



Simplex Infrastructures Limited
Simple solutions for complex structures



ANNUAL REPORT 2009-10

Opportunities Unlimited

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→ Simplex Infrastructures Ltd.

Simplex Infrastructures Ltd. has long been one of the top construction companies, closely associated with the country's infrastructure development. Today our expanding expertise spans the complete range of construction activities

Engineering Design
Project Planning
Project Engineering & Construction
Electro-mechanical
BOT Project
Real Estate Development

Night view of Hyderabad Flyover 11.5 km long





Cement Plant GCC, Umm-Bab, Doha

Engineering is the practice of safe and economic application of the scientific laws governing the forces and materials of nature by means of organization, design and construction, for the general benefit of mankind.

- S. E. Lindsay, 1920

BOARD OF DIRECTORS

Shri B.D. Mundhra (Chairman and Managing Director)
 Shri A.D. Mundhra
 Shri A. Mukherjee
 Dr. R. Natarajan
 Shri B. Sengupta
 Shri S. Dutta
 Shri Rajiv Mundhra
 Shri N. N. Bhattacharyya
 Shri Sheekishan Damani
 Shri Kunal Shroff

COMPANY SECRETARY

Shri B.L. Bajoria

BANKERS

United Bank of India
 Standard Chartered Bank
 UCO Bank
 ING Vysya Bank Ltd
 The Federal Bank Ltd
 ICICI Bank Ltd
 Axis Bank Ltd
 IndusInd Bank Ltd
 HDFC Bank Ltd
 Allahabad Bank
 IDBI Bank Ltd.
 Canara Bank
 Punjab National Bank
 Indian Bank
 Central Bank of India
 Oriental Bank of Commerce
 Exim Bank
 Karur Vysya Bank Ltd
 The Royal Bank of Scotland
 State Bank of Travancore
 HSBC Ltd
 State Bank of India
 State Bank of Indore
 Development Credit Bank Ltd
 Yes Bank Ltd
 Bank of Boroda

AUDITORS

Price Waterhouse
 Chartered Accountants, Plot No. Y - 14
 Block - EP Sector - V Salt Lake Electronic
 Complex
 Bidhan Nagar Kolkata 700 091

REGISTERED OFFICE

'SIMPLEX HOUSE'
 27 Shakespeare Sarani Kolkata 700017

BRANCHES

Delhi office
 Hemkunth Chambers 4th Floor
 89 Nehru Place New Delhi 110019

Chennai office
 New No.57 (Old No.38) Pantheon Road
 Egmore Chennai 600008

Mumbai office
 502/A Poonam Chambers
 Shiv Sagar Estate 'A' Wing
 Dr. Annie Besant Road Worli
 Mumbai 400018

BRANCHES (INTERNATIONAL)

Doha office
 HBK Tower (Home Centre Building)
 1st Floor Room No. 1 P. O. Box 22472
 Doha, Qatar

Dubai office
 M-13 Alfuttaim Business Center
 2nd Inter Change - Sheikh Teyad Road
 Near Lexus Show Room
 Dubai, UAE

Oman office
 P. O. Box 1171 Postal Code 112
 Sultanate of Oman

Sri Lanka office
 68 Davidson Road Colombo 4
 Sri Lanka

We have the Vision to Lead and Win



Steel Pile installations from Jack Up Platform at Mundra Port



Brigade Gateway, Bangalore



Delhi Metro Railway Sultanpur Area



Teesta Low Dam Hydro Electricity project

The Vision

To execute projects with consistent quality assurance, cost control and adherence to milestones in a safe environment as per customer requirements

The Leadership

To sustain the position as a leader in foundation technology, general civil engineering and construction

The Winning Edge

To promote the culture of sharing rich and varied experience with staff members, as also with clients

And thereby benefit and help the growth of the construction fraternity and society at large.

A History of Innovation



Metro Construction at Mumbai

Adding Depth

- 1972-3** Installs India's first 50 m deep cast-in-situ driven piles.
- 2008-10** Over 70 Mtr. Piles installed in Kochi.

Since 1924 when Simplex became the first company to introduce cast-in-situ-driven piles in India and South East Asia, it has been on the forefront of technical breakthroughs in the Indian construction industry

1935 Starts construction of steel plants, subsequently building India's steel backbone with plants for SAIL, Tata, Jindal, Essar, etc.

1940s Constructs the prestigious King George Docks (Jawaharlal Nehru Port) in Mumbai to be recognised as one of the top construction engineers of India.

1958 (1) Builds the tallest RCC framed structure in Asia -- the 17- storey National Tower in Kolkata

(2) Begins construction of basement using top down construction technique for the first time in India.

1960s Makes maiden foray into the urban utilities segment, setting up sewage treatment plant in Howrah.

1968 Successfully embarks into marine construction, leading to an enduring association with all major ports in India.

1970 Begins civil and structural construction of Thermal Power plants.

1972-3 Installs India's first 50 m deep cast-in-situ driven piles at Cochin

1977-78 Develops indigenous technique for soil densification through stone columns by driven piling technique

1982-83 Develops breakthrough technique for jointed pre-cast concrete piles.

1990 Constructs 2000 mm dia pile foundation for the first time in India.

1993-4 Becomes first to install fully computerized geo-technical laboratory in India

1997 (1) Enters the transport sector with road, bridge and railway construction.

(2) Constructs the first housing complex using Aarding 'Tunnel Form' technology in the country.

1999 Constructs Rail over-bridge with 50 m span P. S. C Girder over running electrified section of rail-track for the first time in India.

2002 Begins civil and structural construction of Nuclear Power Plants to establish comprehensive capabilities in the power sector.

2004 Begins civil and structural construction of hydro power plants.

2008 Over 70 Mtr. deep Pile in Kochi.

2010 Begins installation of steel piles using vibro technology at Dahej Port in one of the world's most challenging marine conditions.

Brigade Plaza, Bangalore



A Proud Heritage



Ritz Carlton, Bangalore



Cement Plant, Doha



View of Shipyard Construction, Goa

As the first name in ground engineering, we have played a part in the construction of many historical buildings and structures of India

Also, we have handled various aspects of construction in over

- 100 power projects | 50 metallurgical plants
- 15 road transport projects | 20 ports/harbours/jetties
- 5 metro rail projects | 70 flyover and bridges

The Nation Builders



Simplex serves those who build the nation. Our diverse clientele ranges from statutory bodies to national and state governments to domestic and international conglomerates

"We are all faced with a series of great opportunities brilliantly disguised as impossible situations."
- Charles R. Swindoll

The Growing Global

Headquartered in Kolkata, Simplex manages its business with offices in Kolkata, Delhi, Mumbai and Chennai in India. Overseas branches span Qatar , Oman , Bahrain , Dubai and Sri Lanka. In 2009-10, the Company is also expanding operations to Libya, Ethiopia, Thailand and Bangladesh to mark an ever enlarging global footprint.



1) Sri Lanka 2) Oman 3) Qatar 4) Bahrain 5) Dubai 6) Libya 7) Ethiopia 8) Bangladesh 9) Thailand



Piling Works for Marine structures at Nakilat, Doha



Mejia Thermal Power Plant (2 X 250MW Unit)



Rocket Launching Pad at Sriharikota, A.P

Over the years Simplex has brought construction excellence in almost all spheres of infrastructures

RVNL Rail Track Doubling Project at Mahanadi River



GROUND ENGINEERING

Simplex is the pioneer in piling and our expertise covers pre-cast-situ piles and jointed piles; cast in-situ, driven and bored piles. Other ground engineering tasks include soil investigation, soil densification, diaphragm walls, grouting, stone columns, etc.

MARINE SECTOR

Simplex today is a leading authority on complex marine infrastructure. Apart from our mastery of piling, including steel piling, under adverse sea conditions, we have extensive experience in construction of ports, jetties, wharves, terminals, lighthouses, breakwaters, quays and shipyards.

ROAD SECTOR

Simplex undertakes a variety of highway and urban road construction work including flyovers, elevated corridors and bridges.

RAILWAY SECTOR

From culverts to station buildings Simplex has long served the Indian Railways. It is one of the few construction companies capable of automatic track-laying. We are also implementing metro rail in several cities

URBAN SECTOR

Simplex undertakes the full range of urban infrastructure construction including sewerage, water and urban transport projects.

REAL ESTATE SECTOR

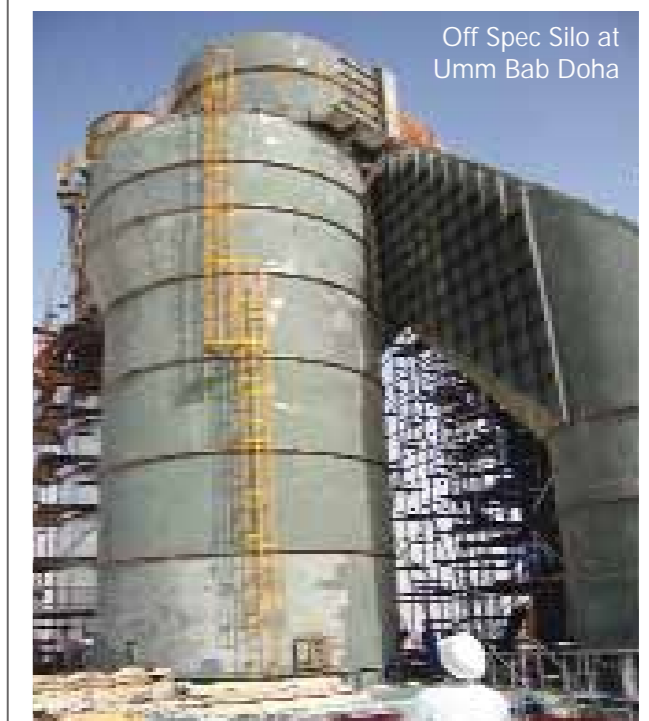
Simplex develops & constructs multi-storey residential and commercial buildings for developers and government agencies. It has also recently commenced its own development projects.

INDUSTRIAL SECTOR

Simplex has been implementing construction projects in steel, cement, aluminium, copper, engineering, automobiles, petrochemicals, fertilizers, paper, textiles, pharmaceuticals & chemicals.

POWER SECTOR

Simplex has the widest experience in greenfield and modernisation projects for India's power sector, including thermal (coal, oil and gas-based), hydroelectric and nuclear power plants.



Off Spec Silo at
Umm Bab Doha

Prestigious Projects



In recent years, Simplex has had a substantial role in setting up a number of prestigious projects across the entire spectrum of infrastructure construction

Transport & Marine

- = 11.5 Km elevated expressway in Hyderabad
- = Ports in Goa, Kochi, Haldia, Vizag, Mundra, Mumbai, Paradip, Adani and others
- = Howrah Bridge and Bally Bridge approaches

Industrial

- = Steel plants – TISCO (Jamshedpur), IISCO (Burnpur) and SAIL (Durgapur), RINL, TSIL, Bhusan Steel
- = Alumina refinery – Vedanta, Lanjigarh, Orissa
- = Petroleum refinery – Reliance (Jamnagar), IOCL (Haldia, Guwahati, Digboi, Baroda, Paradip)
- = Fertiliser plants - Gorakhpur, Paradip, Phulpur, Kakinada and several others
- = Paper Mills-Nowgong, Cachar, Churk, Velur, Amlai and Ranigunge

- = Cement plants - Chandrapur, Devapur, Madhukunda, Mejia, Sonadih, Kotputli and Shambupura

Power

- = Thermal power plants at Simhadri, Maithon, Korba, Chanderpur, Raigarh, Mundra, Mejia, Santaldih & Sagardighi
- = Nuclear power plant in Kudankulam
- = Hydro Power-Teesta Hydradam, Rangpo, Sikkim

Urban Utilities

- = Sewerage and water systems: Kolkata, Hyderabad, Bilaspur, Jabalpur, Indore & Chennai
- = Metro Rail: Kolkata, Delhi, Mumbai, Bangalore & Dubai
- = Irrigation canal: Hyderabad
- = Renovation & Modernization: Jaipur and Udaipur Airport



Top View of Mumbai Metro

International Landmarks

The Simplex expertise has been recognized internationally with construction contracts in several countries. Several structures built by us are today landmarks in their respective cities



Jude Tower

TATA POWER Mega 800 MW 5 Unit at Gujarat

- = Doha Hilton Hotels, Qatar
- = International hotel in Tashkent, Uzbekistan
- = Various building and structural projects at The Pearl, Qatar
- = Various building and structural projects for Qatar Petroleum
- = Qatalum Power Plant Project, Doha
- = Flyovers on Seeb Corniche Road in Oman
- = Marine works for Nakilat Ship Repair Yard, Doha

Recent Triumphs

Badminton Stadium, Ranchi, Jharkhand

INTERNATIONAL

Major Ongoing Projects

Al Saud Bahwan Plaza, Oman
Qatalum Power Plant Project, Qatar
Fortunato Development Project, Dubai
6 flyovers on Seeb Corniche Road, Oman
Tendaho Sugar factory, Ethiopia
Qatar Power Transmission System Expansion, Qatar
Fahahil & Umm bab Fire Station, Qatar

INDIA

Major Ongoing Projects

4X600 MW Thermal Power Plant, Raigarh
Ring Road Bypass from Salimgarh fort to Velodrome Road, New Delhi
Civil & Structural work for 4000 MW UMPP, Tata Power, Mundra
Flyover in Mumbai - Prince of Wales to Anik Prinjapole & Lalbag, Mumbai
Elevated Structure (Excluding Station) between Yeswanthpur and Swastik Section, Bangalore
Residential towers 68 storied incl. Podium Avighna, Mumbai
Long Distance conveyor plant of UAIL for aluminium refinery, Orissa
Dwelling units for married officers, Meerat, UP
2X500 MW Vindhyachal STPP Project Stage-IV, U.P.
Barrage & Head Regulators Work at Anandpur, Orissa
2X500 MW STPP Project Stage-III, Rihand, U.P.
Bhasmey 51 MW Hydro Electric Project, Sikkim
LNG Terminal, Kochi, Kerala
Sewerage Projects Kolkata, Bilaspur, Jabalpur, Hyderabad, Indore
540 MW TPP, Chandwa, Jharkhand
Majestic Towers at Nahur, Mumbai
Civil Work for ICTT, Kochi
Metro Railway - Mumbai, Delhi, Kolkata, Bangalore

Major Completed Projects in 2009-10

Refinery & Petrochemical Complex in SEZ, Jamnagar, Gujarat
Cement plant at Aditya Cement Shambhupura, Chittorgarh, Rajasthan
Raw water intake and delivery system for Power Plant Project, Jharsuguda, Orissa
Bina Refinery Project, M.P.
9 nos. 20/22 storied towers, podium & allied work, Thane, Mumbai
Cement Plant near Cuddappah, A.P.
New international terminal building at Jaipur Airport, Jaipur
Mejia Cement Plant, W.B.
Boiler ESP, Mill Bay 1x600 MW TPS, Chennai
Berth at Karaikal Port, Karaikal, Tamil Nadu
9 X135 MW captive power plant, Jharsuguda, Orissa
Sugar Refinery at Haldia, W.B.

Chairman's Message



My dear shareholders,

The Financial Year 2010 has been a year with mixed results in the world's economy and industry. The clouds of recession which originated from USA that marked 2008-09 are seemingly dissipating. The problems in Europe are unfolding. But, world today is looking at new engines of growth in the East i.e. India and China. India is now becoming a more preferred choice and is performing better. Unfortunately the aftermath of problems of the American & European financial institutions had an adverse effect on the Middle East. The domestic consumption led Indian Economy is gradually showing signs of improvement with the double digit growth in Industrial Production. Capital goods sector has grown significantly showing the capital expenditure plan of corporates are intact & order inflow to India Inc. will be robust in coming fiscal year. We are therefore expecting a brighter future for your company. The construction industry is substantially dependent on infrastructure and industrial projects. In tight economic situations, even the growth of housing projects has become slow, though the perk-up in the residential housing is quite noticeable now.

During the slow down phase, we became even more cautious in accepting new orders. This resulted in nearly zero growth in the order book till December 2009. In the construction industry, as you are aware, the sales growth is determined by growth in order-intake. The near stagnate order book more particularly in the overseas territory impacted our Financial Year 2010 growth. A 17 percent decline in overseas sales could

not be fully absorbed by a mere 2 percent growth in domestic sales.

As a result Financial Year 2010 witnessed a marginal decline in turnover from Rs.46,536.88 mn in the previous year to Rs.44,434.81 mn. However, in spite of this, profit before tax appreciated by a healthy 13.36 percent from Rs.1,685.35mn in the previous year to Rs.1,910.47 mn in the year under review. Profit after tax also increased by a modest 1.49 percent from Rs1,208.03 mn to Rs.1,225.97 mn in Financial Year 2010. The consolidated turnover stood at Rs.45,524.66 mn in comparison to Rs.46,960.66 mn in Financial Year 2009. The consolidated profit before tax increased by 15.81 percent to Rs.2,005.61 mn in comparison to Rs.1,731.82 mn. The consolidated profit after tax and minority interest rose by 3.02 percent to Rs.1,271.47 mn in comparison to Rs.1,234.24 mn in the previous year.

Fortunately, the order inflow has become robust since January 2010. We are confident that in Financial Year 2011, we should again see a healthy growth both in the turnover and the order book. We indeed are back on growth track.

Despite the shortfall in the Middle East, strategically we retain the view that the Company must continue to seek international opportunities to mitigate risks and ensure long term profits and growth. While the Indian growth story is heartwarming, it is also a fact that competitive pressures are now subsiding. Over the years Simplex has built an international reputation for implementing complex projects in marine constructions, power plants, urban infrastructure, industrial plants, ground engineering and transportation. In the past year we have therefore conscientiously worked to expand our horizons by winning projects abroad, not only in our traditional Middle East strongholds, but also other parts of Asia, Africa and neighboring countries.

Besides geographic expansion we have also been expanding our skill sets and capabilities to command a greater share of India's exciting infrastructure-building programme. The company forayed into Build-Operate-Transfer (BOT) and Design-Build-Finance-Operate-Transfer (DBFOT) projects to leverage and integrate the construction capabilities. We have successfully installed the steel piles for jetties using latest vibro technology method. We have also successfully finished trial runs for High Speed Railway. We have entered the Power Transmission & Distribution, Construction and EPC space to benefit from the enormous growth potential. Gradually and selectively we will consider taking it to the



Placing E-Girder, Mumbai Metro Project

next higher level of ownership projects on Build-Own-Operate-Maintain (BOOM) basis. Another expansion is into real estate development of a residential complex on a joint-development basis without undertaking the risks and costs of land. These diversifications are essentially to achieve organic growth and profit from emerging opportunities and markets, in fields allied to our core competence.

Today, with over 7700 permanent employees, we are one of the strongest and most versatile builders of Infrastructure, Power Plants, Industrial Plants and Housing in India. Our people are backed by world-class equipment, training, technology and IT support to effectively deal with complex construction challenges. Apart from strong structures we have built an enviable reputation of quality, punctuality and reliability. Our order book stands at a healthy Rs.110,000 mn plus with repeat orders a galore – testimony of the confidence clients place in us.

I would like to thank the Members of the Board for their unwavering support and guidance. I would also like to express my gratitude to all our stakeholders, customers, business associates, for their constant support. We will continue to work for enhancement of stakeholder value, and remain committed to justifying the faith and trust reposed in us.

Thank You

B. D. Mundhra
Chairman and Managing Director

Directors' Report



To The Members,

Your Directors have pleasure in presenting the Ninety-second Annual Report together with stand alone and consolidated Audited Statement of Accounts for the financial year ended 31st March, 2010.

The financial highlights are set out below:

Rupees in Million (mn)

	Stand Alone				Consolidated			
	31st March 2010		31st March 2009		31st March 2010		31st March 2009	
Gross Billing		44434.81		46536.88		45524.66		46960.66
Earning before interest, depreciation, tax and amortisation (EBIDTA)		4556.13		4402.56		4700.45		4471.96
Less: Interest & finance charges		1112.09		1417.91		1122.00		1419.93
Earning before depreciation, tax and amortisation (EBDTA)		3444.04		2984.65		3578.45		3052.03
Less: Depreciation & amortisation		1533.57		1299.30		1572.84		1320.21
Profit before tax		1910.47		1685.35		2005.61		1731.82
Less: Provision for tax-current tax	380.00		255.00		409.72		267.39	
Fringe benefit tax	-	380.00	15.00	270.00	0.04	409.76	15.23	282.62
Profit before deferred tax		1530.47		1415.35		1595.85		1449.20
Less: Deferred tax		304.50		207.32		305.05		207.31
Profit after tax and before Minority Interest		1225.97		1208.03		1290.80		1241.89
Less: Minority Interest		-		-		19.33		7.65
Profit After Tax & Minority Interest		1225.97		1208.03		1271.47		1234.24
Balance brought forward from the previous year		2469.37		1877.10		2522.21		1903.73
Profit available for appropriation		3695.34		3085.13		3793.68		3137.97
General Reserve	150.00		150.00		150.00		150.00	
Contingency Reserve	-		350.00		-		350.00	
Proposed Dividend	98.95		98.95		98.95		98.95	
Tax thereon	16.43	265.38	16.81	615.76	16.43	265.38	16.81	615.76
Balance carried to Balance Sheet		3429.96		2469.37		3528.30		2522.21

Review of Operations

Effect of the global economic recession continued to be felt across the world in 2009-10 and a poor monsoon further impacted India's economy. However, in spite of these adversities, the financial performance of your Company during the year under review was more or less at par with the previous year. Profit before Tax (PBT) increased by 13.36% from Rs. 1,685.35 mn to Rs 1,910.47 mn while Profit after Tax (PAT) increased by 1.49% to Rs.1,225.97 mn compared to Rs. 1,208.03.mn in 2008-2009. However, the turnover showed a decline of 4.52%, being recorded at Rs.44,434.81 mn as compared to Rs. 46,536.88 mn in the previous year.

The Company also recorded a higher EBITDA, which increased by 3.49% from Rs.4,402.56 mn to Rs.4,556.13 mn in the year under review. Cash or Gross Profit (EBDTA)

was also higher by 15.39%, rising from Rs. 2,984.65 mn to Rs. 3,444.04 mn.

Consolidated results were in line with the above. The consolidated turnover stood at Rs. 45,524.66 mn reflecting a marginal decrease of 3.06% as compared to Rs.46,960.66 mn in the previous year. The Consolidated Profit before Tax increased by 15.81% from Rs. 1,731.82 mn to Rs.2,005.61mn and Consolidated Profit after Tax and Minority Interest increased by 3.02% to Rs.1,271.47mn compared to Rs.1,234.24 mn in 2008-09.

Improved internal efficiencies and efficient resource management were the key factors for better profitability. The order book position stood at over Rs 110,000 mn with the Company bagging several prestigious orders in various sectors of the construction business viz. Ground Engineering, Power, Urban Infrastructure, Building & Housing, Marine, Industrial and Transportation.

The Company continues to have branch offices/ subsidiaries/ associate companies in the UAE, Qatar, Bahrain, Oman, Libya, Indonesia, Thailand and neighboring countries to explore and expand business activities. It remains committed to execute projects with consistent quality assurance and adherence to benchmarks as per customers' requirements with the objective of customer-satisfaction.

The Company has recently forayed into the businesses of Power Transmission & Distribution and Construction, Real Estate project on joint development basis and the road project on BOT/BOOT basis. Your Directors are optimistic to make the presence of your Company felt in these fields.

Dividend

Your Directors recommend a dividend of Rs. 2 per share on equity shares of face value of Rs.2/- each for the financial year ended 31st March, 2010, which if approved at the forthcoming Annual General Meeting will be paid to all eligible members whose names appear in the register of Members of the Company as on the Book closure date. The dividend outgo (including tax on dividend) will be Rs. 115.38 mn.

Capital Expenditure

During the year under review, the Company has made additions of Rs.1,057.63 mn to its Fixed Assets.

Public Deposit

The Company has no overdue deposit other than unclaimed deposits amounting to Rs 0.78 mn as on 31st March, 2010. On the date of this report, deposits aggregating Rs.0.05 mn out of the same has been claimed and paid.

Subsidiaries

Your Directors present herewith an overview of Subsidiaries.

During the year under review your Company has set up a subsidiary in the form of a joint venture at Libya in the name and style of Simplex Infrastructures Libya Joint Venture Company. Your Company is holding 65% share capital in that company by making an investment of Rs.38.69 mn. Operations of the subsidiary is yet to start. As on March 31,2010, your Company has the following Subsidiaries.

- A. Simplex Infrastructures LLC ("LLC Company")
- B. Simplex (Middle East) Limited

C. Simplex Infrastructures Libya Joint Venture Company

In view of the exemption received from Central Government vide letter no. 47/99/2010 - CL III dated April 05,2010, the audited statement of accounts, Auditors reports and other related documents of the subsidiary companies are not annexed as required under Sec.212(8) of The Companies Act 1956. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be put up on the Companies Website viz www.simplexinfrastructures.com and will also be available for inspection by any shareholder at the registered office of the Company and that of the subsidiary companies on any working day during the business hours. Figures of financial statements of subsidiaries have been converted into equivalent Indian rupees on basis of exchange rate as on 31.03.2010. The summarized financial performance of the subsidiaries, in terms of Central Governments exemption letter as mentioned above are in Annexure A.

Consolidated Financial Statement

Your Company has prepared consolidated Financial Statements in accordance with Accounting Standard 21(AS-21) issued by the Institute of Chartered Accountants of India. The Consolidated Statements reflect the results of the Company and that of its Subsidiaries, Joint Ventures. As required by clause 32 of the Listing Agreement with the Stock Exchanges, the Audited Consolidated Financial Statements together with the Auditors Report thereon are annexed and form part of this Annual Report.

Auditors

The Auditors, Messrs Price Waterhouse, Chartered Accountants, will hold office until the conclusion of the ensuing Annual General Meeting. We recommend re-appointing them as Statutory Audiorts of the Company. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956 and also confirmed that they are complying with ongoing cycle of peer review process as required by the 'Statement on peer Review' issued by The Institute of Chartered Accountants of India (ICAI) together with a copy of the peer review certificate dated 30.8.2006 issued by the 'Peer Review Board' of ICAI regarding their eligibility for re-appointment as Auditors.

Auditors' Report

With respect to paragraph no. 4 and 5(d) & (f) of the Auditors Report, we would like to inform that the matter has been explained in Note no.9 on Schedule 19 forming part of the Balance Sheet. The Board is of the opinion that year end exchange fluctuation loss of Rs.60.97mn as shown in Note no.9 on schedule 19 pertains to a foreign currency loan, which is fully hedged by derivative contracts together with a year end mark to market gain of Rs.80.15mn, which has not been provided for, as the loan is fully hedged and the aforesaid loss / gain are notional in nature. Hence, the Company has not provided for the aforesaid exchange fluctuation loss.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, in terms of section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all the shareholders of the Company excluding the statement of particulars of employees and the said particulars will be made available on request and also made available for inspection at the Registered Office of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Disclosure of Particulars

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988, as per annexure 'B' to this report.

Directors' Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 the Board of Directors of the Company hereby state and confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same except as explained in Note no.9 on Schedule 19 forming part of this Balance Sheet;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments

and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and the profit of the company for the period;

- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the accounts for the financial year ended 31st March 2010 on a going concern basis.

Corporate Governance

All Directors of the Company and Senior Management have affirmed the compliance of Code of Conduct framed by the Company. A separate section titled 'Corporate Governance' including a certificate from the Auditors of the Company confirming compliance of the clauses of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms a part of the Report.

Directors

Dr.R.Natarajan, Mr.S.Dutta and Mr.Kunal Shroff retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment.

Mr. Apurba Mukherjee, Whole-time Director of the Company is proposed to be re-appointed for a period of three years with effect from 1st September, 2011.

Acknowledgement

Your Directors would like to acknowledge with gratitude the co-operation and assistance received from the Financial Institutions, Banks, Customers, Central and State Government authorities, Regulatory authorities, Stock Exchanges and the Company's valued stake holders for their continued co-operation and support. Your Directors also take this opportunity to record their sincere appreciation of the efforts put in by the employees at all levels for their contribution to the success achieved by the Company.

By Order of the Board

B.D. MUNDHRA
Chairman & Managing Director

Kolkata
Dated: 30th May, 2010

Annexure - A

Statement giving financial information of subsidiary companies for the year ended 31st March,2010 as required in the approval letter received from the Ministry of Corporate Affairs, New Delhi, under Section 212(8) of the Companies Act, 1956.

Rupees in Million				
Sl. No.	Particulars	Simplex Infrastructures L.L.C	Simplex (Middle East) Limited	Simplex Infrastructures Libya Joint Venture Co.
1	Share Capital (Paid up)	17.45	1.83	53.12
2	Reserves & Surplus	100.84	(0.23)	(12.55)
3	Liabilities	345.01	0.18	138.97
4	Total Liabilities	463.31	1.78	179.53
5	Total Assets	463.31	1.78	179.53
6	Investments	-	-	-
7	Turnover / Total Income	841.96	-	-
8	Profit / (Loss) before Taxation	92.53	(0.24)	(13.51)
9	Provision for Taxation	12.32	-	-
10	Profit after Taxation	80.21	(0.24)	(13.51)
11	Paid / Proposed Dividend	-	-	-
	Currency of the Subsidiaries	OMR	AED	LYD

- Note:**
- The exchange rates for Balance Sheet items as on 31st March,2010 are in Omani Rial (OMR)/INR - 116.36, United Arab Emirates Dirhams (AED)/INR - 12.20 and Libyan Dinar (LYD)/INR - 35.41
 - The exchange rates for Profit and Loss items for the year ended on 31st March,2010 are in Omani Rial (OMR)/INR - 122.37, United Arab Emirates Dirhams (AED)/INR - 12.83 and Libyan Dinar (LYD)/INR - 38.12
 - Liabilities include Current Liabilities.

Annexure - B

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

A. Conservation of Energy

- a) Energy Conservation measures taken:**
- To conserve energy we have started using more sophisticated Machinery which can do more work in lesser time and there by reducing the requirement of equipments 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. Since most of our work is carried out in remote locations and is subjected to harsh environmental conditions, the rate of depreciation is very high. The scope of energy efficiency in our industry will be energy conservation through well planned actions such as quality preventive maintenance, machinery up-gradation, modernization and introduction of sophisticated control system.
- Fuel oil consumption has been reduced by implementing vigorous preventive maintenance measures and introducing new fuel efficient engines coupled with newer machinery and reducing idle running of equipments.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:**
- Continuous additional investments are made in phases to replace old machinery with newer more sophisticated and more fuel efficient ones.

- The replacement theory is applied in repairs and renewals.
- c) Impact of the measures (a) and (b) for reduction of energy consumption and consequent impact on the cost of production:**
- The company has been able to reduce electrical energy and fuel oil consumption. Though it is not possible to quantify the impact, the measures are expected to result in considerable savings.
- 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

- e) Efforts made in technology absorption as per Form B of the annexure.**

Form B
(Disclosure of particulars with respect to technology absorption)

- Research and Development:**
- Specific areas in which R & D is carried out by the Company:**
 - We are continually increasing the use of Fly Ash with concrete and minimizing use of cement without sacrificing the strength of concrete. The benefit derived as a result of above R & D.
 - Less use of cement i.e. saving of natural resources like lime stone etc.
 - Saving of energy due to lesser need of production of cement.
 - Recycling of harmful disposal of coal burnt

- (Fly Ash) from Thermal Power Plant in large volume, which otherwise is big problem for stack the disposal in large volume.
- = Continuous efforts are made to innovate new methods of construction. Methods are developed to make optimum utilisation of both manpower and machinery.
 - = New techniques in foundation engineering have been developed specifically in the field of stone column by Simplex in house developed highly production system and also imported technology of Vibro flotation, sand piles, Geopier system of piling, jointed piles, pre-cast piles and introduction of band drain and drilling piling technique.
 - = Use of alternative materials such as neoprene, fiberglass and bakelite has been developed to replace wood.
 - = Computer aided design techniques have been developed in the fields of soil analysis, structural analysis and machine design.
 - = Micro piling technique and band drain have been developed through in-house research.
 - = New shuttering methods have been developed to reduce use of wood and minimise waste of accessories.
 - = New forms of sleepers have been introduced to replace wooden sleepers.
 - = Hydraulic grab is manufactured for diaphragm wall.
 - = For segmental bridge construction, a whole system of casting and erection has been improved to speed up the work more effectively.
 - = By using latest technique and modern equipment - deepest bore pile ever installed in India with Hydraulic drilling rig.
 - = New system of aluminium shuttering has been introduced to reduce timber consumption and save nature.
 - = For precast long length Girder erection in bridges, the new Launching Girder system

- developed for erection, including bend section up to 400 MT self weight.
- = For lifting of heavy sections, a rod has been developed which replaces high strength pre-stress wire or imported rods.
 - = Manufacturing of spares for imported machinery locally with further improvement.

2. Benefit derived as a result of the above R&D

- = New and modern methods of construction have made the process faster and safer. Wastage of materials reduced significantly. Pollution reduced to great extent. Downtime was cut considerably.
- = Use of valve system and grabs helped the Company achieve a faster pace in piling.
- = Cost effective machines enabled the Company to substitute expensive, imported and heavy machinery.
- = Both structural and soil analysis were upgraded to perform complicated work accurately.
- = Launching of Girder can be done at the bridge level, saving the cost of cranes and space as well as imported rods.

3. Future plan of action

- = Introduced prefabricated Hollow Piles in foundation in Oman and likely to be installed in India very soon.
- = To improve R&D activities specifically in developing new machinery, shuttering and staging equipment, soil improvement techniques, pile driving and drilling technology.
- = To introduce new soil reinforcement and pile foundation system.
- = To introduce modern construction project management techniques, a thorough manpower analysis is done prior to start up.
- = To tighten quality control system and safety.
- = To carry on research in soil mechanics, foundation engineering and structural engineering.

- = To develop new and low-cost construction material for housing, industrial structure and foundations.
- = To develop improved techniques in solid waste disposal system.
- = To develop improved technology that is environment-friendly.
- = To implement quality assurance programme in accordance with modern management technique.
- = To introduce pre-fabricated concrete technology in mass scale.
- = To introduce new products to replace wooden products.

4. Expenditure on R&D

(Rs. in million)

a)	Capita	-
b)	Recurring	5.05
c)	Total	5.05
d)	Total R&D Expenditure as percentage of total turnover (%)	0.01 %

Technology Absorption, Adaptation And Innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The company has absorbed foreign technology in the field of Slip form system, cooling tower, soil improvement, foundation engineering and commercial building techniques, road construction and the low cost housing technology.

2. Benefit derived as a result of the above efforts:
 - = International standards in construction of tall chimneys, high rise structures and cooling towers, low cost house building technology and road construction.
 - = New and low cost methods of CNS technology in foundation engineering.
3. Technology imported during the last five years:

(i)	(ii)	(iii)
Technology Imported	Year of Import	Has technology been fully absorbed
Composite shuttering system	2003	In process

FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a. Activities relating to exports, initiatives taken to increase exports development and new export markets for products and service:
- b. Total foreign exchange used and earned.

(Rs. in million)

	2009-2010	2008-2009
Foreign Exchange earned	10,971.18	13,910.90
Foreign Exchange used	6,128.61	6,234.95

By Order of the Board

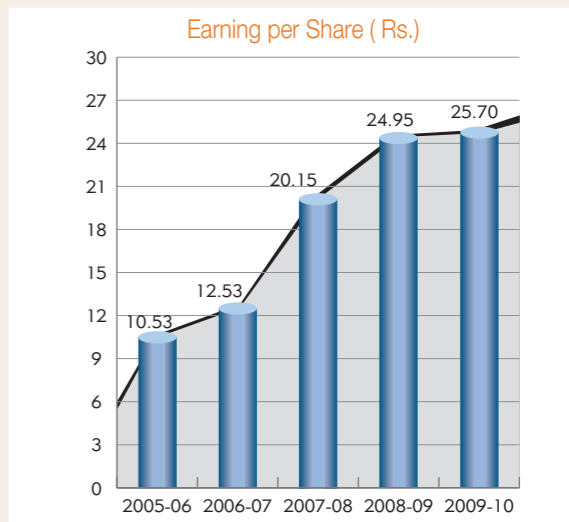
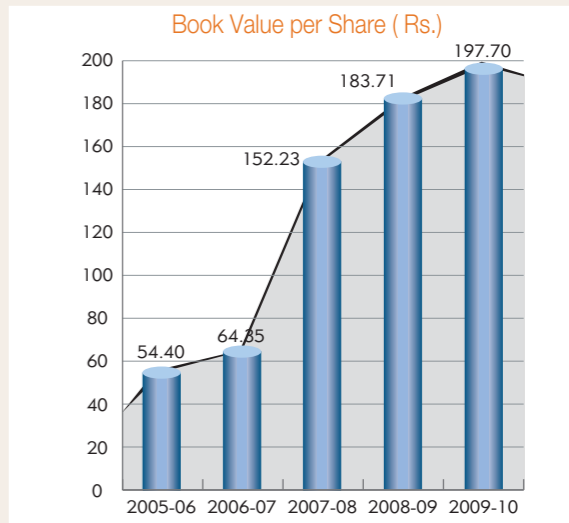
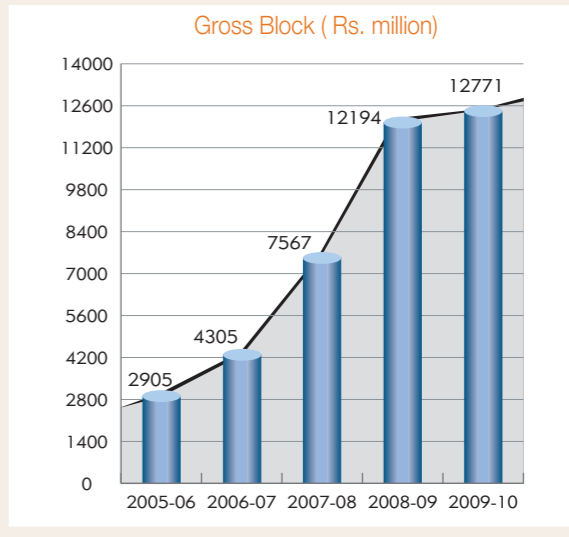
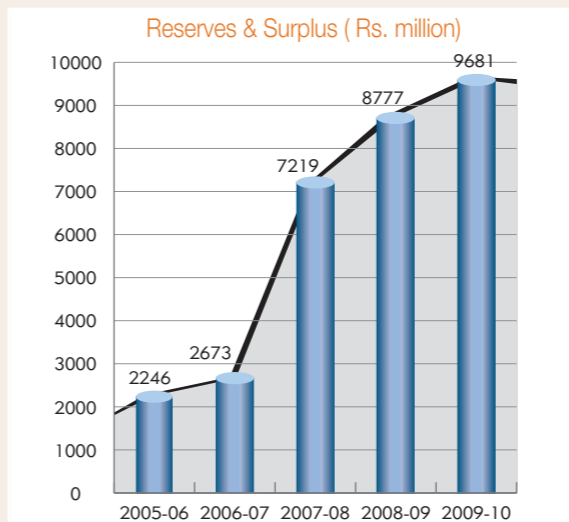
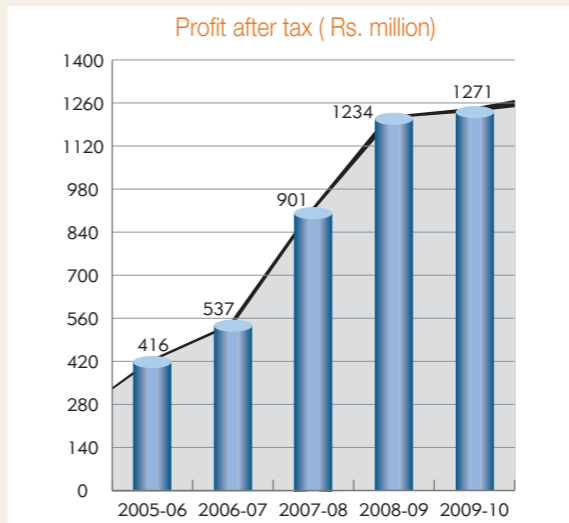
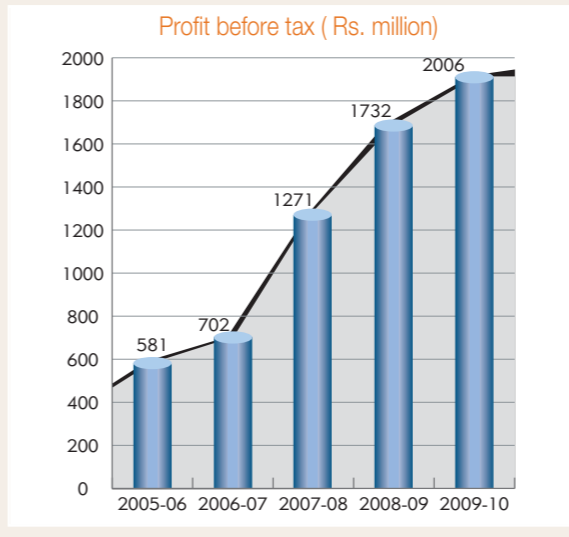
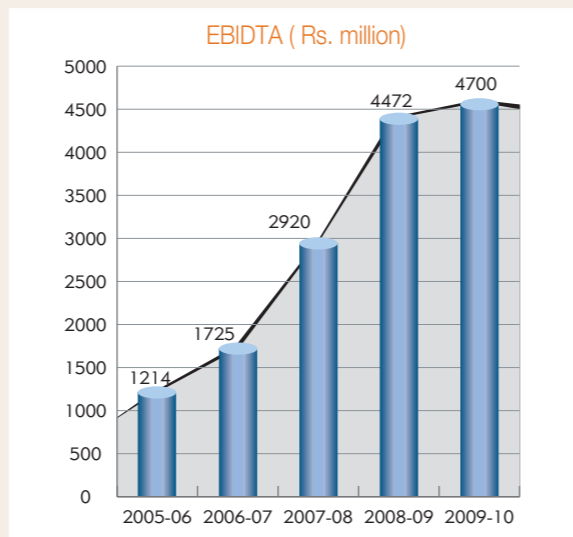
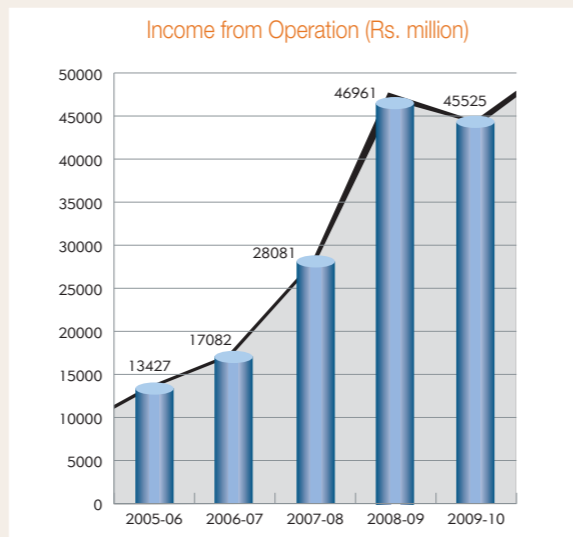
B.D. MUNDHRA

Chairman & Managing Director

Kolkata

Dated: 30th May, 2010

Performance at a Glance



Note: 2008-09 & 2009-10 as per Consolidated Accounts



ECONOMIC OVERVIEW

The construction industry is largely influenced by economic growth and the last couple of years have seen remarkable upheavals in the global economic situation. Sentiment swung from the euphoria of 2007-08 to despair in 2008-09, and then to tentative optimism in the year under review. India too partly followed the world's moods. The barometer of investment sentiment, the stock market Nifty stood at an abysmal 3020 on 31st March, 2009. One year later as on 31st March, 2010, it read a healthy 5250, a dramatic rise of nearly 75%. Economic indicators also mirrored the positive trend, if less spectacularly. Despite initial hiccups and a poor monsoon during the year 2009-10, the country's GDP registered a robust growth of 7.4% with the manufacturing sector growing by 10.8% while finance, insurance and business services were only a shade lower at 9.7%. According to Finance Ministry estimates, the economy is all set to bounce back to its annual growth average of 9% by 2011-12, with a projected GDP growth of 8.5% during 2010-11. The Industrial Production in April'10 reveals a growth of 17.6% on the back of 13.9% growth achieved in March'10. The Capital goods sector which has a bearing on the construction demand has grown 72.8% & 28.4% in April & March respectively.

Markets in the Middle East, except Dubai, appear to have bottomed out, with activities across sectors once again on the rise. According to the Global Economic Prospects 2010, the region's economy is slated to grow at a steady 3.7% in 2010-11, reacquiring the 4.4% growth trajectory in 2011-12 from its lows of 2.9% in 2009-10. Given the oil wealth the region, implies a steady stream of construction projects that improve the quality of life. Besides, in order to gradually reduce the oil-dependence of the economy, this region will create infrastructure to cater to and promote other business activities like Tourism, Industrial, Financial, Commercial, Trading and Services.



Construction of International Container Trans - Shipment Terminal, Kochi

INDUSTRY OVERVIEW

Closely linked to the economic condition, the construction industry went through tough times in 2008-09 when many projects went into the freeze or were slowed down in the face of prevailing uncertainties. Today it is back on the growth track, with activity spiralling up across markets. The sector is expected to grow at a rate of 9% in the current fiscal, a considerable leap from last year's 6.5%. This places it midway between the vigorous 12.4% growth of 2005-06 and the sluggish 5.9% growth of 2008-09.

Infrastructure industries such as power, highways, civil aviation, ports and shipping were significantly affected by the global financial crisis, with less than half of the \$500 billion allocated to infrastructure in India's 11th 5-year Plan (2007-2012) being spent during the first half of the term. This implies that the bulk remains to be spent during 2010-11 and 2011-12 and a lot of construction activity can be expected over the next two years. What is more, the Planning Commission has estimated that over a trillion dollars will have to be spent on infrastructure during the 12th Plan (2012-2017), which bodes well for the Industry.

Apart from the infrastructure, the industrial, commercial and residential sectors are the chief constituents of construction activity. Domestic demand, coupled with Government measures, is likely to keep up the tempo of industrial activity. Capital expenditure, which is closely linked to construction, has revived strongly with gross fixed capital formation — a measure of investment activity - growing 34.6%,

quarter-on-quarter, in the three months ending March 2010. The construction sector outlook for the coming fiscal therefore appears to be bright as domestic demand for construction services and products continues to pick up.

BUSINESS OVERVIEW

Simplex is among India's top construction companies with a track record of having executed over 2300 projects over 8 decades. We have dominant presence in Ground Engineering , Thermal Power, Marine, Industrial structures. We also have considerable presence in Buildings, Bridges, Railways, Roads, Metro Rail and Urban infrastructure space.

With over 7700 employees, 150 project management teams and owned construction equipments, large engineering resource base worth over Rs.1200cr, operating in India & abroad, Simplex has among the most comprehensive capabilities for project engineering and management. Our diversified order book features nearly 200 contracts, a fourth of which is abroad.

Simplex has consolidated its presence in international markets, namely Qatar, Oman, Bahrain, and has also entered Ethiopia, Thailand and other neighboring countries , through its subsidiaries, associates and joint ventures.

The diverse capabilities and markets give Simplex a stable business profile characterized by a consistent record of growth and profitability. In 2009-10, despite lower turnover due to recessionary pressures, the



Works for Marine Structures, Nakilat, Doha

profitability improved. This was mainly due to efficient resource management and improvement in internal efficiencies.

New Business Initiatives

After evaluating opportunities and risk assessments, the Company has made a foray in more business areas leveraging upon its construction capabilities. These are:

- = Added a new vertical – Power Transmission & Distribution and Construction. A specialized team has been set up, a few orders for construction already received and are under execution. The Company plans to scale it up gradually to move to EPC and development/ownership projects on BOOM basis.
- = Developing a Real Estate project for residential housing in Guwahati admeasuring 1Mn sq.ft. of built-up area.
- = Awarded the first road project on BOOT basis. We are a part of the consortium of Srei- Simplex-Gulfar who has been awarded by NHAI, the 6-Laning of the existing 4-lane toll stretch of 67km from Bhubaneswar to Chandikol on NH-5. The Company plans to build up gradually a portfolio of BOT and Annuity projects capitalizing on the unfolding opportunities in the road sector.

OPPORTUNITIES

Opportunities in India

The business opportunities in India essentially depend on large and medium infrastructure projects, which may be divided into Power, Housing , Industrial, Urban Infrastructure- Sewerage ; Metro Rails; Airports, Marine, Railways, Roads, Bridges and elevated transport corridor sectors. Each of these sectors in which Simplex is present, provides unique opportunities in view of the economic growth and concomitant infrastructure building initiatives.

The power industry has been a major focus area for the Government of India, which had set a target of 'Power for All' by 2012. An investment of \$ 213.7 bn is allocated for the capacity addition of 78,700 MW in the 11th Plan (2007-12) and another \$ 235.1 bn proposed in the 12th Plan to add another 94,431 MW. The Ministry of Power and Central Electricity Authority



Precast Girder Shed, Mumbai Metro Project

(CEA) have further projected an investment of \$ 4.3 billion for renovation and modernisation of old power plants during the 11th and 12th Five-Year Plans. Power transmission is another key area and estimated investment of \$ 15 bn is projected for transmission capacity addition of 37000 MW to the current 17000 MW by 2012.

Government enterprises currently account for more than 85% of the power generation capacity and nearly all of the transmission capacity. And, given the huge capacity creation requirement, private enterprise is being strongly encouraged through a variety of incentives such as income tax holidays and waiver of capital goods' import duties on mega power projects. The nuclear power deal is another manifestation of the importance accorded to this sector. Given the power sector's dynamic effect on industrial and economic growth, and the shortfall in supply, the potential for construction companies is enormous.

Another critical sector is housing which currently contributes 5% of the India's GDP and is expected to rise to 6 % in the next five years as against 20% in most of other economies, with a total investment of \$ 5 tn in next 20 years. . Behind it is the massive demand for living space, estimated at over 22 million dwelling units. There is also rapid urbanisation creating a steady growth in demand for space, which

according to the McKinsey, is between 700 and 900 million sq m every year, including commercial space. Government incentives, such as extending priority sector lending benefits to sub Rs.20 lakh housing loans is also keeping the demand on the growth track. Moreover, as there is substantial demand for real estate space from genuine end-users, the long-term prospects for the sector also look promising.

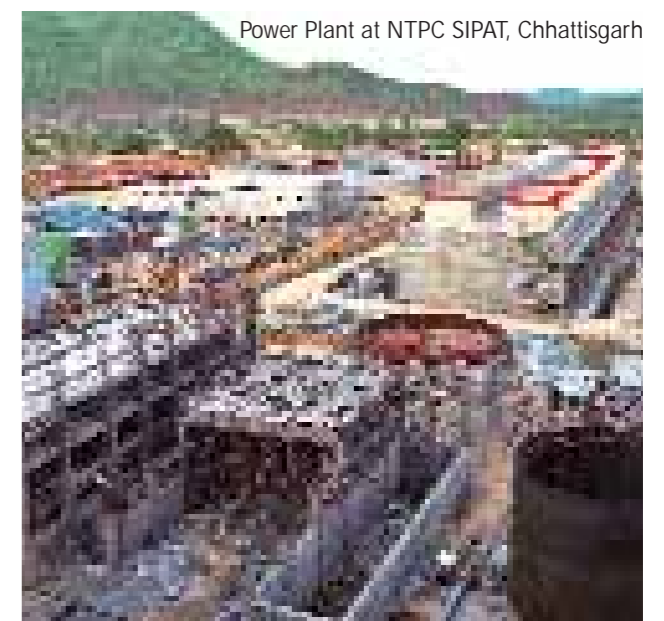
Real estate development is a \$ 60 bn industry, mainly in the hands of private sector players. As there are many small players, there is dearth of quality contractors. For national developers, the focus is on the cities, which have assured demand and are more profitable to develop. Large projects are therefore confined to metros and mini-metros and successful development of such projects has historically been among the most profitable enterprises. 'Affordable Housing' is likely to swing construction demand in the sector. Simplex has traditionally constructed large and mid-scale housing projects and enjoys economies of scale.

The industrial construction sector also presents widespread opportunities. Growth in the country's fixed capital investment, which is a measure of industrial construction activity, has significantly picked up from its low of 0.9% during the third quarter of 2008 to 8.9% during the corresponding quarter of 2009. According to industry experts, fixed capital investment into the country is expected to grow by around 16% during the current fiscal, an increase similar to that witnessed throughout 2004 to 2007 and a significant rise from 4% growth during 2008-09. The total order inflow to Indian companies in last quarter of 2009-10 to the tune of over 92000 crores depicts the capex plan of the companies. Things are improving and robust change can be seen in the private participation. Besides, the growth in infrastructure, power and housing construction activities boosts the demand for industrial construction generally and particularly in cement, metal, oil & gas, where Simplex has strong presence.

Transportation has arguably been the lead sector in propelling India's infrastructure development in recent years through initiatives such as the Golden Quadrilateral, not only on its own but also due to its multiplier effect on other sectors. India is home to the

third-largest road system in the world of over 3.3 million kilometers. However, the situation is far from satisfactory in terms of quality with less than half the road-length being paved. Demand for transport too has been growing by more than 10% each year over the past decade and is slated to grow even further. As a result, despite the strides of recent years, the road infrastructure, which handles almost 80% of passenger traffic and about 65% of freight movement, remains inadequate.

The Indian Government has set ambitious plans for upgrading of the National Highways in a phased manner in the years to come. Development of roads, currently at 7 kilometres per-day, is targeted to touch 20 km per day. The budget 2010 has allocated nearly Rs.20,000 crore for road development alone. Notable initiatives for the near term include 4-laning of 10,000 km (NHDP Phase- III) and Special Accelerated Road Development Programme in the North-Eastern Region (SARDP-NE) for two/four-laning of about 5,184 km of National Highways and two-laning and improvement of about 4,756 km of State Roads. Implementation of such projects, apart from numerous state level programmes, augers well for companies such as Simplex who are eying the spurt in road construction. Private partnership seems to be driving this sector as total budgeted contract awarded will be 9000 km as against 2609 km awarded last year.



Power Plant at NTPC SIPAT, Chhattisgarh



Tower at Bombay Dyeing Site

The Railways follow the roadways in handling freight and passenger traffic and promoting local development. A slew of measures announced in the 2010-11 Budget points to its multifaceted growth plans. Major efforts include the target of achieving a freight loading of 944 million tonnes, up-gradation of 94 stations as Adarsh Stations, 10 stations as World Class Stations, construction of additional 93 multi-functional complexes, enabling multi-level parking through PPP model, etc. Of longer term significance is the proposal to complete 25000 km of rail lines by 2020, including dedicated freight and high speed corridors. Simplex has successfully completed the trial runs for high speed railway at 120 km/hr at Gooty-Pullampet section of RVNL. Another important initiative is to allow private operators to run special freight trains. All these measures are likely to create opportunities for construction companies like Simplex capable of track laying and bridge, tunnel and building construction. The government-backed initiative to develop the 1,500-km Delhi-Mumbai Industrial Corridor is also likely to attract huge capital investments into the country. The corridor will pass through seven states and extend up to 150 km on either side of the Dedicated Freight Corridor. The expected annual construction requirement is around \$10 bn with maximum demand arising from Metal,

Cement and Oil & Gas. Simplex is well placed to participate in the growth of industrial infrastructure given its long standing presence and experience across the range of basic industries.

The Indian shipping industry has played a significant role in its transport sector, with maritime transport accounting for approximately 95% of the country's international trade by volume and about 70% by value. According to a report by the Infrastructure Development Finance Co. Ltd, traffic at Indian ports grew 5.7% in fiscal 2010 with its premier container port, the JNPT, Mumbai, (the longest container jetty of this port was built by Simplex) reporting container volume growth of 14.7%, almost touching the pre-slowdown highs of 2008. Cargo handling is projected to grow at 7.7% until 2013-14. However, average turnaround time at the Indian port is nearly five times longer than Singapore's and nine times than that of Hong Kong. Consequently, maritime development is a thrust area for Indian policy makers and efforts are underway to bring up the performance levels through infrastructure and equipment improvements. The effort is to double the overall capacity to 800MT in the next 6 years. Apart from upgrading major ports, several new ports are being planned under the National Maritime Development Programme (NMDP) to meet future traffic projections. The total investment envisaged for this programme is Rs.1,00,339 crores, of which Rs.55,804 crores has been allocated for major ports and Rs.44,535 crores for the shipping and IWT sectors. Of the total 387 projects and schemes to be undertaken in the next couple of years, 276 have been identified for implementation by 2012. Development of ancillary infrastructure such as road and rail connectivity to the ports is also an important focus area. This creates huge opportunities for growth in the sector, particularly for a company like Simplex which is among the few capable of handling complex port and allied projects. Simplex has just completed the construction of the largest port and container terminal of India at Kochi for DP World.

Thirty percent of the India's population live in cities, and the Registrar General of India estimates that two-thirds of the additional population will settle in urban areas. This is leading to serious infrastructure pressure in the cities. With the financial assistance from

Jawaharlal Nehru National Urban Renewal Mission (JNNURM), local urban bodies are therefore planning investments of more than Rs.17,000 crores every year towards the development of basic infrastructure services including roads, water supply, sewerage, etc. In all JNNURM will cover 63 cities with \$15 bn planned outlay in next 7 years.

Over 500 projects have been sanctioned under the Urban Infrastructure and Governance (UIG) component of JNNURM at a cost of Rs.58,000 crore since its inception. These comprise 85 roads/flyover projects, 34 urban transport projects, 147 water supply projects, 108 sewerage projects, 41 solid waste management projects and 70 drainage/storm water drainage projects. Moreover, budgetary support of \$23 bn is expected over the next 5 years for improvement in rural water supply and sanitation. Simplex has a considerable presence in development of Urban Infrastructure and will be in a position to take part in the opportunities that may be available in future in these areas.

In the cities, to tackle congestion and pollution, the construction of flyovers and elevated road corridors is becoming more and more imperative. Simplex has recently commissioned the longest elevated road corridor of 11.5 km in Hyderabad, the PVNR Expressway. It is also constructing 2 such elevated road corridors in Mumbai – from Wadala to the Museum and another over Lalbaug area, apart from scores of flyovers in various cities.

Metro rail projects and other mass rapid transport systems are also being planned across urban locations to ease traffic congestion, allow rapid connectivity and control pollution levels. Simplex has completed several challenging parcels of the Dubai Metro and Delhi Metro. Currently it is constructing a 13-km long elevated via-duct from Versova to Ghatkopar across heavily congested areas for Mumbai Metro. It is also engaged in building several parts of Delhi Metro, Bangalore Metro and Kolkata Metro.

Air transport too has taken off with a number of renovation and new projects, primarily airport terminals. Simplex has built new terminals for a few airports including Jaipur, Udaipur and the old Delhi airport.

Overseas Opportunities

The resumption of growth in the Gulf region indicates fresh opportunities for a company like Simplex which already has an established presence and diversified interests in the region across all construction verticals. This includes urban infrastructure, marine structures, power plants, cement plants, refineries, ground engineering, hotels, high-rise buildings, etc. The company has also made initial forays in Ethiopia besides Indonesia, Thailand and other neighboring countries.

THREATS, RISKS AND CONCERNS

The economies of Indian subcontinent, as well as Middle East or North Africa, are connected to various global markets. While India enjoys a healthy resilience owing to its strong domestic economy, smaller countries are far more vulnerable. Moreover, as the past has demonstrated, in severe recessionary conditions even India cannot remain isolated and immune to global turmoil.

Since construction is allied to capital formation and asset ownership, the adverse effects of economic down slide are apparent in the construction sector too. Concerns include decreasing demand, price corrections and project delays due to lack of credit, all of which impact profitability.

In addition, the country is now facing double digit inflationary figure with an uncomfortable fiscal deficit. High inflation rate unless mitigated within reasonable period will have harmful effect in the country's economy and will effect the construction Industry.



Delays are a prime factor in pushing up costs. Apart from administrative permissions, poor weather conditions, man-made disruptions and the supply-chain disruptions are some major causes. In recent years acquisition of land has become a sensitive issue which has held up large projects. There may also be factors regarding 'Project Affected Persons' and other local issues such as providing employment to local people who are generally unskilled. Issues regarding approach roads to the project site and poor connectivity also slow down work. All these can result in lowered profitability.

Simplex recognises that no company, particularly a construction company, can completely mitigate the risks caused by macro-economic, environment or social issues. Considering this, Simplex has judiciously diversified its operations across sectors and geographies, undertaking a large number of fast-track projects with minimal risks. Moreover, no single project accounts for over 5% of the company's turnover.

Risks are also being minimized by micro-management of its elements. This in turn requires technical expertise, right-time supply of construction equipment, materials other inputs and services, and timely implementation of projects to prevent cost overruns. Simplex has assiduously developed the management and organisational skills to protect its business from adverse situations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company assets. The Company uses an Enterprise Resource Planning (ERP) package, which enhances the internal control mechanism.

The internal control system is monitored by continuous internal audit carried out by outside professionals, duly supported by our in-house internal audit team. Significant observations made in the internal audit reports on internal control deficiencies, if any, and the status on implementation of recommended remedial

measures are regularly presented to and reviewed by the Audit Committee of Directors.

FINANCIAL PERFORMANCE

The turnover of the Company at Rs. 44,434.81mn has shown a marginal decrease of 4.52% as compared to Rs. 46,536.88mn in the previous year. However, Profit before Tax increased by 13.36% from Rs. 1685.35mn to Rs. 1,910.47mn and Profit after tax increased by 1.49% to Rs.1,225.97.mn compared to Rs. 1,208.03mn in 2008-09. Similarly, the EBITDA of the Company has increased by 3.49% from Rs. 4,402.56mn in the previous year to Rs 4,556.13mn in the year under review while Gross Profit (EBDTA) has shown a healthy rise of 15.39% at Rs. 3,444.04mn from Rs. 2,984.65mn.

The Consolidated Turnover, at Rs. 45,524.66mn, has shown a marginal decrease as compared to Rs. 46,960.66mn in 2008-09. The Consolidated EBDTA, which was Rs.3,052.03 mn in the previous year has increased 17.25% in comparison to Rs.3,578.45mn in the year under review. Consolidated Profit after Tax and Minority interest was Rs.1,271.47mn in the year under review an increase of 3.02% in comparison to Rs.1,234.24mn in the 2008-09.

FUTURE OUTLOOK

Construction is as old as civilization. This construction industry is characterized by innumerable players ranging from entrepreneurs putting up an individual building to national giants, such as Simplex, who compete to win mega-projects, which may often be

worth several hundred crores. In between there are also mid-size companies with powerful local presence or speciality in a particular field of construction. The level of engineering and professional skills and resources across the industry therefore varies widely. Simplex competes nationally as also internationally to win projects abroad against the best in the world.

Infrastructure projects accounts for half of all construction demand. Most of basic infrastructure building, such as transport and urban improvement projects, is determined by the government. In India, central and state Governments also have overwhelming ownership presence in core industries such as power plants, steel plants and mines. From the private sector industrial, commercial and residential sectors are the key drivers of construction activity. The Public Private Partnership projects are also seeing tremendous growth opportunities. While government projects are to an extent independent of mid-term economic fluctuations, private demand is primarily driven by economic growth and consequent capital formation. As demonstrated in the recent past, when the economic climate is weak, government stimulus can inject stability into the system. On the other hand, historically and internationally, periods of high economic growth have been accompanied by rapid infrastructure growth.

The current order book position of the Company stands at Rs.110,000 mn plus, recording a 14% jump over last year, which indicates continuous growth potential over the medium term. Considering the recent order inflow & the execution the management

feels a 15 - 20% topline growth in FY10 - 11 is well within the possibilities.

HUMAN RESOURCE DEVELOPMENT

The success of Simplex has been empowered by its people, who numbered over 7700 employees as on March 31, 2010 with more than 80 percent being technically qualified. A mix of youth and experience, the vision and leadership of a stable senior-management is matched by the motivation and energy of the youth brigade.

A good record of participative management reflects the healthy culture of Simplex. The Company believes that a fair working system, based on the interaction of the employees with the organization through his role, is a key motivator. A happy individual always performs well. If the employee finds his work challenging, efforts worthwhile, and rewards commensurate, he is likely to give his best for mutual benefit and prosperity. We recognize that the right people, offering their ideas and expertise will enable us to continue our success.

At Simplex, employee development is a continuous process. Apart from striving to provide a positive work atmosphere for our employees, we provide training on both technical and behavioural aspects in a scientific manner. An established mechanism is in place to provide performance based reward system and planning of the career growth path. We believe HR is not only about effective Human Resources but healthy Human Relations. No wonder at Simplex it has resulted in relatively longer employment association and lower attrition.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis report concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Neither our company, nor our directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events even if the underlying assumptions do not come to fruition.



GCC Umm Bab, Doha



1. Company's Philosophy

Simplex believes that good Corporate Governance is essential to achieve long-term corporate goals and to enhance stakeholders' value. The Company's business objective and that of its management and employees is to provide customer satisfaction through the Company's quality services strictly adhering to time schedule in such a way so as to create value that can be sustained over a long term for all its stakeholders, including shareholders, employees, customers, Government and the lenders. In addition to compliance with regulatory requirements, Simplex endeavors to ensure that highest standards of ethical conduct are met throughout the organisation. The principles of good Corporate Governance through accountability and transparency have always been followed by the Company.

2. Board of Directors

The Board as on 31st March, 2010 comprised 10 Directors, (five non-executive independent Directors and five executive Directors) headed by the Chairman and Managing Director.

The composition of the Board during the financial year was in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The independent Directors are eminent professionals having vast experience in civil engineering, construction, finance and management and because of their association the Board has been enriched with wide range of skill and experience. None of the aforesaid independent Directors have any pecuniary or business relationship with the Company other than receiving sitting fees.

The Directors of the Company met five times during the year on 21st May, 2009, 30th June, 2009, 31st August, 2009, 30th November, 2009 and 27th February, 2010

Composition of the Board, Number of Board Meetings, Attendance of Directors, Directorship, Committee positions held and shareholding in the company as on 31st March, 2010 is given below:

Name of the Directors	Status	Number of Board Meetings attended (out of five meetings held during the year)	Attendance at the last AGM held on 26th August, 2009	Directorship held in other public Limited Companies incorporated in India	Other Committee positions held In Indian Public Limited Companies*		Share holding in the Company
					As Chairman	As member	
Mr. B. D. Mundhra	Promoter, Chairman & Managing Director	5	Present	11	-	-	2794950
Mr. A.D. Mundhra	Promoter & Executive Director	4	Absent	12	-	1	2011570**
Mr. A. Mukherjee	Non-Independent Executive Director	3	Present	1	-	1	500
Mr. B. Sengupta	Non Executive Independent Director	5	Present	-	-	-	500
Dr. R. Natarajan	Non Executive Independent Director	2	Absent	-	-	-	500
Mr. S. Dutta	Non-Independent Executive Director	5	Present	-	-	-	500
Mr. Rajiv Mundhra	Promoter & Executive Director	5	Present	10	-	-	1866290***
Mr. N.N. Bhattacharyya	Non-Executive Independent Director	5	Present	-	-	-	500
Mr. Kunal Shroff	Non-Executive Independent Director	1	Absent	1	-	1	500
Mr. Sheo Kishan Damani	Non-Executive Independent Director	1	Present	-	-	-	500

* Only Audit & Shareholder's Committee considered for this purpose

** Includes 50000 equity shares held on behalf of his minor son

*** Includes 233920 equity shares held as a Trustee and 65000 equity shares held on behalf of his minor son Mr. B.D. Mundhra, Mr. A.D. Mundhra and Mr. Rajiv Mundhra are related inter-se

Code of Conduct

The Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct. The Code is posted in the Company's website www.simplexinfrastructures.com

3. Committee of Directors

The composition of the Committee of Directors and attendance at the meetings out of seven meetings held during the year are stated below:

Name of Director	Meetings attended
Mr.B.D.Mundhra	7
Mr.A.D.Mundhra	3
Mr.B.Sengupta	7
Mr.S.Dutta	7
Mr.Rajiv Mundhra	7

4. Audit Committee

The composition and terms of reference of the Audit Committee of the Company are in accordance with Clause 49 of the Listing Agreement.

The Audit Committee comprises three Directors all of whom are independent Directors. All members of the Committee are eminent persons with varied knowledge in their respective fields. The Chairman of the Committee is a senior Chartered Accountant with vast knowledge and expertise. The whole time Director looking after the financial matters of the Company and Senior Executive in charge of internal audit are permanent invitees to the meetings of the Committee. The Statutory Auditors are also invitees to the meeting. The Company Secretary acts as the Secretary to the Committee. The minutes of the Audit Committee meetings are noted by the Board of directors at the subsequent Board meetings.

The composition of the Audit Committee and the attendance at the meetings out of seven meetings held during the year are stated below:

Member	Position	Meetings attended
Mr. N. N. Bhattacharyya	Chairman	7
Dr. R. Natarajan	Member	2
Mr. B. Sengupta	Member	7

The Audit Committee met seven times during the year under review on 29th June, 2009, 31st July, 2009, 31st August, 2009, 30th October, 2009, 30th November, 2009, 29th January, 2009 and 27th February, 2010.

The Audit Committee reviewed the annual financial statements for the year ended 31st March, 2009 on 29th June, 2009 before recommending the same to the Board for approval. During the year the Committee also reviewed the quarterly Un-audited Financial Results before they were placed to the Board of Directors for approval. During the year the Committee also reviewed the quarterly Un-audited Financial Results before they were placed to the Board of Directors for approval.

The financial statement containing significant transactions and arrangements entered into with the subsidiary Companies were placed before the Audit Committee Meeting.

5. Remuneration Committee

The Company has a Remuneration Committee comprising four Directors as on 31st March, 2010. The broad terms of reference of the Remuneration Committee are to recommend to the Board the salary (including annual increments), perquisites, commission and other benefits of the Whole time Directors, within the overall ceiling as fixed by the Companies Act, 1956 from time to time. The Committee met twice during the year on 29th June, 2009 and 27th February, 2010. Mr. B. Sengupta was nominated as the Chairman of the Committee. The non-executive Directors draw sitting fees at the rate of Rs. 5,000/- for attending each Meeting of the Board or Committees thereof and do not draw any other remuneration from the Company.

The composition of the Committee and attendance at the meetings out of two meetings held during the year are stated below:

Name of Director	Position	Meetings attended
Mr. B. Sengupta	Chairman	2
Dr. R. Natarajan	Member	1
Mr. N.N.Bhattacharya	Member	2
Mr. B. D. Mundhra	Member	1

Remuneration paid/payable for the financial Year 2009 - 2010 (in Rupees)

Directors	Salaries & Allowances (1)	Contribution to Provident & Gratuity Fund (2)	Estimated Cost of benefits (3)	Commission to the Managing Director (4)	Sitting fee (5)	Total (6)
Mr. B. D. Mundhra	6,20,000	1,720,000	540,453	-	-	8,460,453
Mr. A.D. Mundhra	4,641,321	799,074	62,594	-	-	5,502,989
Mr. A. Mukherjee	4,060,000	574,400	217,663	-	-	4,852,062
Mr. B. Sengupta	-	-	-	-	125,000	125,000
Dr. R. Natarajan	-	-	-	-	25,000	25,000
Mr. S. Dutta	2,680,000	153,210	893,729	-	-	3,726,939
Mr. Rajiv Mundhra	4,026,462	669,479	55,433	-	-	4,751,374
Mr. N.N. Bhattacharyya	-	-	-	-	90,000	90,000
Mr. Kunal Shroff	-	-	-	-	5,000	5,000
Mr.Sheo Kishan Damani	-	-	-	-	5,000	5,000
Total	21,607,783	3,916,163	1,769,872	-	250,000	27,543,818

The Appointment of Whole-time Directors are 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. B. D. Mundhra, Chairman & Managing Director, Mr. A. D. Mundhra, Mr. Apurba Mukherjee, Mr. S. Dutta and Mr. Rajiv Mundhra, Whole-time Directors stipulate a severance notice of six months on either side.

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. The Company does not have any Employee Stock Option Policy.

6. Shareholders' Committee

The Shareholders' Committee comprises three members of the Board who are independent Directors, to look into shareholders' complaints and speedy disposal thereof. The Committee met four times during the year on 29th June 2009, 31st July 2009, 30th October 2009 and 29th January 2010. The composition of the Committee and attendance at

the meetings out of four meetings held during the year are stated below:

Name of Director	Position	Meetings attended
Mr. B. Sengupta	Chairman	4
Dr. R. Natarajan	Member	-
Mr. N.N. Bhattacharyya	Member	4

Mr. B.L. Bajoria, Company Secretary is the Compliance Officer.

A summarised position with regard to shareholders' complaint is given below:

Particulars	No. of Complaints
As on 1st April, 2009	Nil
Received during the year	1
Attended to/resolved during the year	1
Pending as on 31st March, 2010	Nil

Number of shares pending for transfer as on 31st March, 2010 : Nil

7. General body meetings:

Location and time of the last three AGMs held:

YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2008 -2009	Gyan Manch 11,Pretoria Street Kolkata-700071	26th August, 2009	10.30 am	YES
2007 -2008	Gyan Manch 11,Pretoria Street Kolkata-700071	11th September 2008	10.30 am	YES
2006 -2007	Gyan Manch 11,Pretoria Street Kolkata-700071	19th September 2007	10.30 am	YES

No Special Resolution through Postal Ballot is proposed in the forthcoming Annual General Meeting. No Resolution has been passed through Postal Ballot during the financial year ended 31st March, 2010.

As required under Clause 49IV(G)(i) of the Listing Agreement, the particulars of the directors who are proposed for appointment/re-appointment are given in the Notice to the shareholders of the ensuing 92nd Annual General Meeting.

8. Disclosures

ā Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

None of the transaction with any of the related parties were in conflict with the interest of the Company.

As required by the Accounting Standard 18 prescribed by the Companies Act, 1956, details of the related party transactions are given in Note 25 on Schedule 19 of the Annual Accounts.

ā Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority, on any other matter related to the capital market during the last three years.

There was no non-compliance during the last three years on any matter related to the capital market.

Consequently there were no penalties imposed nor strictures passed on the Company by stock exchanges, SEBI, or any other statutory authority.

ā As per the requirement of Clause 49IV(F)(ii) of the Listing Agreement, the Senior management personnel i.e. the Technical Directors, Executive Director, Overseas Director and Country Director has informed the Board that neither they nor their relatives are having any personal interest in material, financial and commercial transactions of the Company which may have potential conflict with the interest of the Company at large.

ā The CEO / CFO certificate has been placed before the Board of Directors at their meeting held on 30th May, 2010, in compliance with Clause 49 V of the Listing Agreement duly signed by the Chairman and Managing Director and Director (in-charge of Finance).

The Company has established internal control systems and procedures which are being reviewed and updated regularly.

ā All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.

ā Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Chairman of the Audit Committee.

9. Means of communication:

In compliance with the requirements of Clause 41 of the Listing Agreement, the Company regularly

intimates quarterly Un-audited financial results to the Stock Exchanges immediately after they are taken on record by the Board / Committee of Directors. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in English daily, The Economic Times, Business Standard and one Bengali daily Pratidin/ Dainik Statesman.

The financial results were posted on the website – www.simplexinfrastructures.com

The official news releases and presentations made to institutional investors/analysts are also posted on the web-site of the Company.

The Management Discussion and Analysis is covered in the Directors' Report to the Shareholders and forms a part of the Annual Report.

10. Shareholders information

a) 92nd Annual General Meeting

Date & time: 30th July, 2010, Friday at 10:30 a.m.

Venue: Gyan Manch 11, Pretoria Street, Kolkata-700071

b) Financial Year: 1st April to 31st March

c) Dates of book closure: 24th July, 2010 to 30th July, 2010 (both days inclusive).

d) Dividend payment date: Within 30 days from the date of the AGM

e) Registered office: "SIMPLEX HOUSE" 27 Shakespeare Sarani, Kolkata-700017. website: www.simplexinfrastructures.com

f) i) Listing details :

Equity shares	Stock Code/Symbol
The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata- 700001	29053
The Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers Dalal Street, Mumbai –400001	523838
The National Stock Exchange Of India Limited Exchange Plaza Bandra Kurla Complex, Bandra(E) Mumbai-400051	SIMPLEXINF

Listing fees for the year 2010 - 2011 have been paid to the Stock Exchanges.

g. Stock Prices Data and Performance of Company's Share Prices Vis-a-Vis BSE and Sensex, NSE and Nifty

i) The Bombay Stock Exchange Limited

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Sensex (closing)
April 2009	198.00	158.40	177.95	11403.25
May 2009	398.00	180.00	385.80	14625.25
June 2009	412.90	341.05	392.25	14493.84
July 2009	424.00	310.00	380.10	15670.31
August 2009	462.00	343.15	458.20	15666.64
September 2009	529.00	396.70	504.25	17126.84
October 2009	546.00	480.00	516.45	15896.28
November 2009	558.00	486.00	547.15	16926.22
December 2009	561.00	455.00	554.30	17464.81
January 2010	563.00	481.00	510.55	16357.96
February 2010	499.85	403.15	447.70	16429.55
March 2010	482.00	421.00	452.05	17527.77

ii) National Stock Exchange of India Ltd.

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty (closing)
April 2009	196.70	158.00	176.85	3473.95
May 2009	399.00	181.85	385.70	4448.95
June 2009	410.00	342.65	393.10	4291.10
July 2009	450.00	312.15	383.20	4636.45
August 2009	462.00	345.00	458.40	4662.10
September 2009	530.00	410.00	506.30	5083.95
October 2009	547.10	483.00	522.75	4711.70
November 2009	558.00	475.50	550.85	5032.70
December 2009	562.00	508.85	556.85	5201.05
January 2010	563.50	491.00	510.90	4882.05
February 2010	510.25	405.00	445.25	4922.30
March 2010	485.00	421.00	452.30	5249.10

h. Registrar and share transfer agent:

Physical & Dematerialised

MCS Limited, 77/2A Hazra Rd, Kolkata - 700029

i. Share transfer system:

Share transfer in physical forms are attended to, within 15 days from the date of receipt.

The Board or Committee of Directors approves the transfer when they meet at regular intervals.

j) Distribution of shareholding as on 31st March 2010:

Shares Held	2010				2009			
	No. of share holders	% of total share holders	No. of shares held	% of share holding	No. of share holders	% of total share holders	No. of shares held	% of share holding
1-500	6178	87	785077	1.59	6958	84.69	903094	1.83
501-1000	518	7.29	404915	0.82	732	8.91	551799	1.11
1001-10000	281	3.96	779670	1.58	391	4.76	981367	1.98
10001-50000	48	0.68	1128767	2.28	55	0.67	1276331	2.58
50001 & above	76	1.07	46373901	93.74	80	0.97	45759739	92.50
TOTAL	7101	100	49472330	100	8216	100	49472330	100.00

k) Categories of Shareholding as on 31st March 2010:

Category	2010			2009		
	No. of share holders	% of share holding	No. of shares held	No. of share holders	% of share holding	No. of shares held
Promoters & Directors	23	54.74	27081823	21	54.09	26761823
UTI & Mutual Funds	26	17.42	8619301	24	11.88	5876604
Banks & Financial Institutions	29	14.19	7017841	22	15.44	7638088
Non Resident Indians/Overseas						
Corporate Bodies	158	0.83	412486	240	0.98	483247
Corporates	372	6.62	3274491	503	9.56	4730563
Individuals	6493	6.20	3066388	7406	8.05	3982005
TOTAL	7101	100	49472330	8216	100.00	49472330

l) Dematerialisation of shares and liquidity:

As per the agreement with NSDL and CDSL, the investors of the Company have an option to dematerialise their shares.

Company's ISIN NO. is: **INE059B01024**

As on 31st March, 2010 88.98 % of the Company's Shares are held in dematerialised Form.

m) Address for Correspondence:

Secretarial department
Simplex Infrastructures Limited
"Simplex House"
27 Shakespeare Sarani, Kolkata-700017
Tel No:- 23011600 (30 lines), 2289-1476-81, 44051800
Email: banwari.bajoria@simplexinfra.net
Website : www.simplexinfrastructures.com

Non –mandatory requirements:

a) The Board

The Company has an executive Chairman.

b) Remuneration Committee

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

c) Shareholders' Rights

The Company does not send any communication to shareholders covering financial performance or Summary of the significant events on half yearly basis. Instead, the Company publishes the quarterly financial results in major newspapers and posts the same on the website of the

Company. Further, significant events are informed to Stock Exchanges from time to time and then the same is posted on the website of the Company.

d) Audit qualification

Audit qualification in the Auditors report to the members are appropriately addressed in the Directors' Report and notes to the accounts.

e) Mechanism of evaluating non-executive Board Members

Non-Executive Directors were always being evaluated by their own Peer in the Board meetings during the year 2009-10, although there was no formal Peer Group review by the entire Board.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Simplex Infrastructures Limited

We have examined the compliance of conditions of Corporate Governance by Simplex Infrastructures Limited, for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and 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 Agreement.

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

P. Law
Partner
Membership Number: 51790

Date: 30th May, 2010
Place: Kolkata

Auditors' Report

To the Members of
Simplex Infrastructures Limited

1. We have audited the attached Balance Sheet of Simplex Infrastructures Limited (the "Company") as at 31st March 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'the Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that:

3.1 (a) The Company has maintained proper records

showing full particulars, including quantitative details and situation, of fixed assets.

- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

3.2 (a) The inventory other than work-in-progress [comprising site development costs etc. as indicated in Note 1(g) on Schedule 19 to Accounts], stocks with third parties and material in transit has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company has

maintained proper records of materials at sites, materials in transit and stores. As regards work-in-progress, as explained by the Management, it is not practicable to maintain cumulative quantitative records, since it comprises site development costs etc. as indicated in Note 1(g) on Schedule 19 to Accounts. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3.3 (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

3.4 In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

3.5 (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are

reasonable having regard to the prevailing market prices at the relevant time.

3.6 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

3.7 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

3.8 The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

3.9 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year, the undisputed statutory dues including provident fund, employees' state insurance, investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as applicable as at 31st March 2010, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rupees in Thousand)	Period to which the amount relates	Forum where the dispute is pending
Andhra Pradesh General Sales Tax Act, 1957	Demand against turnover tax challenged	406	1996-97	High Court, Hyderabad
Andhra Pradesh General Sales Tax Act, 1957	Demand against turnover tax challenged	287	1997-98 to 1999-2000	Andhra Pradesh Sales Tax Appellate Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Demand against Interstate purchase	771	2003-04	Andhra Pradesh Sales Tax Appellate Tribunal
Goa Sales Tax Act, 1964	Disallowance of tax paid on interstate purchases	6,436	2004-05	Appellate Tribunal in Goa
Central Sales Tax Act, 1956	Penalty under Section 10A	712	2003-04	Assistant Commissioner of Commercial Taxes (Margoa, Goa)
Orissa Sales Tax Act, 1947	Works Contract Tax disallowance of labour component	52	2002-03	Appellate Tribunal, Cuttack
Orissa Sales Tax Act, 1947	Disallowance on machinery hire charges	584	2001-02	Appellate Tribunal, Cuttack
Orissa Sales Tax Act, 1947	Levy of tax on free issue of materials	258	1985-86, 1988-89 & 1989-90	Appellate Tribunal, Cuttack
Uttar Pradesh General Sales Tax Act, 1963	Entry Tax	656	2003-04	Joint Commissioner Appeal
Uttar Pradesh General Sales Tax Act, 1963	Sales Tax	614	2003-04	Joint Commissioner Appeal
Uttar Pradesh General Sales Tax Act, 1963	Entry Tax	732	2004-05	Allahabad High Court
Finance Act, 1994-Service Tax	Service Tax	989,236	1.3.2005 to 30.9.2008	High Court at Calcutta
Finance Act, 1994-Service Tax	Service Tax on construction of port	46,012	10.9.2004 to 15.6.2005	High Court at Calcutta
Finance Act, 1994-Service Tax	Service Tax	66,943	2004-05 to 2007-08	High Court at Delhi
Finance Act, 1994-Service Tax	Service Tax	81,148	April, 08 to September, 08	Filing of writ petition is pending before the High Court at Delhi.

- 3.10 The Company has no accumulated losses as at 31st March 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 3.11 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 3.12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 3.13 The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
- 3.14 In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 3.15 In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 3.16 In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 3.17 On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- 3.18 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

- 3.19 The Company has not issued during the year any secured debenture.
- 3.20 The Company has not raised any money by public issues during the year.
- 3.21 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
4. Attention is drawn to the following:
As indicated in Note 9 on Schedule 19 to the Accounts, year-end exchange fluctuation loss of Rs.60,972 thousand pertaining to a foreign currency loan has not been provided for which is required under Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates" for reasons given by the Management in the said Note. Had this item been accounted for, both the profit for the year and the year-end net worth would have been lower by Rs. 60,972 thousand.
5. Further to our comments in paragraph 3 above, we report that:
- (a) We have obtained 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, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) In our opinion, *except for the non-compliance in view of the matter referred to in paragraph 4 above*, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial

Kolkata
30th May, 2010

statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give, *except for the impact of the matter referred to in paragraph 4 above*, a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

P. Law
Partner
Membership Number: 51790

Balance Sheet as at 31st March, 2010

(Rupees in Thousand)					
	Schedule Reference	31st March, 2010		31st March, 2009	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	99,331		99,331	
Equity Share Warrant (Note 10 on Schedule 19)		-		212,530	
Reserves and Surplus	2	9,597,270	9,696,601	8,710,896	9,022,757
Loan Funds					
Secured Loans	3	9,943,891		7,692,650	
Unsecured Loans	4	3,080,046	13,023,937	4,512,034	12,204,684
Deferred Tax Liability (Net) (Note 3 on Schedule 19)			883,274		578,772
TOTAL			23,603,812		21,806,213
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	12,508,637		12,065,970	
Less: Depreciation		2,832,039		2,051,807	
Net Block		9,676,598		10,014,163	
Capital Work in Progress		186,941	9,863,539	138,583	10,152,746
Investments	6		277,082		200,732
Current Assets, Loans and Advances					
Inventories	7	6,592,548		6,760,729	
Sundry Debtors	8	17,928,086		16,675,518	
Cash and Bank Balances	9	872,737		1,002,093	
Other Current Assets	10	1,336,695		1,250,047	
Loans and Advances	11	3,868,425		3,311,926	
		30,598,491		29,000,313	
Less: Current Liabilities and Provisions					
Liabilities	12	17,019,922		17,431,817	
Provisions	13	115,378		115,761	
		17,135,300		17,547,578	
Net Current Assets			13,463,191		11,452,735
TOTAL			23,603,812		21,806,213
Notes on Accounts	19				

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

The Schedules referred to above form an integral part of the Balance Sheet.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

(P. Law) Partner	B.L.Bajoria Secretary	B.D.Mundhra Chairman & Managing Director	S.Dutta Director
Membership Number: 51790 Kolkata, 30th May, 2010			

Profit and Loss Account For the year ended 31st March, 2010

(Rupees in Thousand)					
	Schedule Reference	2009-2010		2008-2009	
INCOME					
Contract Turnover		44,434,807		46,536,875	
Less: Contract Expenses (other than related depreciation / amortisation)	14	38,224,278		40,821,368	
Profit on Contract Work done		6,210,529		5,715,507	
Company's Share in profit/(loss) of Joint Ventures [Refer Note 26.2 (i) on Schedule 19]		(7,346)		89,687	
Other Income	15	226,154	6,429,337	447,102	6,252,296
EXPENSES					
Interest and Finance Charges (Net)	16	1,112,088		1,417,910	
Amortisation of Tools		643,489		527,438	
Depreciation		890,075		771,865	
Other Administrative Expenses	17	1,873,210	4,518,862	1,849,735	4,566,948
PROFIT BEFORE TAX			1,910,475		1,685,348
PROVISION FOR TAXATION					
Current Tax			380,000		255,000
Fringe Benefit Tax			-		15,000
PROFIT BEFORE DEFERRED TAX			1,530,475		1,415,348
Deferred Tax			304,502		207,318
PROFIT AFTER TAX			1,225,973		1,208,030
Balance Brought Forward from Previous Year			2,469,366		1,877,097
AMOUNT AVAILABLE FOR APPROPRIATIONS			3,695,339		3,085,127
APPROPRIATIONS					
Transfer to General Reserve			150,000		150,000
Transfer to Contingency Reserve			-		350,000
Proposed Dividend		98,945		98,945	
Tax thereon		16,433	115,378	16,816	115,761
			265,378		615,761
Year-end Surplus			3,429,961		2,469,366
			3,695,339		3,085,127
Basic Earning per Equity Share of Rs.2/- each (In Rs.)			24.78		24.42
Diluted Earning per Equity Share of Rs.2/- each (In Rs.) (Note 27 on Schedule 19)			24.78		24.42
Notes on Accounts	19				

This is the Profit and Loss Account referred to in our report of even date.

The Schedules referred to above form an integral part of the Profit and Loss Account.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

(P. Law) Partner	B.L.Bajoria Secretary	B.D.Mundhra Chairman & Managing Director	S.Dutta Director
Membership Number: 51790 Kolkata, 30th May, 2010			

(Rupees in Thousand)

	31st March, 2010		31st March, 2009	
Schedule 1				
SHARE CAPITAL				
Authorised (Note 1 below)				
374,900,000 Equity Shares of Rs.2/- each		749,800		749,800
20,000 15% Cumulative Preference Shares of Rs.10/- each		200		200
		750,000		750,000
Issued and Subscribed and Paid-up (Notes 1 & 2 below)				
49,472,330 Equity Shares of Rs.2/- each fully paid up	98,945		98,945	
126,000 Equity shares of Rs.10/- each (equivalent of 630,000 shares of Rs.2/- each) forfeited in earlier years	386	99,331	386	99,331
		99,331		99,331

Notes :

1. Pursuant to the approval of the Shareholders at the Annual General Meeting held on 18th August, 2006, the authorised share capital of the Company stands increased and reclassified as indicated above with denomination of shares being subdivided into Equity Shares of Rs.2/- each. Accordingly, the equity shares of the Company of face value of Rs.10/- each were subdivided into Equity Shares of Rs.2/- each, on 20th September, 2006.
2. Of the year-end paid-up shares
 - a) 13,925 shares of Rs.10/- each (equivalent of 69,625 shares of Rs 2/- each) allotted as fully paid up pursuant to a contract without payments being received in cash.
 - b) 1,844,321 shares of Rs.10/- each (equivalent of 9,221,605 shares of Rs 2/- each) allotted as fully paid Bonus Shares by capitalisation of Reserves, Undistributed Profit and Securities Premium Account.
 - c) 1,996,530 shares of Rs.10/- each (equivalent of 9,982,650 shares of Rs 2/- each) allotted at par on conversion of Partly Optionally Convertible Debentures on 1st January,1998 and on 1st January,1999.

(Rupees in Thousand)

	31st March, 2010		31st March, 2009	
Schedule 2				
RESERVES AND SURPLUS				
Capital Reserve				
As per last Account	3,245		3,245	
Add: Addition during the year (Note 10 on Schedule 19)	212,530	215,775	-	3,245
Capital Redemption Reserve		104		104
Securities Premium Account		4,942,125		4,942,125
General Reserve				
As per last Account	645,515		495,515	
Add: Transfer from Profit and Loss Account	150,000	795,515	150,000	645,515
Contingency Reserve				
As per last Account	350,000		-	
Add: Transfer from Profit and Loss Account	-	350,000	350,000	350,000
Foreign Currency Translation Reserve Account [Note 1(j) on Schedule 19]				
As per last Account	300,541		(98,839)	
Adjustment during the year	(436,751)	(136,210)	399,380	300,541
Profit and Loss Account Balance (Surplus)		3,429,961		2,469,366
		9,597,270		8,710,896

	31st March, 2010	31st March, 2009
Schedule 3		
SECURED LOANS		
Term Loans		
Financial Companies - Rupee Loan [Note 1(a) below]	881,879	787,350
Banks		
Rupee Loans [Notes 1 (a) and 2 below]	1,015,229	1,463,060
Foreign Currency Loans [Note 1(b) below]	1,144,949	2,403,672
Working Capital Loans from Banks		
Rupee Loans [Note 3 (a) below]	5,628,065	1,919,116
Foreign Currency Loans [Note 3 (b) below]	1,244,064	1,056,454
Vehicle Loans from Banks (Note 4 below)		
Rupee Loans	17,169	16,196
Foreign Currency Loans	1,267	38,733
Interest Accrued and Due on Working Capital Loans	11,269	8,069
	9,943,891	7,692,650

(Rupees in Thousand)

Schedule 3 (Contd.)**Notes :**

1. a) Term Loans from banks and financial companies are secured / to be secured by an exclusive charge on specific assets, comprising Plant and Machinery, Construction Equipments and Vehicles purchased out of the said loans.
- b) Foreign Currency Term Loans comprise of:
 - i) Loans provided by banks and secured by exclusive charge on specific assets as recited in Note 1 (a) above
 - ii) Loans at overseas branches are secured / to be secured by assignment of receivables and charge on Plant and Machinery etc. at respective branches.
2. Term loans of Rs.690,834 (2009 - Rs.1,223,182) are also covered by personal guarantee of Chairman and Managing Director and / or Wholetime Director of the Company.
3. a) Secured by first charge by way of hypothecation of stocks, stores, book debts, second charge on Plant and Machinery (other than those which are exclusively charged in favour of the respective lenders) ranking pari passu amongst the Banks on the point of security, as also by second charge on certain immovable properties by deposit of title deeds / documents in India subject to first charge created / to be created in favour of term lenders.
- b) Foreign Currency Working Capital loans comprise of (i) packing credit provided by a bank which is secured by hypothecation of assets etc. as recited in Note 3 (a) above and (ii) loans at overseas branches which are secured / to be secured by assignment of receivables at such branches.
4. Vehicle loans from banks are secured / to be secured by way of hypothecation / charge of the vehicles financed.

	31st March,2010	31st March,2009
Schedule 4		
UNSECURED LOANS		
Term Loans From -		
Financial Companies - Rupee Loan (Short Term)	-	250,000
Banks		
Rupee Loans (Short Term)	2,300,000	3,224,669
Foreign Currency Loans (Short Term)	-	69,400
[Such Loans from certain banks Rs.150,000 (2009 - Rs.3,224,669) covered by personal guarantee of Chairman and Managing Director and / or Wholetime Director of the Company.]		
Commercial Papers	750,000	950,000
[including from Banks Rs.400,000 (2009 - Rs.950,000)]		
Intercompany Deposit	500	500
Temporary Overdraft from banks		
Rupee Account	28,500	15,597
Foreign Currency Account	758	1,519
Interest Accrued and Due on Inter Corporate Deposits	288	349
	3,080,046	4,512,034

(Rupees in Thousand)

Schedule 5**FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 31st March, 2009	Additions during the Year	Disposal / Adjust-ments during the year [Note (d)]	Original Cost as at 31st March, 2010	As at 31st March, 2009	For the Year	On Assets Disposed/ Adjusted during the year [Note (e)]	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
A. Tangible Assets										
Freehold Land	29,619	-	-	29,619	-	-	-	-	29,619	29,619
Leasehold Land	4,996	-	-	4,996	683	53	-	736	4,260	4,313
Building	139,192	20,846	-	160,038	16,096	2,311	-	18,407	141,631	123,096
Plant and Machinery (Note 24 on Schedule 19)	11,046,216	957,851	553,018	11,451,049	1,796,356	790,064	95,307	2,491,113	8,959,936	9,249,860
Furniture and Fittings	187,282	18,976	7,594	198,664	61,292	12,171	2,111	71,352	127,312	125,990
Motor Vehicles	404,041	29,988	50,086	383,943	69,324	36,649	10,232	95,741	288,202	334,717
Computer	190,878	16,277	3,623	203,532	92,695	26,062	1,948	116,809	86,723	98,183
Electrical Equipment	2,087	3,424	-	5,511	254	329	-	583	4,928	1,833
<u>Assets Taken on Lease/ Hire Purchase Scheme</u>										
Motor Vehicles	646	-	646	-	209	36	245	-	-	437
	12,004,957	1,047,362	614,967	12,437,352	2,036,909	867,675	109,843	2,794,741	9,642,611	9,968,048
B. Intangible Assets										
Computer Software - Acquired	61,013	10,272	-	71,285	14,898	22,400	-	37,298	33,987	46,115
	61,013	10,272	-	71,285	14,898	22,400	-	37,298	33,987	46,115
Capital Work in Progress									186,941	138,583
Total	12,065,970	1,057,634	614,967	12,508,637	2,051,807	890,075	109,843	2,832,039	9,863,539	10,152,746
As at 31st March,2009	7,566,632	4,408,947	(90,391)	12,065,970	1,271,948	771,865	(7,994)	2,051,807		

Notes :-

- a) Certain Freehold /Leasehold land and buildings were revalued by an approved Valuer as at 31st December,2002 and 31st December,2003, (the aggregate Book Value Rs.7,510 and Rs.22,978 respectively) but the resultant increase in the Net Book value on such revaluation Rs.46,981 and Rs.108,213 respectively have not been considered in the accounts.
- b) Buildings include Rs.854 being the original cost of a building erected on land taken on rental lease and depreciated over the period of lease and also includes another building (original cost of Rs.236) erected on land belonging to the contractee who will take over the building at depreciated value in due course.
- c) The Original Cost as at 31st March,2010 of Plant and Machinery includes Rs.634 (2009 - Rs.634) for items acquired under Hire Purchase arrangements up to 31st March,2001 of which Rs.119 (2009 - Rs.119) was outstanding as at 31st March,2010.
- d) Inclusive of Rs.449,761 (2009 - net of Rs.433,058) on account of foreign exchange adjustment for Foreign Branches.
- e) Inclusive of Rs.73,309 (2009 - net of Rs.68,997) on account of foreign exchange adjustment for Foreign Branches.

(Rupees in Thousand)

	31st March, 2010		31st March, 2009	
Schedule 6				
INVESTMENTS				
[Note 1(d) on Schedule 19]				
LONG TERM				
Unquoted				
- Other than Trade				
5-Fully paid-up Ordinary Shares of Rs.50/- each in Mercantile Apartments Co-operative Housing Society Ltd., Mumbai - Face value Rs.250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs.50/- each in Pallavi Beach Angle Co-operative Housing Society Ltd., Mumbai - Face value Rs.250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs.50/- each in Borlo Co-operative Housing Society Ltd., Chembur, Mumbai - Face value Rs.250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs.50/- each in Saket Co-operative Housing Society Ltd., Mumbai - Face value Rs.250/-	-		-	
7 Year National Savings Certificates (Matured) (Lodged as Security Deposits)	2		2	
6 Year National Savings Certificates (Matured) (Lodged as Security Deposits)	34		134	
2,000,000 Equity Shares of Rs.10/- each of Electrosteel Integrated Limited - Fully paid up, (acquired during the year)	20,500	20,536	-	136
Subsidiary Companies				
105,000 Shares of Omani Rial (OMR) 1 each in Simplex Infrastructures LLC - Fully paid up	13,511		13,511	
50,000 Shares of United Arab Emirates Dirham (AED) 1,000 each in Simplex (Middle East) Limited - Fully paid up (acquired during the year)	2,018		-	
9,750 Shares of Libyan Dinar (LYD)100 each in Simplex Infrastructures Libya Joint Venture Co. - Fully paid up (acquired during the year)	38,688	54,217	-	13,511
- Trade				
Investment in Joint Ventures [Note 26.2(i) on Schedule 19]	165,197		151,343	
9,799 Shares of Thai Bhatt (THB) 100 each of Simplex Infrastructures (Thailand) Limited - Fully paid up, a joint venture company (acquired during the year)	1,390		-	
4,900 Shares of Bahraini Dinars (BHD) 50 each of Simplex Almoayyed W.L.L. - Fully paid up, a joint venture company	28,742	195,329	28,742	180,085
Quoted				
- Other than Trade				
20,000 Equity Shares of Rs.10/- each (Rs.5/- paid up) of M/s Parasrampuria Synthetics Ltd. @	100		100	
4,700 Equity Shares of Rs.10/- each at a Premium of Rs.35/- each of Pennar Patterson Securities Ltd- Fully Paid up @	212		212	
17,500 Equity Shares of Rs.2/- each of Dalmia Cement (Bharat) Limited - Fully paid up	7,000	7,312	7,000	7,312
		277,394		201,044
Less: Provision for diminution in carrying amount of Investments		312		312
		277,082		200,732

Notes :

- i) Year end Market Value of quoted Investments other than that marked @ for which year-end official quotation is not available.
- | | | |
|---------------|-------|-------|
| Equity Shares | 4,396 | 1,367 |
|---------------|-------|-------|
- ii) Aggregate amount of
- | | | |
|----------------------|----------------|----------------|
| Unquoted Investments | 270,082 | 193,732 |
| Quoted Investments | 7,312 | 7,312 |
| | 277,394 | 201,044 |
- iii) Particulars and Movement of Current Investments have been shown in Note 33 on Schedule 19 to the accounts.

(Rupees in Thousand)

	31st March,2010	31st March,2009
Schedule 7		
INVENTORIES		
At lower of cost and estimated net realisable value		
Work-in-Progress (Net of Advance from clients Rs. 48,716; 2009 - Rs.99,311) (Note 28 on Schedule 19)	365,810	307,879
Materials at Sites	3,866,022	3,790,539
Materials in Transit	783	1,480
At or below cost		
Stores (including Tools Rs. 2,220,383; 2009 - Rs. 2,527,614)	2,359,933	2,660,831
[Note 1 (e) on Schedule 19]		
	6,592,548	6,760,729
Schedule 8		
SUNDRY DEBTORS, Unsecured		
Debts Outstanding for a period exceeding six months		
Considered Good	3,603,076	2,910,406
Considered Doubtful	17,424	17,725
Other Debts		
Considered Good (Note 8 on Schedule 19)	14,325,010	13,765,112
	17,945,510	16,693,243
Less: Provision for Doubtful Debts	17,424	17,725
	17,928,086	16,675,518
Schedule 9		
CASH AND BANK BALANCES		
Cash in hand and Remittances in transit	148,246	4,346
[Remittances in transit Rs. 144,876 (2009 - Rs. 2,954)]		
Balances with Scheduled Banks-		
Current Accounts	568,953	518,309
Unpaid Dividend Account	1,387	1,164
Term Deposit on Margin Account	8,966	11,175
Fixed Deposits (Lodged as Security Deposits Rs.5 ; 2009 - Rs.5)	1,414	149,657
Balances with Non-Scheduled Banks	143,771	317,442
(Note 31 on Schedule 19)		
	872,737	1,002,093

(Rupees in Thousand)

	31st March,2010	31st March,2009
Schedule 10		
OTHER CURRENT ASSETS, Unsecured		
Considered Good		
Interest Receivable	58,916	49,954
Excise Duty Recoverable	238,814	129,921
Accruals under Duty Free Credit Entitlement	308,533	360,001
Deposit for Contracts	218,669	142,949
Security Deposits	327,986	323,843
Deposit under Investment Deposit Scheme	1,513	1,513
Prepaid Expenses	169,797	241,866
Unbilled Revenue	12,467	-
Considered Doubtful		
Deposit for Contracts	538	165
Security Deposits	29	29
	1,337,262	1,250,241
Less: Provision for Doubtful Deposits	567	194
	1,336,695	1,250,047
Above includes		
Amount due by Firm in which Directors of the Company are Partners		
Security Deposit with Mundhra Estates	72	72
Schedule 11		
LOANS AND ADVANCES, Unsecured		
Considered Good (unless stated otherwise below)		
Advances recoverable in cash or in kind or for value to be received [including Capital advance Rs.167,709; (2009 - Rs.102,340) and Considered Doubtful Rs.14,720 (2009 - Rs.9,929)]	2,993,209	2,547,043
Advances to Subsidiaries	39,728	-
Inter Corporate Loans	579,000	581,150
Advance payment of Taxes (net of provision)		
Current Tax [Advance Tax Rs.920,730 (2009 - Rs.723,550), Provision for Tax Rs.652,398 (2009 - Rs.530,765)]	268,332	192,785
Fringe Benefit Tax [Advance Tax Rs.24,171 (2009 - Rs.43,424), Provision for Tax Rs.21,295 (2009 - Rs.42,547)]	2,876	877
	3,883,145	3,321,855
Less: Provision for Doubtful Advances	14,720	9,929
	3,868,425	3,311,926

(Rupees in Thousand)

	31st March, 2010		31st March, 2009	
Schedule 12				
CURRENT LIABILITIES				
Sundry Creditors				
Due to Micro Enterprises and Small Enterprises (Note 21 on Schedule 19)	10,673		13,869	
Others	10,325,838	10,336,511	8,766,211	8,780,080
Other Liabilities		372,793		358,207
Advance from Clients		6,041,320		8,004,474
Billing in Excess of Revenue		140,626		120,385
Interest Accrued but not Due [including on loans Rs. 26,969 (2009 - Rs. 53,438)]		126,086		165,979
Investor Education and Protection Fund shall be credited by the following amounts namely (Note below)				
a) Unpaid dividend		1,387		1,164
b) Unpaid matured deposit		776		1,034
c) Interest accrued on (b) above		423		494
		17,019,922		17,431,817

Note : None of above unclaimed amounts is due to be transferred to above fund at the Balance Sheet date.

	31st March, 2010		31st March, 2009	
Schedule 13				
PROVISIONS				
Proposed Dividend	98,945		98,945	
Tax thereon	16,433	115,378	16,816	115,761
		115,378		115,761

(Rupees in Thousand)

	2009 - 2010	2008 - 2009
Schedule 14		
CONTRACT EXPENSES		
Stores consumed	18,125,520	21,330,689
Salaries and Wages (including amount paid/payable to Sub-contractors)	14,386,869	14,045,183
Value Added Tax / Works Contract Tax	739,164	627,546
Repairs and renewals [Note 23 (c) on Schedule 19]	15,522	20,763
Other Expenses [Note 23 (a) on Schedule 19]	4,957,203	4,797,187
	38,224,278	40,821,368

	2009 - 2010		2008 - 2009	
Schedule 15				
OTHER INCOME				
Equipment Hire Charges		102,225		62,197
Liability no longer required written back		7,497		10,592
Accruals under Duty Free Credit Entitlement		50,000		260,918
Dividend from Long Term Investments				
Trade	7,989		-	
Other than Trade	70	8,059	26	26
Dividend from Current Investments - Other than Trade		-		461
Income from Wind Mill - Electricity		365		265
Profit on Sale of Fixed Assets		-		740
Duty Drawback		2,968		-
Exchange Gain (Net)		33,802		56,402
Sale of Scrap		16,004		22,204
Miscellaneous Receipts		5,234		33,297
		226,154		447,102

Schedule 16

INTEREST AND FINANCE CHARGES (NET)				
Interest				
Fixed Loans		568,379		871,120
Debentures		82,462		80,444
Others		345,904		294,826
		996,745		1,246,390
Less: Interest Received/Receivable [Tax Deducted at Source Rs.6,522 (2009 -Rs.14,901)]				
On Loans and Deposits	47,057		76,729	
On Others	47,844	94,901	15,315	92,044
		901,844		1,154,346
Add: Finance Charges				
Bank Charges	54,180		97,993	
Guarantee Charges	156,064	210,244	165,571	263,564
		1,112,088		1,417,910

(Rupees in Thousand)

	2009 - 2010	2008 - 2009
Schedule 17		
OTHER ADMINISTRATIVE EXPENSES ETC.		
Salaries and Bonus	763,481	713,599
Staff Welfare Expenses	25,861	27,334
Contribution to Provident and other Funds	77,099	102,896
Rent	137,123	100,744
Rates and Taxes (includes Wealth Tax Rs.717; 2009 - Rs.570)	13,189	8,411
Repairs to Buildings	14,312	18,975
Insurance	170,618	180,430
Loss on Sale of Fixed Assets	3,206	-
Fixed Assets Written Off	3,126	4,845
Expenses of Wind Mill	451	298
Provision for Doubtful Debts / Advances	6,693	4,550
Bad Debts / Advances written off (Net of Provision Written back Rs.1,830; 2009 - Rs.7,731)	265,227	259,498
Miscellaneous Expenses [Note 23 (d) on Schedule 19]	392,824	428,155
	1,873,210	1,849,735

Schedule 18**MANAGING AND OTHER DIRECTORS' REMUNERATION INCLUDED IN PROFIT AND LOSS ACCOUNT**

<u>Managing Director / Whole-time Directors</u>		
Salaries and Allowances	21,608	19,570
Contribution to Provident and Gratuity Fund	3,916	3,528
Estimated Cost of Benefits	1,770	1,499
	27,294	24,597
<u>Other Directors</u>		
Sitting Fees	250	230
	27,544	24,827

Computation of Net Profit under Section 198 read with Sections 309/349 of the Companies Act, 1956 for the purpose of Commission payable to the Managing Director:-

Profit before Taxation as per Profit and Loss Account	1,910,475	1,685,348
Add: Directors' Remuneration	27,544	24,827
Wealth Tax	717	570
Provision for Doubtful Debts / Advances written back	(1,830)	(7,731)
Provision for Doubtful Debts / Advances	6,693	4,550
Profit on sale of Immovable Property or Fixed Assets considering depreciation under Section 350 of the Companies Act, 1956	-	(376)
Net Profit in accordance with Section 198 of the Companies Act, 1956	1,943,599	1,707,188
Commission (@ 1% on the above profit)*	19,436	17,072

* Waived

(Rupees in Thousand)

Schedule 19

Notes on Accounts

1. Significant Accounting Policies

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 of India ('the Act').

a) FIXED ASSETS

Fixed Assets are stated at cost of acquisition and related expenditure. The cost of fixed assets acquired on finance lease is comprised of present value of minimum hire purchase / lease payments at the inception of lease and residual value of the related assets. The discounting factor considered in calculating the present value of the minimum hire purchase / lease payments is the rate of interest implicit in the lease.

b) DEPRECIATION

Depreciation is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except as indicated below:

- Leasehold Land and Building on leasehold land are amortised over the period of lease.
- Building on contractee's land is depreciated @ 5% on Straight Line Method.
- Construction Equipments included in Plant and Machinery are depreciated @ 12.5% and 20%.
- In case of branches outside India, depreciation is provided on Plant and Machinery @ 10%.
- Computer Software are depreciated @ 33.33%.

c) IMPAIRMENT LOSS

An Impairment loss is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the asset's net selling price and value in use.

d) INVESTMENTS

Long Term investments are stated at cost or under and diminution in carrying amount, other than temporary, is written down / provided for. Current investments which are expected to be liquidated within one year are valued at lower of cost and fair value. Investment in integrated Joint Ventures are carried at cost net of adjustments for Company's share in profits or losses as recognised.

e) INVENTORIES

Inventories other than stores (including tools) are valued at lower of cost and net realisable value. Stores are valued at or below cost. The cost, in general, are determined under FIRST IN FIRST OUT method. Tools comprising various construction implements and tackles which are more of a type of equipment having short life are stated on the basis of their cost and are amortised based on effective future life determined on technical evaluation.

f) REVENUE

Revenue is recognised under percentage of completion method. The stage of completion is determined on the basis of completion of physical proportion of the contract work. Extra work and variation in contract (as mutually agreed), to the extent that it is probable that they will result in revenue and can be reliably measured is also covered. Income from Plant and Machinery / Equipment on hire contract are recognised on accrual basis over the contract period. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognised on an accrual basis.

g) SITE DEVELOPMENT AND INITIAL EXPENSES

Site development including initial expenses (shown in Work-in-Progress) thereon is charged off proportionately within the stipulated period of contract from the date of revenue recognition.

(Rupees in Thousand)

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Notes on Accounts

h) BORROWING COST

Borrowing cost attributable to the acquisition of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.

i) CLAIMS AND COUNTER CLAIMS

Claims and counter claims (related to customers), including those under arbitration, are accounted for on their final disposal. Other contract related claims are recognised when there is reasonable certainty as to their recoverability.

j) TRANSACTION IN FOREIGN CURRENCIES

Transaction in respect of Foreign Currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions. Exchange differences arising on settlement of transactions and/ or restatements are dealt with in the Profit and Loss Account.

In respect of Forward Exchange Contracts with underlying transaction, the premium or discount arising at the inception of such contract is amortised as expenses or income over the life of contract.

In respect of the financial statements of foreign branches (having been treated as non-integral operations) the assets and liabilities, both monetary and non-monetary, are translated at the closing rate and income and expense items are translated at the average rate for the period. The resultant exchange differences are accumulated in Foreign Currency Translation Reserve Account.

k) EMPLOYEE BENEFITS

a) Short term Employee Benefits:

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

b) Post Employment Benefit Plans:

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

c) Other Long-term Employment Benefits (unfunded):

The Cost of providing long term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Account for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(Rupees in Thousand)

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Notes on Accounts

l) TAXATION

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisability thereof.

m) RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure on Research and Development (R & D) is charged in the year in which it is incurred. Fixed assets for R & D are capitalised.

n) PROVISION AND CONTINGENT LIABILITIES

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

2. (a) There are outstanding guarantees given by Banks amounting to Rs.23,127,527 (2009 - Rs.20,863,115). The above guarantees are secured by the security as recited under Working Capital Loans from Banks in Schedule 3.

(b) Bills discounted with Banks Rs. 51,443 (2009, Rs. Nil).

3. Year-end Deferred Tax balance comprises the following:

	As at 31st March,2010	As at 31st March,2009
Tax impact due to timing differences resulting in liabilities / (assets) on account of Depreciation as per tax law and books	597,089	479,325
Part of the revenue not taxable based on terms of contract (Net)	305,802	114,011
Provision for doubtful debts / advances etc.	(11,119)	(9,465)
Items admissible on payment basis	(8,498)	(5,099)
Net Deferred Tax Liability	883,274	578,772

4. Obligations under Finance Lease arrangements:

The Company acquired Vehicles, Plant and Machineries and Tools under Finance Lease/ Hire Purchase Scheme. Minimum lease payments outstanding as at 31st March,2010 in respect of these assets are as under:

Due	Total minimum lease payments outstanding as on 31st March,2010	Interest not due	Present Value of minimum lease payments
Within one Year	- 303	- 18	- 285
Later than one year and not later than five years	- -	- -	- -
Total	- 303	- 18	- 285

Figures in italics pertain to Previous Year

(Rupees in Thousand)

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Notes on Accounts

5. (a) The Company has entered into non-cancellable operating lease for office, warehouses and employee accommodation. The obligation for non-cancellable operating lease is Rs.78,935 (2009 - Rs.99,778) payable within one year and Rs.114,339 (2009 - Rs.178,382) payable later than one year but not later than five years and payable after five years Rs.170,858 (2009 - Rs.206,369) as on 31st March 2010. Rental expenses towards non-cancellable operating lease charged to the Profit and Loss Account for the year amounts to Rs.212,704 (2009 - Rs.112,490).

(b) The Company has entered into cancellable operating lease for office, warehouses and employee accommodation. Tenure of leases generally vary between 1 to 3 years. Terms of the lease include operating term for renewal, terms of cancellation, etc.. Related lease rentals aggregating Rs.54,756 (2009 - Rs.53,448) have been debited to Profit and Loss Account during the year.

6. Contingent Liabilities:

	31st March, 2010	31st March, 2009
a) Claims not acknowledged as Debts		
Interest (others)	600	600
Professional Tax	434	434
b) Uncalled liability on partly paid shares	100	100
c) Sales Tax / Value Added Tax	261,699	32,268
d) Entry Tax	1,387	1,387
e) Income Tax [Also refer item (g) below]	3,990	3,990
f) Service Tax [Also refer item (h) below]	46,012	-

g) The Company claimed certain deduction under the provision of the Income-tax Act,1961 upto the Assessment year 2009-10. In respect of the Assessment Years 2005-06 to 2008-09 the deduction was disallowed by the Income Tax Authorities and for those Assessment Years, the Company's appeals are currently pending before the said appellate authorities. However, on the basis of legal opinion obtained, the Company being eligible to such benefit, has challenged the issue by a writ petition before the Hon'ble Calcutta High Court and obtained interim stay order from the said High Court restraining the Tax Authorities from enforcing any demand against the Company. In the mean time on the basis of direction of the Hon'ble Supreme Court, the case has been transferred to Hon'ble Bombay High Court for hearing with other similar cases where the matter is pending. The estimated tax impact in this regard is Rs.256,594 (2009 - Rs.310,604).

h) Show-cause cum demand notices for Rs.591,571(2009 - Rs.591,571) and Rs.397,665 (2009 - Rs.Nil) on certain matter relating to Service Tax issued by the concerned Tax Authorities in Kolkata during previous years and current year respectively have been challenged by the Company by writ petitions currently pending before the Hon'ble Calcutta High Court. Further, show-cause notices for Rs.66,943 (2009 - Rs.66,943) and Rs.81,148 (2009 - Rs.Nil) on similar matter relating to Service Tax issued by the concerned tax authorities in Delhi during previous year and current year respectively has also been challenged/is being challenged by the Company before the Hon'ble Delhi High Court. According to a legal opinion obtained in this regard, the contention of the Tax Authorities and consequent demand of Service Tax is not valid in law. Based on the aforesaid legal opinion the management is of the view that even in case of an adverse decision, tax impact in this regard should not exceed Rs.102,199 (2009 - Rs.63,464).

7. Capital commitments not provided for Rs.207,137 (Net of advance) (2009 – Rs.88,371).

(Rupees in Thousand)

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8. Other debts includes retention money, not due for payment as per related terms of contract:

	31st March, 2010	31st March, 2009
- More than Six Months	2,938,632	2,301,676
- Others	724,230	941,663

9. Year-end exchange fluctuation loss of Rs.60,972 (2009 - Rs.113,664) pertaining to a foreign currency loan, which is fully hedged by derivative contracts with a year-end mark to market gain of Rs.80,149 (2009 - Rs.139,582), has not been provided for as according to management the loan is fully hedged and the aforesaid loss / gain are notional in nature.

10. On 4 October 2007, the Company had allotted 5,500,000 warrants at a price of Rs.401/- per warrant to a promoter group company, in accordance with Section 81 (1A) of the Companies Act, 1956 and Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. Each warrant was convertible into one Equity Share of nominal value of Rs.2/- each at a price of Rs.401/- per share at the option of the warrant holder within eighteen months from the date of allotment in accordance with relevant SEBI Guidelines. Such option was exercised by the allottee company during 2007-2008 with regard to 200,000 warrants only and accordingly at the expiry of the aforesaid stipulated time-frame the remaining 5,300,000 warrants stood lapsed and were cancelled by forfeiting the amount of Rs.212,530 received in earlier years against issue of those warrants by crediting Capital Reserve Account.

11. EMPLOYEE BENEFITS.

a) In terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, a Provident Fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any. However, there is no such interest shortfall at the year end. According to the management on the basis of consultation with an actuary, actuarial valuation cannot be applied reliably to measure provident fund liabilities as at the year end in the absence of any guidance from the Actuarial Society of India. Accordingly, complete information required to be considered as per AS 15 in this regard are not available and the same could not be disclosed. During the year, the Company has contributed Rs.33,633 (2009 - Rs.33,029) to the Provident Fund.

b) Defined Contribution Plans.

The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2010 an amount of Rs.31,768 (2009 - Rs.31,357) as expenses under defined contribution plans.

c) Post Employment Defined Benefit Plans

i) Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust fund managed by the Trust, make payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary (half month's salary) depending upon the tenure of service subject to a maximum limit of twenty months salary or amount payable under Payment of Gratuity Act whichever produces higher benefit. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 1(k) above, based upon which, the Company makes contribution to the Gratuity fund.

ii) End of Service Benefit / Severance Pay [ESB/SP] (Unfunded)

The Company provides for End of Service Benefit / Severance Pay (unfunded) defined benefit retirement plans for certain foreign branches covering eligible employees. As per the schemes, the Company makes payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective

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employee's eligible salary for specified number of days (ranging from fifteen days to one month) depending upon the tenure of service (maximum limit of two years salary in case of a foreign branch). Vesting occurs upon completion of one year of service. Liabilities with regard to the End of Service benefit / Severance Pay Scheme are determined by actuarial valuation as set out in Note 1(k) above.

iii) Leave Encashment Scheme [LES] (Unfunded)

The Company provides for accumulated leave benefit for eligible employees payable at the time of retirement of service subject to maximum of ninety / one hundred twenty days and in case of foreign branches actual number of days outstanding based on last drawn salary.

Following are the further particulars with respect to Defined Benefit Plans for the year ended 31st March, 2010:-

	Gratuity (Funded)	ESB/SP (Unfunded)	LES (Unfunded)
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation			
(a) Present Value of Obligation at the beginning of the year	160,139 116,135	54,832 13,579	19,642 11,696
(b) Current Service Cost	15,418 13,135	25,558 9,796	1,973 725
(c) Interest Cost	12,577 8,690	2,937 933	1,520 858
(d) Actuarial (Gain)/Loss	(5,912) 25,770	3,524 34,773	3,532 7,187
(e) Past Service Cost	5,190 -	- -	- -
(f) (Benefits Paid)	(5,861) (3,591)	(25,138) (11,589)	(1,274) (824)
(g) Exchange differences of foreign plans	- -	(7,823) 7,340	(150) -
(h) Present Value of Obligation at the end of the year	181,551 160,139	53,890 54,832	25,243 19,642
II. Reconciliation of opening and closing balances of the Fair Value of Plan Assets			
(a) Fair Value of Plan Assets at the beginning of the year	121,629 94,288	- -	- -
(b) Expected Return on Plan Assets	11,647 7,860	- -	- -
(c) Actuarial Gain/(Loss)	3,928 1,225	- -	- -
(d) Contributions by employer	53,785 21,847	- -	- -

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	Gratuity (Funded)	ESB/SP (Unfunded)	LES (Unfunded)
II. Reconciliation of opening and closing balances of the Fair Value of Plan Assets (Contd.)			
(e) (Benefits Paid)	(5,861)	-	-
	(3,591)	-	-
(f) Fair Value of Plan Assets as at the end of the year	185,128	-	-
	121,629	-	-
III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above and the fair value of Plan Assets in 'II' above			
(a) Present Value of Obligation as at the end of the year	181,551	53,890	25,243
	160,139	54,832	19,642
(b) Fair Value of Plan Assets as at the end of the year	185,128	-	-
	121,629	-	-
(c) (Asset)/Liability recognised in the Balance Sheet	(3,577)	53,890	25,243
	38,510	54,832	19,642
IV. Expense charged to the Profit and Loss Account			
(a) Current Service Cost	15,418	25,558	1,973
	13,135	9,796	725
(b) Interest Cost	12,577	2,937	1,520
	8,690	933	858
(c) (Expected Return on Plan Assets)	(11,647)	-	-
	(7,860)	-	-
(d) Past Service Cost	5,190	-	-
	-	-	-
(e) Actuarial (Gain)/Loss	(9,840)	3,524	3,532
	24,545	34,773	7,187
(f) Total expense charged to the Profit and Loss Account	11,698*	32,019**	7,025**
	38,510	45,502	8,770

* recognised under Contribution to Provident and Other Funds in Schedule 17.

** recognised under Salaries and Bonus in Schedule 17.

(Rupees in Thousand)

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	Gratuity (Funded)	ESB/SP (Unfunded)	LES (Unfunded)
V. Category of Plan Assets			
Central Government Securities	30,898	NA	NA
	15,300	NA	NA
State Government Securities	10,196	NA	NA
	28,500	NA	NA
Public Sector Securities	122,040	NA	NA
	70,664	NA	NA
Private Sector Bonds	11,366	NA	NA
	-	NA	NA
Bank Balances	4,453	NA	NA
	6,088	NA	NA
Others	6,175	NA	NA
	1,077	NA	NA
	185,128	NA	NA
	121,629	NA	NA
VI. Actual Return on Plan Assets	15,575	NA	NA
	9,085	NA	NA
VII. Principal Actuarial Assumptions as at 31st March, 2010			
(a) Discount Rate (per annum)	8.25%	8.25%	8.25%
	8.00%	7.75%	8.00%
(b) Expected Rate of Return on Plan Assets (per annum)	8.00%	NA	NA
	7.60%	NA	NA
(c) Salary Escalation			
Permanent Employees	4.50%	4.50%	4.50%
	5.00%	5.00%	5.00%
Contractual Employees	4.50%	-	-
	3.00%	-	-

Figures in italics pertain to previous year

(Rupees in Thousand)

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VIII. Other Disclosures

	2009-2010			2008-2009			2007-2008		
	Gratuity	ESB/SP	LES	Gratuity	ESB/SP	LES	Gratuity	ESB/SP	LES
a) Present Value of the Plan obligation as at the end of the year	181,551	53,890	25,243	160,139	54,832	19,642	116,135	13,579	11,696
b) Fair Value of Plan Assets as at the end of the year	185,128	-	-	121,629	-	-	94,288	-	-
c) (Surplus)/Deficit as at the end of the year	(3,577)	53,890	25,243	38,510	54,832	19,642	21,847	13,579	11,696
d) Experience Adjustments on Plan Obligation [(Gain) / Loss]	(5,021)	8,818	2,378	28,355	37,042	7,548	322	2,210	(2,143)
e) Experience Adjustments on Plan Assets [Gain / (Loss)]	3,928	-	-	1,225	-	-	(649)	-	-

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the portfolio of assets held, investment strategy and market scenario.

12. Information pursuant to the Provisions of Paragraphs 3 and 4 of the Part II of Schedule VI to the Companies Act, 1956.

i) Licensed Capacity	}	Not applicable as the Company is a Civil Engineering Concern doing mainly the Contractor's Business except in the cases of manufacturing and trading activities which are insignificant.
ii) Installed Capacity		
iii) Actual Production		
iv) Opening & Closing Stock of goods produced		
v) Raw Material Consumption		
vi) Turnover		

	2009-2010	2008-2009
13. C.I.F. Value of Imports		
Capital Goods	169,582	2,159,653
Tools and Equipments	12,210	165,196
Components and Spare Parts	282,206	615,291
14. Expenditure in Foreign Currency		
Travelling	69,933	46,631
Interest and Finance Charges	160,223	168,751
Contract Expenses (Overseas Branches)	5,439,531	5,514,836
Consultation Fees	11,153	-
Other Administrative Expenses (Overseas Branches)	447,034	504,369
Miscellaneous	739	362

(Rupees in Thousand)

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	2009-2010	2008-2009
15. Earning in Foreign Currency		
On Contract Work (Gross billing)	10,773,232	13,598,060
Proceeds from sale of Fixed Assets, Tools etc.	133,126	271,029
Interest Received	120	7,157
Sale of Scrap	13,563	12,347
Hire Charges	42,225	-
Dividend	7,989	-
Others	924	22,305

16. Stores Consumed

	2009-2010		2008-2009	
	Value	% of total Consumption	Value	% of total Consumption
Imported	471,706	2.60	475,606	2.23
Indigenous	17,653,814	97.40	20,855,083	97.77
	18,125,520	100.00	21,330,689	100.00

17. Particulars in respect of Trading Items

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
a) Opening Stock					
Reverse Osmosys system	No.	-	-	5	104
			-		104
b) Closing Stock					
Reverse Osmosys system	No.	-	-	-	-
			-		- *

*Obsolete item written off.

18. Particulars in respect of Manufacturing Operations

	Unit	2009-2010 Quantity	2008-2009 Quantity
a) Installed Capacity (As certified by the management)			
Electricity	KW	820,000	820,000
b) Production			
Electricity	KW	134,388	123,264

	Unit	2009-2010		2008-2009	
		Quantity	Value	Quantity	Value
c) Sales					
Electricity	KW	134,388	365	123,264	265

(Rupees in Thousand)

Schedule 19**Notes on Accounts****19. Information in accordance with the requirements of the Accounting Standard (AS) 7 on 'Construction Contracts' prescribed under the Act.**

	2009-2010	2008-2009
Contract revenue recognised for the year ended 31st March,2010	44,434,807	46,536,875
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to 31st March, 2010 for all the contracts in progress	101,395,486	71,056,939
The amount of customer advances outstanding for contracts in progress as at 31st March, 2010	5,806,921	7,733,190
The amount of retention due from customers for contracts in progress as at 31st March, 2010	3,005,440	2,381,704
Gross amount due from customers for contracts in progress [included in Work in Progress Rs.363,689 (2009 - Rs.299,518) and Sundry Debtors Rs.5,079,969 (2009 - Rs.4,440,402)]	5,456,125	4,739,920
Gross amount due to customers for contracts in progress [Net of Work in Progress Rs.2,121 (2009 - Rs.8,361)]	138,505	112,024
20. Dividend remitted in Foreign Currency		
Number of Non Resident Shareholders	4	4
Number of Shares held	365,500	365,500
Year for which Dividend Paid	2008-2009	2007-2008
Dividend remitted	731	731

21. Information relating to Micro and Small Enterprises (MSEs):

	2009-2010	2008-2009
I) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year		
Principal	6,448	11,666
Interest	4,225	691
II) The amount of interest paid by the buyer in terms of Section 16 to the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
Principal	35,582	40,149
Interest	Nil	Nil
III) The amount of interest accrued and remaining unpaid at the end of accounting year	2,022	1,513

(Rupees in Thousand)

Schedule 19**Notes on Accounts****21. Information relating to Micro and Small Enterprises (MSEs): (Contd.)**

	2009-2010	2008-2009
IV) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due on above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	1,198*	464*

* included in (III) above being interest on amount outstanding as at the beginning of the accounting year

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Company pursuant to amendment of Schedule VI to the Act vide Notification dated 16th November, 2007 issued by the Central Government.

22. Sundry Creditors include Rs.Nil (2009 - Rs.285) on account of outstanding installment dues under Finance Lease.

23. a) Other Expenses under Schedule 14 includes Rent Rs.503,417 (2009 - Rs.536,043), Equipment Hire Charges Rs.1,443,299 (2009 - Rs.1,271,687), Insurance Rs.3,092 (2009 - Rs.19,228), Staff Welfare Expenses Rs.57,099 (2009 - Rs.60,247), Repairs to Machinery Rs.161,604 (2009 - Rs.58,492) and Repairs Others Rs.20,209 (2009 - Rs.19,504).
- b) Expenses on Power and Fuel Rs.1,097,680 (2009 - Rs.1,176,605) included in Stores Consumed and Other Expenses under Schedule 14.
- c) Repairs and renewals under Schedule 14 comprises of Repairs to Machinery Rs.5,478 (2009 - Rs.8,339) and Repairs Others Rs.10,044 (2009 - Rs.12,424).
- d) Miscellaneous Expenses under Schedule 17 include Derivative loss of Rs.4,302 (2009 - Rs.60,244).

24. Particulars of Oil Drilling Rig (included in Plant and Machinery under Schedule 5) given to Jaybee Simplex Consortium on cancellable operating lease:

	2009-2010	2008-2009
Original Cost	417,732	417,732
Accumulated Depreciation	88,040	44,847
Depreciation charged during the year	43,193	43,193
Income from lease rent	60,000	60,000

25. Related Party Disclosures pursuant to Accounting Standard 18 prescribed under the Act.

Names of Related Parties	Relationship
a) Where control exists:	
Simplex Infrastructures L.L.C.	Subsidiary
Simplex (Middle-East) Limited *	- Do -
Simplex Infrastructures Libya Joint Venture Co. **	- Do -

Schedule 19

Notes on Accounts

25. Related Party Disclosures pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)

Names of Related Parties	Relationship
b) Others with whom transactions were carried out during the year etc:	
Simplex – Gayatri Consortium	Joint Venture
HO-HUP Simplex Joint Venture	- Do -
Simplex - Subhash Joint Venture	- Do -
Somdatt Builders - Simplex Joint Venture	- Do -
Simplex Almoayyed W.L.L.	- Do -
Simplex - Somdatt Builders Joint Venture	- Do -
Laing - Simplex Joint Venture	- Do -
Simplex Meinhardt Joint Venture	- Do -
Jaybee Simplex Consortium	- Do -
Simplex Infrastructures (Thailand) Limited #	- Do -
Giriraj Apartments Pvt Ltd	Parties where significant influence exists
Mundhra Estate	- Do -
Safe Builders	- Do -
RBS Credit & Financial Development Private Limited	- Do -
Anupriya Consultants Private Limited	- Do -
Baba Basuki Distributors Private Limited	- Do -
Asnew Finance & Investment Private Limited	- Do -
Parop Finance & Investment Private Limited	- Do -
Anjali Trade Links Private Limited	- Do -
Universal Earth Engineering Consultancy Private Limited	- Do -
Varuna Multifin Pvt. Ltd.	- Do -
East End Trading & Engineering Co. Pvt. Ltd.	- Do -
Agashi Commercial Pvt. Ltd. (up to 23 July, 2009)	- Do -
Ajay Merchants Pvt. Ltd.	- Do -
Sandeepan Exports (P) Ltd.	- Do -
Simplex Technologies Pvt. Ltd	- Do -
Mr. B.D.Mundhra	Key Management personnel
Mr. A.D.Mundhra	- Do -
Mr. Apurba Mukherjee	- Do -
Mr. Rajiv Mundhra	- Do -
Mr. S.Dutta	- Do -
Mrs. Krishna Devi Mundhra	Relatives of Key Management personnel
Mrs. Yamuna Mundhra	- Do -
Mrs. Savita Bagri	- Do -
Mrs. Sarmistha Dutta	- Do -
Mr. Subhabrata Dutta	- Do -
Mr. Sumit Dutta	- Do -

* with effect from 08 May,2009

** with effect from 24 July,2009

with effect from 24 November,2009

(Rupees in Thousand)

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Notes on Accounts

25. Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)

25. Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)

Name and Relationship	Dividend Paid	Gross Billing on Contract	Sale of Fixed Assets/Tools	Dividend Income	Advance Taken / (Repaid)	Advance Given / (Refund)	Transactions during the year					Balance outstanding at the year end													
							Hire Charges	Rent Paid / Hire Charges	Hire Charges Received / Receivable	Managerial Remuneration	Reimbursement / (Recovery) of Expenses (Net)	Advance from Clients	Share of Income from Joint Venture	Investment made during the year	Sundry Debtors	Other Current Assets	Loans & Advances	Current Liabilities	Investment	Guarantees Given					
Subsidiary Company																									
Simplex Infrastructures L.L.C.	-	-	20,620	-	-	-	-	10,574	-	-	-	-	-	-	-	-	3,513	-	13,511	-	606,613				
Simplex Middle East Limited	-	-	-	-	-	162	-	-	-	-	-	-	2,018	-	-	-	162	-	13,511	-	-				
Simplex Infrastructures Libya Joint Venture Co.	-	-	110,619	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total	-	-	131,239	-	-	162	-	10,574	-	-	-	-	40,706	106,548	-	-	39,728	-	54,217	-	1,246,231				
Parties where significant influence exists																									
Giriraj Apartments Pvt Ltd	181	-	-	-	-	-	207	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Mundhra Estate	-	-	-	-	-	-	302	-	-	-	-	-	-	-	-	-	75	-	-	-	-				
Safe Builders	-	-	-	-	-	-	292	-	-	-	-	-	-	-	-	-	75	-	-	-	-				
RBS Credit & Financial Development Private Limited	-	-	-	-	-	-	180	-	-	-	-	-	-	-	-	-	70	-	-	-	-				
Anupriya Consultants Private Limited	8,995	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Baba Basuki Distributors Private Limited	14,180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Asnew Finance & Investment Private Ltd	3,942	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Asnew Finance & Investment Private Ltd	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Anjali Trade Links Private Limited	563	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Universal Earth Engineering Consultancy Private Limited	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Varuna Multifin Pvt Ltd	236	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
East End Trading & Engineering Co Pvt Ltd	339	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Agashi Commercial Pvt Ltd	2,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Ajay Merchants Pvt Ltd	137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Sandeepan Exports (P) Ltd	83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Parop Finance & Investment Private Limited	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Simplex Technologies Pvt Ltd	299	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total	34,824	-	-	-	-	-	689	-	-	-	-	-	-	-	-	-	61	-	-	-	-				
Key Management Personnel																									
Mr. B.D. Mundhra	5,590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145	61	-	-	-				
Mr. A.D. Mundhra	3,923	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145	61	-	-	-				
Mr. Rajiv Mundhra	3,608	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Mr. Apurba Mukherjee	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Mr. S.Dutta	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total	13,123	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				

Figures in Italics pertain to previous year

Figures in Italics pertain to previous year

Schedule 19
Notes on Accounts

25. Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)

Name and Relationship	Transactions during the year										Balances outstanding at the year end								
	Dividend Paid	Gross Billing on Contract	Sale of Fixed Assets/ Tools	Dividend Income	Advance taken / (Repaid)	Advance Given / (Refund)	Rent Paid / Hire Charges	Hire Charges Received / Receivable	Managerial Remuneration	Reimbursement/ (Recovery) of Expenses (Net)	Advance from Clients	Share of Income from Joint Venture	Investment made during the year	Sundry Debtors	Other Current Assets	Loans & Advances	Current Liabilities	Investment	Guarantees Given
Relatives of Key Management Personnel																			
Mrs. Yamuna Mundhra	4,587	-	-	-	-	-	96	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Krishna Devi Mundhra	420	-	-	-	-	-	96	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Savita Bagri	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Subhabrata Dutta	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Sarmishta Dutta	-	-	-	-	-	-	204	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Sarmishta Dutta	-	-	-	-	-	-	204	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Sumit Dutta	-	-	-	-	-	-	152	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,011	-	-	-	-	-	708	-	-	-	-	-	-	-	-	-	-	-	-
5,011	-	-	-	-	-	-	552	-	-	-	-	-	-	-	-	-	-	-	-
Joint Venture																			
Simplex-Gayatri Consortium	-	-	-	-	-	-	-	-	-	20	-	766	-	95,000	-	100	192	14,548	-
HO-HUP Simplex Joint Venture	-	-	-	-	-	-	-	-	-	-	-	13,782	-	104,460	-	100	212	13,782	81,135
Simplex-Subhash Joint Venture	-	-	-	-	-	-	-	-	-	-	-	(28,600)	-	163,452	-	7,543	-	-	375,336
Somdatt Builders - Simplex Joint Venture	-	553,048	-	-	(6,954)	-	-	-	-	5	-	4,957	-	168,768	-	36,143	-	-	505,220
Simplex-Somdatt Builders Joint Venture	-	805,355	-	-	(204,350)	-	-	-	-	-	180,676	1,146	-	353,418	-	32,290	6,954	19,612	262,003
Simplex Almoayyed W.L.L.	-	1,060,106	-	-	(138,272)	-	-	-	-	-	253,270	6,080	-	202,332	-	32,290	10,292	93,381	505,487
Jaybee Simplex Consortium	-	2,052,473	-	7,989	(305,681)	(3,513)	-	-	-	-	-	54,221	-	422,343	-	-	148,563	87,301	541,771
Simplex Meinhardt Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,317	-	28,742	-
Laing - Simplex Joint Venture	-	-	-	-	-	-	-	60,000	-	9,356	1,952	1,952	-	7	-	90,488	-	7,541	50,364
Simplex Infrastructures (Thailand) Limited	-	65,210	-	-	-	-	-	60,000	-	25,584	5,589	5,589	-	29,844	-	63,806	-	5,589	50,364
Total	-	82,610	-	-	-	-	-	-	-	-	-	212	-	65,909	-	1,013	-	706	89,760
Grand Total	-	1,464,747	-	-	(59,887)	-	-	-	-	-	-	413	-	50,879	-	3,668	-	493	89,760
50,333	-	4,405,185	-	-	(191,330)	-	-	-	-	-	99,887	9,330	-	305,365	-	-	-	20,136	273,200
52,958	-	4,405,185	-	-	-	-	-	-	-	-	-	-	-	365,697	-	-	59,887	13,995	293,200
50,333	-	4,405,185	-	-	-	-	-	-	-	1,952	-	-	1,390	-	-	1,952	-	1,390	-
52,958	-	4,405,185	-	7,989	(205,113)	(3,513)	-	60,000	-	11,328	-	(7,346)	1,390	1,185,483	-	133,877	10,484	195,329	1,556,150
50,333	-	4,405,185	-	7,989	(205,113)	(3,513)	-	60,000	-	25,589	533,833	89,687	42,096	1,479,791	-	140,815	12,184	180,084	1,791,453
52,958	-	4,405,185	-	7,989	(205,113)	(3,513)	1,397	70,574	27,294	11,328	-	(7,346)	42,096	1,292,031	145	173,666	12,184	249,546	2,802,381
50,333	-	4,405,185	-	-	(701,361)	-	1,231	60,000	24,597	25,589	533,833	89,687	-	1,479,791	145	140,876	217,188	1,93,595	1,791,453

Figures in italics pertain to previous year

(Rupees in Thousand)

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Notes on Accounts

26.1 Disclosure in respect of Joint Ventures :

Sr.No	Name of Joint Venture	Description of Interest	Proportion of Ownership	Country of Incorporation/ Residence
1	HO-HUP - Simplex Joint Venture	Jointly Controlled Entity	*50% *50%	India
2	Simplex - Gayatri Consortium	Jointly Controlled Entity	70% 70%	India
3	Simplex - Subhash Joint Venture	Jointly Controlled Entity	50% 50%	India
4	Somdatt Builders-Simplex Joint Venture	Jointly Controlled Entity	*50% *50%	India
5	Simplex-Somdatt Builders Joint Venture	Jointly Controlled Entity	*50% *50%	India
6	Simplex Meinhardt Joint Venture	Jointly Controlled Entity	*50% *50%	India
7	Simplex - Laing Joint Venture	Jointly Controlled Entity	*49% *49%	India
8	Jaybee Simplex Consortium	Jointly Controlled Entity	66.67% 66.67%	India
9	Simplex - Almoayyed W.L.L.	Jointly Controlled Entity	49% 49%	Kingdom of Bahrain
10	Simplex Infrastructures (Thailand) Limited	Jointly Controlled Entity	48.995% -	Thailand

* The above proportion of ownership interest of the Venture's has been modified, inter se, based on the revised scope of work of the individual venturer in terms of the relevant clauses of the Joint Venture Agreement, Supplementaries thereof and Working Agreement etc., and with a stipulation to pay a guaranteed profit to the venturers in appropriate cases.

26.2 Financial interest in Jointly Controlled Entities as at 31st March,2010:

(i) Association of Persons

Sr. No	Name of the Joint Ventures	Assets	Liabilities	Income	Expenses	Tax
1	HO-HUP - Simplex Joint Venture	182,315 -	210,915 -	2,823,599 -	2,852,199 -	- -
2	Simplex - Gayatri Consortium	91,814 97,849	77,266 84,067	1,108 806,166	- 792,384	342 -
3	Simplex - Subhash Joint Venture	28,477 18,486	19,204 6,769	99,719 -	92,512 43	2,250 -
4	Somdatt Builders-Simplex Joint Venture	415,184 405,809	395,572 387,344	287,069 406,517	282,847 400,121	3,076 -
5	Simplex-Somdatt Builders Joint Venture	311,248 671,679	217,867 584,378	611,125 1,544,918	597,400 1,490,697	7,645 -
6	Simplex Meinhardt Joint Venture	68,417 55,766	67,711 55,272	11,204 14,194	10,897 13,781	95 -

Figures in italics pertain to previous year

(Rupees in Thousand)

Schedule 19

Notes on Accounts

26.2 Financial interest in Jointly Controlled Entities as at 31st March,2010 (Contd.):

(i) Association of Persons (Contd.)

Sr. No	Name of the Joint Ventures	Assets	Liabilities	Income	Expenses	Tax
7	Laing - Simplex Joint Venture	334,824 447,849	314,688 433,854	699,251 1,510,048	689,479 1,494,313	3,631 6,406
8	Jaybee Simplex Consortium	78,305 79,691	70,764 74,102	118,337 177,933	115,434 169,115	951 3,229
	Total	1,510,584 1,777,129	1,373,987 1,625,786	4,651,412 4,459,776	4,640,768 4,360,454	17,990 9,635
	Share of Net Assets / Profit/(Loss) after Tax	* 136,597 151,343		(7,346) 89,687		

* Net of amount due to HO-HUP Simplex Joint Venture Rs.28,600 on account of the Company's share of loss for the year of the said Joint Venture.

Figures in italics pertain to previous year

(ii) Limited Liability Company

Sr. No	Name of the Joint Ventures	Assets	Liabilities	Income	Expenses	Tax
1	Simplex Almoayyed W.L.L. (Unaudited)	122,499 189,908	56,385 115,248	102,688 133,040	94,542 124,678	- -
2	Simplex Infrastructures (Thailand) Limited	1,094 -	1,486 -	- -	(1,779) -	- -

Figures in italics pertain to previous year

(iii) Share in Contingent Liabilities of Joint Ventures for which the Company is contingently liable Rs.17,040 (2009 - Rs.17,040).

(iv) There was no capital commitments at the year-end as per accounts of Joint Ventures.

27. Computation of Earning Per Share (Basic and Diluted)

	2009-2010	2008-2009
(I) Basic		
a) i) Number of Equity Shares at the beginning of the year	49,472,330	49,472,330
ii) Number of Equity Shares at the end of the year	49,472,330	49,472,330
iii) Weighted average number of Equity Shares outstanding during the year	49,472,330	49,472,330
iv) Face Value of each Equity Share (In Rs.)	2/-	2/-
b) Profit after tax attributable to Equity Shareholders		
Profit after Taxation	Rs. 1,225,973	Rs. 1,208,030
Basic Earning per Share [(b)/(a)(iii)] (In Rs.)	24.78	24.42
(II) Diluted		
a) i) Number of Potential Equity Shares at the beginning of the year	5,300,000	5,300,000
ii) Number of Potential Equity Shares at the end of the year	-	5,300,000

(Rupees in Thousand)

Schedule 19

Notes on Accounts

27. Computation of Earning Per Share (Basic and Diluted) (Contd.)

	2009-2010	2008-2009
iii) Dilutive Potential Equity Shares at the end of the year determined after taking into consideration the fair value and the issue price per share (Note)	-	-
iv) Weighted Average number of Dilutive Potential Equity Shares outstanding during the year	-	-
v) Weighted Average number of Equity Shares considered for computation of Diluted Earnings per share [I(a)(iii) + II(a)(iv)]	49,472,330	49,472,330
b) Diluted Earnings per Share [I(b)/II(a)(v)] (In Rs.)	24.78	24.42

Note : In view of the average market price (fair value) of Equity Shares of the Company relevant for the current year being less than the applicable conversion price, the conversion options embedded in Equity Share Warrants is considered as anti-dilutive and accordingly has not been taken into account for computation of diluted earnings per share. Also refer Note 10 above.

28. Work in Progress include Salaries and Wages (including payment to sub-contractors) Rs.50,266 (2009 - Rs.29,009) and rent Rs. 2,936 ; (2009 - Rs.1,335)

29. Auditors' Remuneration paid / payable for the year

	2009-2010	2008-2009
As Auditors		
Miscellaneous Expenses include:		
Audit Fee	6,000*	6,000*
Certificates etc.	3,320	1,820
Service Tax	969	717
Reimbursement of Expenses	92	54

* including consolidated accounts

30. Segment information for the year ended 31st March, 2010

The Company considers business segment as primary segment for disclosure of segment information. Business segments have been identified as Construction business and Others which includes income from wind mill and hire of plant and equipment including oil drilling rig.

	Construction	Others	Total of Reportable Segment
External Sales	44,425,509 46,626,562	1,952 -	44,427,461 46,626,562
Inter Segment Sales	- -	- -	- -
Other Income	139,441 386,349	60,365 60,265	199,806 446,614
Segment Revenue	44,564,950 47,012,911	62,317 60,265	44,627,267 47,073,176

Schedule 19

(Rupees in Thousand)

Notes on Accounts

30. Segment information for the year ended 31st March, 2010 (contd.)

	Construction	Others	Total of Reportable Segment
Segment Result (PBIT)	3,229,895 <i>3,195,938</i>	16,015 <i>12,512</i>	3,245,910 <i>3,208,450</i>
Segment Assets	39,760,476 <i>37,824,591</i>	427,918 <i>472,291</i>	40,188,394 <i>38,296,882</i>
Segment Liabilities	16,655,212 <i>17,104,528</i>	- <i>3,587</i>	16,655,212 <i>17,108,115</i>
Capital Expenditure	1,105,992 <i>4,304,884</i>	- <i>-</i>	1,105,992 <i>4,304,884</i>
Depreciation	845,136 <i>726,926</i>	43,193 <i>43,193</i>	888,329 <i>770,119</i>
Non cash expenses other than depreciation	918,535 <i>796,331</i>	- <i>-</i>	918,535 <i>796,331</i>

Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit	Assets	Liabilities *
Total of Reportable Segment	44,627,267 <i>47,073,176</i>	3,245,910 <i>3,208,450</i>	40,188,394 <i>38,296,882</i>	16,655,212 <i>17,108,115</i>
Corporate - Unallocated (net)	26,348 <i>488</i>	(223,347) <i>(105,192)</i>	550,718 <i>1,056,909</i>	14,387,299 <i>13,222,919</i>
Inter Segment Sales	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
Interest and Finance Charges (net)	- <i>-</i>	(1,112,088) <i>(1,417,910)</i>	- <i>-</i>	- <i>-</i>
Provision for Taxation - Current	- <i>-</i>	(380,000) <i>(255,000)</i>	- <i>-</i>	- <i>-</i>
Provision for Taxation - Fringe Benefit	- <i>-</i>	- <i>(15,000)</i>	- <i>-</i>	- <i>-</i>
Provision for Taxation - Deferred	- <i>-</i>	(304,502) <i>(207,318)</i>	- <i>-</i>	- <i>-</i>
As per Financial Statements	44,653,615 <i>47,073,664</i>	1,225,973 <i>1,208,030</i>	40,739,112 <i>39,353,791</i>	31,042,511 <i>30,331,034</i>

Figures in italics pertain to Previous Year.

* Excluding Shareholder's Fund.

Secondary Segment Reporting (by Geographical Segments)

	India	Other Asian Countries	Total
Revenues	33,830,206 <i>33,466,901</i>	10,797,061 <i>13,606,275</i>	44,627,267 <i>47,073,176</i>
Total Assets	32,548,655 <i>28,198,639</i>	7,639,739 <i>10,098,243</i>	40,188,394 <i>38,296,882</i>
Capital Expenditure	1,074,300 <i>2,244,897</i>	31,692 <i>2,059,987</i>	1,105,992 <i>4,304,884</i>

Figures in italics pertain to Previous Year.

Schedule 19

(Rupees in Thousand)

Notes on Accounts

31. Balances with Non-Scheduled Banks comprise of the following:

	Bank Balance as on 31st March, 2010	Bank Balance as on 31st March, 2009	Maximum Balance outstanding during the year	
			2009-2010	2008-2009
Current Accounts:-				
ICICI Bank - Colombo, Sri Lanka	4,297	5,867	6,661	30,191
Ahli Bank QSC - Doha, Qatar	4,694	118,432	280,025	306,409
Bank Muscat International BSC - Qatar	13,048	5,637	259,061	285,845
Bank Muscat - Oman	6,521	1,319	131,101	319,955
BNP Paribas - Qatar	1,257	1,838	62,520	1,884
Commercial Bank - Doha, Qatar	221	927	4,364	57,896
Commercial Bank - Ethiopia	4	-	457	-
Doha Bank - Doha, Qatar	329	5,291	262,980	340,465
Emirates Bank - Dubai	44,443	56,938	138,483	214,405
First Gulf Bank - Dubai	199	4,002	4,008	16,802
First Gulf Bank - Abudhabi	5,616	-	6,957	-
HSBC Bank Middle East Limited - Dubai	160	1,885	1,888	123,392
HSBC Bank Middle East Limited - Doha, Qatar	1,133	861	65,793	131,467
Bank of Ceylon - Sri Lanka	-	422	422	3,023
Mashreq Bank PSC - Doha , Qatar	920	220	51,050	116,851
Oman ARAB Bank - Oman	9	-	2,505	-
Qatar National Bank SAQ - Doha, Qatar	2,586	3,727	20,083	16,174
Qatar Islamic Bank - Doha, Qatar	73	-	615	-
Standard Chartered Bank - Doha, Qatar	4,181	27,594	140,126	177,293
Standard Chartered Bank - Dubai	46,603	80,224	115,659	135,516
Standard Chartered Bank - Manama, Bahrain	893	1,009	1,009	1,009
Saudi Arabia British Bank	6,002	-	6,002	-
	143,189	316,193		
Fixed Deposit Account				
Bank Muscat - Oman	582	-	582	-
	582	-		
Margin Money				
Standard Chartered Bank - Doha, Qatar	-	1,249	1,249	1,249
Total	143,771	317,442		

32. Research and Development Expenditure (as allocated by the Management)

	2009-2010	2008-2009
Revenue	5,050	4,177
Capital	-	-

(Rupees in Thousand)

Schedule 19

Notes on Accounts

33. Particulars and movements of Current Investments

In Mutual Funds	Face value	Opening Balance		Purchase including Dividend Reinvested during the year		Redemption/Sale during the year		Closing Balance	
	Rs.	Unit	Value	Unit	Value	Unit	Value	Unit	Value
LO72SD SBI Premier Liquid Fund	10	-	-	-	-	-	-	-	-
JM High Liquidity Fund	10	7,408	74	272	3	7,680	77	-	-
Tata Liquid Super	1,000	-	-	-	-	-	-	-	-
Kotak Floater Short Term	10	4,703	47	184	2	4,887	49	-	-
DSP Merrill Lynch Liquidity Scheme	1,000	-	-	-	-	-	-	-	-
HDFC Cash Management Scheme	10	41	46	2	2	43	48	-	-
Birla Cash Plus	10	-	-	-	-	-	-	-	-
32IPD ICICI Prudential Liquid Plan	10	4,510	45	181	2	4,691	47	-	-
32ISD ICICI Prudential Institutional Liquid Plan	10	-	-	-	-	-	-	-	-
32IND ICICI Prudential Institutional Liquid Plan	10	61,389	616	2,536	25	63,925	641	-	-
	10	-	-	-	-	-	-	-	-
	10	7,040	71	281	3	7,321	74	-	-
	10	-	-	-	-	-	-	-	-
	10	-	-	8,506,195	85,066	8,506,195	85,066	-	-
	10	-	-	-	-	-	-	-	-
	10	-	-	5,092,450	60,346	5,092,450	60,346	-	-
		-	-	-	-	-	-	-	-
		107,729	1,210	13,602,986	145,461	13,710,715	146,671	-	-

Figures in italics pertain to previous year

34. Previous year's figures are rearranged / regrouped, where necessary, to make the same comparable with the current year's figures.

Signatures to Schedules 1 to 19

For Price Waterhouse

Firm Registration Number : 301112E

Chartered Accountants

(P. Law)

Partner

Membership Number : 51790

Kolkata, 30th May, 2010

B.L.Bajoria

Secretary

B.D.Mundhra

Chairman & Managing Director

S.Dutta

Director

(Rupees in Thousand)

	2009 – 2010		2008 – 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax		1,910,475		1,685,348
Adjustments for:				
Depreciation	890,075		771,865	
Interest (Net)	901,844		1,154,346	
(Gain) / Loss on sale of Fixed Assets	3,206		(740)	
Bad Debts/Advances written off (Net of Provision written back)	265,227		259,498	
Provision for Doubtful Debts / Advances	6,693		4,550	
Amortisation of Tools	643,489		527,438	
Fixed Assets Written off	3,126		4,845	
Liability no longer required written back	(7,497)		(10,592)	
Wealth Tax	717		570	
Provision for Derivative Loss	4,302		-	
Dividend from Current Investments	-		(461)	
Dividend from Long Term Investments	(8,059)		(26)	
Forward Premium Amortised	16,669		10,396	
Exchange (Gain)/ Loss (Net)	(17,706)		(52,806)	
Effect of Changes in Foreign Exchange Translation	(40,496)	2,661,590	182,771	2,851,654
Operating Profit before Working Capital Changes		4,572,065		4,537,002
Adjustments for:				
Trade and Other Receivables	(2,549,159)		(5,570,138)	
Inventories	(621,824)		(2,420,839)	
Trade Payables	163,694	(3,007,289)	4,334,195	(3,656,782)
Cash generated from operations		1,564,776		880,220
Direct Taxes (including Fringe Benefit Tax) paid		(458,264)		(276,991)
Net Cash from Operating Activities		1,106,512		603,229
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(1,169,380)		(4,270,952)	
Sale of Fixed Assets	34,898		244,291	
Purchase of Investment	(20,500)		(145,000)	
Sale of Investment	100		146,671	
Investment in Joint Ventures	(15,244)		(89,687)	
Investment in Subsidiary Company	(40,706)		(13,511)	
Dividend Received	8,059		26	
Interest Received	85,939		63,410	
Intercompany Loans - (Given) / Recovered	2,150		(54,500)	
Net Cash used in Investing Activities		(1,114,684)		(4,119,252)
Carried Forward		(8,172)		(3,516,023)

Cash Flow Statement for the year ended 31st March, 2010 (Contd.)

Balance Sheet Abstract and Company’s Business Profile

(Rupees in Thousand)

	2009 – 10		2008 – 2009	
Brought Forward		(8,172)		(3,516,023)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Long term borrowings - Receipts / (Payments) (Net)	(1,495,927)		2,353,324	
Short term borrowings - Receipts / (Payments) (Net)	2,549,090		2,084,727	
Interest Paid	(1,028,086)		(1,181,821)	
Dividend Paid [including Dividend Tax Rs.16,816 (2009 - Rs.16,816)]	(115,537)		(115,538)	
Net Cash from / (used in) Financing Activities		(90,460)		3,140,692
Net Increase/(Decrease) in Cash and Cash Equivalents		(98,632)		(375,331)
D. Effects of Foreign Exchange Differences on Cash and Cash Equivalents		(30,724)		145,442
		(129,356)		(229,889)
Cash and Cash Equivalents as at 31st March, 2009 (Refer Schedule 9 to Accounts)	1,002,093		1,231,982	
Cash and Cash Equivalents as at 31st March, 2010 (Refer Schedule 9 to Accounts)	872,737	(129,356)	1,002,093	(229,889)

- Notes :
- 1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements prescribed under the Companies Act,1956.
 - 2. Schedule referred to above forms an integral part of the Cash Flow Statement.
 - 3. The above Cash Flow Statement does not include Purchase of Fixed Assets amounting to Rs.20,846 (2009 - Nil) during the year by way of conversion of Trade and Other Receivables being a non cash item.
 - 4. Previous year's figures are regrouped/rearranged where ever necessary to make the same comparable with the current year's figures.

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

(P. Law)	B.L.Bajoria	B.D.Mundhra	S.Dutta
Partner	Secretary	Chairman & Managing Director	Director
Membership Number: 51790			
Kolkata, 30th May, 2010			

Information pursuant to part IV of Schedule VI to the Companies Act,1956.

1.Registration Details : Registration No.	4969	State Code: 21
	Date Month Year	
Balance Sheet Date	310310	
2.Capital Raised during the year (Amount in Rs. Thousands)		
Public Issue (out of calls in arrear)	Nil	Shares out of conversion of Debentures issued on right basis Nil
Bonus Issue	Nil	Private Placement Nil
3.Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
Total Liabilities (Including Shareholders' Fund)	40739112	Total Assets
Sources of Funds	Paid-up Capital 99331	Reserves and Surplus 9597270
	Secured Loans 9943891	Unsecured Loans 3080046
Application of Funds	Net Fixed Assets 9863539	Investments 277082
	Net Current Assets 13463191	Miscellaneous Expenditure Nil
	Accumulated Losses Nil	
4.Performance of the Company (Amount in Rs. Thousands)		
Turnover (Including Other Income, and Company's share in profit in Joint Venture.)	44653615	Total Expenditure 42743140
+ / - Profit / Loss before Tax	+1910475	+ / - Profit / Loss after Tax +1225973
Earnings per Share in Rs.	24.78	Dividend Rate % 100
Basic	24.78	
Diluted	24.78	
5.Generic Names of Three Principal Products / Services of Company (as per monetary terms)		
Item Code no. (ITC CODE)	Nil	Product description Piling
Item Code no. (ITC CODE)	Nil	Product description Concrete Works
Item Code no. (ITC CODE)	Nil	Product description Structural Steel
Item Code no. (ITC CODE)	Nil	Product description Road Work
Item Code no. (ITC CODE)	Nil	Product description Miscellaneous Works

B.L.Bajoria	B.D.Mundhra	S. Dutta
Secretary	Chairman & Managing Director	Director

Auditors' Report

Auditors' Report on
the Consolidated Financial
Statements of Simplex
Infrastructures LimitedThe Board of Directors of
Simplex Infrastructures Limited

1. We have audited the attached consolidated Balance Sheet of Simplex Infrastructures Limited (the "Company") and its subsidiaries and its jointly controlled entities; hereinafter referred to as the "Group" [refer Note 2 (a) on Schedule 18 to the attached consolidated financial statements] as at 31st March, 2010, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of three subsidiaries and eight jointly controlled entities included in the consolidated financial statements, which constitute total assets of Rs1,963,562 thousand and net assets of Rs 1,541,311 thousand as at 31 March 2010, total revenue of Rs. 2,660,458 thousand, net profit of Rs 85,926 thousand and net cash flows amounting to Rs 34,816 thousand for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements, except for our observation in paragraph 5 (b) below have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and AS 27 - Financial Reporting of Interests in Joint Ventures notified under

sub-section (3C) of Section 211 of the Companies Act, 1956.

5. Attention is drawn to the following :-
 - (a) As indicated in Note 11 on Schedule 18 to the attached Consolidated Financial Statements, year-end exchange fluctuation loss of Rs. 60,972 thousand pertaining to a foreign currency loan has not been provided for which is required under AS 11 "The Effects of Changes in Foreign Exchange Rates" for reasons given by the Management in the said Note. Had this item been accounted for, both the profit for the year and the year-end net worth would have been lower by Rs. 60,972 thousand.
 - (b) Note 2 (b) on Schedule 18 to the attached consolidated financial statements regarding a Joint Venture whose financial statements audited by other auditors reflect total assets of Rs. 182,315 thousand as at 31st March, 2010 and total revenues of Rs. 2,938,743 thousand and cash outflows of Rs. 4,991 thousand for the year ended on that date, which have not been considered in preparation of consolidated financial statements for reasons indicated in the said Note.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements subject to our observations in paragraphs 5 (a) and 5 (b) above, give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - (b) in the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

P. Law
Partner
Membership Number: 51790

Kolkata
30th May 2010

Consolidated Balance Sheet of Simplex Infrastructures Limited and its Subsidiaries
as at 31st March, 2010

(Rupees in Thousand)					
	Schedule Reference	31st March, 2010		31st March, 2009	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	99,331		99,331	
Equity Share Warrant (Note 12 on Schedule 18)		-		212,530	
Reserves and Surplus	2	9,681,186	9,780,517	8,776,505	9,088,366
Minority Interest			49,686		14,229
Loan Funds					
Secured Loans	3	9,943,891		7,692,650	
Unsecured Loans	4	3,080,046	13,023,937	4,512,034	12,204,684
Deferred Tax Liability (Net) (Note 5 on Schedule 18)			883,820		578,767
TOTAL			23,737,960		21,886,046
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		12,771,361		12,194,119	
Less: Depreciation		2,890,240		2,083,492	
Net Block		9,881,121		10,110,627	
Capital Work in Progress		186,941	10,068,062	138,583	10,249,210
Investments	6		27,536		20,918
Current Assets, Loans and Advances					
Inventories	7	6,712,241		6,792,400	
Sundry Debtors	8	18,060,601		16,820,669	
Cash and Bank Balances	9	1,099,388		1,190,561	
Other Current Assets	10	1,397,438		1,273,010	
Loans and Advances	11	3,975,656		3,379,673	
		31,245,324		29,456,313	
Less: Current Liabilities and Provisions					
Liabilities	12	17,472,996		17,721,390	
Provisions	13	129,966		119,005	
		17,602,962		17,840,395	
Net Current Assets			13,642,362		11,615,918
TOTAL			23,737,960		21,886,046
Notes on Accounts	18				

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

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

(P. Law) Partner	B.L.Bajoria Secretary	B.D.Mundhra Chairman & Managing Director	S.Dutta Director
Membership Number: 51790 Kolkata, 30th May, 2010			

Consolidated Profit and Loss Account of Simplex Infrastructures Limited and its Subsidiaries
For the year ended 31st March, 2010

(Rupees in Thousand)					
	Schedule Reference	2009-2010		2008-2009	
INCOME					
Contract Turnover		45,524,664		46,960,657	
Less: Contract Expenses (other than related depreciation / amortisation)	14	39,081,447		41,101,919	
Profit on Contract Work done		6,443,217		5,858,738	
Other Operating Income (Note 20 of Schedule 18)		118,337		164,957	
Other Income	15	159,494	6,721,048	434,155	6,457,850
EXPENSES					
Interest and Finance Charges (Net)	16	1,122,004		1,419,931	
Amortisation of Tools		651,363		531,062	
Depreciation		921,475		789,151	
Other Administrative and Operating Expenses	17	2,020,595	4,715,437	1,985,878	4,726,022
PROFIT BEFORE TAX AND MINORITY INTEREST			2,005,611		1,731,828
PROVISION FOR TAXATION					
Current Tax			409,717		267,389
Fringe Benefit Tax			38		15,234
PROFIT BEFORE DEFERRED TAX AND MINORITY INTEREST			1,595,856		1,449,205
Deferred Tax			305,053		207,313
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST			1,290,803		1,241,892
Minority Interest			19,333		7,650
PROFIT AFTER TAX AND MINORITY INTEREST			1,271,470		1,234,242
Balance Brought Forward from Previous Year			2,522,208		1,903,727
AMOUNT AVAILABLE FOR APPROPRIATIONS			3,793,678		3,137,969
APPROPRIATIONS					
Transfer to General Reserve			150,000		150,000
Transfer to Contingency Reserve			-		350,000
Proposed Dividend		98,945		98,945	
Tax thereon		16,433	115,378	16,816	115,761
			265,378		615,761
Year-end Surplus			3,528,300		2,522,208
			3,793,678		3,137,969
Basic Earning per Equity Share of Rs.2/- each (In Rs.)			25.70		24.95
Diluted Earning per Equity Share of Rs.2/- each (In Rs.) (Note 16 on Schedule 18)			25.70		24.95
Notes on Accounts	18				

This is the Consolidated Profit and Loss Account referred to in our report of even date.

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

(P. Law) Partner	B.L.Bajoria Secretary	B.D.Mundhra Chairman & Managing Director	S.Dutta Director
Membership Number: 51790 Kolkata, 30th May, 2010			

(Rupees in Thousand)				
	31st March, 2010		31st March, 2009	
Schedule 1				
SHARE CAPITAL				
Authorised				
374,900,000 Equity Shares of Rs. 2/- each		749,800		749,800
20,000 15% Cumulative Preference Shares of Rs.10/- each		200		200
		750,000		750,000
Issued and Subscribed and Paid-up				
49,472,330 Equity Shares of Rs. 2/- fully paid up	98,945		98,945	
Add: Equity shares forfeited in earlier years	386	99,331	386	99,331
		99,331		99,331
Schedule 2				
RESERVES AND SURPLUS				
Capital Reserve				
As per last Account	3,245		3,245	
Add: Addition during the year (Note 12 on Schedule 18)	212,530	215,775	-	3,245
Capital Redemption Reserve		104		104
Securities Premium Account		4,942,125		4,942,125
General Reserve				
As per last Account	645,515		495,515	
Add: Transfer from Profit and Loss Account	150,000	795,515	150,000	645,515
Contingency Reserve				
As per last Account	350,000		-	
Add: Transfer from Profit and Loss Account	-	350,000	350,000	350,000
Foreign Currency Translation Reserve Account				
As per last Account	313,308		(99,508)	
Adjustment during the year	(463,941)	(150,633)	412,816	313,308
Profit and Loss Account Balance (Surplus)		3,528,300		2,522,208
		9,681,186		8,776,505

	(Rupees in Thousand)	
	31st March, 2010	31st March, 2009
Schedule 3		
SECURED LOANS		
Term Loans		
Financial Companies - Rupee Loan	881,879	787,350
Banks		
Rupee Loans	1,015,229	1,463,060
Foreign Currency Loans	1,144,949	2,403,672
Working Capital Loans from Banks		
Rupee Loans	5,628,065	1,919,116
Foreign Currency Loans	1,244,064	1,056,454
Vehicle Loans from Banks		
Rupee Loans	17,169	16,196
Foreign Currency Loans	1,267	38,733
Interest Accrued and Due on Working Capital Loans	11,269	8,069
	9,943,891	7,692,650
Schedule 4		
UNSECURED LOANS		
Term Loans From -		
Financial Companies - Rupee Loan (Short Term)	-	250,000
Banks		
Rupee Loans (Short Term)	2,300,000	3,224,669
Foreign Currency Loans (Short Term)	-	69,400
Commercial Paper	750,000	950,000
Intercompany Deposit	500	500
Temporary Overdraft from banks		
Rupee Account	28,500	15,597
Foreign Currency Account	758	1,519
Interest Accrued and Due on Inter Corporate Deposits	288	349
	3,080,046	4,512,034

Schedule 5
FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Original Cost as at 31st March, 2009	Additions during the Year	Disposal / Adjust-ments during the year [Note (d)]	Original Cost as at 31st March, 2010	As at 31st March, 2009	For the Year	On Assets Disposed/ Adjusted during the year [Note (e)]	As at 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
A. Tangible Assets										
Freehold Land	29,619	-	-	29,619	-	-	-	-	29,619	29,619
Leasehold Land	4,996	-	-	4,996	683	53	-	736	4,260	4,313
Building	139,192	20,846	-	160,038	16,096	2,311	-	18,407	141,631	123,096
Plant and Machinery	11,169,560	967,987	453,051	11,684,496	1,825,995	816,139	99,698	2,542,436	9,142,060	9,343,565
Furniture and Fittings	189,754	21,496	7,836	203,414	62,072	12,864	2,232	72,704	130,710	127,682
Motor Vehicles	405,809	44,029	42,601	407,237	70,478	41,134	10,584	101,028	306,209	335,331
Computer	191,443	17,004	3,682	204,765	92,807	26,209	1,968	117,048	87,717	98,636
Electrical Equipment	2,087	3,424	-	5511	254	329	-	583	4,928	1,833
<u>Assets Taken on Lease/ Hire Purchase Scheme</u>										
Motor Vehicles	646	-	646	-	209	36	245	-	-	437
	12,133,106	1,074,786	507,816	12,700,076	2,068,594	899,075	114,727	2,852,942	9,847,134	10,064,512
B. Intangible Assets										
Computer Software - Acquired	61,013	10,272	-	71,285	14,898	22,400	-	37,298	33,987	46,115
	61,013	10,272	-	71,285	14,898	22,400	-	37,298	33,987	46,115
Capital Work in Progress									186,941	138,583
Total	12,194,119	1,085,058	507,816	12,771,361	2,083,492	921,475	114,727	2,890,240	10,068,062	10,249,210
As at 31st March, 2009	7,641,606	4,450,992	(101,521)	12,194,119	1,282,558	789,151	(11,783)	2,083,492		

- Notes :-
- a) Certain Freehold /Leasehold land and buildings were revalued by an approved Valuer as at 31st December,2002 and 31st December,2003, (the aggregate Book Value Rs. 7,510 and Rs.22,978 respectively) but the resultant increase in the Net Book value on such revaluation Rs.46,981 and Rs.108,213 respectively have not been considered in the accounts.
- b) Buildings include Rs.854 being the original cost of a building erected on land taken on rental lease and depreciated over the period of lease. The building (original cost of Rs.236) erected on land belonging to the contractee who will take over the building at depreciated value in due course.
- c) The Original Cost as at 31st March,2010 of Plant and Machinery includes Rs.634 (2009 - Rs.634) for items acquired under Hire Purchase arrangements up to 31st March,2001 of which Rs.119 (2009 - Rs.119) was outstanding as at 31st March,2010.
- d) Inclusive of Rs.457,439 (2009 - net of Rs.444,190) on account of foreign exchange adjustment.
- e) Inclusive of Rs.78,192 (2009 - net of Rs.72,769) on account of foreign exchange adjustment.

(Rupees in Thousand)

	31st March, 2010		31st March, 2009	
Schedule 6				
INVESTMENTS				
[Note 1(d) on Schedule 18]				
LONG TERM				
Unquoted				
- Other than Trade				
5-Fully paid-up Ordinary Shares of Rs.50/- each in Mercantile Apartments Co-operative Housing Society Ltd., Mumbai - Face value Rs.250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs.50/- each in Pallavi Beach Angle Co-operative Housing Society Ltd., Mumbai - Face value Rs.250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs.50/- each in Borlo Co-operative Housing Society Ltd., Chembur, Mumbai - Face value Rs.250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs.50/- each in Saket Co-operative Housing Society Ltd., Mumbai - Face value Rs.250/-	-		-	
7 Year National Savings Certificates (Matured) (Lodged as Security Deposits)	2		2	
6 Year National Savings Certificates (Matured) (Lodged as Security Deposits)	34		134	
2,000,000 Equity Shares of Rs.10/- each of Electrosteel Integrated Limited - Fully paid up, (acquired during the year)	20,500	20,536	-	136
Quoted				
- Other than Trade				
20,000 Equity Shares of Rs.10/- each (Rs.5/- paid up) of M/s Parasrampuriah Synthetics Ltd. @	100		100	
4,700 Equity Shares of Rs.10/- each at a Premium of Rs.35/- each of Pennar Patterson Securities Ltd. - Fully Paid up	212		212	
17,500 Equity Shares of Rs.2/- each of Dalmia Cement (Bharat) Limited - Fully Paid up	7,000	7,312	7,000	7,312
Others		-		13,782
		27,848		21,230
Less: Provision for diminution in carrying amount of Investments		312		312
		27,536		20,918

- Notes :
- i) Year end Market Value of quoted Investments other than that marked @ for which year-end official quotation is not available.
- | | | |
|-------------------------|--------|--------|
| Equity Shares | 4,396 | 1,367 |
| ii) Aggregate amount of | | |
| Unquoted Investments | 20,536 | 13,918 |
| Quoted Investments | 7,312 | 7,312 |
| | 27,848 | 21,230 |

(Rupees in Thousand)

	31st March,2010	31st March,2009
Schedule 7		
INVENTORIES		
At lower of cost and estimated net realisable value		
Work-in-Progress (Net of Advance from clients Rs. 48,716; 2009 - Rs.99,311)	417,362	312,784
Materials at Sites	3,881,100	3,796,275
Materials in Transit	783	1,480
At or below cost		
Stores (including Tools Rs. 2,258,903; 2009 - Rs. 2,541,041)	2,412,996	2,681,861
[Note 1 (e) on Schedule 18]		
	6,712,241	6,792,400
Schedule 8		
SUNDRY DEBTORS, Unsecured		
Debts Outstanding for a period exceeding six months		
Considered Good	3,601,500	3,099,990
Considered Doubtful	19,497	18,218
Other Debts		
Considered Good (Note 10 on Schedule 18)	14,459,101	13,720,679
	18,080,098	16,838,887
Less: Provision for Doubtful Debts	19,497	18,218
	18,060,601	16,820,669
Schedule 9		
CASH AND BANK BALANCES		
Cash in hand and Remittance in transit	150,143	5,223
[Remittance in transit Rs. 144,876 (2009 - Rs. 2,954)]		
Balances with Scheduled Banks-		
Current Accounts	603,316	622,483
Unpaid Dividend Account	1,387	1,164
Term Deposit on Margin Account	8,966	11,175
Fixed Deposits (Lodged as Security Deposits Rs. 5 ; 2009 - Rs. 5)	5,548	149,657
Balances with Non-Scheduled Banks	330,028	400,859
	1,099,388	1,190,561

(Rupees in Thousand)

	31st March,2010	31st March,2009
Schedule 10		
OTHER CURRENT ASSETS, Unsecured		
Considered Good		
Interest Receivable	60,021	49,954
Excise Duty Recoverable	238,814	129,921
Accruals under Duty Free Credit Entitlement	308,533	360,001
Deposit for Contracts	218,669	142,949
Security Deposits	339,457	329,689
Deposit under Investment Deposit Scheme	1,513	1,513
Prepaid Expenses	217,964	258,983
Unbilled Revenue	12,467	-
Considered Doubtful		
Deposit for Contracts	538	165
Security Deposits	29	29
	1,398,005	1,273,204
Less: Provision for Doubtful Deposits	567	194
	1,397,438	1,273,010
Schedule 11		
LOANS AND ADVANCES, Unsecured		
Considered Good (unless stated otherwise below)		
Advances recoverable in cash or in kind or for value to be received [including Considered Doubtful Rs.27,700 (2009 - Rs.9,929)]	3,061,943	2,508,250
Inter Corporate Loans	579,000	581,150
Advance payment of Taxes (net of provision)		
Current Tax	359,537	299,319
Fringe Benefit Tax	2,876	883
	4,003,356	3,389,602
Less: Provision for Doubtful Advances	27,700	9,929
	3,975,656	3,379,673
Schedule 12		
CURRENT LIABILITIES		
Sundry Creditors	10,495,669	8,986,303
Other Liabilities	385,785	368,072
Advance from Clients	6,308,650	8,012,531
Billing in Excess of Revenue	154,220	183,612
Interest Accrued but not Due	126,086	168,180
Investor Education and Protection Fund shall be credited by the following amounts namely (Note below)		
a) Unpaid dividend	1,387	1,164
b) Unpaid matured deposit	776	1,034
c) Interest accrued on (b) above	423	494
	17,472,996	17,721,390

Note : None of above unclaimed amounts is due to be transferred to above fund at the Balance Sheet date.

(Rupees in Thousand)

	31st March, 2010		31st March, 2009	
Schedule 13				
PROVISIONS				
Provision for Current Taxes (Net of advance payment)		14,588		3,244
Proposed Dividend	98,945		98,945	
Tax thereon	16,433	115,378	16,816	115,761
		129,966		119,005

	2009 - 2010	2008 - 2009
Schedule 14		
CONTRACT EXPENSES		
Stores consumed	18,560,743	21,490,923
Salaries and Wages (including amount paid/payable to Sub-contractors)	14,722,973	14,133,387
Value Added Tax / Works Contract Tax	739,164	628,062
Repairs and Renewals	15,522	20,763
Other Expenses	5,043,045	4,828,784
	39,081,447	41,101,919

Schedule 15

OTHER INCOME		
Equipment Hire Charges	51,651	22,197
Liability no longer required written back	7,508	10,592
Accruals under Duty Free Credit Entitlement	50,000	260,918
Dividend from Long Term Investments - Other than Trade	70	26
Income from Wind Mill - Electricity	365	265
Dividend from Current Investments - Other than Trade	-	461
Profit on Sale of Fixed Assets	-	740
Duty Drawback	2,968	-
Exchange Gain (Net)	25,596	69,447
Sale of Scrap	16,035	22,204
Others	-	13,782
Miscellaneous Receipts	5,301	33,523
	159,494	434,155

(Rupees in Thousand)

	2009 - 2010		2008 - 2009	
Schedule 16				
INTEREST AND FINANCE CHARGES (NET)				
Interest				
Fixed Loans		568,378		871,120
Debentures		82,462		80,444
Others		346,467		296,700
		997,307		1,248,264
Less: Interest Received/Receivable				
On Loans and Deposits	51,258		76,729	
On Others	50,368	101,626	15,315	92,044
		895,681		1,156,220
Add: Finance Charges				
Bank Charges	67,737		98,140	
Guarantee Charges	158,586	226,323	165,571	263,711
		1,122,004		1,419,931

Schedule 17

OTHER ADMINISTRATIVE AND OPERATING EXPENSES ETC.				
Operating Expenses				
Stores Consumed	30,956		38,750	
Employees Cost	9,230		8,594	
Hire Charges of Plant / Equipment	3,028		25,968	
Other Expenses	23,667	66,881	55,762	129,074
Other Administrative Expenses				
Salaries and Bonus	774,665		714,461	
Staff Welfare Expenses	26,067		27,334	
Contribution to Provident and other Funds	77,717		102,896	
Rent	140,950		101,770	
Rates and Taxes (includes Wealth Tax Rs.717 ; 2009 - Rs.570)	13,189		8,414	
Repairs to Buildings	14,312		18,975	
Insurance	171,048		180,972	
Loss on sale of Fixed Assets	3,206		-	
Fixed Assets Written Off	3,126		4,845	
Expenses of Wind Mill	451		298	
Provision for Doubtful Debts / Advances	22,409		4,550	
Bad Debts / Advances written off (Net of Provision Written back Rs.1,830 ; 2009 - Rs.7,730)	265,227		259,577	
Company's Share in loss of Joint Venture [Note 2(b) on Schedule 18]	28,600		-	
Miscellaneous Expenses	412,747	1,953,714	432,712	1,856,804
		2,020,595		1,985,878

(Rupees in Thousand)

Schedule 18

Notes on Accounts

1. Significant Accounting Policies

a) FIXED ASSETS

Fixed Assets are stated at cost of acquisition and related expenditure. The cost of fixed assets acquired on finance lease is comprised of present value of minimum hire purchase / lease payments at the inception of lease and residual value of the related assets. The discounting factor considered in calculating the present value of the minimum hire purchase / lease payments is the rate of interest implicit in the lease.

b) DEPRECIATION

Depreciation is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act,1956, except as indicated below:

- i) Leasehold Land and Building on leasehold land are amortised over the period of lease.
- ii) Building on contractee's land is depreciated @ 5% on Straight Line Method.
- iii) Construction equipments included in Plant and Machinery are depreciated @ 12.5% and 20%.
- iv) In case of branches outside India, depreciation is provided on Plant and Machinery @ 10%.
- v) Computer Software are depreciated @ 33.33%.
- vi) In case of foreign Subsidiaries and foreign Joint Venture Companies depreciation is provided under "Straight Line Method" at the following rates which are different from those applied by the Parent Company:

Class of Assets	Straight Line Method
Plant and Machinery	10% - 20%
Furniture and Fittings	10% - 25%
Computer	10% - 20%
Motor Vehicles	25% - 33.33%

c) IMPAIRMENT LOSS

An Impairment loss is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the asset's net selling price and value in use.

d) INVESTMENTS

Long Term investments are stated at cost or under and dimunition in carrying amount, other than temporary, is written down / provided for. Current investments which are expected to be liquidated within one year are valued at lower of cost and fair value.

e) INVENTORIES

Inventories other than stores (including tools) are valued at lower of cost and net realisable value. Stores are valued at or below cost. The cost, in general, are determined under FIRST IN FIRST OUT method. In case of a Joint Venture in the Group, cost is determined under Weighted Average Method. Tools comprising various construction implements and tackles which are more of a type of equipment having short life are stated on the basis of their cost and are amortised based on effective future life determined on technical evaluation.

f) REVENUE

Revenue is recognised under percentage of completion method except as indicated in Note 2(b) below. The stage of completion is determined on the basis of completion of physical proportion of the contract work. Extra work and variation

(Rupees in Thousand)

Schedule 18

Notes on Accounts

in contract (as mutually agreed), to the extent that it is probable that they will result in revenue and can be reliably measured is also covered.

Revenue from service transactions is recognised when the service is performed on a time basis at rates mutually agreed with the customer.

Income from Plant and Machinery /Equipment on hire contract are recognised on accrual basis over the contract period. Dividend income on investments is accounted for when the right to receive the payment is established.

Interest income is recognised on an accrual basis.

g) SITE DEVELOPMENT AND INITIAL EXPENSES

Site development including initial expenses (shown in Work-in-Progress) thereon is charged off proportionately within the stipulated period of contract from the date of revenue recognition.

h) BORROWING COST

Borrowing cost attributable to the acquisition of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.

i) CLAIMS AND COUNTER CLAIMS

Claims and counter claims (related to customers), including those under arbitration, are accounted for on their final disposal. Other contract related claims are recognised when there is reasonable certainty as to their recoverability.

j) TRANSACTION IN FOREIGN CURRENCIES

Transaction in respect of Foreign Currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions. Exchange differences arising on settlement of transactions and/ or restatements are dealt with in the Profit and Loss Account.

In respect of Forward Exchange Contracts with underlying transaction, the premium or discount arising at the inception of such contract is amortised as expenses or income over the life of contract.

In respect of the financial statements of foreign branches (having been treated as non-integral operations) the assets and liabilities, both monetary and non-monetary, are translated at the closing rate and income and expense items are translated at the average rate for the period. The resultant exchange differences are accumulated in Foreign Currency Translation Reserve Account.

k) EMPLOYEE BENEFITS

a) Short term Employee Benefits:

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

b) Post Employment Benefit Plans :

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the

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Notes on Accounts

present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of any economic benefit available in the form of refunds from the plan or reductions in future contributions to the plan.

c) Other Long-term Employment Benefits (unfunded):

The Cost of providing long term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Profit and Loss Account for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

l) TAXATION

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisability thereof.

m) RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure on Research and Development (R & D) is charged in the year in which it is incurred. Fixed assets for R & D are capitalised.

n) PROVISION AND CONTINGENT LIABILITIES

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

o) CONSOLIDATION

i) (a) Consolidated Financial Statements relate to Simplex Infrastructures Limited ("SIMPLEX" or "the Parent Company") and its subsidiaries and jointly controlled entities (i.e. Joint Ventures). The Consolidated Financial Statements are in conformity with the Accounting Standards (AS) -21 on Consolidated Financial Statements, prescribed under the Companies Act, 1956 of India (the 'Act') and are prepared as set out below:

The Financial Statements of the Parent Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after adjustments / eliminations of inter-company balances and transactions including unrealised profits on assets etc.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respects and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

Minority interest in the Consolidated Financial Statements is identified and recognised after taking into consideration :

= The amount of equity attributable to minorities at the date on which investment in a subsidiary is made.

(Rupees in Thousand)

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= The minorities' share of movement in equity since the date parent - subsidiary relationship came into existence.
= Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.

(b) The translation of the functional currencies into Indian Rupees (reporting currency) is performed for assets and liabilities of foreign subsidiaries and joint ventures using the closing exchange rates at the balance sheet date, for revenues, costs and expenses using average exchange rates prevailing during the year. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Currency Translation Reserve Account) by the Parent Company until the disposal of investment.

ii) Investments in Joint Ventures which are in the nature of jointly controlled entities [other than that indicated in Note 2(b) below], have been consolidated by using the proportionate consolidation method, as per the Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures" prescribed under the Act, wherein intra-group balances and intra-group transactions are eliminated to the extent of 'SIMPLEX's share in the Joint Ventures.

2. (a) The Consolidated Financial Statements comprise the financial statements of the Parent Company, its subsidiaries and joint ventures (collectively the 'Group') as detailed below:-

Name of the Entity	Country of Incorporation / Residence	Proportion of Ownership Interest	
		As at 31st March, 2010	As at 31st March, 2009
i) Subsidiaries			
Simplex Infrastructures L.L.C.	Sultanate of Oman	70%	70%
Simplex (Middle East) Limited	United Arab Emirates	100% **	-
Simplex Infrastructures Libya Joint Venture Co.	Libya	65% #	-
ii) Joint Ventures			
Domestic :			
Simplex - Subhash Joint Venture (SSJV)	India	50%	50%
Somdatt Builders - Simplex Joint Venture (SBSJV)	India	50% *	50% *
Simplex - Somdatt Builders Joint Venture (SSBJV)	India	50% *	50% *
Simplex Meinhardt Joint Venture (SMJV)	India	50% *	50% *
Laing - Simplex Joint Venture (LSJV)	India	49% *	49% *
Jaybee Simplex Consortium (JBC)	India	66.67%	66.67%
Simplex Gayatri Consortium (SGC)	India	70%	##
Overseas :			
Simplex - Almoayyed W.L.L. (SAWLL) [Note 2(c) below]	Kingdom of Bahrain	49%	49%
Simplex Infrastructures (Thailand) Limited (SITL)	Thailand	48.995% @	-

* The above proportion of ownership interest of the Venture's have been modified, inter se, based on the revised scope of work of the individual venturer in terms of the relevant clauses of the Joint Venture Agreement, Supplementaries thereof and Working Agreement etc., and with a stipulation to pay a guaranteed profit to the venturers in appropriate cases. The Consolidated Financial Statements are prepared accordingly.

** with effect from 08 May,2009

with effect from 24 July,2009

@ with effect from 24 November,2009

not considered for consolidation in the previous year

(Rupees in Thousand)

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- (b) The financial statements of HO - HUP – Simplex Joint Venture (HO-HUP) is not included in the Consolidated Financial Statements as the Revenue is recognised under this contract (which commenced prior to 1st April 2003) on completed contract method as per erstwhile Accounting Standard (AS) 7 issued by the Institute of Chartered Accountants of India. Accordingly it is not practicable to restate its accounts as per method of accounting followed by 'SIMPLEX' i.e. percentage of completion method and proportionate consolidation as per AS 27 could not be considered in the Consolidated Financial Statements. The Audited Financial Statements for the year ended 31st March, 2010 of this HO - HUP – Simplex Joint Venture reflect total assets of Rs.182,315 and total revenues of Rs.2,938,743 and net cash outflows of Rs.4,991. However, HO-HUP has recognised revenue during the year as the contract has been substantially completed in the current year and accordingly in the Consolidated Financial Statements 'SIMPLEX's share of loss has been included under Other Administrative and Operating Expenses etc. (Schedule 17) as also the Share of Net Assets has been included in 'Advance recoverable in cash or in kind or for value to be received' under Loans and Advances (Schedule 11).
- (c) SAWLL has been considered for consolidation based on unaudited Management Accounts which represents insignificant part of the Consolidated Financial Statements of the Group. The proportionate share in respect of SAWLL considered for the purpose of these Consolidated Financial Statements being total assets Rs. 122,499 (2009 - Rs. 189.908) and net assets of Rs. 66,114 (2009 - Rs. 74,660) at the year end, total revenues of Rs. 102,688 (2009 - Rs. 133.040) net profit of Rs. 8,146 (2009 - Rs. 8.362) and net cash inflows of Rs. 3,369 (2009 - Rs. 5,150) for the year.
- (d) Disclosure in respect of Joint Venture referred to in Note 2(b) above:-

Sr. No	Name of Joint Venture	Description of Interest	Proportion of Ownership Interest	Country of Residence
1	HO-HUP - Simplex Joint Venture	Jointly Controlled Entity	* 50%	India

* The above proportion of ownership interest of the Venture's has been modified, inter se, based on the revised scope of work of the individual venturer in terms of the relevant clauses of the Joint Venture Agreement, Supplementaries thereof and Working Agreement etc., and with a stipulation to pay a guaranteed profit to the venturer in appropriate cases.

- (e) Financial interest of the Group in above Jointly Controlled Entity as at 31st March, 2010:

Association of Persons

Sr. No	Name of the Joint Venture	Assets	Liabilities	Income	Expenses	Tax
1	HO-HUP - Simplex Joint Venture	182,315	210,915	2,823,599	2,852,199	-

There was no contingencies or commitments at year-end as per the audited accounts.

3. The Group's financial interest in the joint ventures accounted for using proportionate consolidation principles based on its financial statements are set out below :

	SSJV	SBSJV	SSBJV	SMJV	LSJV	JBC	SAWLL	SITL	SGC
Assets as at 31st March, 2010									
Fixed Assets (Net block)	-	27,859	-	-	-	759	38,580	27	-
	-	29,388	-	-	-	805	62,403	-	-

Figures in normal type relate to previous year

(Rupees in Thousand)

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Notes on Accounts

3. The Group's financial interest in the joint ventures accounted for using proportionate consolidation principles based on its financial statements are set out below: (Contd.)

	SSJV	SBSJV	SSBJV	SMJV	LSJV	JBC	SAWLL	SITL	SGC
Assets as at 31st March, 2010 (Contd.)									
Current Assets, Loans and Advances									
Inventories	-	-	-	-	-	8,812	1,953	-	-
	-	-	-	-	-	7,735	9,800	-	-
Sundry Debtors	-	358,631	254,397	44,718	306,037	52,664	38,285	-	88,799
	-	337,384	469,196	31,351	279,533	57,685	104,133	-	-
Cash and Bank Balances	22,890	1,869	2,126	837	3,692	5,549	16,941	981	1,538
	614	1,967	9,941	291	90,921	439	13,572	-	-
Other Current Assets	29	-	-	-	-	31	46	41	-
	6	-	-	-	-	24	-	-	-
Loans and Advances	5,558	26,824	54,725	22,862	25,095	10,431	26,694	45	1,477
	17,866	37,070	192,542	24,124	77,395	12,998	-	-	-
Total	28,477	415,183	311,248	68,417	334,824	78,246	122,499	1,094	91,814
	18,486	405,809	671,679	55,766	447,849	79,686	189,908	-	-
Liabilities as at 31st March, 2010									
Shareholders' / Co - Venturers' Funds	9,273	19,611	93,381	706	20,136	7,541	37,004	(1,754)	14,548
Reserves and Surplus	11,717	18,465	87,301	494	13,995	5,589	41,804	-	-
Deferred Tax Liability (Net)	-	606	-	-	-	(59)	-	-	-
	-	-	-	-	-	(5)	-	-	-
Current Liabilities and Provisions	19,204	394,966	217,867	67,711	314,688	70,764	56,385	1,486	77,266
Liabilities	6,769	387,344	584,378	55,272	433,854	74,102	115,248	-	-
Total	28,477	415,183	311,248	68,417	334,824	78,246	93,389	(268)	91,814
	18,486	405,809	671,679	55,766	447,849	79,686	157,052	-	-
Income for the year 2009-2010									
Contract Turnover	99,708	287,069	611,125	11,204	699,251	-	102,622	-	-
	-	406,517	1,544,918	14,194	1,510,048	-	132,813	-	-
Other Operating Income	-	-	-	-	-	118,337	-	-	-
	-	-	-	-	-	164,957	-	-	-
Other Income	11	-	-	-	-	-	66	-	-
	-	-	-	-	-	12,976	227	-	-
Total	99,719	287,069	611,125	11,204	699,251	118,337	102,688	-	-
	-	406,517	1,544,918	14,194	1,510,048	177,933	133,040	-	-

Figures in normal type relate to previous year

(Rupees in Thousand)

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3. The Group's financial interest in the joint ventures accounted for using proportionate consolidation principles based on its financial statements are set out below: (Contd.)

	SSJV	SBSJV	SSBJV	SMJV	LSJV	JBC	SAWLL	SITL	SGC
Expenses for the year 2009-2010									
Contract Expenses	93,608	281,328	597,314	10,868	688,993	-	68,640	-	-
	-	398,386	1,490,691	13,777	1,490,952	-	100,681	-	-
Interest and Finance Charges (Net)	(1,151)	(86)	1	2	102	301	450	2	(1,108)
	-	-	-	-	-	-	2,018	-	-
Amortisation of Tools	-	-	-	-	-	27	2,326	-	-
	-	-	-	-	-	-	3,494	-	-
Depreciation	-	1,529	-	-	-	46	18,510	1	-
	-	1,529	-	-	-	41	15,630	-	-
Other Administrative and Operating Expenses etc.	55	76	85	27	384	115,060	4,616	1,776	-
	43	206	6	4	3,361	169,074	2,855	-	-
Total	92,512	282,847	597,400	10,897	689,479	115,434	94,542	1,779	(1,108)
	43	400,121	1,490,697	13,781	1,494,313	169,115	124,678	-	-
Results									
Profit / (Loss) before Taxation	7,207	4,222	13,725	307	9,772	2,903	8,146	(1,779)	1,108
	(43)	6,396	54,221	413	15,735	8,818	8,362	-	-
Current Tax	2,250	2,470	7,645	95	3,631	967	-	-	342
	-	-	-	-	6,406	3,000	-	-	-
Fringe Benefit Tax	-	-	-	-	-	38	-	-	-
	-	-	-	-	-	234	-	-	-
Deferred Tax	-	606	-	-	-	(54)	-	-	-
	-	-	-	-	-	(5)	-	-	-
Profit / (Loss) After Taxation	4,957	1,146	6,080	212	6,141	1,952	8,146	(1,779)	766
	(43)	6,396	54,221	413	9,329	5,589	8,362	-	-
Profit / (Loss) brought forward from Previous Year	11,717	18,465	87,321	494	13,995	5,589	34,992	-	13,782
	11,760	12,069	33,100	81	4,666	-	26,630	-	-
Dividend Paid	-	-	-	-	-	-	8,182	-	-
Balance carried to Balance Sheet	16,674	19,611	93,401	706	20,136	7,541	34,956	(1,779)	14,548
	11,717	18,465	87,321	494	13,995	5,589	34,992	-	-

Figures in normal type relate to previous year

(Rupees in Thousand)

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4. (a) There are outstanding guarantees given by Banks amounting to Rs.23,127,527 (2009 - Rs.20,863,115).
(b) Bills discounted with Banks Rs.51,443 (2009 - Rs.Nil).

5. Year-end Deferred Tax balance comprises the following:

	As at 31st March, 2010	As at 31st March, 2009
Tax impact due to timing differences resulting in liabilities / (assets) on account of Depreciation as per tax law and books	597,746	479,344
Part of the revenue not taxable based on terms of contract (Net)	305,802	114,011
Provision for doubtful debts / advances etc.	(11,119)	(9,465)
Items admissible on payment basis	(8,609)	(5,123)
Net Deferred Tax Liability	883,820	578,767

6. Obligations under Finance Lease arrangements:

The Group acquired Vehicles, Plant and Machineries and Tools under Finance Lease/ Hire Purchase Scheme. Minimum lease payments outstanding as at 31st March,2010 in respect of these assets are as under:

Due	Total minimum lease payments outstanding as on 31st March,2010	Interest not due	Present Value of minimum lease payments
Within one Year	-	-	-
	303	18	285
Later than one year and not later than five years	-	-	-
	-	-	-
Total	-	-	-
	303	18	285

Figures in italics pertain to Previous Year

7. (a) The Group has entered into non-cancellable operating lease for office, warehouses and employee accommodation. The obligation for non-cancellable operating lease is Rs.90,567 (2009 - Rs.112,904) payable within one year and Rs.121,609 (2009 - Rs.199,712) payable later than one year but not later than five years and payable after five years Rs.170,858 (2009 - Rs.206,369) as on 31st March,2010. Rental expenses towards non-cancellable operating lease charged to the Profit and Loss Account for the year amounts to Rs.225,581 (2009 - Rs.117,016).
(b) The Group has entered into cancellable operating lease for office, warehouses and employee accommodation. Tenure of leases generally vary between 1 to 3 years. Terms of the lease include operating term for renewal, terms of cancellation, etc.. Related lease rentals aggregating Rs.74,756 (2009 - Rs.73,377) have been debited to Profit and Loss Account during the year.

8. Contingent Liabilities:

	31st March, 2010	31st March, 2009
a) Claims not acknowledged as Debts		
Interest (others)	600	600
Professional Tax	434	434
b) Uncalled liability on partly paid shares	100	100

(Rupees in Thousand)

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8. Contingent Liabilities: (Contd.)

	31st March, 2010	31st March, 2009
c) Sales Tax / Value Added Tax	261,699	32,268
d) Entry Tax	1,387	1,387
e) Income Tax [Also refer item (g) below]	3,990	3,990
f) Service Tax [Also refer item (h) and (i) below]	46,012	-

- g) SIMPLEX's claimed certain deduction under the provision of the Income-tax Act, 1961 upto the Assessment year 2009-10. In respect of the Assessment Years 2005-06 to 2008-09 the deduction was disallowed by the Income Tax Authorities and for those Assessment Years, the SIMPLEX's appeals are currently pending before the said appellate authorities. However, on the basis of legal opinion obtained, the SIMPLEX is eligible to such benefit, has challenged the issue by a writ petition before the Hon'ble Calcutta High Court and obtained interim stay order from the said High Court restraining the Tax Authorities from enforcing any demand against the SIMPLEX. In the mean time on the basis of direction of the Hon'ble Supreme Court, the case has been transferred to Hon'ble Bombay High Court for hearing with other similar cases where the matter is pending. The estimated tax impact in this regard is Rs. 256,594 (2009 - Rs.310,604).
- h) Show-cause cum demand notices for Rs.591,571 (2009 - Rs.591,571) and Rs.397,665 (2009 - Rs.Nil) on certain matter relating to Service Tax issued by the concerned Tax Authorities in Kolkata during previous years and current year respectively have been challenged by the SIMPLEX by writ petitions currently pending before the Hon'ble Calcutta High Court. Further, show-cause notices for Rs.66,943 (2009 - Rs.66,943) and Rs.81,148 (2009 - Rs.Nil) on similar matter relating to Service Tax issued by the concerned tax authorities in Delhi during previous year and current year respectively has also been challenged/is being challenged by the SIMPLEX before the Hon'ble Delhi High Court. According to a legal opinion obtained in this regard, the contention of the Tax Authorities and consequent demand of Service Tax is not valid in law. Based on the aforesaid legal opinion the management is of the view that even in case of an adverse decision, tax impact in this regard should not exceed Rs.102,199 (2009 - Rs.63,464).
- i) A Joint Venture in the Group received a show-cause cum demand notice for Rs.17,040 (2009 - Rs.17,040) issued by the Commissioner of Service Tax in the previous year which has been challenged by the enterprise by writ petition currently pending before the Jharkhand High Court. According to a legal opinion obtained in this regard, the contention of the service tax authorities and consequent demand of service tax is not valid in law.
9. Capital commitments not provided for Rs.207,137 (Net of advance) (2009 - Rs.88,371).

10. Other debts includes retention money, not due for payment as per related terms of contract :

	31st March, 2010	31st March, 2009
- More than Six Months	2,946,933	2,310,778
- Others	722,509	937,266

11. Year-end exchange fluctuation loss of Rs.60,972 (2009 - Rs.113,664) pertaining to a foreign currency loan, which is fully hedged by derivative contracts with a period end mark to market gain of Rs.80,149 (2009 - Rs.139,582), has not been provided for as according to management the loan is fully hedged and the aforesaid loss / gain are notional in nature.

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Notes on Accounts

12. On 4 October 2007, SIMPLEX had allotted 5,500,000 warrants at a price of Rs.401/- per warrant to a promoter group company, in accordance with Section 81 (1A) of the Companies Act, 1956 and Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. Each warrant was convertible into one Equity Share of nominal value of Rs. 2/- each at a price of Rs.401/- per share at the option of the warrant holder within eighteen months from the date of allotment in accordance with relevant SEBI Guidelines. Such option was exercised by the allottee company during 2007-2008 with regard to 200,000 warrants only and accordingly at the expiry of the aforesaid stipulated time-frame the remaining 5,300,000 warrants stood lapsed and were cancelled by forfeiting the amount of Rs.212,530 received in earlier years against issue of those warrants by crediting Capital Reserve Account.
13. EMPLOYEE BENEFITS.
- a) In Terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, a Provident Fund set up by SIMPLEX is treated as a defined benefit plan in view of SIMPLEX's obligation to meet interest shortfall, if any. However, there is no such interest shortfall at the year end. According to the management on the basis of consultation with an actuary, actuarial valuation cannot be applied reliably to measure Provident Fund liabilities as at the year end in the absence of any guidance from the Actuarial Society of India. Accordingly, complete information required to be considered as per AS 15 in this regard are not available and the same could not be disclosed. During the year, SIMPLEX has contributed Rs.33,633 (2009 - Rs.33,029) to the Provident Fund.
- b) Defined Contribution Plans.
During the year an amount of Rs.32,461 (2009 - Rs.31,389) has been recognised as expenditure towards Defined Contribution Plans.
- c) Post Employment Defined Benefit Plans
- i) a) Gratuity (Funded)
SIMPLEX provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust fund managed by the Trust, make payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary (half month's salary) depending upon the tenure of service subject to a maximum limit of twenty months salary or amount payable under Payment of Gratuity Act whichever produces higher benefit. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 1(k) above, based upon which, SIMPLEX makes contribution to the Gratuity fund.
- b) Gratuity (Unfunded)
A Joint Venture provides for gratuity, a defined benefit retirement plan, covering its eligible employees. As per the scheme, gratuity benefit equivalent to eligible salary (half month's salary) depending upon the tenure of service subject to a maximum limit of twenty months salary or amount payable under Payment of Gratuity Act whichever produces higher benefit. Vesting generally occurs upon completion of five years of service.
Liability with regard to the aforesaid unfunded gratuity plans are determined by actuarial valuation as set out in Note 1(k) above.

(Rupees in Thousand)

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ii) End of Service Benefit / Severance Pay / Indemnities Benefit Scheme [ESB/SP/IBS] (Unfunded)

The Group provides for End of Service Benefit / Severance Pay / Indemnities Benefit Scheme (unfunded) defined benefit retirement plans covering eligible employees. As per the schemes, the Group makes payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days (ranging from fifteen days to one month) depending upon the tenure of service (maximum limit of two years salary in case of a foreign branch). Vesting occurs upon completion of one year of service. Liabilities with regard to the End of Service benefit / Severance Pay / Indemnities Benefit Scheme (unfunded) are determined by actuarial valuation as set out in Note 1(k) above.

iii) Leave Encashment Scheme [LES] (Unfunded)

The Group provides for accumulated leave benefit for eligible employees payable at the time of retirement of service subject to maximum of ninety / one hundred twenty days and in case of foreign branches actual number of days outstanding based on last drawn salary.

An overseas joint venture company provides for accumulated leave benefit for eligible employees payable at the time of retirement of service based on last drawn salary.

Following are the further particulars with respect to Defined Benefit Plans for the year ended 31st March, 2010 :-

	Gratuity (Funded)	Gratuity (Unfunded)	ESB /SP/ IBS (Unfunded)	LES (Unfunded)
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation				
(a) Present Value of Obligation at the beginning of the year	160,139 116,135	- -	54,832 13,579	19,642 11,696
(b) Current Service Cost	15,418 13,135	60 -	25,596 9,796	2,017 725
(c) Interest Cost	12,577 8,690	- -	2,937 933	1,520 858
(d) Actuarial (Gain)/Loss	(5,912) 25,770	168 -	3,604 34,773	3,541 7,187
(e) Past Service Cost	5,190 -	- -	- -	- -
(f) (Benefits Paid)	(5,861) (3,591)	- -	(25,138) (11,589)	(1,274) (824)
(g) Exchange differences of foreign plans	- -	- -	(7,829) 7,340	(153) -
(h) Present Value of Obligation at the end of the year	181,551 160,139	228 -	54,002 54,832	25,293 19,642

(Rupees in Thousand)

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Notes on Accounts

	Gratuity (Funded)	Gratuity (Unfunded)	ESB /SP/ IBS (Unfunded)	LES (Unfunded)
II. Reconciliation of opening and closing balances of the fair value of Plan Assets				
(a) Fair Value of Plan Assets at the beginning of the year	121,629 94,288	- -	- -	- -
(b) Expected Return on Plan Assets	11,647 7,860	- -	- -	- -
(c) Actuarial Gain/(Loss)	3,928 1,225	- -	- -	- -
(d) Contributions by employer	53,785 21,847	- -	- -	- -
(e) (Benefits Paid)	(5,861) (3,591)	- -	- -	- -
(f) Fair Value of Plan Assets as at the end of the year	185,128 121,629	- -	- -	- -
III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above & the fair value of Plan Assets in 'II' above				
(a) Present Value of Obligation as at the end of the year	181,551 160,139	228 -	54,002 54,832	25,293 19,642
(b) Fair Value of Plan Assets as at the end of the year	185,128 121,629	- -	- -	- -
(c) (Asset)/Liability recognised in the Balance Sheet	(3,577) 38,510	228 -	54,002 54,832	25,293 19,642
IV. Expense charged to the Profit and Loss Account				
(a) Current Service Cost	15,418 13,135	60 -	25,596 9,796	2,017 725
(b) Interest Cost	12,577 8,690	- -	2,937 933	1,520 858
(c) (Expected Return on Plan Assets)	(11,647) (7,860)	- -	- -	- -
(d) Past Service Cost	5,190 -	- -	- -	- -
(e) Actuarial (Gain)/Loss	(9,840) 24,545	168 -	3,604 34,773	3,541 7,187
(f) Total expense charged to the Profit and Loss Account	11,698 * 38,510	228 # -	32,137 ** 45,502	7,078 ** 8,770

* recognised under Contribution to Provident and Other Funds in Schedule 17.

** recognised under Salaries and Bonus in Schedule 17.

recognised under Employees Cost in Schedule 17.

(Rupees in Thousand)

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Notes on Accounts

	Gratuity (Funded)	Gratuity (Unfunded)	ESB /SP/ IBS (Unfunded)	LES (Unfunded)
V. Category of Plan Assets				
Central Government Securities	30,898	NA	NA	NA
	15,300	NA	NA	NA
State Government Securities	10,196	NA	NA	NA
	28,500	NA	NA	NA
Public Securities	122,040	NA	NA	NA
	70,664	NA	NA	NA
Private Sector Bond	11,366	NA	NA	NA
	-	NA	NA	NA
Bank Balances	4,453	NA	NA	NA
	6,088	NA	NA	NA
Others	6,175	NA	NA	NA
	1,077	NA	NA	NA
	185,128	NA	NA	NA
	121,629	NA	NA	NA
VI. Actual Return on Plan Assets	15,575	NA	NA	NA
	9,085	NA	NA	NA
VII. Principal Actuarial Assumptions as at 31st March, 2010				
(a) Discount Rate (per annum)	8.25%	8.25%	8.25%	8.25%
	8.00%	-	7.75%	8.00%
(b) Expected Rate of Return on Plan Assets (per annum)	8.00%	NA	NA	NA
	7.60%	NA	NA	NA
(c) Salary Escalation				
Permanent Employees	4.50%	4.50%	4.50%	4.50%
	5.00%	-	5.00%	5.00%
Contractual Employees	4.50%	4.50%	-	-
	3.00%	-	-	-

Figures in italics pertain to previous year

(Rupees in Thousand)

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VIII. Other Disclosures

	2009-2010				2008-2009			
	Gratuity (Funded)	Gratuity (Unfunded)	ESB/SP/IBS	LES	Gratuity (Funded)	Gratuity (Unfunded)	ESB/SP/IBS	LES
a) Present Value of the Plan obligation as at the end of the year	181,551	228	54,002	25,293	160,139	-	54,832	19,642
b) Fair Value of Plan Assets as at the end of the year	185,128	-	-	-	121,629	-	-	-
c) (Surplus) / Deficit as at the end of the year	(3,577)	228	54,002	25,293	38,510	-	54,832	19,642
d) Experience Adjustments on Plan Obligation [(Gain) / Loss]	(5,021)	-	8,818	2,378	28,355	-	37,042	7,548
e) Experience Adjustments on Plan Assets [Gain / (Loss)]	3,928	-	-	-	1,225	-	-	-

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is based on the portfolio of assets held, investment strategy and market scenario.

14. Information in accordance with the requirements of the Accounting Standard (AS) 7 on 'Construction Contracts' prescribed under the Act.

	2009-2010	2008-2009
Contract revenue recognised for the year ended 31st March, 2010	45,524,664	46,960,657
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to 31st March, 2010 for all the contracts in progress	102,780,415	71,523,674
The amount of customer advances outstanding for contracts in progress as at 31st March, 2010	6,074,250	7,734,736
The amount of retention due from customers for contracts in progress as at 31st March, 2010	3,007,889	2,386,409
Gross amount due from customers for contracts in progress [included in Work in Progress Rs.415,231 (2009 - Rs.304,423) and Sundry Debtors Rs.5,082,075 (2009 - Rs.4,450,605)]	5,509,773	4,755,028
Gross amount due to customers for contracts in progress [Net of Work in Progress Rs.2,131 (2009 - Rs.8,361)]	152,089	175,251

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Notes on Accounts

15. Related Party Disclosures pursuant to Accounting Standard 18 prescribed under the Act.
Parties with whom transactions were carried out during the year etc.

Names of Related Parties	Relationship
Simplex – Gayatri Consortium	Joint Venture
HO-HUP Simplex Joint Venture	- Do -
Simplex - Subhash Joint Venture	- Do -
Somdatt Builders - Simplex Joint Venture	- Do -
Simplex Almoayyed W.L.L.	- Do -
Simplex - Somdatt Builders Joint Venture	- Do -
Laing - Simplex Joint Venture	- Do -
Simplex Meinhardt Joint Venture	- Do -
Jaybee Simplex Consortium	- Do -
Simplex Infrastructures (Thailand) Limited *	- Do -
Giriraj Apartments Pvt Ltd	Parties where significant influence exists
Mundhra Estate	- Do -
Safe Builders	- Do -
RBS Credit & Financial Development Private Limited	- Do -
Anupriya Consultants Private Limited	- Do -
Baba Basuki Distributors Private Limited	- Do -
Asnew Finance & Investment Private Limited	- Do -
Parop Finance & Investment Private Limited	- Do -
Anjali Trade Links Private Limited	- Do -
Universal Earth Engineering Consultancy Private Limited	- Do -
Varuna Multifin Pvt. Ltd.	- Do -
East End Trading & Engineering Co. Pvt. Ltd.	- Do -
Agashi Commercial Pvt. Ltd. (up to 23 July, 2009)	- Do -
Ajay Merchants Pvt. Ltd.	- Do -
Sandeepan Exports (P) Ltd.	- Do -
Simplex Technologies Pvt. Ltd.	- Do -
Mr. B.D.Mundhra	Key Management personnel
Mr. A.D.Mundhra	- Do -
Mr. Apurba Mukherjee	- Do -
Mr. Rajiv Mundhra	- Do -
Mr. S.Dutta	- Do -
Mrs. Krishna Devi Mundhra	Relatives of Key Management personnel
Mrs. Yamuna Mundhra	- Do -
Mrs. Savita Bagri	- Do -
Mrs. Sarmistha Dutta	- Do -
Mr. Subhabrata Dutta	- Do -
Mr. Sumit Dutta	- Do -

* with effect from 24 November,2009

(Rupees in Thousand)

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Notes on Accounts

15. Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)

15. Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)											(Rupees in Thousand)			
Name and Relationship	Transactions during the year					Balance outstanding at the year end								
	Dividend Paid	Gross Billing on Contract	Other Income	Other Expenses	Rent Paid / Hire Charges	Hire Charges Received / Receivable	Managerial Remuneration	Reimbursement / (Recovery) of expense (Net)	Sundry Debtors	Other Current Assets	Loans and Advances	Current Liabilities	Investment	Guarantees Given
Parties where significant influence exists														
Giriraj Apartments Pvt Ltd	181	-	-	-	207	-	-	-	-	-	-	-	-	-
Mundhra Estate	181	-	-	-	207	-	-	-	-	-	-	-	-	-
Safe Builders	-	-	-	-	302	-	-	-	-	75	-	-	-	-
RBS Credit & Financial Development Private Limited	-	-	-	-	292	-	-	-	-	75	-	-	-	-
Anupriya Consultants Private Limited	-	-	-	-	180	-	-	-	-	70	-	-	-	-
Baba Basuki Distributors Private Ltd	-	-	-	-	180	-	-	-	-	70	-	-	-	-
Asnew Finance & Investment Private Ltd	8,995	-	-	-	-	-	-	-	-	-	-	-	-	-
Anjali Trade Links Private Limited	8,735	-	-	-	-	-	-	-	-	-	-	-	-	-
Universal Earth Engineering Consultancy Private Limited	14,180	-	-	-	-	-	-	-	-	-	-	-	-	-
Varuna Mullfin Pvt Ltd	14,120	-	-	-	-	-	-	-	-	-	-	-	-	-
East End Trading & Engineering Co Pvt Ltd	3,942	-	-	-	-	-	-	-	-	-	-	-	-	-
Agashi Commercial Pvt Ltd	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
Ajay Merchants Pvt Ltd	563	-	-	-	-	-	-	-	-	-	-	-	-	-
Sandeepan Export (P) Ltd	563	-	-	-	-	-	-	-	-	-	-	-	-	-
Parop Finance & Investment Pvt Ltd	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-
Simplex Technologies Pvt Ltd	236	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	339	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel	339	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. B.D. Mundhra	2,506	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. A.D. Mundhra	137	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Rajiv Mundhra	83	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Apurba Mukherjee	83	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. S.Dutta	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Parties where significant influence exists	299	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel	299	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. B.D. Mundhra	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. A.D. Mundhra	34,824	-	-	-	689	-	-	-	-	145	61	-	-	-
Mr. Rajiv Mundhra	32,199	-	-	-	679	-	-	-	-	145	61	-	-	-
Mr. Apurba Mukherjee	5,590	-	-	-	-	-	8,461	-	-	-	-	500	-	-
Mr. S.Dutta	5,590	-	-	-	-	-	6,140	-	-	-	-	450	-	-
Total	3,923	-	-	-	-	-	5,503	-	-	-	-	385	-	-
Parties where significant influence exists	3,923	-	-	-	-	-	5,470	-	-	-	-	350	-	-
Key Management Personnel	3,608	-	-	-	-	-	4,751	-	-	-	-	335	-	-
Mr. B.D. Mundhra	3,608	-	-	-	-	-	4,660	-	-	-	-	300	-	-
Mr. A.D. Mundhra	1	-	-	-	-	-	4,852	-	-	-	-	260	-	-
Mr. Rajiv Mundhra	1	-	-	-	-	-	4,715	-	-	-	-	250	-	-
Mr. Apurba Mukherjee	1	-	-	-	-	-	3,727	-	-	-	-	220	-	-
Mr. S.Dutta	1	-	-	-	-	-	3,612	-	-	-	-	222	-	-
Total	13,123	-	-	-	-	-	27,294	-	-	-	-	1,700	-	-
Parties where significant influence exists	13,123	-	-	-	-	-	24,597	-	-	-	-	1,572	-	-

Notes on Accounts

15. Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)

15. Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)															(Rupees in Thousand)				
Name and Relationship		Transactions during the year								Balance outstanding at the year end									
		Dividend Paid	Gross Billing on Contract	Other Income	Other Expenses	Rent Paid / Hire Charges	Hire Charges Received / Receivable	Managerial Remuneration	Reimbursement / (Recovery) of expense (Net)	Sundry Debtors	Other Current Assets	Loans and Advances	Current Liabilities	Investment	Guarantees Given				
Relative of Key Management Personnel																			
Mrs. Yamuna Mundhra		4,587	-	-	-	96	-	-	-	-	-	-	-	-	-				
Mrs. Krishna Devi Mundhra		420	-	-	-	96	-	-	-	-	-	-	-	-	-				
Mrs. Savita Bagri		420	-	-	-	-	-	-	-	-	-	-	-	-	-				
Mrs. Savita Bagri		4	-	-	-	-	-	-	-	-	-	-	-	-	-				
Mrs. Subhabrata Dutta		4	-	-	-	-	-	204	-	-	-	-	-	-	-				
Mrs. Subhabrata Dutta		-	-	-	-	-	-	152	-	-	-	-	-	-	-				
Mrs. Sarmishtha Dutta		-	-	-	-	-	-	204	-	-	-	-	-	-	-				
Mrs. Sarmishtha Dutta		-	-	-	-	-	-	152	-	-	-	-	-	-	-				
Mr. Sumit Dutta		-	-	-	-	-	-	204	-	-	-	-	-	-	-				
Mr. Sumit Dutta		-	-	-	-	-	-	152	-	-	-	-	-	-	-				
Total		5,011	-	-	-	-	-	708	-	-	-	-	-	-	-				
Joint Venture *		5,011	-	-	-	-	-	552	-	-	-	-	-	-	-				
Simplex-Gayatri Consortium		-	-	-	-	-	-	-	6	28,450	-	30	58	-	-				
HO-HUP Simplex Joint Venture		-	-	13,782	-	-	-	-	-	104,460	-	100	212	13,782	81,135				
Simplex-Subhash Joint Venture		-	-	-	28,600	-	-	-	-	163,453	-	7,542	-	-	375,336				
Simplex-Subhash Joint Venture		-	-	-	-	-	-	-	-	168,768	-	36,143	-	-	505,220				
Simplex-Subhash Joint Venture		-	-	-	-	-	-	-	-	-	-	246	-	-	-				
Simplex-Subhash Joint Venture		-	-	-	-	-	-	-	3	-	-	246	-	-	-				
Somdatt Builders - Simplex Joint Venture		-	276,026	-	-	-	-	-	-	-	-	-	-	-	-				
Somdatt Builders - Simplex Joint Venture		-	413,067	-	-	-	-	-	-	-	-	-	-	-	-				
Simplex-Somdatt Builders Joint Venture		-	471,959	-	-	-	-	-	-	-	-	-	-	-	-				
Simplex-Somdatt Builders Joint Venture		-	584,955	-	-	-	-	-	-	-	-	-	-	-	-				
Simplex Almoayyed W.L.L.		-	-	-	-	-	-	-	-	-	-	2,202	-	-	-				
Simplex Almoayyed W.L.L.		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Jaybee Simplex Consortium		-	-	-	-	-	-	20,000	3,119	3	-	30,163	-	-	16,788				
Jaybee Simplex Consortium		-	-	-	-	-	-	20,000	8,528	9,948	-	21,269	-	-	16,788				
Simplex Meinhardt Joint Venture		-	54,342	-	-	-	-	-	-	-	-	-	-	-	-				
Simplex Meinhardt Joint Venture		-	68,842	-	-	-	-	-	-	-	-	-	-	-	-				
Simplex Infrastructures (Thailand) Limited		-	-	-	-	-	-	-	995	-	-	995	-	-	-				
Simplex Infrastructures (Thailand) Limited		-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total		-	802,327	-	28,600	-	-	20,000	4,120	191,906	-	38,976	58	-	392,124				
Total		-	1,066,864	13,782	-	-	-	20,000	8,531	283,176	-	59,960	212	13,782	603,143				
Grand Total		52,958	802,327	-	28,600	1,397	20,000	27,294	4,120	191,906	145	39,037	1,758	-	392,124				
Grand Total		50,333	1,066,864	13,782	-	1,231	20,000	24,597	8,531	283,176	145	60,021	1,784	13,782	603,143				

* Transactions and balances relating to Joint Ventures are net of amounts considered in these accounts under proportionate consolidation method.

** Figures in italics pertain to previous year

(Rupees in Thousand)

Schedule 18

Notes on Accounts

16. Computation of Earning Per Share (Basic and Diluted)

	2009-2010	2008-2009
I) Basic		
a) i) Number of Equity Shares at the beginning of the year	49,472,330	49,472,330
ii) Number of Equity Shares at the end of the year	49,472,330	49,472,330
iii) Weighted average number of Equity Shares outstanding during the year	49,472,330	49,472,330
iv) Face Value of each Equity Share (In Rs.)	2/-	2/-
b) Profit after tax attributable to Equity Shareholders of the Parent Company		
Profit after Taxation and Minority Interest	Rs. 1,271,470	Rs. 1,234,242
Basic Earning per Share [(b)/(a)(iii)] (In Rs.)	25.70	24.95
II) Diluted		
a) i) Number of Potential Equity Shares at the beginning of the year	5,300,000	5,300,000
ii) Number of Potential Equity Shares at the end of the year	-	5,300,000
iii) Dilutive Potential Equity Shares at the end of the year determined after taking into consideration the fair value and the issue price per share (Note below)	-	-
iv) Weighted Average number of Dilutive Potential Equity Shares outstanding during the year	-	-
v) Weighted Average number of Equity Shares considered for computation of Diluted Earnings per share [I(a)(iii) + II(a)(iv)]	49,472,330	49,472,330
b) Diluted Earnings per Share [I(b)/II(a)(v)] (In Rs.)	25.70	24.95

Note: In view of the average market price (fair value) of Equity shares of the Parent Company relevant for the current year being less than the applicable conversion price, the conversion options embedded in Equity Share Warrants is considered as anti-dilutive and accordingly has not been taken into account for computation of diluted earnings per share. Also refer Note 12 above.

17. a) Depreciation for the year and year-end Accumulated Depreciation includes approximately Rs.29,825 (2009 - Rs.15,716) and Rs.53,783 (2009 - Rs.28,841) respectively computed by foreign subsidiaries and foreign joint venture companies applying different depreciation rates as set out in Note 1(b)(vi) above. The impact thereof on depreciation charge for the year and year-end accumulated depreciation are not ascertainable at this stage.
- b) In respect of a Joint Venture Company, year-end Inventory or Materials at Site amounting to Rs.271 (2009 - Rs.674) (which represent an insignificant part of the Group), has been valued by applying Weighted Average Method which is different from the method followed by the parent company and other entities of the Company as set out in Note 1(e) above.

18. Segment information for the year ended 31st March,2010

The Group considers business segment as primary segment for disclosure of segment information. Business segments have been identified as Construction business and Others which includes income from wind mill and plant and equipment including oil drilling rig.

Schedule 18

(Rupees in Thousand)

Notes on Accounts

18 Segment information for the year ended 31st March,2010 (contd.)

	Construction	Others	Total of Reportable Segment
External Sales (including Other Operating Income)	45,524,664 46,960,656	118,337 164,957	45,643,001 47,125,613
Inter Segment Sales	- -	- -	- -
Other Income	120,959 400,426	12,186 33,242	133,145 433,668
Segment Revenue	45,645,623 47,361,082	130,523 198,199	45,776,146 47,559,281
Segment Result	3,333,997 3,235,621	16,965 21,331	3,350,962 3,256,952
Segment Assets	40,265,027 38,185,580	433,973 483,955	40,699,000 38,669,535
Segment Liabilities	17,089,618 17,382,435	10,439 15,256	17,100,057 17,397,691
Capital Expenditure	1,133,416 4,346,082	- 846	1,133,416 4,346,928
Depreciation	876,489 744,170	43,240 43,235	919,729 787,405
Non cash expenses other than depreciation	942,098 800,033	27 -	942,125 800,033

Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit	Assets	Liabilities *
Total of Reportable Segments	45,776,146 47,559,281	3,350,962 3,256,952	40,699,000 38,669,535	17,100,057 17,397,691
Corporate - Unallocated (Net)	26,349 488	(223,347) (105,193)	641,922 1,056,906	14,410,662 13,226,155
Inter Segment Sales	- -	- -	- -	- -
Interest and Finance Charges (Net)	- -	(1,122,004) (1,419,931)	- -	- -
Provision for Taxation - Current	- -	(409,717) (267,389)	- -	- -
Provision for Taxation - Fringe Benefit	- -	(38) (15,234)	- -	- -
Provision for Taxation - Deferred	- -	(305,053) (207,313)	- -	- -
As per Financial Statements	45,802,495 47,559,769	1,290,803 1,241,892 @	41,340,922 39,726,441	31,510,719 30,623,846

* Excluding Shareholders' Fund and Minority Interest.

@ Profit After Tax and Before Minority Interest

Figures in normal type relate to previous year.

(Rupees in Thousand)

Schedule 18

Notes on Accounts

18. Segment information for the year ended 31st March,2010 (contd.)

Secondary Segment Reporting (by Geographical Segments)

	India	Other Asian Countries	Total
Revenues	34,053,028 33,666,286	11,723,118 13,892,995	45,776,146 47,559,281
Total Assets	32,291,054 28,205,224	8,407,946 10,464,311	40,699,000 38,669,535
Capital Expenditure	1,074,300 2,245,743	59,116 2,101,185	1,133,416 4,346,928

Figures in normal type relate to previous year.

19. Research and Development Expenditure (Revenue) (as allocated by the management) is amounting to Rs.5,050 (2009 - Rs.4,177) for the year.

20. Other Operating Income represents income from operation of oil drilling rig.

21. Sundry Creditors include Rs. Nil (2009 - Rs.285) on account of outstanding installment dues under Finance Lease.

22. Figures for the previous year are regrouped / rearranged wherever necessary to make the same comparable with the current year's figures. However, in view of formation of a joint venture and two subsidiary companies referred to in Note 2 (a) above respectively, current year figures are not comparable with the previous year.

Signatures to Schedules 1 to 18

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

(P. Law)

Partner

Membership Number: 51790

Kolkata, 30th May, 2010

B.L.Bajoria

Secretary

B.D.Mundhra

Chairman & Managing Director

S.Dutta

Director

Consolidated Cash Flow Statement of Simplex Infrastructures Limited and its Subsidiaries
For the year ended 31st March, 2010

(Rupees in Thousand)

	2009 – 2010		2008 – 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Minority Interest		2,005,611		1,731,828
Adjustments for:				
Depreciation	921,475		789,151	
Interest (Net)	895,681		1,156,220	
(Gain) / Loss on sale of Fixed Assets	3,206		(740)	
Bad Debts / Advances written off (Net of Provision written back)	265,227		259,577	
Provision for Doubtful Debts / Advances	22,409		4,550	
Amortisation of Tools	651,363		531,062	
Fixed Assets Written off	3,126		4,845	
Liability no longer required written back	(7,508)		(10,592)	
Wealth Tax	717		570	
Provision for Derivative Loss	4,302		-	
Dividend from Current Investments	-		(461)	
Dividend from Long Term Investments	(70)		(26)	
Forward Premium Amortised	16,669		10,396	
Exchange (Gain)/ Loss (Net)	(15,457)		(64,813)	
Effect of Changes in Foreign Exchange Translation	(40,890)	2,720,250	190,013	2,869,752
Operating Profit before Working Capital Changes		4,725,861		4,601,580
Adjustments for:				
Trade and Other Receivables	(2,770,674)		(5,746,525)	
Inventories	(726,562)		(2,408,724)	
Trade Payables	358,669	(3,138,567)	4,574,748	(3,580,501)
Cash generated from operations		1,587,294		1,021,079
Direct Taxes (including Fringe Benefit Tax) paid		(461,340)		(298,225)
Net Cash from Operating Activities		1,125,954		722,854
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(1,210,100)		(4,312,996)	
Sale of Fixed Assets	26,618		244,291	
Purchase of Investment	(20,500)		(145,000)	
Sale of Investment	100		146,671	
Investment (Others)	13,782		(13,782)	
Interest Received	91,559		63,410	
Dividend Received	70		26	
Intercompany Loans - (Given) / Recovered	2,150		(54,500)	
Net Cash used in Investing Activities		(1,096,321)		(4,071,880)
Carried Forward		29,633		(3,349,026)

Consolidated Cash Flow Statement of Simplex Infrastructures Limited and its Subsidiaries
For the year ended 31st March, 2010

(Rupees in Thousand)

	2009 – 2010		2008 – 2009	
Brought Forward		29,633		(3,349,026)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Minority Interest in Share Capital of Subsidiaries	18,590		5,909	
Long term borrowings - Receipts / (Payments)	(1,495,927)		2,353,324	
Short term borrowings - Receipts / (Payments)	2,549,090		2,084,727	
Interest Paid	(1,030,852)		(1,183,694)	
Dividend Paid [including Dividend Tax Rs.16,816 (2009 - Rs.16,816)]	(115,537)		(115,538)	
Net Cash from / (used in) Financing Activities		(74,636)		3,144,728
Net Increase/(Decrease) in Cash and Cash Equivalents		(45,003)		(204,298)
D. Effects of Foreign Exchange Differences on Cash and Cash Equivalents		(46,170)		147,633
		(91,173)		(56,665)
Cash and Cash Equivalents as at 31st March, 2009 (Refer Schedule 9 to Accounts)	1,190,561		1,247,226	
Cash and Cash Equivalents as at 31st March, 2010 (Refer Schedule 9 to Accounts)	1,099,388	(91,173)	1,190,561	(56,665)

Notes :

- The above Consolidated Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements prescribed under the Companies Act, 1956.
- Schedule referred to above forms an integral part of the Consolidated Cash Flow Statement.
- The above Cash Flow Statement does not include Purchase of Fixed Assets amounting to Rs.20,846 (2009 - Rs.Nil) during the year by way of conversion of Trade and Other Receivables being a non-cash item.
- Refer Note 22 on Schedule 18 to Accounts.
This is the Consolidated Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**

Firm Registration Number : 301112E

Chartered Accountants

(P. Law)

Partner

Membership Number: 51790

Kolkata, 30th May, 2010

B.L.Bajoria

Secretary

B.D.Mundhra

Chairman & Managing Director

S.Dutta

Director



Simplex Infrastructures Limited

Regd Office: "SIMPLEX HOUSE" 27 Shakespeare Sarani, Kolkata - 700 017

Folio No.	
No. of Shares Held	

ATTENDANCE SLIP

Note: 1. Please fill this attendance slip and hand it over at the Entrance of the Auditorium.
2. Shareholders are requested to bring their copy of the Annual Report as copies of the report will not be distributed at the Meeting.



Simplex Infrastructures Limited

Registered Office

SIMPLEX HOUSE

27 Shakespeare Sarani Kolkata 700 017

www.simplexinfrastructures.com