                                    | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Current Service Cost                           | 6.57                                 | 2.64                              | 8.07                                 | 5.93                              |
| Interest Cost                                  | 9.38                                 | 2.08                              | 8.87                                 | 1.88                              |
| Expected return on plan assets                 | 4.26                                 | -                                 | 5.91                                 | -                                 |
| Actuarial gain / (loss) recognized in the year | 9.31                                 | (1.43)                            | 31.76                                | (15.16)                           |
| Net Cost                                       | 29.52                                | 3.29                              | 54.61                                | (7.35)                            |

**e. Investment Details**

| Particulars                                      | % invested as at<br>31st March, 2020 | % invested as at<br>31st March, 2019 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| L.I.C. Group Gratuity (Cash Accumulation) Policy | 100                                  | 100                                  |

**f. Actuarial assumptions**

| Particulars                                           | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|-------------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                       | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Mortality Table (L.I.C)                               | IALM (2006-2008) Ultimate            |                                   | IALM (2006-2008) Ultimate            |                                   |
| Discount rate (per annum)                             | 6.23%                                | 6.23%                             | 7.30%                                | 7.30%                             |
| Expected rate of return on plan assets<br>(per annum) | 10 per<br>thousand                   | N.A.                              | 10 per<br>thousand                   | N.A.                              |
| Rate of escalation in salary (per annum)              | 6%                                   | 6%                                | 6%                                   | 6%                                |
| Formula used                                          | Projected United 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.

## 39. Transactions with related parties

|                                                | Associates |         | Entities Control by Directors or relatives of Directors |          | Relatives of KMP |         | Key Management Personnel |         | Post employment benefit plan entity |         | Total    |          |
|------------------------------------------------|------------|---------|---------------------------------------------------------|----------|------------------|---------|--------------------------|---------|-------------------------------------|---------|----------|----------|
|                                                | 2019-20    | 2018-19 | 2019-20                                                 | 2018-19  | 2019-20          | 2018-19 | 2019-20                  | 2018-19 | 2019-20                             | 2018-19 | 2019-20  | 2018-19  |
| <b>Loans and Advances Taken (Repaid) (Net)</b> |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simpark Infrastructure Pvt. Ltd                | -          | -       | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | -        |
| Balkrishan Das Mundhra                         | -          | -       | 1,258.85                                                | 1,209.95 | -                | -       | -                        | -       | -                                   | -       | 1,258.85 | 1,209.95 |
| Jemtec Engineering Pvt Ltd                     | -          | -       | 175.76                                                  | 231.27   | -                | -       | -                        | -       | -                                   | -       | 175.76   | 231.27   |
| Kirti Vinimay Pvt. Ltd.                        | -          | -       | 325.00                                                  | -        | -                | -       | -                        | -       | -                                   | -       | 325.00   | -        |
| Datson Exports Ltd                             | -          | -       | 15.73                                                   | 15.80    | -                | -       | -                        | -       | -                                   | -       | 15.73    | 15.80    |
| <b>Loans given/repaid</b>                      |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simpark Infrastructure Pvt. Ltd                | -          | 97.60   | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | 97.60    |
| Simplex Agri-Infra Services Pvt Ltd            | -          | -       | -                                                       | 383.06   | -                | -       | -                        | -       | -                                   | -       | -        | 383.06   |
| Kirti Vinimay Pvt. Ltd.                        | -          | -       | 515.66                                                  | 561.51   | -                | -       | -                        | -       | -                                   | -       | 515.66   | 561.51   |
| <b>Contribution during the year</b>            |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simplex Employees Provident Fund               | -          | -       | -                                                       | -        | -                | -       | -                        | -       | 21.41                               | 20.56   | 21.41    | 20.56    |
| Simplex Gratuity Fund                          | -          | -       | -                                                       | -        | -                | -       | -                        | -       | 14.50                               | 9.50    | 14.50    | 9.50     |
| <b>Managerial Remuneration</b>                 |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Mr. B. K. Mundhra                              | -          | -       | -                                                       | -        | -                | -       | -                        | 16.41   | -                                   | -       | -        | 16.41    |
| Mr. S. D. Mundhra                              | -          | -       | -                                                       | -        | -                | -       | 19.37                    | 19.37   | -                                   | -       | 19.37    | 19.37    |
| <b>Sittings Fees</b>                           |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Keshav Das Mundhra                             | -          | -       | -                                                       | -        | -                | -       | -                        | 0.06    | -                                   | -       | -        | 0.06     |
| Bhabya nath Thakur                             | -          | -       | -                                                       | -        | -                | -       | 0.38                     | 0.26    | -                                   | -       | 0.38     | 0.26     |
| Sagarika Ghosh Chakraborty                     | -          | -       | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | -        |
| <b>Guarantees Given/(released)(net)</b>        |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simpark Infrastructure Pvt Ltd                 | -          | 90.78   | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | 90.78    |
| Simplex Agri Infra Services Pvt Ltd            | -          | -       | 13.34                                                   | 13.34    | -                | -       | -                        | -       | -                                   | -       | 13.34    | 13.34    |
| <b>Grand Total</b>                             | -          | 188.38  | 2,304.34                                                | 2,414.93 | -                | -       | 19.75                    | 36.10   | 35.91                               | 30.06   | 2,360.00 | 2,669.47 |

#### Note 39 Related party transactions

Related Party disclosures pursuant to IND AS 24 prescribed under the Act.

| Serial No. | Relationship                                                                | Name of Related Parties               |
|------------|-----------------------------------------------------------------------------|---------------------------------------|
| <b>A</b>   | <b>Others with whom transaction were carried out during the year etc :-</b> |                                       |
|            | <b>Associates</b>                                                           | Simpark Infrastructure Pvt. Ltd.      |
| <b>B</b>   | <b>Key Management Personnels (KMP)</b>                                      | <b>Executive Directors</b>            |
|            |                                                                             | Mr. Sudarshan Das Mundhra             |
|            |                                                                             | <b>Non-Executive Directors</b>        |
|            |                                                                             | Mr. Balkrishan Das Mundhra            |
|            |                                                                             | Mr. Bhabya Nath Thakur                |
|            |                                                                             | Mrs. Sagarika Ghosh Chakraborty       |
|            |                                                                             | <b>Company Secretary</b>              |
|            |                                                                             | Mrs. Sohini Shukla                    |
| <b>C</b>   | <b>Relatives of KMP</b>                                                     | Mrs. Pushpa Mundhra                   |
|            |                                                                             | Mr. Raghav Das Mundhra                |
| <b>D</b>   | <b>Entities Contol by Directors Or Relatives of Directors</b>               | Jemtec Engineering Pvt. Ltd.          |
|            |                                                                             | Kirti Vinimay Pvt. Ltd.               |
|            |                                                                             | Datson Exports Ltd.                   |
|            |                                                                             | Simplex Foundation                    |
|            |                                                                             | Simplex Agri-Infra Services Pvt. Ltd. |
| <b>E</b>   | <b>Post employment benefit plan entity</b>                                  | Simplex Employees Provident Fund      |
|            |                                                                             | Simplex Gratuity Fund                 |

#### 40. Disclosure under regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015)

The company has given interest free advance to Simplex Agri-Infra Services Pvt Ltd, (related party), having no repayment schedule and outstanding balance is **Rs. 2106.18 Lakhs** (Previous Year Rs. 383.07 Lakh).

#### 41. Earnings per Share:

| Sl. No. | Particulars                                                                | For the year ended 31 March, 2020 | For the year ended 31 March, 2019 |
|---------|----------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| a)      | Net Profit / (Loss) after tax available for equity shareholders (in lakhs) | 88.41                             | 197.40                            |
| b)      | Weighted Average number of equity shares for Basic EPS                     | 12,600,378                        | 12,600,378                        |
| c)      | Weighted Average number of equity shares for Diluted EPS                   | 12,600,378                        | 12,600,378                        |
| d)      | FV of each equity share (Rs.)                                              | 10.00                             | 10.00                             |
| e)      | Basic EPS                                                                  | 0.70                              | 1.57                              |
| f)      | Diluted EPS                                                                | 0.70                              | 1.57                              |

**42 a) Information in accordance with the requirements of the Indian Accounting Standard (Ind AS 115) on 'Revenue from Contracts with Customer'.**

**(i) Revenue from operations**

| Particulars                                        | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Income</b>                                      |                                     |                                     |
| Income from Contracts and Services (Refer Note 25) | <b>17,657.61</b>                    | 24680.41                            |
| Sale of Trading Goods                              | -                                   | -                                   |

(ii) The Company recognises revenue from contracts with customers which included Government and Non-Government customers, for construction/project activities over a period of time. During the year substantial part of the Company's business has been carried out in India. For geographical disaggregation Refer Note 38.

**(iii) Contract balances**

| Particulars                               | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Trade receivables (Refer Note 8)          | <b>1,10,086.18</b>                  | 95641.49                            |
| Contract assets (Refer Note 13)           | <b>74,114.25</b>                    | 69577.53                            |
| Contract liabilities (Refer Note 19 & 23) | <b>82,561.04</b>                    | 79096.87                            |

(iv) Set out below is the amount of revenue recognised during the period from Contract liability balance at the beginning of the period:

| Particulars                                                                                         | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Revenue recognised during the period from Contract liability balance at the beginning of the period | <b>122.90</b>                       | 708.91                              |

**(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:**

There is no difference in the contract price negotiated and the revenue recognised during the period in the statement of profit and loss.

**(vi) Performance Obligation**

Method used to recognise revenue and timing of satisfaction of performance obligations have been disclosed in note 2.10. Generally the project duration of contracts with customers is more than 12 months.

#### 43 Assets pledged as security

The carrying amounts of certain categories of assets pledged as security for current and non-current borrowings pursuant to the requirements of Ind AS 2, Ind AS 16, Ind AS 38 and Ind AS 107.

| Particulars                   | As at 31st March 2020 | As at 31st March 2019 |
|-------------------------------|-----------------------|-----------------------|
| <b>Current assets</b>         |                       |                       |
| Financial assets              | 1,80,688.62           | 1,64,035.71           |
| <b>Non-financial assets</b>   |                       |                       |
| Inventories                   | 7,154.90              | 6,995.77              |
| <b>Total (A)</b>              | <b>1,87,843.52</b>    | <b>1,71,031.48</b>    |
| <b>Non-current assets</b>     |                       |                       |
| Financial assets              | 214.63                | 214.63                |
| Property, plant and equipment | 4,445.78              | 5,640.19              |
| <b>Total (B)</b>              | <b>4,660.41</b>       | <b>5,854.82</b>       |
| <b>Total (A+B)</b>            | <b>1,92,503.93</b>    | <b>1,76,886.30</b>    |

Note: 44,24,839 number of shares of the Promoters are placed with the bank.

#### 44 Contingent Liabilities- Attributable to Claims against the Company not acknowledge as debts

In respect of the contingent liabilities set out below, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any:

| Particulars                  | As at 31st March 2020 | As at 31st March 2019 |
|------------------------------|-----------------------|-----------------------|
| a) Interest (others)         | 31,515.98             | 22,314.02             |
| b) Sales Tax/Value Added Tax | 2,798.94              | 2,798.94              |
| c) Service Tax               | 946.85                | 946.85                |

#### 45 Contingent Liabilities - Attributable to Guarantees:

| Particulars                                                                                | As at 31st March 2020 | As at 31st March 2019 |
|--------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| i) Corporate Guarantees given to Banks against credit facilities extended to third parties | 2400.00               | 2400.00               |
| a) In respect of Associates                                                                | Nil                   | Nil                   |
| ii) Bank Guarantees                                                                        | 84,164.30             | 97741.76              |
| a) In respect of Subsidiary                                                                | 13.34                 | 13.34                 |
| b) In respect of Associate                                                                 | 90.78                 | 90.78                 |

**46** Arbitration/Legal proceedings are on in respect of company's claims on certain completed/suspended contracts against which certain customers have also raised counter claims on the company. Pending disposal of the proceedings, on effect has been given in these financial statements for such matters. Based on the company's internal evaluation supported by legal opinion obtained, management believes that it is probable that the outcome of such proceedings will be in favour of the Company and there will be no adverse impact in this regards.

**47 Financial Risk Management**

The Company's business activities are exposed to variety of financial risks namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's financial risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's financial risk management policies. The Company's financial risk management policies are established to identify and analyse the risk faced by the Company, to set and monitor appropriate controls.

**(A) Credit Risk**

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, loans, Investments and other financial assets.

At each reporting date the Company measures loss allowance for certain class of financial assets and based on historical trend, industry practices and the business environment in which the company operates.

Credit risk with respect to trade receivable are limited, due to the Company's customer profile are well balanced in Government and Non-Government customers and diversified amongst in various construction verticals and geographies. All trade receivable are reviewed and assessed on a quarterly basis.

Credit risk arising from investments, derivative financial instruments and balances with bank is limited because the counterparties are banks and recognised financial institutions with high credit worthiness.

**Provision for expected credit losses**

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical tend, industry practices and the business environment in which the Company operates

For financial assets, a credit loss is the present value of the difference between:

- (a) the contractual cash flows that are due to an entity under the contract: and
- (b) the cash flows that the entity expects to receive

The Company recognises in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

**(C) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in the market prices.

**48** On account lockdown declared by Central Government and State Government on 23rd March, 2020 due to Covid-19 the Company suspended all its operations. The operations at our working sites and offices gradually resumed from May, 2020 with limited man power. Based on overall assessment of economic environment, Management is of the view that impact of Covid-19 will affect the Company's operations in the FY : 2020-21 which has not yet been assessed.

- 49** The Company has generated negative cash flow from its operating activities amounting to Rs. 9,787.69 lakhs for the year ended March 31, 2020, there was also default in payment of financial debts, to its bankers and others. The reason for such operational loss is due to :
- Delay in realization of trade receivables & Unbilled Revenue in tune of Rs. 9,746.90 lakhs & Rs. 4587.87 lakhs respectively, for which arbitration is going on.
  - On account of civil unrest (in the year 2011) the company's operation at Libya was stopped due to which our assets and receivables are "stand still". However, the Company has filed a claim of INR 770.00 Crores against State of Libya in International Arbitration.
- Company is confident of improving the credit profile including time bound realization of its assets, arbitration claims etc. which would result in meeting its obligations on time. Accordingly, the Management considers it appropriate to prepare these financial statements on going concern basis.
- 50** Company has defaulted in repayment of interest and principal amounting to Rs. 421.36 lakh payable to SREI Equipment Finance Limited up to 31.03.2019 and the interest for the year ended March 31, 2020 has not been ascertained and booked on account of legal proceedings.
- 51** GSTR-1 & GSTR 3B is not yet filed in the stated of Meghalaya, Assam & Uttar Pradesh for the FY 2019-20. Moreover, GST Audit for the year ended March, 2018 & March, 2019 is still pending.
- 52** Amount in the financial statements are presented in INR lakhs, unless otherwise stated.
- 53** Previous year's figures are reclassified, where necessary, to conform to the current year's classification.

#### SIGNATURES TO NOTES "1" TO "53"

For and on behalf of

**H. S. BHATTACHARJEE & CO.**  
 Firm Registration No. 322303E  
*Chartered Accountants*

**A. Roy**  
*Partner*  
 Membership No. 57516  
 Kolkata  
 Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**

**S. D. Mundhra**  
*Managing Director & CFO*  
 (DIN:00013158)

**B. N. Thakur**  
*Director*  
 (DIN:05250206)

**B. K. Mundhra**  
*Chairman & Director*  
 (DIN:00013125)

**Sohini Shukla**  
*Company Secretary*  
 (Membership No. A48409)

TO  
THE MEMBERS OF  
**SIMPLEX PROJECTS LIMITED**

**Report on the Consolidated Indian Accounting Standards  
(Ind AS) Financial Statements**

**Qualified Opinion**

1. We have audited the accompanying consolidated financial statements of Simplex Projects Limited ("the company"), and its associate company (Simpark Infrastructure Private Limited), which comprise the consolidated Balance sheet as at March 31, 2020, the consolidated statement of Profit and Loss, including other comprehensive Income, the consolidated statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date, and notes to the consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate financial statement and other financial information of the associate except for the possible effect of matters described in the 'Basis of Qualified Opinion' section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the company and its associate as at March 31, 2020, their consolidated profit, their consolidated total comprehensive income, their consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

**Basis for Qualified Opinion**

We draw your attention to the following:

- a. Note 36 to the accompanying IND AS Consolidated 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. In view of this as per management the amount of dues and assets deployed in Libya are realizable and no provision thereof are required at this stage. The depreciation relating to the machineries deployed there has 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 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, 2020; 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, 2020 is presently not ascertainable.

- b. We did not audit the financial statements of the foreign project site of the company at Libya having Net Assets Rs. 18,316.89 Lakh & Net Receivables Rs. 20,451.47 Lakh as on 31st March, 2020 included in the accompanying IND AS Consolidated Financial Statement, which reflect depreciation charged of Rs. 225.57 Lakh relating to the machineries deployed for the year ended 31st March, 2020. 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 also did not audit the financial statements of the foreign project site of the company at Kuwait having Net Assets Rs. 17,786.01 Lakh & Net Receivables Rs. 32,818.67 Lakh as on 31st March, 2020 included in the accompanying IND AS Consolidated Financial Statement, which reflect no work done and depreciation charged of Rs. 39.89 Lakh for the year ended 31st March, 2020. 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. Note 34 to the accompanying IND AS Consolidated Financial Statements regarding 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 & Kotak Mahindra Bank for Term loan have been classified as Non-performing assets and accordingly the provision for interest has not been made for the quarter ended March, 2020 and year ended March, 2020 amounting to Rs. 2,675.94 Lakh & Rs. 9201.96 Lakh respectively.
- e. Investments of Rs. 542.94 Lakh in the partnership firm Simplex Projects (Netherlands) Co-operative U.A. is doubtful of recovery since project has not started from FY 2013-2014 and no provision for the same has been made by the company.
- f. The company has not made any provision against Advances paid to Suppliers of material, Subcontractors

- & Staff advances amounting to Rs. 4672.62 Lakh since long and advance against projects Rs. 924.67 Lakh.
- g. Note 35 to the accompanying IND AS Consolidated Financial Statements regarding no provision for diminution in the value or impairment has been made for Capital Work in Progress consists of materials lying outside amounting to Rs. 1894.01 Lakh which includes Rs. 465.29 Lakh pertaining to materials imported and kept at port since FY 2012-13.
  - h. Site work in progress (included under Other Current Assets) amounting to Rs. 6095.76 and uncertified sales amounting to Rs. 1908.78 Lakh (included under revenue) has been lying as such from various projects against which no provision have been made.
  - i. Note 8 & 13 to the accompanying IND AS Consolidated Financial Statements regarding certain projects wherein the Management of the company has considered Trade Receivables include overdue amount aggregating to Rs. 9746.90 Lakh & Work In Progress (for Unbilled Revenue) Rs. 4587.87 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. 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, 31st March 2019 & 31st March 2020 we are unable to comment on the utilization of the funds.
  - k. The consolidated Ind AS financial statement includes the share of net (loss) / profit after tax of Rs. (70.58) lakh and Rs. 18.47 lakh and total comprehensive (loss) / income of Rs. (70.58) lakh and Rs. 18.47 lakh for the quarter and year ended 31st March 2020, in respect of associate, whose financial statements, other financial information are unaudited and have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such associate is based solely on such unaudited financial statements.
  - l. Regarding closing balance confirmations of Debtors, Creditors, Earnest Money, loans and advances being unconfirmed in respect of which we are unable to express our opinion.
  - m. Pursuant to the provisions of SEBI circular no. CIR/CFD/CMD/12/2015 dated November 30, 2015 with respect to Standard Operating Procedure (SOP) for suspension and revocation of trading of shares of listed entities for non-compliance of certain regulations of SEBI (LODR) Regulation, 2015. The company has not submitted the Financial Results as per Reg. 33 of

SEBI (LODR) Regulation, 2015 within due date repeatedly and also liable to pay fine, consequently to be levied for the said non-compliance.

In view of above, the entire promoter shareholding of the company has been frozen w.e.f. November 02, 2018 and trading in the equity shares of the company suspended w.e.f. November 26, 2018.

- n. Note 52 to the accompanying IND AS Consolidated Financial Statements regarding default in repayment of interest and principal amounting to Rs. 421.36 lakh payable to SREI Equipment Finance Limited up to 31.03.2019 and the interest for the year ended March 31, 2020 has not been ascertained and booked. Thus, profit is overstated to that extent.

The matters (a to m) mentioned above were also qualified in our last audit report for the year ended March 31, 2019.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the consolidated financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified audit opinion on the consolidated financial statements.

#### **Emphasis of Matter**

We draw attention to the following matters:

- a. Note 49 to the accompanying IND AS Consolidated Financial Statements which describe the uncertainties and the management assessment of possible impact of COVID-19 pandemic on its business operations, financial assets, contractual obligations and its overall liquidity position as at March 31, 2020. Management will continue to monitor in future any material changes arising on financial and operational performance of the company due to the impact of this pandemic and necessary measure to address the situation.
- b. The Company has generated negative cash flow from operating activities amounting to Rs. 9,787.68 Lakhs for the year ended March 31, 2020, as also there is default in payment of financial debts, to its bankers and others. As stated in Note 50 these financial statements, the Company is confident of improving the credit profile including time bound realization of its assets, arbitration claims etc. which would result in

meeting its obligation in due course of time. Accordingly, the Management considers it appropriate to prepare these financial statements on going concern basis.

- c. Note 53 to the accompanying Consolidated Financial Statement regarding GSTR -1 & GSTR 3B which is not yet filed in the states of Meghalaya, Assam & Uttar Pradesh for the FY 2019-2020. Also, GST Audit for the year ended March, 2018 & March, 2019 is still pending.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31st 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these

matters. In addition to the matters described in the "Basis for Qualified Opinion" section, We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below our description of how our audit address the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedure designed to response to our assessment of the risks of material misstatement of the consolidated financial statement. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Sr.No.                                                                                                                                                                                                 | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Correctness of Project Revenue recognition Construction Contracts</b> (as described in note 2.10 and 46(a) of the consolidated Ind AS financial statements)                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 1                                                                                                                                                                                                      | <p>Revenue from construction contracts is recognised over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, reliable estimation of total project cost, identification of contractual obligations in respect of Company's rights to receive payments for performance completed till date, estimation of period of recovery of receivables, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations.</p> <p>Project revenue recognition is significant to the financial statements based on the quantitative materiality and the degree of management judgment required to apply the percentage of completion method. Management has also considered this area to be a key accounting estimate as disclosed in the 'critical estimates and judgements' note 2A to the consolidated financial statements. We therefore determined this to be a key audit matter.</p> | <p>Our procedures included :</p> <ul style="list-style-type: none"> <li>● Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;</li> <li>● Testing the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard;</li> <li>● Testing a sample of contracts for appropriate identification of performance obligations;</li> <li>● For the sample selected, reviewing for amendments of orders and the impact on the estimated costs to complete; and</li> <li>● Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> |
| <b>Unbilled Revenue balance, Trade Receivables and Retention Money relating to construction contracts of the Company</b> (as described in note 8 & 13 of the consolidated Ind AS financial statements) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 2                                                                                                                                                                                                      | <p>Unbilled Revenue balance, Trade Receivables and Retention Money of the Group aggregates Rs. 1,86,931 lakh as at March 31, 2020.</p> <p>The collectability of above balances is a key element of the Company's working capital management. In</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>As part of our audit procedures:</p> <ul style="list-style-type: none"> <li>● Testing of the design and implementation of controls involving management's assessment of recoverability of Unbilled Revenue balance, Trade Receivables and Retention Money relating to construction contracts.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Sr.No.                                                                                                                           | Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                  | <p>assessing the recoverability of the aforesaid balances, management's judgement involves consideration of status of the project, the likelihood of collection based on the terms of the contract and evaluation of litigations, if any.</p> <p>We considered this as key audit matter due to the materiality of the amounts and significant estimates and judgements as stated above.</p>                                                                                                       | <ul style="list-style-type: none"> <li>● We performed test of details, and tested relevant contracts and documents on the basis of materiality for Unbilled Revenue, Trade Receivables and Retention Money balances.</li> <li>● We also carried out additional test procedures, in respect of long outstanding balances, i.e. tested subsequent documents with customers with respect to recoverability of the same.</li> <li>● We tested contracts to determine the provisioning requirement for loss making contracts/onerous obligations, if any.</li> </ul> |
| <b>Pending litigations including arbitrations</b> (as described in note 45 & 47 of the consolidated Ind AS financial statements) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3                                                                                                                                | <p>The Company is subject to number of claims and litigations including arbitrations, mainly with customers and tax authorities. The assessment of the likely outcome of these matters can be judgmental due to the uncertainty inherent in their nature.</p> <p>This area is significant to our audit, since the accounting and disclosure of claims and litigations are complex and judgmental, and the amounts involved are, or may be, material to the consolidated financial statements.</p> | <p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> <li>● Our audit approach was a combination of test of internal controls and substantive procedures including:</li> <li>● Assessing the appropriateness of the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested to assess the status of Arbitration/legal proceedings with reference to related counselors' views for likely outcome of these matters.</li> </ul>               |

#### Other Information

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Report of the Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report and other annexure to Directors Report including Shareholder's Information, but does not include the consolidated financial statements and our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, compare with the financial statements of the associates, to the extent it relates to this entity and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements during the course of our audit or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

#### Responsibility of Management for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 (the "Act") with respect to the preparation of these

consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive Income, consolidated changes in equity and consolidated cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's and its associate's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's and its associate's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its associate to express an opinion on the consolidated IND AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entity or business activities included in the consolidated financial statements, which remain unaudited by the other auditors, company's management remains responsible for the direction, supervision and performance of the work carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

Due to the outbreak of COVID 19 pandemic that caused nationwide lockdown and other travel restrictions imposed by the Central and State Governments/ local administrations

during the period of our audit, we could not travel to the branches / contract sites and carry out the audit processes physically at the respective places. Necessary records / reports / documents / certificates were made available to us by the management through e-mail at Head Office, Kolkata and on which were relied upon as audit evidence for conducting the audit and reporting for the current period. Our opinion on the Statement is not modified in respect of this matter.

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

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained, except for the matter(s) described in the "Basis for Qualified Opinion" paragraph as well as reported "Emphasis of Matter" paragraph all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, except for the matter(s) referred to in Basis for Qualified Opinion and Emphasis of Matter paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statement.
- d) Except for the matter(s) described in the Basis for Qualified Opinion and Emphasis of Matters paragraph in our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- e) In view of the matter(s) described in the Basis for Qualified Opinion and Emphasis of matter paragraph above, we are unable to comment whether these may have an adverse effect on the functioning of the company and its associate.
- f) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as Amended, in our opinion and to the best of our knowledge & belief and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements [Refer Note No. 45 & 47 to the accompanying consolidated financial statements].
  - ii. The Company has made provision, as required under the applicable law or accounting standard for material foreseeable losses, if any, on long term contracts including derivative contract.
  - iii. There has been delay in transferring Rs. 49131/- required to be transferred to the Investors Education and Protection Fund by the Company during the year ended March 31, 2020.

For **H. S. Bhattacharjee & Co.**

Firm Registration No. 322303E

*Chartered Accountants*

**A Ray**

*Partner*

Place : Kolkata

Membership No.: 057516

Date : 22nd January, 2021 UDIN - 21057516AAAAAL8642

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Simplex Projects Limited (hereinafter referred to as "the Company"), and its associate company, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting with reference to these consolidated Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the

company's internal financial controls over financial reporting as at March 31, 2020:

- a) The company's internal financial controls relating to non-application of appropriate policies and procedures that provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles were not operating effectively which resulted in non provisioning of interest on cash credit and term loan .
- b) The company's internal financial controls relating to review of Advances to Trade Creditors and Sub Contractors including Staff and Project Advance for appropriate provisioning did not operate effectively which resulted in non-ascertainment of adequate provision against advances to certain Trade Creditors, Sub Contractors including Staff.
- c) The Company's internal financial controls for assessing the period over which certain old balances of unbilled revenue, loans / advances, trade receivables and retention monies are expected to be recovered were not operating effectively as on March 31, 2020 which could potentially result in the company not appropriately measuring the fair values of those financial assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the company and its associate company which are comprise incorporated in India, have, in all material respects, maintained adequate internal financial control over financial reporting which reference to these consolidated

financial statements as at March 31, 2020 based on the internal control over financial reporting with reference to these consolidated financial statements as at March 31, 2020 based on internal control over financial reporting criteria establish by Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Control over financial reporting issued by institute of chartered accountants of India, and except for the possible effects of material weakness described above on the achievement of the objectives of the control criteria, the internal financial control over financial reporting with reference to these consolidated financial statements were operating effectively in the Company and its associate company which are companies incorporated in India as of March 31, 2020.

#### **Other Matters**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Company, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 22nd January, 2021 expressed a qualified opinion thereon.

For **H. S. Bhattacharjee & Co.**

Firm Registration No. 322303E

*Chartered Accountants*

**A Ray**

*Partner*

Place : Kolkata

Date : 22nd January, 2021

Membership No.: 57516



(Rs. in Lakhs, unless otherwise stated)

| Particulars                                             | Note No.   | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|---------------------------------------------------------|------------|---------------------------|---------------------------|
| <b>ASSETS</b>                                           |            |                           |                           |
| <b>Non-current assets</b>                               |            |                           |                           |
| Property, plant and equipment                           | 3          | 4,445.78                  | 7,965.41                  |
| Capital work-in-progress                                | 3          | 1,894.01                  | 3,560.57                  |
| Investments accounted for using equity method           | 4          | 104.21                    | 85.74                     |
| <b>Financial Assets</b>                                 |            |                           |                           |
| i. Investments                                          | 4A         | 36.24                     | 17.80                     |
| ii. Other financial assets                              | 5          | 839.60                    | 998.89                    |
| Other Non-current Assets                                | 6          | 73.01                     | 2,026.78                  |
| <b>Total Non-current Assets</b>                         |            | <b>7,392.85</b>           | <b>14,655.20</b>          |
| <b>Current Assets</b>                                   |            |                           |                           |
| Inventories                                             | 7          | 7,154.90                  | 6,995.77                  |
| <b>Financial Assets</b>                                 |            |                           |                           |
| i. Inventories                                          |            | -                         | -                         |
| ii. Trade receivables                                   | 8          | 117,816.75                | 100,647.14                |
| iii. Cash and cash equivalents                          | 9          | 77.40                     | 80.62                     |
| iv. Bank balances other than (iii) above                | 10         | 404.95                    | 361.01                    |
| v. Loans                                                |            | -                         | -                         |
| vi. Other financial assets                              | 11         | 2,450.08                  | 431.81                    |
| Current tax assets (net)                                | 12         | -                         | 230.48                    |
| Other current assets                                    | 13         | 75,730.25                 | 71,842.99                 |
| <b>Total current assets</b>                             |            | <b>198,634.33</b>         | <b>180,589.81</b>         |
| <b>Total Assets</b>                                     |            | <b>206,027.18</b>         | <b>195,245.02</b>         |
| <b>EQUITY AND LIABILITIES</b>                           |            |                           |                           |
| <b>Equity</b>                                           |            |                           |                           |
| Equity Share capital                                    | 14         | 1,260.04                  | 1,260.04                  |
| Other Equity                                            | 15         | 11,875.68                 | 10,694.59                 |
| Equity attributable to owner's of Simplex Projects Ltd. | 13, 135.72 | 13,135.72                 | 11,954.63                 |
| Non-controlling interest                                | 32(b)      | -                         | (13.59)                   |
| <b>Total Equity</b>                                     |            | <b>13,135.72</b>          | <b>11,941.04</b>          |
| <b>LIABILITIES</b>                                      |            |                           |                           |
| <b>Non-current Liabilities</b>                          |            |                           |                           |
| <b>Financial Liabilities</b>                            |            |                           |                           |
| i. Borrowings                                           | 16         | -                         | -                         |
| Provisions                                              | 17         | 117.17                    | 95.92                     |
| Deferred tax liabilities (net)                          | 18         | 473.61                    | 345.40                    |
| Other non-current liabilities                           | 19         | 83,623.53                 | 81,432.35                 |
| <b>Total non-current liabilities</b>                    |            | <b>84,214.31</b>          | <b>81,873.67</b>          |
| <b>Current Liabilities</b>                              |            |                           |                           |
| <b>Financial Liabilities</b>                            |            |                           |                           |
| i. Borrowings                                           | 20         | 77,163.67                 | 67,382.26                 |
| ii. Trade Payables                                      |            |                           |                           |
| Total Outstanding dues of MSE'S                         | 21         | 23,441.48                 | 24,154.21                 |
| Total Outstanding creditors other than MSE'S            | 22         | 3,000.00                  | 3,016.22                  |
| iii. Other financial liabilities                        | 23         | 4,459.32                  | 6,733.73                  |
| Other current liabilities                               | 24         | 146.93                    | 143.88                    |
| Provisions                                              |            | 464.90                    | -                         |
| Current tax liabilities (net)                           |            | -                         | -                         |
| <b>Total current liabilities</b>                        |            | <b>108,677.15</b>         | <b>101,430.31</b>         |
| <b>Total liabilities</b>                                |            | <b>192,891.46</b>         | <b>183,303.98</b>         |
| <b>Total Equity and Liabilities</b>                     |            | <b>206,027.18</b>         | <b>195,245.02</b>         |
| Significant Accounting Policies                         | 2          |                           |                           |

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

For and on behalf of

**H. S. BHATTACHARJEE & CO.**  
Firm Registration No. 322303E  
Chartered Accountants

**A. Roy**  
Partner  
Membership No. 57516  
Kolkata  
Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**

**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)

# CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2020

(Rs. in Lakhs, unless otherwise stated)

| Particulars                                                                                                                  | Notes | Year ended<br>31 March, 2020 | Year ended<br>31 March, 2019 |
|------------------------------------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Income</b>                                                                                                                |       |                              |                              |
| Revenue from Operations                                                                                                      | 25    | 17,657.61                    | 24,871.95                    |
| Other Income                                                                                                                 | 26    | 255.71                       | 459.29                       |
| <b>Total Income</b>                                                                                                          |       | <b>17,913.32</b>             | <b>25,331.24</b>             |
| <b>EXPENSES :-</b>                                                                                                           |       |                              |                              |
| Cost of materials consumed                                                                                                   | 27    | 495.62                       | 4,077.11                     |
| Cost of Sub contracting and other site expenses                                                                              | 28    | 14,942.01                    | 18,276.71                    |
| Employee Benefit Expenses                                                                                                    | 29    | 331.98                       | 463.70                       |
| Finance Cost                                                                                                                 | 30    | 372.58                       | 479.39                       |
| Depreciation                                                                                                                 | 3     | 1,247.35                     | 1,476.78                     |
| Other Administrative Expenses                                                                                                | 31    | 517.72                       | 590.21                       |
| <b>Total Expenses</b>                                                                                                        |       | <b>17,907.26</b>             | <b>25,363.90</b>             |
| <b>Profit before exceptional items, share of net profit / (loss) of associates accounted for using equity method and tax</b> |       | <b>6.06</b>                  | <b>(32.66)</b>               |
| Share of net profit / (loss) of associates accounted for using equity method                                                 | 32(c) | 18.47                        | 4.17                         |
| <b>Profit before exceptional items and tax</b>                                                                               |       | <b>24.53</b>                 | <b>(28.49)</b>               |
| Exceptional items                                                                                                            |       | -                            | -                            |
| <b>Profit before tax</b>                                                                                                     |       | <b>24.53</b>                 | <b>(28.49)</b>               |
| Income Tax expense :                                                                                                         |       |                              |                              |
| - Current Tax                                                                                                                |       | 1.58                         | 2.59                         |
| - MAT Credit entitlement                                                                                                     |       | (1.58)                       | (2.59)                       |
| - Current Tax provision for earlier years written back (net)                                                                 |       | -                            | -                            |
| - Deferred Tax - charge / (credit)                                                                                           |       | (82.36)                      | (159.41)                     |
| <b>Total Tax Expense</b>                                                                                                     |       | <b>(82.36)</b>               | <b>(159.41)</b>              |
| <b>Profit for the year</b>                                                                                                   |       | <b>106.89</b>                | <b>130.92</b>                |
| <b>Other comprehensive income</b>                                                                                            |       |                              |                              |
| <b>(a) Items that may be reclassified to statement of Profit and Loss</b>                                                    |       |                              |                              |
| Exchange differences on translation of foreign operations                                                                    | 15    | 1,283.56                     | 615.84                       |
| Income Tax relating to this item                                                                                             | 15    | (333.72)                     | (160.12)                     |
|                                                                                                                              |       | 949.82                       | 455.72                       |
| <b>(b) Items that will not be reclassified to statement of Profit and Loss</b>                                               |       |                              |                              |
| Remeasurements of post - employment benefit obligations                                                                      |       | (3.29)                       | (31.76)                      |
| Income Tax relating to this item                                                                                             |       | -                            | -                            |
| Changes in fair value of FVOCI equity instruments                                                                            |       | (0.02)                       | (0.16)                       |
|                                                                                                                              |       | (3.31)                       | (31.92)                      |
| <b>Other comprehensive income for the year, net of tax (a+b)</b>                                                             |       | <b>946.52</b>                | <b>423.80</b>                |
| <b>Total comprehensive income for the year</b>                                                                               |       | <b>1,053.41</b>              | <b>554.72</b>                |
| <b>Significant Accounting Policies</b>                                                                                       | 2     |                              |                              |

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes. This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of

**H. S. BHATTACHARJEE & CO.**  
Firm Registration No. 322303E  
Chartered Accountants

**A. Roy**  
Partner  
Membership No. 57516  
Kolkata  
Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**

**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS OF SIMPLEX PROJECTS LTD. AND ITS SUBSIDIARY for the year ended 31st March, 2020**



(Rs. in Lakhs, unless otherwise stated)

| Particulars                                                                                           | Notes | Year ended<br>31 March, 2020 | Year ended<br>31 March, 2019 |
|-------------------------------------------------------------------------------------------------------|-------|------------------------------|------------------------------|
| <b>Profit/(Loss) is attributable to :</b>                                                             |       |                              |                              |
| Owners of Simplex Projects Limited                                                                    |       | 106.89                       | 154.55                       |
| Non-controlling Interests                                                                             | 32(b) | -                            | (23.63)                      |
|                                                                                                       |       | <b>106.89</b>                | <b>130.92</b>                |
| <b>Other Comprehensive Income is attributable to :</b>                                                |       |                              |                              |
| Owners of Simplex Projects Limited                                                                    |       | 946.52                       | 423.80                       |
| Non-controlling Interests                                                                             |       | -                            | -                            |
|                                                                                                       |       | <b>946.52</b>                | <b>423.80</b>                |
| <b>Total Comprehensive Income is attributable to :</b>                                                |       |                              |                              |
| Owners of Simplex Projects Limited                                                                    |       | 1,053.41                     | 578.35                       |
| Non-controlling Interests                                                                             |       | -                            | (23.63)                      |
|                                                                                                       |       | <b>1,053.41</b>              | <b>554.72</b>                |
| <b>Earnings per equity share [Nominal Value Rs. 10/- per share<br/>(31st March, 2018 : Rs. 10/-)]</b> |       |                              |                              |
| Basic & Diluted earnings per share                                                                    | 42    | 0.85                         | 1.23                         |

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes. This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For and on behalf of  
**H. S. BHATTACHARJEE & CO.**  
Firm Registration No. 322303E  
Chartered Accountants

**A. Roy**  
Partner  
Membership No. 57516  
Kolkata  
Dated : 22nd January, 2021

For and on behalf of the Board of Directors  
**Simplex Projects Limited**

**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)

# CONSOLIDATED CASH FLOW STATEMENT OF SIMPLEX PROJECTS LTD. AND ITS SUBSIDIARY for the year ended 31st March, 2020

All amounts in Rs. Lakhs

## A CASH FLOW FROM OPERATING ACTIVITIES :

|                                                                             |          |          |         |
|-----------------------------------------------------------------------------|----------|----------|---------|
| Profit before Tax                                                           | 24.53    |          | (28.49) |
| Adjustments for :                                                           |          |          |         |
| Depreciation and Amortisation Expenses                                      | 1,247.35 | 1,476.78 |         |
| Finance Cost                                                                | 372.58   | 479.39   |         |
| Dividend received                                                           | (0.09)   | (0.05)   |         |
| Interest Income                                                             | 153.49   | 139.53   |         |
| (Profit)/Loss on Disposal of Fixed Assets                                   | (0.23)   | -        |         |
| (Profit)/Loss on sale of shares/investments                                 | (7.95)   | -        |         |
| Share of net loss / (profit) of associate accounted for using equity method | (18.47)  | (4.17)   |         |
| Allowance for Expected Credit Loss                                          | 460.33   | 760.76   |         |
| Fair value gain from financial assets measured at FVPL                      | (8.68)   | (77.55)  |         |
| Liabilities no longer required written back                                 | (8.78)   | (5.57)   |         |
| Exchange (Gain) / Loss on non Integral branch                               | 949.82   | 455.72   |         |
| Provision for employee benefits                                             | (3.31)   | (31.92)  |         |

|                                                        |                 |            |                 |
|--------------------------------------------------------|-----------------|------------|-----------------|
| <b>Operating Profit before Working Capital Changes</b> | <b>3,136.07</b> |            | <b>3,192.92</b> |
| <b>Change in operating assets and liabilities</b>      | <b>3,160.60</b> |            | <b>3,164.42</b> |
| (Decrease) / Increase in Trade and other payables      | 4,787.10        | (7,705.54) |                 |
| (Increase) / Decrease in Trade and other receivables   | (12,692.62)     | (4,591.75) |                 |
| (Increase) / Decrease in Non- current Assets           | (5,533.61)      | (771.87)   |                 |
| (Increase) / Decrease in Inventories                   | (159.13)        | 64.18      |                 |

## Cash generated from operations

Income Taxes (Paid) / Refund

## Net Cash inflow from operating activities

## B CASH FLOW FROM INVESTING ACTIVITIES :

|                                                  |                 |          |                |
|--------------------------------------------------|-----------------|----------|----------------|
| Sale of Investments                              | 82.04           | 0.19     |                |
| (Purchase)/Sale of Property, plant and equipment | (52.94)         | 126.44   |                |
| Dividend received                                | 0.09            | 0.05     |                |
| Interest received                                | (153.49)        | (139.53) |                |
| Profit on Disposal of Fixed Assets               | 0.23            | -        |                |
| Profit on sale of shares/investments             | 7.95            | -        |                |
| <b>Net Cash used in Investing Activities</b>     | <b>(116.12)</b> |          | <b>(12.85)</b> |

## C CASH FLOW FROM FINANCING ACTIVITIES :

|                                                  |                 |            |                 |
|--------------------------------------------------|-----------------|------------|-----------------|
| Repayment of Non-current borrowings              | -               | (1,182.61) |                 |
| Intercompany loans and advances (incl. deposits) | (1,264.51)      | (272.24)   |                 |
| Proceeds from short term borrowings              | 11,538.42       | 10,741.76  |                 |
| Finance cost paid                                | (372.58)        | (479.39)   |                 |
| <b>Net Cash used in Financing Activities</b>     | <b>9,901.13</b> |            | <b>8,807.52</b> |

## Net increase / (decrease) in cash and cash equivalents

## Cash and Cash Equivalents at the beginning of the year\*

## Cash and Cash Equivalents at the end of the year

\* During FY-2019-2020 Holding-Subsidiary relationship with Simplex Agri-Infra Services Pvt. Ltd. ceased to exist due to loss of control Rs. 0.75 lakh have been excluded from the opening cash balances.

## Reconciliation of cash and cash equivalents as per cash flow statement

| Description                                      | As at 31 March, 2020 | As at 31 March, 2019 |
|--------------------------------------------------|----------------------|----------------------|
| <b>Cash and Cash Equivalents (Refer Note 9)</b>  |                      |                      |
| Balances with Banks                              |                      |                      |
| in Current Accounts                              | 77.40                | 80.62                |
| in EEFC accounts                                 | -                    | -                    |
| Cheque on hand                                   | -                    | -                    |
| Deposits with maturity of less than three months | -                    | -                    |
| Less : Adjustment for Subsidiaries               | -                    | -                    |

## Total :-

Notes :

The above cash flow statement is prepared as per "Indirect method" as set out in Ind AS 7 "Statement of Cash Flows"

The above cash flow statement should be read in conjunction with the accompanying notes.

This is the Cash flow Statement referred to in our report of even date.

For and on behalf of

**H. S. BHATTACHARJEE & CO.**

Firm Registration No. 322303E

Chartered Accountants

**A. Roy**

Partner

Membership No. 57516

Kolkata

Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**

**S. D. Mundhra**  
Managing Director & CFO  
(DIN:00013158)

**B. N. Thakur**  
Director  
(DIN:05250206)

**B. K. Mundhra**  
Chairman & Director  
(DIN:00013125)

**Sohini Shukla**  
Company Secretary  
(Membership No. A48409)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF SIMPLEX PROJECTS LTD. AND ITS SUBSIDIARY for the year ended 31st March, 2020



**A. Equity Share Capital :-**

Rs. in Lakhs

|                                 | Notes | Amount   |
|---------------------------------|-------|----------|
| <b>As at 01st April 2018</b>    |       | 1,260.04 |
| Changes in Equity Share Capital |       | -        |
| <b>As at 31st March 2019</b>    | 14    | 1,260.04 |
| Changes in Equity Share Capital |       | -        |
| <b>As at 31st March 2020</b>    | 14    | 1,260.04 |

**B. Other Equity :-**

Rs. in Lakhs

| Description                                                 | Notes | Reserves and Surplus (Refer Note 15) |                 |                   | Other Reserves          |                                      | Non-Controlling Interest | Total Other Equity |
|-------------------------------------------------------------|-------|--------------------------------------|-----------------|-------------------|-------------------------|--------------------------------------|--------------------------|--------------------|
|                                                             |       | Securities Premium Reserve           | General Reserve | Retained Earnings | FVOCI-Equity Instrument | Foreign Currency Translation Reserve |                          |                    |
| <b>Balance as at 01st April 2018</b>                        |       | 8,395.94                             | 5,012.59        | (4,476.89)        | 0.84                    | 1,142.49                             | 41.45                    | 10,116.42          |
| Profit for the Year                                         |       | -                                    | -               | 113.92            | -                       | -                                    | -                        | 113.92             |
| Other Comprehensive income for the year                     |       | -                                    | -               | (31.76)           | (0.16)                  | 435.65                               | -                        | 423.72             |
| <b>Transactions with owners in their capacity as owners</b> |       |                                      |                 |                   |                         |                                      |                          |                    |
| Dividend                                                    |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Transactions with non-controlling interest                  |       | -                                    | -               | -                 | -                       | -                                    | 25.53                    | 25.53              |
| Other Transactions                                          |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Transfer to General Reserve                                 |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Transfer to Debenture redemption Reserve                    |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Transfer from foreign currency Monetary item                |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Translation difference Account (net)                        |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| <b>Balance as at 31st March 2019</b>                        |       | 8,395.94                             | 5,012.59        | (4,377.74)        | 0.68                    | 1,598.14                             | 64.98                    | 10,694.59          |
| <b>Balance as at 01st April 2019</b>                        |       | 8,395.94                             | 5,012.59        | (4,377.74)        | 0.68                    | 1,598.14                             | 64.98                    | 10,694.59          |
| Opening adjustment for NCI                                  |       | -                                    | -               | 64.98             | -                       | -                                    | (64.98)                  | -                  |
| Profit for the Year                                         |       | -                                    | -               | 106.89            | -                       | -                                    | -                        | 106.89             |
| Other Comprehensive income for the year                     |       | -                                    | -               | (3.29)            | (0.02)                  | 949.82                               | -                        | 946.51             |
| Adjustment for Subsidiary*                                  |       | -                                    | -               | 127.67            | -                       | -                                    | -                        | 127.67             |
| <b>Transactions with owners in their capacity as owners</b> |       |                                      |                 |                   |                         |                                      |                          |                    |
| Dividend                                                    |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Other Transactions                                          |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Dividend Distribution Tax                                   |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Transfer to General Reserve                                 |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Transfer to Debenture redemption Reserve                    |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Transfer from foreign currency Monetary item                |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| Translation difference Account (net)                        |       | -                                    | -               | -                 | -                       | -                                    | -                        | -                  |
| <b>Balance as at 31st March 2020</b>                        |       | 8,395.94                             | 5,012.59        | (4,081.49)        | 0.66                    | 2,547.97                             | -                        | 11,875.68          |

\* During FY-2019-2020 Holding Subsidiary relationship with Simplex Agri-Infra Services Pvt. Ltd. ceased to exist due to loss of control.

This is the statement of Changes in Equity referred to in our report of even date.

The above statement of Changes in Equity should be read in conjunction with the accompanying notes.

For and on behalf of

**H. S. BHATTACHARJEE & CO.**

Firm Registration No. 322303E

Chartered Accountants

**A. Roy**

Partner

Membership No. 57516

Kolkata

Dated : 22nd January, 2021

For and on behalf of the Board of Directors

**Simplex Projects Limited**

**S. D. Mundhra**

Managing Director & CFO

(DIN:00013158)

**B. N. Thakur**

Director

(DIN:05250206)

**B. K. Mundhra**

Chairman & Director

(DIN:00013125)

**Sohini Shukla**

Company Secretary

(Membership No. A48409)

(All amounts Rs. In Lakhs, unless otherwise stated)

## 1. Corporate Information

Simplex Projects Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act. Its shares are listed on two stock exchanges in India. The Company is primarily 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, 2020

This Note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. The consolidated financial statements consists of Simplex Projects Limited (the "Company") and its associate.

### 2.1 Basis of Preparation of Financial Statements

#### i) Compliance with Ind AS

These consolidated financial statements have been prepared to comply in all material aspects with Indian Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle which is more than 12 months considering the average project period in respect of its construction business and 12 months in respect of its other business and other criteria set out in the Schedule III of the Act.

These Consolidated Financial Statements were approved and authorized for issue with the resolution of the Board of Directors on 22nd January, 2021.

#### ii) Historical Cost Convention

These financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value amount:-

- Certain Financial assets and liabilities
- Defined benefit plans Plan Assets

#### iii) Items reported in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements of the Company's are presented in Indian Rupee (₹) which is the functional and presentation currency of the Company.

### 2.2 Segment Reporting

The Company's operating segment are established on the basis of those components of the Company that are evaluated regularly by the 'Chief Operating Decision Making Group'(CODMG) as defined Ind-AS108 'Operating Segments', in deciding how to allocate resources and in assessing performance. CODMG examines the performance both from business and geographical perspective and has considered business segment as primary segment for disclosure.

### 2.3 Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The Carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repair and maintenance are charged to Profit and loss during the reporting period in which they are incurred.

The items of property, Plant and equipment which are not yet ready for use are disclosed as Capital work-in-progress and are carried at cost, net of accumulated impairment losses, if any.

An asset's carrying amount written down immediately to its recoverable amount if the asset's carrying is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or loss within "Other Income/Expense."

#### Depreciation Methods, estimated useful lives and residual value

Depreciation is calculated using straight line method to allocate their cost, net of their residual values on the basis of useful lives prescribed in schedule II to the Act. In respect of the following assets, useful lives different from schedule II have been considered on the basis of technical evaluation:

| Assets Category        | Life        |
|------------------------|-------------|
| Plant and Machinery    | 12-15 Years |
| Trucks                 | 8 Years     |
| Motor Vehicles         | 8 Years     |
| Computers              | 6 Years     |
| Furniture and Fixtures | 10 Years    |
| Office Equipments      | 5 Years     |

## 2.4 Impairment of Non-Financial Assets(including Property, Plant &Equipment)

The Company assesses at each reporting date as to whether there is any indication that any non-financial asset or group of assets, identified as Cash Generating Units(CGU) may impaired.If any such indication exists,the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any.

An impairment loss is recognized in the Statement of Profit & Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher often asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 2.5 Inventories

Raw material, stores, work-in-progress and traded goods are stated at the lower of cost under FIFO method and net realisable value.Cost of inventories comprise all cost of purchase and other cost incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

## 2.6 Financial Instruments

### (i) Financial Assets

#### (A) Initial Recognition and Measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument on initial recognition, a financial assets is recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through Profit or Loss, are adjusted to the fair value on initial recognition.

#### (B) Subsequent Measurement

Financial Assets are subsequently classified as measured at

- Amortized Cost: A Financial Assets is measured at amortized cost if it is held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through Other Comprehensive Income (FVOCI) A financial assets is measured at FVOCI is it is held within a business model whose objects is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on the specified dates to cash flows that are payments of principal and interest on the principal amount outstanding.
- Fair Value through Profit or Loss (FVPL): a Financial Assets which is not classified in any of the above categories are measured at FVPL.

#### (C) Other Equity Instrument

Equity instruments which are held for trading are required to measure at FVPL. All other equity instrument are initially measured at fair value, with value changes recognized in As statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in "Other Comprehensive Income".

For Investment in quoted equity instruments the Companyhas made an irrevocable election at the time of initial recognition to account for equity instruments at FVOCI. The Company makes such election on an instrument by instrument basis. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'Other Income' in the statement of Profit and Loss.

**(D) Impairment of financial assets and contract assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at FVPL and contract assets.

Expected credit losses are measured through a loss allowances at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument), as applicable.

The Company assesses on a forward looking basis the expected credit losses associated with its financial and contract assets considered for ECL. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

ECL allowances (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

**(ii) Financial Liabilities**

**A. Initial Recognition and Measurement**

All Financial liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognized in the statement of Profit and Loss as finance cost.

**B. Subsequent Measurement**

Financial Liabilities are carried at amortized cost using the effective interest method.

For trade and other financial liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**(iii) Derecognition of Financial Instruments**

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the financial asset expire or it transfer the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**2.7 Cash and bank Balances**

Cash and Bank balances 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.

**2.8 Employee Benefits**

**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.

**2.9 Provision and Contingent Liabilities**

Provisions are recognised when the company has a present or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and the amount can be reliably estimated.

Contingent Liability is not recognised. However, a disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**2.10 Revenue Recognition**

**i. Revenue from Construction Contracts**

Contract Revenue is recognized under 'percentage-of-completion method'. Use of the 'percentage-of-completion method' requires the Company to measure the efforts or costs expended to date to the satisfaction of a performance obligation as

a proportion of the total expected efforts or costs to be expended to the satisfaction of that performance obligation over the time. Efforts or costs expended have been used measures progress towards completion as there is a direct relationship between input and productivity. Costs incurred in the year in connection with future activity on contract are excluded from contract costs in determining the stage of completion.

Further, the Company uses significant judgments while determining the transaction price allocated to performance obligation using the expected cost plus margin approach.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Variations in contract work, claims and incentive payments are included in contract revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and are capable of being reliably measured.

## **ii. Other Revenue**

### **A. Interest Income**

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the entity estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, pre-payment, extension and similar options) but does not consider the expected credit losses.

### **B. Dividends**

Dividends are recognized in Profit & Loss only when the right to receive payment is established, it is probable that the economic benefits associated with dividend will flow to the Company and the amount of the dividend can be measured reliably.

## **2.11 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **2.12 Foreign Currency transactions**

### **i) Functional and presentation currency**

Items reported in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements of the Company are presented in Indian Rupee (₹) which is the functional and presentation currency of the Company.

### **ii) Transaction and balances**

Foreign currency transactions are translated into the functional currency at the reporting date using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the transaction of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized as profit and loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in the foreign operation.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## **2.13 Foreign Operation**

The result and financial position of foreign operation (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Balance Sheet.
- Income and Expenses are translated at average exchange rates (unless this is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- All resulting exchange differences are recognized in Other Comprehensive Income.

## 2.14 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.

## 2.15 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. Earnings considered in ascertaining the Company's earnings per share is the net profit and loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, if any.

For the purpose of calculating diluted earnings per share, the net profit and loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 2.16 Principles of consolidation and equity accounting.

### i) Subsidiary

Subsidiary is entity (including structured entity) over which the Group has controlled. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

### ii) Associate

Associate is entity over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20 % and 50% of the voting rights. Investment is accounted for using the equity method of accounting.

### iii) Joint Arrangements

Under Ind AS 111 joint arrangements, investment in joint arrangements are classified as either joint operations or joint-ventures. Presently the Company has no joint operations.

### iv) Equity Method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit & loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity including any other unsecured loan term receivables the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains or transactions between the Company and its associate is eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Company.

## 2A Critical estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgement and assumptions which affect the reported amount of assets, liabilities, revenue and expenses and the accompanying disclosures. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been discussed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Change in estimates are reflected in the financial statements in the period in which such changes are made.

- Depreciation/ Amortisation and useful lives of Property, Plant and Equipment: **Refer Note 2.3, 2.4 & 3.**
- Revenue Recognition: **Refer Note 2.10.**
- Provisions: **Refer Note 2.9.**
- Impairment of Financial Assets and contract Assets: **Refer Note 2.6 (i) (D).**
- Impairment of Non-Financial Assets: **Refer Note 2.4.**

**Note 3 : Property, plant and equipment and Capital Work-in-Progress (Consolidated)**

| Description                             | Free-hold Land | Building        | Plant & Machinery | Other Plants    | Pile Frame      | Winch and Engine | Tools and Implement | Cranes        | Computer & Printer | Furniture & Fittings | Motor Car     | Trucks        | Two Wheeler | Office Equipment | Air Conditioner | Total of Property, plant and equipments | Capital work-in progress |
|-----------------------------------------|----------------|-----------------|-------------------|-----------------|-----------------|------------------|---------------------|---------------|--------------------|----------------------|---------------|---------------|-------------|------------------|-----------------|-----------------------------------------|--------------------------|
| <b>Year ended 31st march, 2018</b>      |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Gross carrying amount                   |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Opening gross carrying amount           | 260.26         | 2,435.43        | 1,696.38          | 4,496.11        | 2,307.22        | 71.56            | 63.02               | 144.77        | 16.81              | 195.09               | 196.78        | 686.77        | 3.80        | 8.23             | 10.35           | 12,592.58                               | 3,534.09                 |
| Exchange differences                    |                |                 | 22.96             | 12.43           |                 |                  | 0.06                | 0.18          | 0.10               | 1.36                 | 1.41          | 9.70          |             |                  | 0.04            | 48.24                                   |                          |
| Addition during the year                | 12.29          |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 | 12.29                                   | 104.59                   |
| Disposals                               | (161.61)       |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 | (161.61)                                | (78.11)                  |
| Transfers                               |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  | (0.06)          | (0.06)                                  |                          |
| <b>Closing Gross carrying amount</b>    | <b>110.94</b>  | <b>2,435.43</b> | <b>1,719.34</b>   | <b>4,508.54</b> | <b>2,307.22</b> | <b>71.56</b>     | <b>63.08</b>        | <b>144.95</b> | <b>16.91</b>       | <b>196.45</b>        | <b>198.19</b> | <b>696.47</b> | <b>3.80</b> | <b>8.23</b>      | <b>10.33</b>    | <b>12,491.44</b>                        | <b>3,560.57</b>          |
| <b>Accumulated Depreciation</b>         |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Opening accumulated depreciation        |                | 147.63          | 417.66            | 1,369.91        | 635.48          | 33.52            | 19.18               | 32.79         | 4.34               | 72.39                | 80.44         | 171.34        | 1.03        | 2.88             | 8.89            | 2,997.48                                |                          |
| Depreciation charged during the year    |                | 82.16           | 172.67            | 736.57          | 310.10          | 13.69            | 9.17                | 16.12         | 0.91               | 27.85                | 26.82         | 77.97         | 0.51        | 1.30             | 0.94            | 1,476.78                                |                          |
| Disposals                               |                |                 |                   | 45.61           |                 |                  |                     |               |                    |                      | 6.16          |               |             |                  |                 | 51.77                                   |                          |
| Exchange differences                    |                |                 |                   |                 |                 |                  |                     |               |                    |                      | -             |               |             |                  |                 |                                         |                          |
| <b>Closing accumulated depreciation</b> |                | <b>229.79</b>   | <b>590.33</b>     | <b>2,152.09</b> | <b>945.58</b>   | <b>47.21</b>     | <b>28.35</b>        | <b>48.91</b>  | <b>5.25</b>        | <b>100.24</b>        | <b>113.42</b> | <b>249.31</b> | <b>1.54</b> | <b>4.18</b>      | <b>9.83</b>     | <b>4,526.03</b>                         |                          |
| <b>Net carrying amount</b>              | <b>110.94</b>  | <b>2,205.64</b> | <b>1,129.01</b>   | <b>2,356.45</b> | <b>1,361.64</b> | <b>22.35</b>     | <b>34.73</b>        | <b>96.04</b>  | <b>11.66</b>       | <b>96.21</b>         | <b>84.77</b>  | <b>447.16</b> | <b>2.26</b> | <b>4.05</b>      | <b>0.50</b>     | <b>7,965.41</b>                         | <b>3,560.57</b>          |
| <b>Year ended 31st March, 2019</b>      |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Gross carrying amount                   |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Opening Gross carrying amount           |                |                 | 1,097.52          | 3,343.00        | 1,671.74        | 38.03            | 43.81               | 112.15        | 12.57              | 123.27               | 105.88        | 525.14        | 2.81        | 4.82             | 1.44            | 7,082.18                                | 1,972.12                 |
| Exchange differences                    |                |                 | 47.02             | 10.09           | -               | -                | 0.13                | 0.36          | 0.12               | 3.09                 | 2.53          | 21.99         | 0.13        | 0.00             | -               | 85.46                                   |                          |
| Addition during the year                |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Disposals                               |                |                 | -                 | 64.20           | 11.59           | 1.93             | -                   | -             | -                  | -                    | 0.25          | -             | -           | -                | -               | 77.97                                   | 78.11                    |
| Transfers                               |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| <b>Closing Gross carrying amount</b>    | <b>0.00</b>    | <b>0.00</b>     | <b>1,144.54</b>   | <b>3,288.88</b> | <b>1,660.15</b> | <b>36.10</b>     | <b>43.94</b>        | <b>112.51</b> | <b>12.69</b>       | <b>126.36</b>        | <b>108.16</b> | <b>547.13</b> | <b>2.94</b> | <b>4.82</b>      | <b>1.44</b>     | <b>7,089.67</b>                         | <b>1,894.01</b>          |
| <b>Accumulated Depreciation</b>         |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Opening accumulated depreciation        |                |                 | 172.67            | 736.57          | 310.10          | 13.69            | 9.17                | 16.12         | 0.91               | 27.76                | 29.06         | 77.97         | 0.51        | 1.07             | 0.94            | 1,396.53                                |                          |
| Depreciation charged during the year    |                |                 | 148.99            | 679.97          | 278.90          | 8.25             | 8.68                | 15.83         | 0.53               | 17.52                | 18.35         | 68.32         | 0.48        | 1.04             | 0.51            | 1,247.35                                |                          |
| Disposals                               |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| Exchange differences                    |                |                 |                   |                 |                 |                  |                     |               |                    |                      |               |               |             |                  |                 |                                         |                          |
| <b>Closing accumulated depreciation</b> |                |                 | <b>321.66</b>     | <b>1,416.53</b> | <b>589.00</b>   | <b>21.94</b>     | <b>17.85</b>        | <b>31.95</b>  | <b>1.44</b>        | <b>45.27</b>         | <b>47.41</b>  | <b>146.29</b> | <b>0.99</b> | <b>2.11</b>      | <b>1.45</b>     | <b>2,643.89</b>                         |                          |
| <b>Net carrying amount</b>              | <b>-</b>       | <b>-</b>        | <b>822.88</b>     | <b>1,872.35</b> | <b>1,071.15</b> | <b>14.16</b>     | <b>26.09</b>        | <b>80.56</b>  | <b>11.25</b>       | <b>81.09</b>         | <b>60.76</b>  | <b>400.83</b> | <b>1.95</b> | <b>2.71</b>      | <b>0.00</b>     | <b>4,445.78</b>                         | <b>1,894.01</b>          |

**Note 4 : Investments accounted for using equity method**

Rs. in Lakh

| Particulars                                                                             | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|-----------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Investments :</b>                                                                    |                           |                           |
| <b>Unquoted</b>                                                                         |                           |                           |
| <b>Investment in equity instruments in Associates :</b>                                 |                           |                           |
| 1553800 Fully Paid-up Equity Shares of Rs.10 each in<br>Simpark Infrastructure Pvt Ltd. | 104.21                    | 85.74                     |
| <b>Sub-Total :</b>                                                                      | <b>104.21</b>             | <b>85.74</b>              |
| <b>Aggregate amount of investments in associates</b>                                    | <b>104.21</b>             | <b>85.74</b>              |

**Note 4A : Non Current Investments**

Rs. in Lakh

| Particulars                                                                                    | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Investments (At cost):</b>                                                                  |                           |                           |
| <b>Unquoted</b>                                                                                |                           |                           |
| <b>Other entitles :-</b>                                                                       |                           |                           |
| 195100 Fully Paid-up Equity Shares of Rs. 10 each in<br>Simplex Agri Infra Services Pvt. Ltd.* | 19.51                     | -                         |
| 10500 Fully Paid-up Equity Shares of Rs.10 each in<br>Geo.Miller & Co. Ltd                     | -                         | 1.05                      |
| 5000 Fully paid equity shares of Simplex Projects Road &<br>Highway construction Pvt. Ltd.     | 0.50                      | 0.50                      |
| Investment in partnership firms (Refer Note below)                                             | 13.53                     | 13.53                     |
| <b>Sub-Total :-</b>                                                                            | <b>33.54</b>              | <b>15.08</b>              |
| <b>Quoted</b>                                                                                  |                           |                           |
| 1600 Fully Paid-up Equity Shares of Rs. 10 each in Uco Bank                                    | 0.14                      | 0.30                      |
| 402 Fully Paid-up Equity Shares of Rs. 10 each in Bank of Baroda                               | 0.22                      | 0.46                      |
| 100 Fully Paid-up Equity Shares of Rs. 10 each in Indraprasth Gas Ltd                          | 1.94                      | 1.52                      |
| 22 Fully Paid-up Equity Shares of Rs. 10 each in Tata Consultancy Services Ltd                 | 0.40                      | 0.44                      |
| <b>Sub-Total :-</b>                                                                            | <b>2.70</b>               | <b>2.72</b>               |
| <b>Total :-</b>                                                                                | <b>36.24</b>              | <b>17.80</b>              |
| Aggregate amount of Unquoted investments                                                       | 33.54                     | 15.08                     |
| Aggregate amount of Quoted investments and market value thereof                                | 2.70                      | 2.72                      |
| Aggregate amount of impairment in value of investments                                         | -                         | -                         |

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

|   | Name of the firm                                 | Share of each<br>partner in the<br>profits of the firm | Share of each<br>partner in the<br>profits of the firm |
|---|--------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| 1 | Simplex Projects (Netherlands) Co-operative U.A. | 1%                                                     | 1%                                                     |

|      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)  | 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.                                                                                                                                                                                                                                                            |
| (ii) | These investments in equity instruments are not held for trading instead they are held for medium or long-term strategic purpose. Upon the application of IND-AS 109, the company has chosen to designate these investments in equity instruments as at FVOCI as the management believe that this provides a more meaningful presentation for medium or long term strategic investments than reflecting changes in fair value immediately in Profit or loss. The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated with in the FVOCI equity investments reserve within equity. |

\* During FY-2019-2020 Holding Subsidiary relationship with Simplex Agri-Infra Services Pvt. Ltd. ceased to exist due to loss of control.

**Note 5 : Non Current Financial Assets**

Rs. in Lakh

| Description                                                           | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Security Deposits                                                     | 145.14                  | 381.52                  |
| Deposit for Contract                                                  | 479.83                  | 390.87                  |
| Long Term Deposit with Banks with Maturity Period More than 12 Months | 214.63                  | 226.50                  |
| <b>Total :-</b>                                                       | <b>839.60</b>           | <b>998.89</b>           |

**Note 6 : Other Non Current Assets**

Rs. in Lakh

| Description                | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------|-------------------------|-------------------------|
| Advance Against Subsidiary | -                       | -                       |
| Advance against Projects   | 73.01                   | 2,026.78                |
| <b>Total :-</b>            | <b>73.01</b>            | <b>2,026.78</b>         |

**Note 7 : Inventories**

Rs. in Lakh

| Description                              | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------|-------------------------|-------------------------|
| At lower of cost and net relisable value |                         |                         |
| <b>Raw Materials :-</b>                  |                         |                         |
| At Sites                                 | 886.80                  | 948.04                  |
| At Stores                                | 5,699.72                | 5,510.29                |
| Goods-in-transit                         | 568.37                  | 537.44                  |
| <b>Total :-</b>                          | <b>7,154.90</b>         | <b>6,995.77</b>         |

**Note 8 : Current Trade Receivables**

Rs. in Lakh

| Description                              | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------|-------------------------|-------------------------|
| <b>(Unsecured, considered good)</b>      |                         |                         |
| Trade Receivables                        |                         |                         |
| Considered Good                          |                         |                         |
| SUNDRY DEBTORS                           | 110,315.98              | 95,844.99               |
| Less: Allowance for Expected Credit Loss | (229.80)                | (140.82)                |
| DEBTORS FOR TRADING GOODS                | 2,730.57                | 4,942.97                |
| Considered Doubtful                      | 631.96                  | 489.96                  |
| Allowance for doubtful debts             | (631.96)                | (489.96)                |
| <b>Receivables from related parties</b>  |                         |                         |
| Considered Good                          | -                       | -                       |
| <b>Total :-</b>                          | <b>112,816.75</b>       | <b>100,647.14</b>       |

Sundry Debtors include overdue amount aggregating to Rs. **9746.90** Lakh (Previous Year - Rs. 12948.42 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.

**Note 9 : Cash and Cash Equivalents**

Rs. in Lakh

| Description                                      | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>Cash and Cash Equivalents</b>                 |                         |                         |
| Balances with Banks                              |                         |                         |
| in Current Accounts                              | 77.40                   | 80.62                   |
| Cheque on hand                                   | -                       | -                       |
| Deposits with maturity of less than three months | -                       | -                       |
| <b>Total :-</b>                                  | <b>77.40</b>            | <b>80.62</b>            |

**Note 10 : Bank Balances other than (iii)above**

Rs. in Lakh

| Description                                           | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-------------------------------------------------------|-------------------------|-------------------------|
| In Unpaid Dividend Account                            | 0.50                    | 0.50                    |
| In deposit accounts with maturity less than 12 months | -                       | -                       |
| Balances with Banks outside India*                    | 16.37                   | 15.48                   |
| Cash on hand                                          | 196.78                  | 153.72                  |
| Margin Money with Bank                                | 191.31                  | 191.31                  |
| <b>Total :-</b>                                       | <b>404.95</b>           | <b>361.01</b>           |

**\* Note:**

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

Rs. in Lakh

| Name of the Bank       | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------|-------------------------|-------------------------|
| First Gulf Libyan Bank | 15.05                   | 14.23                   |
| Sahara Bank, Libya     | 0.41                    | 0.39                    |
| First Gulf Bank, Dubai | 0.86                    | 0.82                    |
| Gulf Bank, Kuwait      | 0.04                    | 0.04                    |
| <b>Total</b>           | <b>16.37</b>            | <b>15.48</b>            |

- (i) Fixed Deposits **Rs. 191.31 Lakh** (Previous Year – Rs. 191.31 Lakh) are not in possession of the company as they have been lodged as security deposit with clients / Banks.
- (ii) Fixed Deposits with maturity of more than 12 months shown under 'Other non current assets'

**Note 11 : Other Current Financial Assets**

Rs. in Lakh

| Description                                        | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured considered good</b>                   |                         |                         |
| Advances recoverable in cash                       |                         |                         |
| Due from related parties                           |                         |                         |
| Related Party                                      | 2,106.18                | -                       |
| Associate                                          | -                       | 97.80                   |
| Accrued Interest on Deposits with Banks and Others | 343.90                  | 334.01                  |
| <b>Total :-</b>                                    | <b>2,450.08</b>         | <b>431.81</b>           |

**Note 12 : Current Tax Assets (Net)**

Rs. in Lakh

| Description                            | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| Advance Income Tax (net of provisions) | -                       | 230.48                  |
| <b>Total :-</b>                        | <b>-</b>                | <b>230.48</b>           |

**Note 13 : Other Current Assets**

Rs. in Lakh

| Description                                                      | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured considered good</b>                                 |                         |                         |
| Advances to employees (Refer note (i) below)                     | 82.29                   | 427.38                  |
| Less : Allowance for Expected Credit Loss                        | (17.78)                 | -                       |
| Prepaid Expenses                                                 | 2.92                    | 4.21                    |
| <b>Balances with government authorities (Statutory Advances)</b> |                         |                         |
| VAT credit receivable                                            | 141.17                  | 309.41                  |
| GST credit receivable                                            | 1,110.99                | 944.84                  |
| Service Tax credit receivable                                    | 7.93                    | 7.93                    |
| Other Advance                                                    | 288.49                  | 571.69                  |
| Contract Assets                                                  |                         |                         |
| Retention Money on Construction Contracts                        | 6,254.19                | 6,150.61                |
| Less : Allowance for Expected Credit Loss                        | (11.81)                 | (24.33)                 |
| Unbilled Revenue for Construction Contracts                      | 68,072.81               | 64,046.86               |
| Less : Allowance for Expected Credit Loss                        | (200.94)                | (595.61)                |
| <b>Total :-</b>                                                  | <b>75,730.25</b>        | <b>71,842.99</b>        |

**Note:**

(i) Employee advance have been shown net of credit balance of Rs. 650 Lakh.

(ii) Unbilled Revenue include overdue amount aggregating to Rs. 4587.87 lacs (Previous Year - Rs. 3680.67 lacs) 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.

**Note 14 : Equity Share Capital**

Rs. in Lakh

| Description                                                | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured considered good</b>                           |                         |                         |
| <b>(a) Authorised :</b>                                    |                         |                         |
| 15000000 Equity shares of Rs. 10/- each with voting rights | 1,500.00                | 1,500.00                |
|                                                            | <b>1,500.00</b>         | <b>1,500.00</b>         |
| <b>(b) Issued, Subscribed and fully paid up</b>            |                         |                         |
| 12600378 Equity shares of Rs. 10/- each with voting rights | 1,260.04                | 1,260.04                |
| <b>Total</b>                                               | <b>1,260.04</b>         | <b>1,260.04</b>         |

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

| Description                             | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Equity Shares with voting rights</b> |                         |                         |
| Kirti Vinimay Private Limited           | 5,002,603               | 5,002,603               |
|                                         | 39.70%                  | 39.70%                  |
| Jemtech Engineering Private Limited     | 1,171,572               | 1,171,572               |
|                                         | 9.30%                   | 9.30%                   |

**(ii) 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 share 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.

**Note 15 : Other Equity**

Rs. in Lakh

| Description                          | Refer following Items | As at 31 March, 2020 | As at 31 March, 2019 |
|--------------------------------------|-----------------------|----------------------|----------------------|
| (i) Reserve and Surplus              |                       |                      |                      |
| Securities Premium Reserve           | (a)                   | 8,395.94             | 8,395.94             |
| General Reserve                      | (b)                   | 5,012.59             | 5,012.59             |
| Retained earnings                    | (c)                   | (4,081.49)           | (4,312.76)           |
| <b>Total</b>                         |                       | <b>9,327.05</b>      | <b>9,095.78</b>      |
| (ii) Other Reserves                  |                       |                      |                      |
| FVOCI Equity instruments             |                       | 0.66                 | 0.68                 |
| Foreign Currency translation Reserve |                       | 2,547.98             | 1,598.14             |
| <b>Total</b>                         |                       | <b>2,548.64</b>      | <b>1,598.82</b>      |
| <b>Total Other Equity ( i + ii )</b> |                       | <b>11,875.68</b>     | <b>10,694.59</b>     |

| Description                                                                   | As at 31 March, 2020 | As at 31 March, 2019 |
|-------------------------------------------------------------------------------|----------------------|----------------------|
| (a) Securities Premium Reserve - Balance at the beginning and end of the year | 8,395.94             | 8,395.94             |
| (b) General Reserve                                                           |                      |                      |
| Balance at the beginning of the year                                          | 5,012.59             | 5,012.59             |
| Add : Transferred from Retained Earnings                                      | -                    | -                    |
| Balance at the end of the year                                                | 5,012.59             | 5,012.59             |
| (c) Retained Earnings                                                         |                      |                      |
| Balance at the beginning of the year                                          | (4,312.76)           | (4,435.44)           |
| Profit for the year                                                           | 106.89               | 130.92               |
| Surplus brought from subsidiary                                               | -                    | 23.53                |
| Remeasurement of post-employment benefit obligations                          | (3.29)               | (31.76)              |
| Adjustment for changes of Subsidiary                                          | 127.67               | -                    |
| Balance at the end of the year                                                | (4,081.49)           | (4,312.76)           |
| <b>Total</b>                                                                  | <b>9,327.05</b>      | <b>9,095.77</b>      |

| Description                                             | FVOCI-Equity Instruments | Foreign Currency Translation Reserve | Total Other reserves |
|---------------------------------------------------------|--------------------------|--------------------------------------|----------------------|
| <b>As at 1st April, 2017</b>                            | 0.76                     | 723.03                               | 723.79               |
| Changes in fair value of FVOCI- Equity instruments      | 0.08                     | -                                    | 0.08                 |
| Exchange difference on translation of foreign operation | -                        | 620.80                               | 620.80               |
| Income Tax relating to this item                        | -                        | (201.35)                             | (201.35)             |
| <b>As at 31st March, 2018</b>                           | <b>0.84</b>              | <b>1,142.48</b>                      | <b>1,143.32</b>      |
| Changes in fair value of FVOCI- Equity instruments      | (0.16)                   | -                                    | (0.16)               |
| Exchange difference on translation of foreign operation | -                        | 615.78                               | 615.78               |
| Income Tax relating to this item                        | -                        | (160.12)                             | (160.12)             |
| <b>As at 31st March, 2019</b>                           | <b>0.68</b>              | <b>1,598.15</b>                      | <b>1,598.82</b>      |
| Changes in fair value of FVOCI- Equity instruments      | (0.02)                   | -                                    | (0.02)               |
| Exchange difference on translation of foreign operation | -                        | 1,283.56                             | 1,283.56             |
| Income Tax relating to this item                        | -                        | (333.72)                             | (333.72)             |
| <b>As at 31st March, 2020</b>                           | <b>0.66</b>              | <b>2,547.98</b>                      | <b>2,548.64</b>      |

**Nature and purpose of Reserves**

**Securities Premium Reserve :** The amount received from share holders in excess of face value of the equity shares is recognised in Securities Premium Reserve and will be utilised as per provisions of the Companies Act, 2013.

**General Reserve :** The Company has transferred a portion of the net profit of the company before declaring dividend to General Reserve pursuant to the earlier provisions of companies act, 1956. Mandatory transfer to General Reserve is not required under the companies act, 2013. General Reserve will be utilised as per provisions of the companies act, 2013.

**FVOCI-Equity Instruments** : The company has elected to recognise changes in the fair value of certain investments in equity securities through other comprehensive income. These changes are accumulated within the FVOCI-Equity Instruments reserve within equity. Transfer of amounts from this reserves to retained earnings are effected when the relevant equity securities are de-recognised.

**Foreign Currency Translation Reserve** : Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a foreign currency translation reserve within equity. The cumulative amount of foreign currency translation reserve is re classified to profit or loss when the net investment is disposed-off.

**Note 16 : Non Current Borrowings**

Rs. in Lakh

| Description               | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------|-------------------------|-------------------------|
| <b>Secured Borrowings</b> |                         |                         |
| From Other parties        | -                       | -                       |
| <b>Total :-</b>           | -                       | -                       |

**Note 17 : Non Current Provisions**

Rs. in Lakh

| Description                            | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| <b>Provision for Employee Benefits</b> |                         |                         |
| Leave Encashment                       | 13.86                   | 13.62                   |
| Gratuity                               | 103.31                  | 82.30                   |
| <b>Total :-</b>                        | <b>117.17</b>           | <b>95.92</b>            |

**Note 18 : Deferred Tax Liabilities (Net)**

Rs. in Lakh

| Description                                                                     | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
| MAT Credit Entitlement                                                          | (231.18)                | (227.71)                |
| Liability on account of difference in value of Assets as per books and tax Laws | 704.78                  | 573.11                  |
| <b>Total :-</b>                                                                 | <b>473.61</b>           | <b>345.40</b>           |

**Note 19 : Other Non current liabilities**

Rs. in Lakh

| Description                        | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Trade / Security Deposits received | 2,404.56                | 2,425.57                |
| <b>Contract Liabilities</b>        |                         |                         |
| Advance from Customers             | 81,218.97               | 76,306.13               |
| Advance against projects           | -                       | 2,700.65                |
| <b>Total :-</b>                    | <b>83,623.53</b>        | <b>81,432.35</b>        |

Notes forming part of the consolidated financial statements of Simplex Projects Limited and its subsidiary

**Note 20 : Current Borrowings**

Rs. in Lakh

| Description                                          | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>A. Secured Borrowings</b>                         |                         |                         |
| Term Loans from Banks                                | 1,391.23                | 3,260.77                |
| Working Capital Loans repayable on demand from Banks | 73,424.08               | 62,152.31               |
| <b>Sub-Total</b>                                     | <b>74,815.29</b>        | <b>65,413.08</b>        |
| <b>B. Unsecured Borrowings</b>                       |                         |                         |
| Intercompany Deposit (repayable on demand)           | 2,348.36                | 1,969.18                |
| <b>Sub-Total</b>                                     | <b>2,348.36</b>         | <b>1,969.18</b>         |
| <b>Total :-</b>                                      | <b>77,163.67</b>        | <b>67,382.26</b>        |

**Notes to Current Borrowings:-**

- 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.
- 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.

**Note 21 : Trade Payables**

Rs. in Lakh

| Description                           | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| Acceptances                           | -                       | -                       |
| Other Trade Payables to other parties | 23,441.48               | 24,154.21               |
| <b>Total :-</b>                       | <b>23,441.48</b>        | <b>24,154.21</b>        |

- 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 31.03.2020.
- Trade payable have been shown net of advances of Rs. 10917.16 Lakh (Previous Year Rs. 10197.00 Lakh) paid to suppliers and sub contractors.

**Note 22 : Other Current Financial Liabilities**

Rs. in Lakh

| Description                            | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| Current maturities of long term debts* | 421.36                  | 421.36                  |
| Unpaid matured long term debt          | 289.33                  | 289.33                  |
| Interest accrued and due on borrowings | 849.77                  | 849.77                  |
| Unclaimed dividends                    | 0.49                    | 0.49                    |
| Liability for expenses and obligations | 1,439.91                | 1,455.27                |
| <b>Total :-</b>                        | <b>3,000.86</b>         | <b>3,016.22</b>         |

\*Note: Current maturities of long term debts

| Description                 | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-----------------------------|-------------------------|-------------------------|
| Term loans                  |                         |                         |
| From Banks, Secured         | -                       | -                       |
| From other parties, Secured | 421.36                  | 421.36                  |
| <b>Total</b>                | <b>421.36</b>           | <b>421.36</b>           |

**Note 23 : Other Current Liabilities**

Rs. in Lakh

| Description                        | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Contract Liability                 |                         |                         |
| Advance from Customers             | 1,342.07                | 2,790.74                |
| Others                             |                         |                         |
| Statutory Dues                     | 1,787.16                | 1,859.64                |
| Trade / Security Deposits received | 405.41                  | 301.33                  |
| Advance against projects           | 924.67                  | 1,593.66                |
| Advances from related parties      | -                       | -                       |
| Other Advances                     | -                       | 188.36                  |
| <b>Total :-</b>                    | <b>4,459.32</b>         | <b>6,733.73</b>         |

**Note 24 : Current Provisions**

Rs. in Lakh

| Description                       | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|-----------------------------------|-------------------------|-------------------------|
| Provision for employee benefits : |                         |                         |
| Exgratia                          | 124.09                  | 124.09                  |
| Leave encashment                  | 22.84                   | 19.79                   |
| <b>Total :-</b>                   | <b>146.93</b>           | <b>143.88</b>           |

**Note 24a : Current Tax Liabilities (Net)**

Rs. in Lakh

| Description                            | As at<br>31 March, 2020 | As at<br>31 March, 2019 |
|----------------------------------------|-------------------------|-------------------------|
| Advance Income Tax (Net of provisions) | 464.90                  | -                       |
| <b>Total :-</b>                        | <b>464.90</b>           | <b>-</b>                |

**Note 25 : Revenue from Operations**

Rs. in Lakh

|                                                 | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|-------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Construction Contract Works</b>              |                                      |                                      |
| Gross Billing                                   | 15,531.59                            | 25,261.58                            |
| Add : Accretion/(Decretion) in Work in Progress | 2,126.02                             | (581.18)                             |
|                                                 | <b>17,657.61</b>                     | <b>24,680.40</b>                     |
| <b>Sale of Trading Goods</b>                    | -                                    | -                                    |
| <b>Total</b>                                    | <b>17,657.61</b>                     | <b>24,680.40</b>                     |

Gross Billing includes **Rs. 1908.78** lacs on account of bills submitted but not certified as on the Balance Sheet date.

Gross Billing also includes an amount of Rs. 13,048.67 lacs against certified work done on "debitable basis". Thus, liability for GST does not arise on us on this work.

**Note 26 : Other Income**

Rs. in Lakh

|                                                        | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| Dividend Income from Equity Instruments                | 0.09                                 | 0.05                                 |
| Interest Income from Fixed Deposits                    | 153.49                               | 139.53                               |
| Excess Provision written back                          | 8.78                                 | 5.57                                 |
| Fair value gain from financial assets measured at FVPL | 8.68                                 | 77.55                                |
| Profit on Disposal of Fixed Asset                      | 0.23                                 | 47.78                                |
| Profit on sale of shares                               | 7.95                                 | -                                    |
| Hire Charges on Plant & Machinery                      | 76.50                                | 186.42                               |
| <b>Total</b>                                           | <b>255.71</b>                        | <b>456.90</b>                        |

Note: Interest on Fixed Deposits with Banks and laying with other party (as EMD) has not been considered as income.

**Note 27 : Cost of Material Consumed**

Rs. in Lakh

|                      | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|----------------------|--------------------------------------|--------------------------------------|
| Opening Stock        | 6,458.33                             | 6,532.46                             |
| Add : Purchases      | 623.81                               | 4,002.98                             |
|                      | 7,082.14                             | 10,535.44                            |
| Less : Closing Stock | 6,585.52                             | 6,458.33                             |
| <b>Total</b>         | <b>495.62</b>                        | <b>4,077.11</b>                      |

**Note 28 : Cost of subcontracting, other site and Trading expenses**

Rs. in Lakh

|                         | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|-------------------------|--------------------------------------|--------------------------------------|
| Subcontracting Expenses | 13,663.81                            | 15,507.13                            |
| Other site Expenses     | 1,278.19                             | 2,769.58                             |
| <b>Total</b>            | <b>14,942.01</b>                     | <b>18,276.71</b>                     |

**Note 29 : Employee benefits expenses**

Rs. in Lakh

|                                            | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|--------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and wages                         | 275.90                               | 409.94                               |
| Contributions to provident and other funds | 52.73                                | 47.85                                |
| Staff welfare expenses                     | 3.35                                 | 5.91                                 |
| <b>Total</b>                               | <b>331.98</b>                        | <b>463.70</b>                        |

**Note 30 : Finance costs**

Rs. in Lakh

|                                 | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|---------------------------------|--------------------------------------|--------------------------------------|
| Interest expenses on Borrowings | 370.59                               | 357.07                               |
| Other Borrowing costs           | 2.00                                 | 122.32                               |
| <b>Total</b>                    | <b>372.58</b>                        | <b>479.39</b>                        |

**Note 31: Other Administrative Expenses**

Rs. in Lakh

|                                                 | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|-------------------------------------------------|--------------------------------------|--------------------------------------|
| Rent including lease rentals                    | 35.48                                | 35.97                                |
| Repairs and maintenance:                        |                                      |                                      |
| Others                                          | 12.22                                | 39.45                                |
| Buildings                                       | 1.65                                 | 0.74                                 |
| Insurance                                       | 14.79                                | 19.61                                |
| Rates and taxes                                 | 23.90                                | 0.30                                 |
| Travelling and Conveyance                       | 68.84                                | 55.93                                |
| Motor Vehicles Expenses                         | 11.82                                | 22.66                                |
| Stores and Godown Expenses                      | 0.24                                 | 2.49                                 |
| Legal and professional                          | 198.93                               | 107.12                               |
| Bank Charges                                    | 11.33                                | 21.20                                |
| Payments to auditors (Refer Note below)         | 5.76                                 | 6.41                                 |
| Loss on disposal of property, plant & equipment | -                                    | 2.17                                 |
| Advances written off                            | 79.80                                | 189.26                               |
| Miscellaneous expenses                          | 52.97                                | 86.90                                |
| <b>Total</b>                                    | <b>517.72</b>                        | <b>590.21</b>                        |

**Notes: Payments to Auditors**

| Particulars               | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|---------------------------|--------------------------------------|--------------------------------------|
| Payments to the auditors: |                                      |                                      |
| For Statutory audit       | 5.18                                 | 5.68                                 |
| For Tax Audit             | 0.58                                 | 0.73                                 |
| <b>Total</b>              | <b>5.76</b>                          | <b>6.41</b>                          |

**Note : 32 Interest in Subsidiary****(a) Interests in subsidiaries**

The Group's subsidiary at 31st March, 2020 is set out below unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group.

| Name                                                       | Country of Incorporation | Ownership Interest held by the group |                        | Ownership Interest held by non controlling Interests |                        | Non-controlling Interests |                        | Principal Business Activities |
|------------------------------------------------------------|--------------------------|--------------------------------------|------------------------|------------------------------------------------------|------------------------|---------------------------|------------------------|-------------------------------|
|                                                            |                          | As at 31st March, 2020               | As at 31st March, 2019 | As at 31st March, 2020                               | As at 31st March, 2019 | As at 31st March, 2020    | As at 31st March, 2019 |                               |
| <b>Subsidiaries</b><br>Simplex Agri Infra Services Pvt Ltd | India                    | 0.00%                                | 66.56%                 | 0.00%                                                | 33.44%                 | 0.00                      | 13.59                  | Warehousing                   |
| <b>Total</b>                                               |                          |                                      |                        |                                                      |                        | <b>0.00</b>               | <b>13.59</b>           |                               |

The Company has disposed off its investment in Simplex Agri-Infra Services Private Limited at cost. Thus, the Company ceased to consolidate for the investment due to loss of control during the year.

**Note : 32(b) Non- Controlling Interests (NCI)**

Set out below is summarised financial information of each subsidiary that has non-controlling Interest and are material to the Group

**Rs. in Lakhs**

| Summarised Balance Sheet | Simplex Agri Infra Services Pvt Ltd |                        |
|--------------------------|-------------------------------------|------------------------|
|                          | As at 31st March, 2020              | As at 31st March, 2019 |
| Current Assets           |                                     | 105.15                 |
| Current Liabilities      |                                     | 934.93                 |
| Net Current Asstes       | <b>0.00</b>                         | <b>-829.78</b>         |
| Non Current Assets       |                                     | 5629.72                |
| Non Current Liabilities  |                                     | 4840.69                |
| Net Non Current Assets   | <b>0.00</b>                         | <b>789.03</b>          |
| Net Assets               | <b>0.00</b>                         | <b>-40.75</b>          |
| Accumulated NCI          | <b>0.00</b>                         | <b>-13.59</b>          |

| Summarised Statements of Profit and Loss           | Simplex Agri Infra Services Pvt Ltd |                        |
|----------------------------------------------------|-------------------------------------|------------------------|
|                                                    | As at 31st March, 2020              | As at 31st March, 2019 |
| Revenue                                            |                                     | 193.94                 |
| Profit for the year                                |                                     | -70.66                 |
| Other Comprehensive Income                         | 0                                   | 0                      |
| <b>Total Comprehensive Income</b>                  |                                     |                        |
| Total Profit/(loss ) Allocated to NCI              | <b>0.00</b>                         | <b>-23.63</b>          |
| Other Comprehensive Income allocated to NCI        | -                                   | -                      |
| <b>Total Comprehensive Income allocated to NCI</b> | 0.00                                | -23.63                 |

**(C) Interests in associate**

**Summarised financial information for associate**

The tables below provide summarised financial information for the associate of the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not Group's share of those amounts.

They have been amended to reflect adjustments made by the entity when using the equity method

Rs. in Lakhs

| Summarised Balance Sheet | Simpark Infrastructure Pvt Ltd |                        |
|--------------------------|--------------------------------|------------------------|
|                          | As at 31st March, 2020         | As at 31st March, 2019 |
| Current Assets           | 1839.56                        | 1721.31                |
| Non Current Assets       | 1289.92                        | 1315.65                |
| <b>Total Assets</b>      | <b>3129.48</b>                 | <b>3036.24</b>         |
| Current Liabilities      | 2480.27                        | 2479.24                |
| Non Current Liabilities  | 435.58                         | 381.95                 |
| <b>Total Liabilities</b> | <b>2915.85</b>                 | <b>2861.19</b>         |
| Net Assets               | <b>213.63</b>                  | <b>175.77</b>          |

| Reconciliation to Carrying amounts | Simpark Infrastructure Pvt Ltd |                        |
|------------------------------------|--------------------------------|------------------------|
|                                    | As at 31st March, 2020         | As at 31st March, 2019 |
| Opening net assets                 | 175.78                         | 167.24                 |
| Profit/(Loss) for the year         | 37.86                          | 8.54                   |
| Other Comprehensive income         | -                              | -                      |
| <b>Closing net assets</b>          | <b>213.63</b>                  | <b>175.78</b>          |
| Group Share in %                   | 48.78%                         | 48.78%                 |
| Group Share in Rs.                 | 104.21                         | 85.75                  |
| Carrying amount                    | <b>104.21</b>                  | <b>85.75</b>           |

| Summarised statement of profit and loss | Simpark Infrastructure Pvt Ltd |                        |
|-----------------------------------------|--------------------------------|------------------------|
|                                         | As at 31st March, 2020         | As at 31st March, 2019 |
| Revenue                                 | 1188.46                        | 561.92                 |
| Profit from operations                  | 37.86                          | 8.54                   |
| <b>Profit for the year</b>              | <b>37.86</b>                   | <b>8.54</b>            |
| Other Comprehensive income              | -                              | -                      |
| <b>Total Comprehensive income</b>       | <b>-</b>                       | <b>-</b>               |
| Group Share in %                        | 48.78%                         | 48.78%                 |
| Group Share of :                        |                                |                        |
| Profit/(Loss) for the Year              | <b>18.47</b>                   | <b>4.17</b>            |

**(C) Interests in associate (Contd.)**

Set out below is the associate of the Group as at 31st March, 2019. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group.

**Rs. in Lakhs**

| Name of the entity             | Country of In-corporation | Percentage of ownership interest | Principal Business Activities                    | Accounting Method | Quoted fair Value      |                        |                        | Carrying amount        |                        |
|--------------------------------|---------------------------|----------------------------------|--------------------------------------------------|-------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                |                           |                                  |                                                  |                   | As at 31st March, 2020 | As at 31st March, 2019 | As at 31st March, 2018 | As at 31st March, 2020 | As at 31st March, 2019 |
| Simpark Infrastructure Pvt Ltd | India                     | 48.78%                           | Construction of Multilevel Automatic Car Parking | Equity Method     | #                      | #                      | #                      | 104.21                 | 85.74                  |
| Total                          |                           |                                  |                                                  |                   |                        |                        |                        | <b>104.21</b>          | <b>85.74</b>           |

# unlisted entity therefore, no quoted rate available

(Rs. in Lakhs, unless otherwise stated)

- 33 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.
- 34 The Company's cash credit accounts with Bank of Baroda, DBS bank, Yes bank, ICICI, State bank of India, State bank of Travancore, Axis Bank, IDBI bank & UCO bank & term loan facilities with Kotak Mahindra & ICICI have been classified as Non performing assets & no provision of interest amounting Rs. 9201.96 lakhs as computed on an approximate basis on cash credit accounts have been made. Also no further provision of interest on term loan from Kotak Mahindra & ICICI has been made.
- 35 Capital Working Progress amounting to Rs. 1894.01 lakhs which includes Rs.465.29 lakhs pertaining to materials imported and kept at port.
- 36 The operation of the company's branch at Libya, which 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 provision thereof are required at this stage. The depreciation of Rs. 225.57 Lakhs (previous year Rs. 258.55 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. The Company has filed a claim of INR 770.00 Crores against State of Libya in International Arbitration.

37 a) Earnings in Foreign Currency :

| Particulars                                         | Year ended<br>31 March, 2020 | Year ended<br>31 March, 2019 |
|-----------------------------------------------------|------------------------------|------------------------------|
| On Contract Work (Gross Billing at Overseas Branch) | NIL                          | 8300.25                      |

37 b) Expenditure in Foreign Currency :

| Particulars | Year ended<br>31 March, 2020 | Year ended<br>31 March, 2019 |
|-------------|------------------------------|------------------------------|
| Travelling  | NIL                          | 5.47                         |

38 Stores consumed :

| Particulars           | Year ended 31st March, 2020 |                        | Year ended 31st March, 2019 |                        |
|-----------------------|-----------------------------|------------------------|-----------------------------|------------------------|
|                       | Value                       | % of total consumption | Value                       | % of total consumption |
| Imported (Into India) | -                           | -                      | -                           | -                      |
| Indigenous            | 495.62                      | 100                    | 4077.11                     | 100                    |
| <b>Total</b>          | <b>495.62</b>               | <b>100</b>             | <b>4077.11</b>              | <b>100</b>             |



**39. Transaction with related parties**

|                                                | Associates |         | Entities Control by Directors or relatives of Directors |          | Relatives of KMP |         | Key Management Personnel |         | Post Employment Benefit plan entity |         | Total    |          |
|------------------------------------------------|------------|---------|---------------------------------------------------------|----------|------------------|---------|--------------------------|---------|-------------------------------------|---------|----------|----------|
|                                                | 2019-20    | 2018-19 | 2019-20                                                 | 2018-19  | 2019-20          | 2018-19 | 2019-20                  | 2018-19 | 2019-20                             | 2018-19 | 2019-20  | 2018-19  |
| <b>Loans and Advances Taken (Repaid) (Net)</b> |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simpark Infrastructure Pvt. Ltd.               | -          | -       | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | -        |
| Balkrishan Das Mundhra                         | -          | -       | 1,258.85                                                | 1,209.95 | -                | -       | -                        | -       | -                                   | -       | 1,258.85 | 1,209.95 |
| Jemtec Engineering Pvt. Ltd.                   | -          | -       | 175.76                                                  | 231.27   | -                | -       | -                        | -       | -                                   | -       | 175.76   | 231.27   |
| Kirti Vinimay Pvt. Ltd.                        | -          | -       | 325.00                                                  | -        | -                | -       | -                        | -       | -                                   | -       | 325.00   | -        |
| Datson Exports Ltd.                            | -          | -       | 15.73                                                   | 15.80    | -                | -       | -                        | -       | -                                   | -       | 15.73    | 15.80    |
| <b>Loans given/repaid</b>                      |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simpark Infrastructure Pvt. Ltd.               | -          | 97.60   | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | 97.60    |
| Simplex Warehousing Services Co.               | -          | -       | -                                                       | 0.60     | -                | -       | -                        | -       | -                                   | -       | -        | 0.60     |
| Kirti Vinimay Pvt. Ltd.                        | -          | -       | 515.66                                                  | 561.51   | -                | -       | -                        | -       | -                                   | -       | 515.66   | 561.51   |
| <b>Contribution during the year</b>            |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simplex Employees Provident Fund               | -          | -       | -                                                       | -        | -                | -       | -                        | -       | 21.41                               | 20.56   | 21.41    | 20.56    |
| Simplex Gratuity Fund                          | -          | -       | -                                                       | -        | -                | -       | -                        | -       | 14.50                               | 9.50    | 14.50    | 9.50     |
| <b>Managerial Remuneration</b>                 |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Mr. B. K. Mundhra                              | -          | -       | -                                                       | -        | -                | -       | -                        | 16.41   | -                                   | -       | -        | 16.41    |
| Mr. S. D. Mundhra                              | -          | -       | -                                                       | -        | -                | -       | 19.37                    | 19.37   | -                                   | -       | 19.37    | 19.37    |
| <b>Sittings Fees</b>                           |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Keshav Das Mundhra                             | -          | -       | -                                                       | -        | -                | -       | -                        | 0.06    | -                                   | -       | -        | 0.06     |
| Bhabya Nath Thakur                             | -          | -       | -                                                       | -        | -                | -       | 0.38                     | 0.26    | -                                   | -       | 0.38     | 0.26     |
| Sagarika Ghosh Chakraborty                     | -          | -       | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | -        |
| <b>Guarantees Given/(released)(net)</b>        |            |         |                                                         |          |                  |         |                          |         |                                     |         |          |          |
| Simpark Infrastructure Pvt. Ltd.               | -          | 90.78   | -                                                       | -        | -                | -       | -                        | -       | -                                   | -       | -        | 90.78    |
| Simplex Agri Infra Services Pvt Ltd.           | -          | -       | 13.34                                                   | 13.34    | -                | -       | -                        | -       | -                                   | -       | 13.34    | 13.34    |
| <b>Grand Total</b>                             | -          | 188.38  | 2,304.34                                                | 2,032.47 | -                | -       | 19.75                    | 36.10   | 35.91                               | 30.06   | 2,360.00 | 2,287.01 |

**Note39 Related party transactions**

Related Party disclosures pursuant to Ind AS 24 prescribed under the Act.

| Serial No. | Relationship                               | Name of Related Parties               |
|------------|--------------------------------------------|---------------------------------------|
| <b>A</b>   | <b>Where Control exists :</b>              |                                       |
|            | <b>Joint Control Entity</b>                | Simplex Warehousing Services Co.      |
| <b>B</b>   | <b>Key Management Personnels (KMP)</b>     |                                       |
|            |                                            | <b>Executive Directors</b>            |
|            |                                            | Mr. Sudarshan Das Mundhra             |
|            |                                            | <b>Non-Executive Directors</b>        |
|            |                                            | Mr. Balkrishan Das Mundhra            |
|            |                                            | Mr. Bhabya Nath Thakur                |
|            |                                            | Mrs. Sagarika Ghosh Chakraborty       |
|            |                                            | <b>Company Secretary</b>              |
|            |                                            | Mrs. Sohini Shukla                    |
| <b>C</b>   | <b>Relaives of KMP</b>                     |                                       |
|            |                                            | Mrs. Pushpa Mundhra                   |
|            |                                            | Mr. Raghav Das Mundhra                |
| <b>D</b>   | <b>Entities Contol by Directors</b>        | Jemtec Engineering Pvt. Ltd.          |
|            | <b>Or relatives of Directors</b>           | Kirti Vinimay Pvt. Ltd.               |
|            |                                            | Datson Exports Ltd.                   |
|            |                                            | Simplex Foundation                    |
|            |                                            | Simplex Agri Infra Services Pvt. Ltd. |
| <b>E</b>   | <b>Post employment benefit plan entity</b> |                                       |
|            |                                            | Simplex Employees Provident Fund      |
|            |                                            | Simplex Gratuity Fund                 |

40. The Company has recognised, in the statement of Profit and Loss for “Employee Benefits” are given below :

**Defined Contribution plan**

**Contribution to Defined Contribution Plan, recognized/charged off for the year is as under :**

| Particulars                                    | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Employer's Contribution to Provident Fund      | 7.59                                 | 11.10                                |
| Employer's Contribution to Superannuation Fund | -                                    | -                                    |
| Employer's Contribution to Pension Scheme      | 6.96                                 | 9.87                                 |

**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.

**a. Reconciliation of opening and closing balances of Defined Benefit obligation**

| Particulars                                         | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|-----------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                     | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Defined Benefit obligation at beginning of the year | 150.60                               | 18.47                             | 121.53                               | 25.83                             |
| Current Service Cost                                | 6.57                                 | 2.64                              | 8.07                                 | 5.92                              |
| Interest Cost                                       | 9.38                                 | 2.08                              | 8.87                                 | 1.88                              |
| Actuarial gain/(loss)                               | (3.89)                               | (1.43)                            | 12.12                                | (15.16)                           |
| Benefits paid                                       | -                                    | -                                 | -                                    | -                                 |
| Defined Benefit obligation at year end              | 162.66                               | 21.76                             | 150.60                               | 18.47                             |

**b. Reconciliation of opening and closing balances of fair value of plan assets**

| Particulars                                        | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|----------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                    | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Fair value of plan assets at beginning of the year | 68.30                                | -                                 | 80.96                                | -                                 |
| Expected return on plan assets                     | 4.26                                 | -                                 | 5.91                                 | -                                 |
| Actuarial gain/(loss)                              | (13.21)                              | -                                 | (19.63)                              | -                                 |
| Employer contribution                              | -                                    | -                                 | 1.06                                 | -                                 |
| Benefits paid                                      | -                                    | -                                 | -                                    | -                                 |
| Fair value of plan assets at year end              | 59.35                                | -                                 | 68.30                                | -                                 |
| Actual return on plan assets                       | 6.23%                                | -                                 | 7.30%                                | -                                 |

**c. Reconciliation of fair value of assets and obligations**

| Particulars                        | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                    | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Fair value of plan assets          | 59.35                                | -                                 | 68.30                                | -                                 |
| Present value of obligation        | 162.66                               | -                                 | 150.60                               | -                                 |
| Amount recognized in balance Sheet | (103.31)                             | -                                 | (82.30)                              | -                                 |

**d. Expenses recognized during the year**

| Particulars                                    | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Current Service Cost                           | 6.57                                 | 2.64                              | 8.07                                 | 5.93                              |
| Interest Cost                                  | 9.38                                 | 2.08                              | 8.87                                 | 1.88                              |
| Expected return on plan assets                 | 4.26                                 | -                                 | 5.91                                 | -                                 |
| Actuarial gain / (loss) recognized in the year | 9.31                                 | (1.43)                            | 31.76                                | (15.16)                           |
| Net Cost                                       | 29.52                                | 3.29                              | 54.61                                | (7.35)                            |

**e. Investment Details**

| Particulars                                      | % invested as at<br>31 March, 2020 | % invested as at<br>31 March, 2019 |
|--------------------------------------------------|------------------------------------|------------------------------------|
| L.I.C. Group Gratuity (Cash Accumulation) Policy | 100                                | 100                                |

**f. Actuarial assumptions**

| Particulars                                           | For the year ended<br>31 March, 2020 |                                   | For the year ended<br>31 March, 2019 |                                   |
|-------------------------------------------------------|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|
|                                                       | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) | Gratuity<br>(Funded)                 | Leave<br>Encashment<br>(Unfunded) |
| Mortality Table (L.I.C)                               | IALM (2006-2008) Ultimate            |                                   | IALM (2006-2008) Ultimate            |                                   |
| Discount rate (per annum)                             | 6.23%                                | 6.23%                             | 7.30%                                | 7.30%                             |
| Expected rate of return on plan assets<br>(per annum) | 10 per<br>thousand                   | N.A.                              | 10 per<br>thousand                   | N.A.                              |
| Rate of escalation in salary (per annum)              | 6%                                   | 6%                                | 6%                                   | 6%                                |
| Formula used                                          | Projected United 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.

**41. Disclosure under regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015)**

The company has given interest free advance to Simplex Agri-Infra Services Pvt Ltd. (related party), having no repayment schedule and outstanding balance is **Rs. 2106.18 Lakhs** (Previous Year Rs. 383.07 Lakh).

**42. Earnings per Share:**

| Sl. No. | Particulars                                                   | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|---------|---------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a)      | Net Profit / (Loss) after tax available for equity (in lakhs) | 106.88                               | 130.92                               |
| b)      | Weighted Average number of equity shares for Basic EPS        | 12,600,378                           | 12,600,378                           |
| c)      | Weighted Average number of equity shares for Diluted EPS      | 12,600,378                           | 12,600,378                           |
| d)      | FV of each equity share (Rs.)                                 | 10.00                                | 10.00                                |
| e)      | Basic EPS                                                     | 0.85                                 | 1.23                                 |
| f)      | Diluted EPS                                                   | 0.85                                 | 1.23                                 |

**43. Information in accordance with the requirements of the Indian Accounting Standard (Ind AS 115) on 'Revenue from Contracts with Customer'.**

**(i) Revenue from operations**

| Particulars                                        | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Income</b>                                      |                                      |                                      |
| Income from Contracts and Services (Refer Note 25) | <b>17,657.61</b>                     | 24680.41                             |
| Sale of Trading Goods                              | -                                    | 191.55                               |

- (ii) The Company recognises revenue from contracts with customers which included Government and Non-Government customers, for construction/project activities over a period of time. During the year substantial part of the Company's business has been carried out in India.

**(iii) Contract balances**

| Particulars                               | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|-------------------------------------------|--------------------------------------|--------------------------------------|
| Trade receivables (Refer Note 8)          | <b>1,10,086.18</b>                   | 100647.14                            |
| Contract assets (Refer Note 13)           | <b>74,114.25</b>                     | 69577.53                             |
| Contract liabilities (Refer Note 19 & 23) | <b>82,561.04</b>                     | 79096.87                             |

- (iv) Set out below is the amount of revenue recognised during the period from Contract liability balance at the beginning of the period:

| Particulars                                                                                         | For the year ended<br>31 March, 2020 | For the year ended<br>31 March, 2019 |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Revenue recognised during the period from Contract liability balance at the beginning of the period | <b>122.90</b>                        | 708.91                               |

**(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:**

There is no difference in the contract price negotiated and the revenue recognised during the period in the statement of profit and loss.

**(vi) Performance Obligation**

Method used to recognise revenue and timing of satisfaction of performance obligations have been disclosed in note 2.10. Generally the project duration of contracts with customers is more than 12 months.

#### 44. Assets pledged as security

The carrying amounts of certain categories of assets pledged as security for current and non-current borrowings pursuant to the requirements of Ind AS 2, Ind AS 16, Ind AS 38 and Ind AS 107.

| Particulars                   | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------|------------------------|------------------------|
| <b>Current assets</b>         |                        |                        |
| Financial assets              | 1,80,688.62            | 1,64,098.39            |
| <b>Non-financial assets</b>   |                        |                        |
| Inventories                   | 7,154.90               | 6,995.77               |
| <b>Total (A)</b>              | <b>1,87,843.52</b>     | <b>1,71,094.16</b>     |
| <b>Non-current assets</b>     |                        |                        |
| Financial assets              | 214.63                 | 226.50                 |
| Property, plant and equipment | 4,445.78               | 7,965.41               |
| <b>Total (B)</b>              | <b>4,660.41</b>        | <b>8,191.91</b>        |
| <b>Total (A+B)</b>            | <b>1,92,503.93</b>     | <b>B1,79,286.07</b>    |

**Note: 44,24,839 shares of the Promoters are placed with the bank.**

#### 45. Contingent Liabilities- Attributable to Claims against the Company not acknowledge as debts

- i) In respect of the contingent liabilities set out below, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any:

| Particulars                  | As at 31st March 2020 | As at 31st March 2019 |
|------------------------------|-----------------------|-----------------------|
| a) Interest (others)         | <b>31,515.98</b>      | 22314.02              |
| b) Sales Tax/Value Added Tax | <b>2,798.94</b>       | 2798.94               |
| c) Service Tax               | <b>946.85</b>         | 946.85                |

#### 46. Contingent Liabilities - Attributable to Guarantees:

| Particulars                                                                                | As at 31st March 2020 | As at 31st March 2019 |
|--------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| i) Corporate Guarantees given to Banks against credit facilities extended to third parties | <b>2,400.00</b>       | 2,400.00              |
| a) In respect of Associates                                                                | <b>Nil</b>            | Nil                   |
| ii) Bank Guarantees                                                                        | <b>84,164.30</b>      | 97,741.76             |
| a) In respect of Subsidiary                                                                | <b>13.34</b>          | 13.34                 |
| b) In respect of Associate                                                                 | <b>NIL</b>            | 90.78                 |

47. Arbitration/Legal proceedings are on in respect of company's claims on certain completed/suspended contracts against which certain customers have also raised counter claims on the company. Pending disposal of the proceedings, on effect has been given in these financial statements for such matters. Based on the company's internal evaluation supported by legal opinion obtained, management believes that it is probable that the outcome of such proceedings will be in favour of the Company and there will be no adverse impact in this regards.

#### 48. Financial Risk Management

The Company's business activities are exposed to variety of financial risks namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's financial risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's financial risk management policies. The Company's financial risk management policies are established to identify and analyse the risk faced by the Company, to set and monitor appropriate controls.

##### (A) Credit Risk

Credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, loans, Investments and other financial assets.

At each reporting date the Company measures loss allowance for certain class of financial assets and based on historical trend, industry practices and the business environment in which the company operates.

Credit risk with respect to trade receivable are limited, due to the Company's customer profile are well balanced in Government and Non-Government customers and diversified amongst in various construction verticals and geographies. All trade receivable are reviewed and assessed on a quarterly basis.

Credit risk arising from investments, derivative financial instruments and balances with bank is limited because the counterparties are banks and recognised financial institutions with high credit worthiness.

##### Provision for expected credit losses

The Company measures Expected Credit Loss (ECL) for financial instruments based on historical trend, industry practices and the business environment in which the Company operates

For financial assets, a credit loss is the present value of the difference between:

- (a) the contractual cash flows that are due to an entity under the contract: and
- (b) the cash flows that the entity expects to receive

The Company recognises in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

##### (B) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents.

##### (C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices.

49. On account lockdown declared by Central Government and State Government on 23rd March, 2020 due to Covid-19 the Company suspended all its operations. The operations at our working sites and offices gradually resumed from May, 2020 with limited man power. Based on overall assessment of economic environment, Management is of the view that impact of Covid-19 will affect the Company's operations in the FY: 2020-21 which has not yet been assessed.
50. The Company has generated negative cash flow from its operating activities amounting to Rs. 9,787.68 lakhs for the year ended March 31, 2020, there was also default in payment of financial debts, to its bankers and others. The reason for such operational loss is due to:
  - a. Delay in realization of trade receivables & Unbilled Revenue in tune of Rs. 9,746.90 lakhs & Rs. 4587.87 lakhs respectively, for which arbitration is going on.
  - b. On account of civil unrest (in the year 2011) the company's operation at Libya was stopped due to which our assets and receivables are "stand still". However, the Company has filed a claim of INR 770.00 Crores against State of Libya in International Arbitration.

Company is confident of improving the credit profile including time bound realization of its assets, arbitration claims etc. which would result in meeting its obligations on time. Accordingly, the Management considers it appropriate to prepare these financial statements on going concern basis.

All amounts Rs. in Lakhs, unless otherwise stated

**Note : 51 Additional Information required by Schedule III**

Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates/ Joint Ventures for the year ended 31st March, 2020.

| Name of the Enterprise                                          | As at<br>31st March, 2020                                  |                  | for the year ended<br>31st March, 2020                    |               | for the year ended<br>31st March, 2020                                         |               | for the year ended<br>31st March, 2020                                         |                 |
|-----------------------------------------------------------------|------------------------------------------------------------|------------------|-----------------------------------------------------------|---------------|--------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------|-----------------|
|                                                                 | Net Assets i.e. total<br>Assets minus<br>Total Liabilities |                  | Share in<br>Profit & Loss                                 |               | Share in Other<br>Comprehensive<br>Income                                      |               | Share in Total<br>Comprehensive<br>Income                                      |                 |
|                                                                 | As % of<br>Total<br>Consoli-<br>dated Net<br>Assets        | Amount           | As % of<br>Total<br>Consoli-<br>dated<br>Profit &<br>Loss | Amount        | As % of<br>Total<br>Consoli-<br>dated<br>Other<br>Compre-<br>hensive<br>Income | Amount        | As % of<br>Total<br>Consoli-<br>dated<br>Total<br>Compre-<br>hensive<br>Income | Amount          |
| <b>Parent</b>                                                   |                                                            |                  |                                                           |               |                                                                                |               |                                                                                |                 |
| Simplex Projects Ltd                                            | 103.67                                                     | 13617.63         | 82.71                                                     | 88.41         | 100.00                                                                         | 946.52        | 100.00                                                                         | 1034.93         |
| <b>Associate(Investment accounted for as per equity method)</b> |                                                            |                  |                                                           |               |                                                                                |               |                                                                                |                 |
| Simpark Infrastructure Pvt Ltd                                  | (3.67)                                                     | (481.92)         | 17.28                                                     | 18.47         | -                                                                              | -             | -                                                                              | -               |
| <b>Total Consolidated</b>                                       | <b>100.00</b>                                              | <b>13,135.71</b> | <b>99.99</b>                                              | <b>106.88</b> | <b>100.00</b>                                                                  | <b>946.52</b> | <b>100.00</b>                                                                  | <b>1,034.93</b> |

# Associates follow same reporting date as that of the Company i.e. 31st March.

All amounts Rs. in Lakhs, unless otherwise stated

**Note : 51 Additional Information required by Schedule III**

Additional information, as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/Associates/ Joint Ventures for the year ended 31st March, 2019.

| Name of the Enterprise                                           | As at<br>31st March, 2019                                  |                  | for the year ended<br>31st March, 2019                    |               | for the year ended<br>31st March, 2019                                         |               | for the year ended<br>31st March, 2019                                         |               |
|------------------------------------------------------------------|------------------------------------------------------------|------------------|-----------------------------------------------------------|---------------|--------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------|---------------|
|                                                                  | Net Assets i.e. total<br>Assets minus<br>Total Liabilities |                  | Share in<br>Profit & Loss                                 |               | Share in Other<br>Comprehensive<br>Income                                      |               | Share in Total<br>Comprehensive<br>Income                                      |               |
|                                                                  | As % of<br>Total<br>Consoli-<br>dated Net<br>Assets        | Amount           | As % of<br>Total<br>Consoli-<br>dated<br>Profit &<br>Loss | Amount        | As % of<br>Total<br>Consoli-<br>dated<br>Other<br>Compre-<br>hensive<br>Income | Amount        | As % of<br>Total<br>Consoli-<br>dated<br>Total<br>Compre-<br>hensive<br>Income | Amount        |
|                                                                  |                                                            |                  |                                                           |               |                                                                                |               |                                                                                |               |
| Simplex Projects Ltd                                             | 105.05                                                     | 12582.72         | 150.78                                                    | 197.40        | 100.00                                                                         | 423.80        | 100.00                                                                         | 621.20        |
| <b>Subsidiary (Group's Share)</b>                                |                                                            |                  |                                                           |               |                                                                                |               |                                                                                |               |
| Simplex Agri Infra Services Pvt Ltd                              | (1.18)                                                     | (141.29)         | (53.97)                                                   | (70.66)       | -                                                                              | -             | -                                                                              | -             |
| <b>Associate (Investment accounted for as per equity method)</b> |                                                            |                  |                                                           |               |                                                                                |               |                                                                                |               |
| Simpark Infrastructure Pvt Ltd                                   | (4.19)                                                     | (500.39)         | 3.19                                                      | 4.17          | -                                                                              | -             | -                                                                              | -             |
| <b>Total Consolidated</b>                                        | <b>100.00</b>                                              | <b>11,941.04</b> | <b>100.01</b>                                             | <b>130.92</b> | <b>100.00</b>                                                                  | <b>423.80</b> | <b>100.00</b>                                                                  | <b>621.20</b> |

@ Financial impact is inclusive of its subsidiary / Associate, as applicable.

# All Components of the Group follow same reporting date as that of the Parent Company i.e. 31st March.

52. The company has defaulted in repayment of interest and principal amounting to Rs. 421.36 lakh payable to SREI Equipment Finance Limited up to 31.03.2019 and the interest for the year ended March 31, 2020 has not been ascertained and booked on account of legal proceedings.
53. GSTR -1 & GSTR 3B is not yet filed in the states of Meghalaya, Assam & Uttar Pradesh for the FY 2019-20. Moreover, GST Audit for the year ended March, 2018 & March, 2019 is still pending.
54. Amount in the financial statements is presented in INR lakhs, unless otherwise stated.
55. Previous year's figures are reclassified, where necessary, to conform to the current year's classification.

SIGNATURES TO NOTES "1" TO "55"

For and on behalf of  
**H. S. BHATTACHARJEE & CO.**  
Firm Registration No. 322303E  
*Chartered Accountants*

**A. Roy**  
*Partner*  
Membership No. 57516  
Kolkata  
Dated : 22nd January, 2021

For and on behalf of the Board of Directors  
**Simplex Projects Limited**

**S. D. Mundhra**  
*Managing Director & CFO*  
(DIN:00013158)

**B. N. Thakur**  
*Director*  
(DIN:05250206)

**B. K. Mundhra**  
*Chairman & Director*  
(DIN:00013125)

**Sohini Shukla**  
*Company Secretary*  
(Membership No. A48409)



130





NOTE \_\_\_\_\_

Matter Print • 9830193137



The image shows a large tower crane at a construction site. The crane has a lattice boom and a vertical mast. It is positioned against a bright, hazy sky. In the background, the skeletal structure of a building under construction is visible, with scaffolding and rebar. The entire image has a yellowish tint.

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