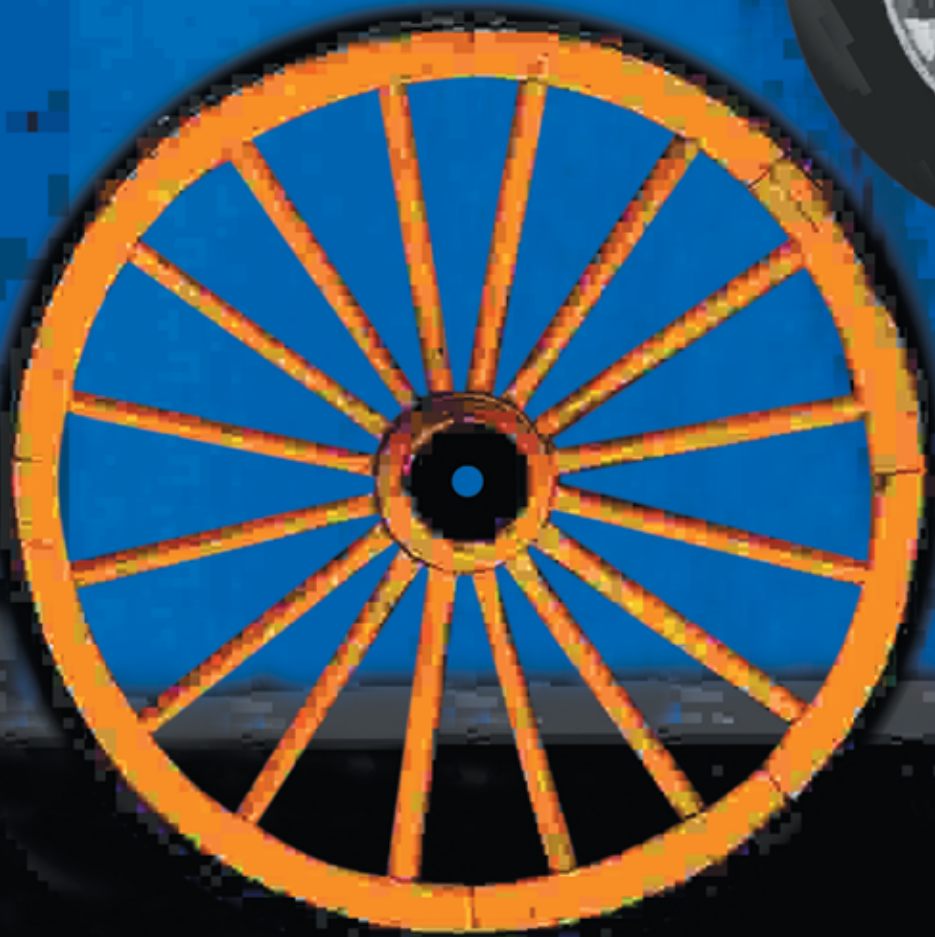


We  
strive a little harder  
everytime



because  
development is  
all about  
making big things  
look really small

ANNUAL REPORT 2006-2007



**SIMPLEX**  
PROJECTS LIMITED



**BOARD OF DIRECTORS****CHAIRMAN & MANAGING DIRECTOR**

SRI BALKRISHANDAS MUNDHRA

**WHOLE-TIME DIRECTORS**

SRI JAI KISHAN BAGRI  
SRI RAGHAV DAS MUNDHRA  
SRI SUDARSHAN DAS MUNDHRA

**DIRECTORS**

SRI SHYAM DAS MUNDHRA  
SRI ANAND CHOPRA  
SRI PRABIR KUMAR DE  
SRI NITINDRA NATH SOM

**COMPANY SECRETARY**

SRI BINAYA KUMAR DASH

**AUDITORS**

CHATURVEDI & COMPANY  
Chartered Accountants

**SOLICITORS**

BOSE & MITRA  
TEMPLE CHAMBER, 1ST FLOOR  
6, OLD POST OFFICE STREET  
KOLKATA - 700001

**BANKERS**

UCO BANK  
UTI BANK LTD.  
BANK OF BARODA  
INDUSTRIAL DEVELOPMENT  
BANK OF INDIA LTD.  
ALLAHABAD BANK  
STANDARD CHARTERED BANK

**REGISTRAR**

CAMEO CORPORATE SERVICES LIMITED  
SUBRANANIAN BUILDING, NO. 1,  
CLUB HOUSE ROAD  
CHENNAI - 600 002

**REGISTERED OFFICE**

12/1, NELLIE SENGUPTA SARANI  
KOLKATA - 700 087

## DIRECTORS' REPORT

To  
**The Members,**

Your Directors have pleasure in presenting the 17th Annual Report of the Company with the Audited Statement of Accounts for the year ended 31st March, 2007.

### 1. FINANCIAL RESULTS :

The performance of the Company of the financial year ended 31st March, 2007 is summarized below :

	Year Ended 31st March, 2007 Rs.	Year Ended 31st March, 2006 Rs.
The Working results of the Company during the period under review after making provisions for Bonus and after charging all expenses is a net profit of	<b>11,78,81,591</b>	<b>4,19,93,347</b>
(a) Less: Provisions for Taxation	<b>1,36,14,000</b>	<b>37,53,000</b>
Profit After Tax	<b>10,42,67,591</b>	<b>3,82,40,347</b>
(b) Add: Balance brought forward from last year.	<b>1,80,39,540</b>	<b>1,69,65,665</b>
Profit available for Appropriation	<b>12,23,07,131</b>	<b>5,52,06,012</b>
Less: Transfer to		
a) Proposed Dividend	<b>67,49,986</b>	<b>62,85,000</b>
b) Tax thereon	<b>11,47,160</b>	<b>8,81,472</b>
c) General Reserve	<b>10,00,00,000</b>	<b>3,00,00,000</b>
	<b>1,44,09,985</b>	<b>1,80,39,540</b>

The Board proposes to carry over the said balance of Rs. **1,44,09,985/-** to Balance Sheet.

### 2. RESULT OF OPERATIONS:

For the financial year under review:

- Sales for the year under review is **Rs. 13575.70 Lacs** as against Rs. 8220.39 Lacs for the previous period, thus showing an increase of **65%** as against the previous period.
- Profit before tax (after interest and depreciation charges) is **Rs. 1178.81 Lacs** as against Rs. 419.93 Lacs for the Previous period, a rise of **181%** as against the previous period.
- Profit after providing for current tax and fringe benefit tax is **Rs. 1042.67 Lacs** as against Rs. 382.40 Lacs for the previous period, a rise of **172.66%**.

### 3. DIVIDEND :

Your Directors have recommended a dividend of 7.5%, i.e. Rs. 0.75 per equity share on 89,99,981 equity shares of Rs. 10/- each for the financial year ended 31st March, 2007, which, if approved, at the forthcoming Annual General Meeting, will be paid to

- all those equity shareholders whose names appear in the Register of Members as on 25th June, 2007 and
- all those members whose names appear on that date as beneficial owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited.

The dividend pay out for the year under review has been formulated keeping in view the Company's need for capital, its growth plans and intent to finance such plans through internal accruals. The dividend outgo (excluding tax on dividend) will be Rs. 67.5 Lacs (previous year: Rs. 62.85 Lacs).

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

During the period under review, the Company has made additions to the Fixed Assets amounting to Rs. 5,02,41,399/-. Additions were required for augmenting the Company's business turnover.

#### 5. **INCREASE OF EQUITY SHARE CAPITAL :**

Pursuant to the resolution passed by the Members of the Company at the Extra-ordinary General Meeting held on 10th June, 2006, approving the issue and allotment of bonus shares in the ratio of 3:7, allotment of 17,95,714 equity shares of Rs. 10/- each of the Company was made on 6th July, 2006.

Again, during the year under review, your Company has issued 30,14,267 equity shares of face value Rs. 10/- each at different occasions on preferential basis to some parties. As a consequence, your Company's paid up capital stands at Rs. 8,99,99,810/-. (Previous year: Rs. 4,19,00,000/-) .

#### 6. **SUBSIDIARY :**

During the year under review, the Company has made further investments in M/s. Simpark Infrastructure Pvt. Ltd. (SIPL), thereby increasing its shareholding from 14,73,200 to 27,85,200. After this acquisition of shares, our Company holds the entire shares of SIPL, thereby making SIPL, a Wholly-owned Subsidiary Company.

As required under Section 212 of the Companies Act, 1956, the Annual Accounts of SIPL and the detailed related information and a Statement in respect of SIPL is attached to the annual accounts of Simplex Projects Limited.

#### 7. **PUBLIC DEPOSITS :**

The Company, during the period under review, has accepted fixed deposits attracting the provisions of Section 58A of the Companies Act, 1956 through private circulation only. The directives issued by the Reserve Bank of India and the provisions of the Section 58A of the Companies Act, 1956 and the Rules framed there under have been complied with. There is no overdue Deposit as on 31st March, 2007. The Company, during the period under review has not defaulted in the repayment of any deposit or part thereof or any interest thereupon including small depositor as defined in section 58AA of the Companies Act, 1956.

#### 8. **BUSINESS PROSPECT :**

Simplex Projects Limited has significantly increased its presence in the infrastructure sector as a whole and more specifically in the segments of core competency, which include construction of buildings and bridges. Your company is further committed to further strengthen its presence in these segments. There is ample growth potential of road, highway segment and other infrastructural projects of construction industry. Though there is tough competition in this segment, your company will persist in its endeavor to improve further its operational efficiency.

#### 9. **ISO CERTIFICATION :**

Our efforts to bring in modern management technique and quality assurance standards in the Company as a measure to achieve our goals were also recognized and Norsk Akkreditering, a world wide specialist in quality certificate has assessed the quality management system of **SIMPLEX PROJECTS LIMITED** and awarded their certificate for quality assurance standard of our Company on 11th December, 2006.

#### 10. **PARTICULARS OF EMPLOYEES :**

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

#### **11. DISCLOSURE OF PARTICULARS :**

Disclosure in accordance with the provisions of Section 217 (1) (e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo, is given in the Annexure forming part of this Report.

#### **12. 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 have been followed;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the 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, 2007 on a going concern basis;

#### **13. DIRECTORS :**

Mr. Nitindra Nath Som was appointed as an Additional Director with effect from 9th January, 2007. Mr. Som, a renowned name acclaimed in India and abroad as one of the leading Civil and Geo-Technical Engineer, is an extremely experienced and erudite Engineer. He has 40 years of teaching, research, administration, industrial consultancy, design, construction and quality control in civil and geo-technical engineering. His expertise in working out solutions to complex and challenging problems of foundations, underground construction highways, embankments, ground improvement and geo-environmental engineering is widely sought. As per Section 260 of the Companies Act, 1956 read with provisions of Article 88 of the Articles of Association of the Company Mr. Som will cease to act as Director on the date of the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Company has received a Notice pursuant to Section 257 of the Companies Act, 1956 from a member of the Company proposing Mr. Som's candidature as a Director, subject to retirement by rotation.

Mr. Raghav Das Mundhra and Mr. Sudarshan Das Mundhra retire from the Board by rotation under the Company's Articles of Association and being eligible offer themselves for re-appointment.

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

M/s. Chaturvedi & Company, Chartered Accountants, retire on the conclusion of the ensuing Annual General Meeting and have signified their willingness to continue in Office if reappointed and have confirmed their eligibility Under Section 224 (1B) of the Companies Act 1956. The Board recommends re-appointing them as Auditors.

As regards observations contained in the auditors' report, the respective notes to the accounts are self-explanatory and therefore, do not call for any further comments.

#### **15. INITIAL PUBLIC OFFER OF SHARES :**

The Company has filed Draft Red Herring Prospectus with Securities And Exchange Board of India (SEBI) for issue of 30,00,000 equity shares by way of book building process. The Company has received in-principle approvals from Bombay Stock Exchange and National Stock Exchange, two premier Stock Exchanges in India, for listing of its shares. M/s. Cameo Corporate Services Limited has been appointed as Registrar to the issue. The Company is awaiting for approval of SEBI for the same.

#### **16. UNUSUAL ITEMS AFTER THE FINANCIAL YEAR :**

There has been no transaction or event of material nature arisen during the period between the end of the financial year and the date of this Report, which would affect substantially the operations of the Company during the Current year.

**17. PERSONNEL :**

Your Directors wish to place on record once again their appreciation for the dedication and sincere services rendered by the employees at all levels to the growth and prosperity of the Company.

**18. ACKNOWLEDGEMENT:**

Your Directors acknowledge with gratitude the co-operation & assistance received from various agencies of the Central Government, the State Governments and from Banks, Financial Institutions and Vendors.

Your Directors also wish to place on record their appreciation of the contributions made by the employees at all levels towards efficient and successful management of the Company.

**Registered Office :**

12/1, Nellie Sengupta Sarani  
Kolkata-700087

Dated : 24th May, 2007

By Order of the Board  
For SIMPLEX PROJECTS LIMITED

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

## ANNEXURE - 1

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

### A. CONSERVATION OF ENERGY :-

#### a) Energy Conservation measures taken:

1. To conserve energy, a sophisticated maintenance programme has been developed to minimise fuel oil consumption and electric energy.
2. Conservation was achieved through regular monitoring of machineries.
3. Intensified vigil against wastage and towards conservation awareness.

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

Investments are being made in phase to replace old machinery with new and more efficient machinery.

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

Although it is not possible to quantify the impact, the Company has been able to reduce fuel oil consumption and electric energy and is hopeful that there will be considerable savings as a result of these, in future as well.

#### d) Total energy consumption and energy consumption per unit of production as per prescribed

##### Form A

Not applicable as the company is not covered under the list of specified industries.

### B. TECHNOLOGY ABSORPTION:

#### FORM-B

#### a) Research and Development:

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

#### b) Technology Absorption, Adoption and Innovation:

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

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

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

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

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

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

### C. FOREIGN EXCHANGE EARNINGS & OUTGO :

#### (i) Activities relating to exports, initiatives taken to increase export, developments of new export markets for products and services and export plans:

During the year under review, there has been no export.

#### (ii) Total Foreign Exchange earned and used during the year :

	Year Ended 31st March, 2007	Year Ended 31st March, 2006
Foreign Exchange earned	—	—
Foreign Exchange used	Rs. 3,23,688/-	Rs. 15,51,650/-

#### Registered Office :

12/1, Nellie Sengupta Sarani  
Kolkata-700087  
Dated : 24th May, 2007.

By Order of the Board  
**For SIMPLEX PROJECTS LIMITED**  
**B. K. Mundhra**  
Chairman & Managing Director

## AUDITORS' REPORT

To the Members  
SIMPLEX PROJECTS LIMITED

1. We have audited the attached Balance sheet of **SIMPLEX PROJECTS LTD.** as at 31st March, 2007 and also the profit and loss account and the cash flow statement for the year ended on that date annexed there to. 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 and as amended by Company (Auditors Report) (Amendment) Order 2004 "the order", issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we set out in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred in paragraph 3 above we report that :
  - (i) We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) 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
  - (iii) The Balance sheet, Profit & loss account and the cash flow statement dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance sheet, Profit & loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956, *except accounting standard - 9 referred to in Section 211 (3C) of the Companies Act, 1956.*
  - (v) On the basis of written representations received from the directors, as on 31st March , 2007 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March , 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts and read together with other notes in the *schedule subject to note 1.1 regarding cash basis of accounting and note 6 regarding non bifurcation of expenses as per part-II of Schedule-V I of Schedule-12* thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (a) In the case of the Balance sheet, of the state of affairs of the company as at 31st March , 2007.
    - (b) In the case of the Profit and loss account, of the profit for the year ended on that date; and
    - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **CHATURVEDI & COMPANY**  
Chartered Accountants

**Nilima Joshi**  
Partner

Place : Kolkata  
Dated : 24th May, 2007.

(Membership No. 52122)

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE  
MEMBERS OF M/S. SIMPLEX PROJECTS LIMITED ON THE ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH, 2007**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year end which, in our opinion, is reasonable having regard to size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, no substantial part of the fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verifications of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanation given to us, the company has granted loans to M/s. Simpark Infrastructure Pvt. Ltd., a subsidiary of the company to the tune of Rs. 9,20,88,823/- which is covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) According to the information given to us, the advances given to the subsidiary is interest free which as per the management is not prejudicial to the interest of the Company.
- (c) The Company has not taken loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods/service. Further during the course of our audit, we have neither come across nor have we been informed of any instance of major weaknesses in internal control procedures.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management we are of the opinion that, transactions that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s. 301 of the Act and exceeding a value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. 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.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) As explained to us the Central Government has not prescribed for the maintenance of cost record under section 209(1)(d) of the Companies Act, 1956 in respect of the business of the Company.
- (ix) (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess, Investor Education and Protection fund, Fringe Benefit Tax and other statutory dues, as applicable, *except some delay in certain cases.*

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty, Cess, Investor Education and Protection fund, Fringe Benefit Tax and other material statutory dues for a period of more than six months from the date they became payable were outstanding as at 31st March , 2007.
- (c) According to the information and explanation given to us, there are no dues of Income Tax, Wealth Tax, Excise Duty, Cess, Investor Education and Protection fund, Fringe benefit Tax and other material statutory dues which have not been deposited on account of any dispute. Other than certain dues of Service Tax and Custom Duty which have not been deposited on account of dispute the details of which are as follows :

Nature of Dues	Period to which the amount relates	Amount (Rs.)	Forum where the dispute is pending
Service Tax	2000-01 to 2004-05	5,31,24,001/-	Commissioner of Service Tax
Customs Duty	2004-05	23,88,475/-	Asstt. Commissioner of Customs

- (x) The Company has neither accumulated losses at 31st March , 2007 nor has it incurred any Cash losses during the year and in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.
- (xii) Based on our examination of documents and records and according to the information and explanation given by the management the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company has maintained proper records of securities and other investments, which it has traded in and also in respect of shares and other securities, held as investments and the said investments are in the name of the Company.
- (xv) As per 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.
- (xvi) The term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has made a preferential allotment of 16,14,267 Equity shares of Rs. 10/- each at premium of Rs. 40 to Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company during the year.
- (xx) Based on the records examined by us, the Company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For **CHATURVEDI & COMPANY**  
 Chartered Accountants

**Nilima Joshi**  
 Partner

Place : Kolkata  
 Dated : 24th May, 2007.

(Membership No. 52122)

**BALANCE SHEET**  
**AS AT 31ST MARCH, 2007**

		As at 31st March, 2007		As At 31st March, 2006	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	8,99,99,810		4,19,00,000	
Reserves and Surplus	2	41,71,77,966		19,01,94,031	
			50,71,77,776		23,20,94,031
Loan Funds					
Secured Loans	3	40,17,42,268		31,46,93,268	
Unsecured Loans	4	6,11,91,876		6,15,92,242	
			46,29,34,144		37,62,85,510
Deferred Payment Liability			2,08,18,262		2,11,76,329
Deferred Tax Liability			1,93,64,462		1,93,64,462
TOTAL			1,01,02,94,644		64,89,20,332
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		21,47,99,135		18,10,15,631	
Less: Depreciation		4,01,39,265		3,16,84,900	
Net Block		17,46,59,870		14,93,30,731	
Add: Capital Work-in-progress		10,22,683		49,16,626	
			17,56,82,553		15,42,47,357
Investments	6		6,05,40,850		1,45,91,850
Current Assets, Loans & Advances	7	1,05,74,43,195		71,85,78,147	
Less: Current Liabilities & Provisions	8	28,75,07,761		23,84,97,022	
Net Current Assets			76,99,35,434		48,00,81,125
Miscellaneous Expenses					
(To the extent not written off)					
Share issue Expenses			41,35,807		—
TOTAL			1,01,02,94,644		64,89,20,332
NOTES ON ACCOUNTS	12				

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

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

For and on behalf of

**CHATURVEDI & COMPANY**

Chartered Accountants

**Nilima Joshi**

Partner

Membership No. 52122

Kolkata, Dated : 24th May, 2007

**B. K. Mundhra**

Chairman & Managing Director

**R. D. Mundhra**

Director

**J. K. Bagri**

Director

**B. K. Dash**

Company Secretary

**Anand Chopra**

Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	Year Ended 31st March, 2007		Year Ended 31st March, 2006	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Work Done	9	1,35,75,70,934		82,20,39,592	
Other Income	10	<u>41,18,701</u>		<u>39,22,192</u>	
			<b>1,36,16,89,635</b>		<b>82,59,61,784</b>
<b>EXPENSES</b>					
Site Cost & Other					
Administrative Expenses	11	1,16,99,62,149		73,41,51,617	
Interest		6,40,20,790		4,15,25,125	
Depreciation		<u>98,25,105</u>		<u>82,91,695</u>	
			<b>1,24,38,08,044</b>		<b>78,39,68,437</b>
<b>PROFIT BEFORE TAX</b>			<b>11,78,81,591</b>		<b>4,19,93,347</b>
<b>PROVISION FOR TAXATION</b>					
Current Tax		1,32,50,000		35,40,000	
Fringe Benefit Tax		<u>3,64,000</u>	<b>1,36,14,000</b>	<u>2,13,000</u>	<b>37,53,000</b>
<b>PROFIT AFTER TAX</b>			<b>10,42,67,591</b>		<b>3,82,40,347</b>
Balance Brought Forward from previous year			<b>1,80,39,540</b>		<b>1,69,65,665</b>
<b>AMOUNT AVAILABLE FOR APPROPRIATIONS</b>			<b>12,23,07,131</b>		<b>5,52,06,012</b>
<b>APPROPRIATIONS</b>					
Proposed Dividend		67,49,986		62,85,000	
Tax thereon		<u>11,47,160</u>	<b>78,97,146</b>	<u>8,81,472</u>	<b>71,66,472</b>
Transfer to General Reserve			<b>10,00,00,000</b>		<b>3,00,00,000</b>
Surplus - end of the year			<b>1,44,09,985</b>		<b>1,80,39,540</b>
			<b>12,23,07,131</b>		<b>5,52,06,012</b>
Basic and Diluted Earning Per Share (Note 1.14 of schedule 12)			<b>15.47</b>		<b>10.09</b>

### NOTES ON ACCOUNTS

12

The Schedule referred to above form an integral part of the Profit & Loss Account.  
This is the Profit & Loss Account referred of even date.

For and on behalf of

### CHATURVEDI & COMPANY

Chartered Accountants

**Nilima Joshi**

Partner

Membership No. 52122

Kolkata, Dated : 24th May, 2007

**B. K. Mundhra**

Chairman & Managing Director

**R. D. Mundhra**

Director

**J. K. Bagri**

Director

**B. K. Dash**

Company Secretary

**Anand Chopra**

Director

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THE EVEN DATE**

**SCHEDULE - 1**

**SHARE CAPITAL**

**Authorised**

1,50,00,000 (2005-06 : 1,10,00,000) Equity  
Shares of Rs. 10/- each

**Issued, Subscribed & Paid-up**

89,99,981 (2005-06 : 41,90,000) Equity  
Shares of Rs. 10/- each

**Of the above Equity Shares :**

17,95,714 Shares were allotted as fully paid-up  
Bonus Share by capitalisation of Rs. 1,79,57,140/-  
from General Reserve

**SCHEDULE - 2**

**RESERVES AND SURPLUS**

Share Premium Account

General Reserve

As Per Last Account

Less : Capitalisation by way of issue  
of Bonus shares

Add : Transfer from Profit & Loss A/c

Surplus

As at 31st March, 2007 Rs. Rs.		As At 31st March, 2006 Rs. Rs.	
	<b>15,00,00,000</b>		<b>11,00,00,000</b>
	<b>8,99,99,810</b>		<b>4,19,00,000</b>
	<b>8,99,99,810</b>		<b>4,19,00,000</b>
	<b>24,86,70,630</b>		<b>10,01,00,000</b>
<b>7,20,54,491</b>		<b>4,20,54,491</b>	
<b>1,79,57,140</b>		<b>—</b>	
<b>5,40,97,351</b>		<b>4,20,54,491</b>	
<b>10,00,00,000</b>		<b>3,00,00,000</b>	
	<b>15,40,97,351</b>		<b>7,20,54,491</b>
	<b>1,44,09,985</b>		<b>1,80,39,540</b>
	<b>41,71,77,966</b>		<b>19,01,94,031</b>

### SCHEDULE - 3

#### **SECURED LOANS**

Cash Credit/Overdraft from UCO BANK\*

Cash Credit from Bank of Baroda \*

Cash Credit from UTI Bank

\* Secured by hypothecation of stocks, stores, work-in-progress & book-debts as also by charge of certain moveable plant & machinery ranking pari passu with the Banks and by personal guarantees of Managing Director and a Director of the Company.

Term Loan From UCO Bank \*

Term Loan From Allahabad Bank \*\*

\*\* Secured by exclusive charge on the current assets of the projects financed under the term loan and by personal guarantees of Managing Director and a Director of the Company.

Term Loan From IDBI Bank

Secured by exclusive charge on the current assets of the projects financed under the term loan and by personal guarantees of Managing Director and a Director of the Company and also by a corporate guarantee from group companies.

Term Loan From Citi Bank

Secured by a financial guarantee by UTI Bank for the equivalent amount as also by charge on the assets financed under the term loan

Term Loan From Standard Chartered Bank

Secured by a financial guarantee by UTI Bank for the equivalent amount.

As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
9,49,38,987	7,02,68,586
4,99,75,837	2,99,47,229
5,96,27,444	6,53,63,782
—	5,00,00,000
5,00,00,000	5,03,25,616
10,00,00,000	—
—	1,65,88,055
4,72,00,000	3,22,00,000
<u>40,17,42,268</u>	<u>31,46,93,268</u>
4,46,00,000	4,40,00,000
1,55,01,000	1,50,51,000
10,90,876	25,41,242
<u>6,11,91,876</u>	<u>6,15,92,242</u>

### SCHEDULE - 4

#### **UNSECURED LOANS**

Inter Corporate Deposits

Fixed Deposit

Interest accrued thereon

## SCHEDULE - 5

### FIXED ASSETS

PARTICULARS	Original cost as at 01.04.2006 Rs	Additions during the period Rs.	Disposal during the period Rs.	Original cost as at 31.03.2007 Rs.	Depreciation as at 01.04.2006 Rs.	Depreciation for the period Rs.	Depreciation on Assets disposed Rs.	Depreciation as at 31.03.2007 Rs.	Net Balance 31.03.2007 Rs.	Net Balance 31.03.2006 Rs.
BUILDINGS	17,75,250	—	—	<b>17,75,250</b>	2,10,794	28,936	—	<b>2,39,730</b>	<b>15,35,520</b>	15,64,456
PLANT & MACHINERY										
CRANES	18,11,328	—	—	<b>18,11,328</b>	59,166	86,036	—	<b>1,45,202</b>	<b>16,66,126</b>	17,52,162
WINCH & ENGINE	1,24,11,466	<b>22,17,725</b>	—	<b>1,46,29,191</b>	31,40,306	6,34,372	—	<b>37,74,678</b>	<b>1,08,54,513</b>	92,71,160
PILE FRAME	1,14,57,804	<b>2,86,65,206</b>	—	<b>4,01,23,010</b>	35,50,288	9,93,924	—	<b>45,44,212</b>	<b>3,55,78,798</b>	79,07,516
OTHER PLANTS	13,31,43,609	<b>1,63,85,270</b>	<b>1,64,57,895</b>	<b>13,30,70,984</b>	1,80,77,049	63,70,578	13,70,740	<b>2,30,76,887</b>	<b>10,99,94,097</b>	11,50,66,560
TOOLS & IMPLEMENTS	69,79,548	—	—	<b>69,79,548</b>	15,97,440	3,31,522	—	<b>19,28,962</b>	<b>50,50,586</b>	53,82,108
TRUCKS & TIPPERS	21,11,885	—	—	<b>21,11,885</b>	9,25,975	2,31,225	—	<b>11,57,200</b>	<b>9,54,685</b>	11,85,910
MOTOR VEHICLES	62,37,233	<b>16,32,923</b>	—	<b>78,70,156</b>	17,52,528	6,38,384	—	<b>23,90,912</b>	<b>54,79,244</b>	44,84,705
TWO WHEELERS	3,03,927	<b>35,000</b>	—	<b>3,38,927</b>	96,431	29,905	—	<b>1,26,336</b>	<b>2,12,591</b>	2,07,496
COMPUTERS	30,44,988	<b>12,26,322</b>	—	<b>42,71,310</b>	15,67,361	3,81,182	—	<b>19,48,543</b>	<b>23,22,767</b>	14,77,627
FURNITURE & FIXTURES	8,53,382	<b>48,953</b>	—	<b>9,02,335</b>	4,63,097	55,589	—	<b>5,18,686</b>	<b>3,83,649</b>	3,90,285
OFFICE EQUIPMENT	8,85,211	<b>30,000</b>	—	<b>9,15,211</b>	2,44,465	43,452	—	<b>2,87,917</b>	<b>6,27,294</b>	6,40,746
AS AT 31.03.2006	18,10,15,631	<b>5,02,41,399</b>	<b>1,64,57,895</b>	<b>21,47,99,135</b>	3,16,84,900	98,25,105	13,70,740	<b>4,01,39,265</b>	<b>17,46,59,870</b>	14,93,30,731
	14,75,29,373	3,38,52,258	3,66,000	18,10,15,631	2,35,25,140	82,91,695	1,31,935	3,16,84,900	14,93,30,731	12,40,04,233

**NOTE :** 1. Original cost of Fixed Assets as on 31st March, 2007, includes **Rs. 3,82,27,245/-** acquired under Hire Purchase Schemes, out of which **Rs. 2,08,18,262/-** is outstanding as on 31st March, 2007, which has been shown under the head 'Deferred Payment Liability'.

## SCHEDULE - 6

### INVESTMENTS

(Other than trade- At Cost)

		As at 31st March, 2007 Rs.	As at 31st March, 2006 Rs.
	<b>Face Value (Rs.)</b>		
Government Securities			
7 Years National Savings Certificates (Lodged as Security Deposit)		<b>70,500</b>	70,500
5.1/2 Years Kishan Vikash Patra (Lodged as Security Deposit)		<b>1,07,000</b>	1,07,000
<b>Unquoted</b>			
15,000 Ordinary Shares of Geo. Miller & Co. Ltd.	10/-	<b>1,05,000</b>	1,05,000
27,85,200 Equity shares of Simpark Infrastructure Pvt. Ltd.	10/-	<b>6,01,51,000</b>	1,42,52,000
5,000 Equity Shares of Simplexprojects Road & Highway Constn. Pvt. Ltd.	10/-	<b>50,000</b>	—
<b>Quoted</b>			
1,600 Equity Shares of Uco Bank	10/-	<b>19,200</b>	19,200
1,000 Equity Shares of Vijaya Bank	10/-	<b>24,000</b>	24,000
100 Equity Shares of Indraprasth Gas Ltd.	10/-	<b>4,800</b>	4,800
22 Equity Shares of Tata Consultancy Services Ltd.	Re. 1/-	<b>9,350</b>	9,350
		<b>6,05,40,850</b>	<b>1,45,91,850</b>
Aggregate Value of Quoted Investments		<b>57,350</b>	57,350
Aggregate Value of Unquoted Investments		<b>6,03,06,000</b>	1,43,57,000
Market value of Quoted Investments		<b>1,14,035</b>	1,51,190
<b>Purchased during the year :</b>			
Name of the Company	<b>Face Value</b>	<b>No. of Shares</b>	
Simpark Infrastructure Pvt. Ltd.	10/-	<b>13,12,000</b>	
Simplexprojects Road & Highway Construction Pvt. Ltd.	10/-	<b>5,000</b>	

## SCHEDULE - 7

### **CURRENT ASSETS, LOANS & ADVANCES**

#### **A. INVENTORIES**

(As certified & valued by the management)

##### (i) Materials:

(At lower of cost or net realizable value)

At Sites

**6,04,01,426**

4,39,78,915

At Stores

**87,24,974**

58,57,035

##### (ii) Construction Contract Work-in-Progress

(At estimated cost)

**20,32,34,818**

12,15,66,364

##### (iii) Housing Project Work-in-Progress

(At estimated cost)

**21,79,067**

21,79,067

**27,45,40,285**

17,35,81,381

#### **B. SUNDRY DEBTORS (Unsecured, considered good)**

Debts Outstanding for a period exceeding six months

**11,95,54,888**

7,38,08,721

Other Debts

**41,06,43,936**

30,07,91,123

**53,01,98,824**

37,45,99,844

#### **C. CASH AND BANK BALANCES**

Cheques in hand

**1,10,46,113**

1,74,97,145

Balance with Scheduled Banks

Current Accounts

**14,06,398**

1,42,10,754

Fixed Deposits

**4,71,00,305**

4,02,24,611

**5,95,52,816**

7,19,32,510

#### **D. LOANS AND ADVANCES (Unsecured, considered good)**

ADVANCES (recoverable in cash or in kind or for value to be received, considered good) :

Advances to Subsidiary (Interest Free)

**9,20,88,823**

5,50,00,000

Income Tax Advance (Net of Income Tax

Provision : **Rs. 2,05,92,549/-**,

Previous Year : Rs. 73,42,549/-)

**2,09,44,540**

1,99,02,366

Advance Fringe Benefit Tax

**4,59,658**

—

Staff Advance

**97,87,696**

56,27,068

Other Advances

**3,38,76,046**

1,26,97,281

Deposits

**3,32,48,333**

31,72,040

Interest Receivable

**27,46,174**

20,65,657

**10,10,62,447**

4,34,64,412

**1,05,74,43,195**

71,85,78,147

### A. CURRENT LIABILITIES

## B. PROVISIONS

67,49,986	
11,47,160	
5,77,000	84,74,146
	<hr/>
	28,75,07,761

## WORK DONE

### Construction Contract Works :

1,27,59,02,480	
20,32,34,818	
<hr/>	
1,47,91,37,298	
12,15,66,364	
<hr/>	
	1.35.75.70.934

Less : Opening Work-in-Progress

### Housing Project Works :

### A. Completed Projects

Gross Billing  
Less: Opening Work-in-Progress

## B. Other Projects

Closing Work-in-Progress  
Less: Opening Work-in-Progress

## OTHER INCOME

## Interest

Fixed Deposit with Bank  
(TDS **Rs.: 2,26,150/-**, Previous year- Rs. 3,38,800/-)  
Other Deposits (TDS **Rs.: 4,01,682/-**,  
Previous year Rs. 3,42,087/-)

Dividend received  
Liability no longer required (Net)

**As at  
31st March, 2007  
Rs.**

As at  
31st March, 2006  
Rs.

85,42,054  
16,37,39,046  
6,73,36,400  
3,94,16,115  

---

27,90,33,615

30,00,000
9,95,03,242
10,06,01,947
2,80,12,361
<hr/>
23,11,17,550

84,74,146  

---

28,75,07,761

62,85,000	
8,81,472	
2,13,000	73,79,472
	<hr/>
	23,84,97,022

Year Ended 31st March, 2007	
Rs.	Rs.

Year Ended  
31st March, 2006

1,27,59,02,480	
20,32,34,818	
<hr/>	
1,47,91,37,298	
12,15,66,364	
<hr/>	
	1.35.75.70.934

$$\begin{array}{r} 79,98,04,820 \\ 12,15,66,364 \\ \hline 92,13,71,184 \\ 9,80,58,245 \end{array}$$

1,35,75,70,934

82.33.12.939

11,75,704  
24,49,051

(12,73,347)

21,79,067  
21,79,067

21,79,067  
21,79,067

1,35,75,70,934

---

---

**82,20,39,592**

18,65,345

22,49,291

22,12,853

15,24,443

41.14.63637.37.296

4,065

2,954

---

1,81,942

**41,18,701**

---

39,22,192

## SCHEDULE - 11

### **SITE COST AND OTHER ADMINISTRATIVE EXPENSES**

	Year Ended 31st March, 2007 Rs. Rs.		Year Ended 31st March, 2006 Rs. Rs.	
Expenses for Executing Contract work		1,11,94,59,457		70,55,50,416
Expenses for Executing Housing Projects		–		30,414
Salaries and other benefits to employees (including contribution to provident and other funds <b>Rs. 33,60,255/-</b> , Previous year : Rs. 18,79,922/-)		1,54,05,034		90,18,470
Rent (Net), Rates & Taxes		94,89,606		13,45,831
Repairs & Renewals (Others)		4,47,146		2,95,452
Telephone & Telex Expenses		13,78,183		9,37,231
Electricity & Water Charges		5,46,346		5,12,604
Motor Vehicle Expenses		6,07,684		5,13,747
Travelling & Conveyance		38,26,964		25,88,192
Insurance Charges (Net)		5,78,366		2,73,621
Printing & Stationary Expenses		9,43,836		5,47,877
Stores & Godown Expenses		26,85,291		33,85,840
Advertisements		1,26,833		1,06,412
Legal & Professional Charges		18,13,960		10,54,096
Bank Charges		41,00,453		33,51,930
Finance Charges		4,39,522		17,18,264
Auditors' Remuneration :				
Audit Fee	64,538		42,090	
Tax Audit Fee	22,448		13,469	
Other Matters	41,653		–	
		1,28,639		55,559
Loss on disposal of Fixed Assets		28,68,405		44,065
Brokerage		6,09,991		4,54,451
Donation and Charity		20,25,000		–
Excess Provision Written off		15,132		–
Miscellaneous Expenses		24,66,301		23,67,145
		<b>1,16,99,62,149</b>		<b>73,41,51,617</b>

## **SCHEDULE - 12**

### **NOTES ON ACCOUNTS**

#### **1.0 DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES.**

- 1.1 The Company follows accrual basis of accounting, except interest on fixed deposits with Banks, National Savings Certificates and Kisan Vikas Patra, which are accounted for on cash basis.
- 1.2 Fixed assets are valued at cost of acquisition, less depreciation.
- 1.3 Depreciation on fixed assets is provided as per Schedule XIV of the Companies Act, 1956 under Straight Line Method.
- 1.4 Inventories are valued at cost under FIFO method or net realizable value, whichever is lower.
- 1.5 Investments are valued at cost.
- 1.6 Liabilities on account of Service Tax to the extent not reimbursable by the Clients have been charged off to the profit & loss accounts.

#### **1.7 REVENUE RECOGNITION :**

- a. Revenue is accounted for following “Percentage Completion” method of accounting in respect of the Construction Contracts.
- b. In case of sale of buildings, flats, shops inclusive of rights in land in respect thereof, profit is accounted for on receipt of full considerations and giving possession to the purchaser even if execution of conveyance is pending.
- 1.8 Price escalation claims and additional claims including those under arbitration are recognized as revenue when they are realized or receipts thereof are mutually settled or reasonably ascertained.
- 1.9 Site start up expenses are charged off in the year these are incurred.
- 1.10 Assets acquired under Hire Purchase arrangements are recorded at their cash values and the finance charges are charged to Profit and Loss Account as accrued.
- 1.11 Material events occurring after Balance Sheet date are taken into cognizance.
- 1.12 Contingent liabilities are not accounted for in the books of account
- 1.13 (i) The Company’s contribution to Provident Fund is deposited with the Employees Provident Fund Organisation (EPFO)/ Recognised Funds and is charged to the Profit and Loss account each year.
- (ii) The Company has group gratuity and superannuation schemes for eligible employees with the Life Insurance Corporation of India (LIC). The Scheme are defined benefit schemes and are funded in line with the LIC’s actuarial valuation carried out at each year end.

#### **1.14 Earning per share :**

The earning considered in ascertaining the Company’s EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

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

#### **1.16 Impairment of Assets :**

Impairment losses, if any, are recognised in accordance with the Accounting Standards issued in this regard by the Institute of Chartered Accountants of India.

- 2.0 The deferred tax liability for the current year has not been recognized, on prudence basis, in accordance with Accounting Standard - 22 issued by the Institute of Chartered Accountants of India, as there is no reasonable certainty for future taxable income against which it can be reversed.
- 3.0 Decline, if any, in the market value of long term quoted investments, considered by management not of permanent nature, has not been provided for.
- 4.0 Investments in National Savings Certificate and Kisan Vikas Patra amounting to **Rs.1,77,500/-** (Previous Year - Rs. 1,77,500/-) have matured in earlier years and hence no interest has been taken into accounts. These investments along with Fixed Deposit with banks amounting to **Rs.1,16,67,856/-** (Previous Year -Rs.79,80,318/-) are not in possession of the company as they have been lodged as security deposit with clients.
- 5.0 As regard Contract expenses for executing work it has not been possible for the Company to bifurcate the expenses into different heads of account as per Part II of the Schedule VI.
- 6.0 Sundry Debtors and Work-in-Progress include overdue amount of **Rs. 1,55,61,645/-** (Previous Year - Rs.1,22,99,355/-) and **Rs.1,10,74,880/-** (Previous Year-Rs.1,10,74,880/-) that are under arbitration. However, the same is considered good by the management, based on the opinion obtained and the earlier experiences on realisation. No provision in this regard is considered necessary by the management.
- 7.0 Salaries and other benefit amounting to **Rs.21,32,485/-** (Previous Year - Rs. 8,75,713/-) paid to the Managing Director and other Whole-time Directors of the Company are included in Profit & Loss Account.
- 8.0 Liabilities no longer required written back is net of advances written off amounting to **Nil** (Previous Year-Rs. 1,000/-).
- 9.0 Payment against supplies from small scale and ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information, there was no amount overdue as on 31.03.2007.
- 10.0 The shareholders approved the issue of Bonus shares in the proportion of three new shares for every seven existing equity shares at the Extra-ordinary General Meeting held on 10th June 2006. Accordingly, a sum of Rs.1,79,57,140/- has been transferred to Share Capital Account on allotment of fully paid bonus shares to the holders of the equity shares on the record date of 6th July, 2006 by utilization of the General Reserve. Consequently, the earning per share has been adjusted for the periods presented.
- 11.0 The Company has entered into an agreement dated 08.11.1999 with The Kolkata Municipal Corporation (KMC) for installation, development and maintenance of Multilevel Computerized Car Parking System (hereinafter referred to as 'Project' ) at Rawdon Street, Kolkata. The Company with the consent of KMC has nominated M/s Simpark Infrastructure Pvt. Ltd. ( SIPL ) to carry out the said project, which is on Built-Own-Operate-Transfer (BOOT) basis for a period of 20 years. KMC has given a deposit of Rupees Three crore to the Company as interest free deposit, to be refunded to them only out of the profits to be earned under a joint venture with KMC to develop commercial complex on a land to be allotted by the KMC. The same has been adjusted by the Company against civil and other work of the project undertaken by it from SIPL. The Company has, accordingly adjusted the deposit on completion of execution of civil and other works.

Similarly, the Company has entered into another agreement dated 21/10/2002 with the KMC for installation, development and maintenance of another Multilevel Underground Car Parking System at New Market, Lindsay Street, Kolkata, which in accordance with its earlier agreement, has been nominated to the said SIPL to carry out the construction of said project, to lease out commercial outlets and also to enter into Lease Agreement with the prospective lessee with a right to collect all receivable against Lease Premium. The Company, however, acts as a Confirming Party to all the lease agreements entered into by the said SIPL with the allottee/s of the commercial outlets.

## 12.0 CONTINGENT LIABILITIES:

- 12.1 There are outstanding guarantees amounting to **Rs. 46,01,26,420/-** (Previous Year - Rs 39,53,36,699/-) given on behalf of the Company by Banks and outstanding letters of credit amounting to **Rs. 87,63,000/-** (Previous Year - Rs. 2,53,42,605/-) given on behalf of the subsidiary of the Company by earmarking the limits of the company by the Bank, which are secured by the securities as specified in Schedule 3 of the accounts. The receipts of term deposits are also held by Banks towards margin money against the guarantees/letters of credit given by them on Company's behalf besides the counter indemnity by the Company for such guarantees/letters of credit.

**13.0 Information pursuant to the provisions of Paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 :**

- i) Licensed Capacity
- ii) Installed Capacity
- iii) Actual Production
- iv) Opening & Closing stock of Goods Produced
- v) Raw Material Consumption
- vi) TURNOVER

The Company being Civil Engineering construction concern, these are not applicable as in running contracts quantities of different type of work is not ascertainable.

PILING	BUILDING	BRIDGES & FLY-OVERS	INDUSTRIAL & OTHERS	TOTAL BILLING
Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>14,49,34,106/-</b>	<b>35,89,02,713/-</b>	<b>55,18,16,817/-</b>	<b>30,19,17,298/-</b>	<b>1,35,75,70,934/-</b>
31st March, 2006				
12,15,85,445/-	10,87,70,365/-	36,78,35,008/-	22,38,48,774/-	82,20,39,592/-

**14.0 Expenditure in Foreign Currency :**

Particulars	Year Ended 31st March, 2007 Rs.	Year Ended 31st March, 2006 Rs.
Membership	<b>1,16,088/-</b>	—
Travelling	<b>2,07,600/-</b>	1,33,900/-
Machinery Hire Charges	—	14,17,750/-
<b>TOTAL</b>	<b>3,23,688/-</b>	<b>15,51,650/-</b>

**15.0 Stores Consumed :**

Particulars	Year Ended 31st March, 2007 Rs.	Year Ended 31st March, 2006 Rs.
Indigenous (100% of total consumption)	<b>50,64,14,606/-</b>	31,04,88,546/-
<b>TOTAL</b>	<b>50,64,14,606/-</b>	<b>31,04,88,546/-</b>

**16.0 Information in accordance with the requirements of revised Accounting Standard – 7 on Construction Contracts issued by The Institute of Chartered Accountants of India :**

Particulars	Year Ended 31st March, 2007 Rs.	Year Ended 31st March, 2006 Rs.
Contract revenue recognized for the year ended 31st March, 2007	<b>1,35,75,70,934/-</b>	82,20,40,200/-
Aggregate amount of contracts costs incurred and recognized profits (less recognised losses) up to 31st March, 2007 for all the Contracts in progress	<b>2,27,59,33,608/-</b>	1,25,27,57,034/-
The amount of Customers advances outstanding for contracts in progress as at 31st March, 2007	<b>6,13,99,739/-</b>	9,72,57,621/-
The amount of retention due from Customers for Contracts in progress as at 31st March, 2007	<b>2,26,57,041/-</b>	3,51,12,532/-
Gross amount due from customers for contracts in progress as at 31st March, 2007 (inclusive work-in-progress of Rs. 16,08,52,260/-)	<b>54,36,05,781/-</b>	32,30,35,425/-

**17.0** The Company's business activity falls mainly within a single primary segment i.e. construction business in India and hence the disclosure requirement of Accounting Standard (AS) – 17 issued by The Institute of Chartered Accountants of India are in the opinion of the management not applicable.

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

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

Name of Related Parties	Nature of Relationships
Mr. B. K. Mundhra	Key Management Personnel
Mr. J. K. Bagri	-Do-
Mr. R. D. Mundhra	-Do-
Mr. S. D. Mundhra	-Do-
M/s. Simpark Infrastructure Pvt. Ltd.	Subsidiary
M/s. Bharat Gypsum Pvt. Ltd.	Entities in which Key Management Personnel or Relatives of Key Management Personnel have substantial interest
M/s. Pioneer Engineering Co. Pvt. Ltd.	-Do-
M/s. Datson Exports Ltd.	-Do-
M/s. Simplex Fiscal Holdings Pvt. Ltd.	-Do-
M/s. Kirti Vinimay Pvt. Ltd.	-Do-

**II. Material Transactions with Related Parties During the year ended 31st March, 2007**

Particulars	Key Management Personnel	Subsidiary	Entities in which Key Management Personnel or Relatives of Keys Management Personnel have substantial interest	Total
i) Managerial Remuneration	Rs. 21,32,485/- (Refer Note 7 of Schedule 12)	–	–	Rs. 21,32,485/-
ii) Rent and Maintenance Paid	–	–	Rs. 13,09,044/-	Rs. 13,09,044/-
Interest Received	–	–	Rs. 9,08,289/-	Rs. 9,08,289/-
Rendering of Services	–	Rs. 1,20,000/-	–	Rs. 1,20,000/-
Finance, Hire and Service Charges Paid	–	–	Rs. 85,60,064/-	Rs. 85,60,064/-
Loans and Advances given	–	Rs. 6,62,88,823/-	Rs. 1,29,50,000/-	Rs.7,92,38,823/-
Deposit	–	–	Rs. 2,50,00,000/-	Rs.2,50,00,000/-
Outstanding Balance as on 31st March, 2007				
Loans and Advances given	–	Rs. 9,20,88,823/- (Interest free)	Rs. 5,86,657/-	Rs.9,26,75,480/-
Loan and Advances taken	–	–	Rs. 3,21,818/-	Rs. 3,21,818/-
Sundry Debtors	–	Rs. 2,09,50,014/-	–	Rs.2,09,50,014/-
Other Current Assets	–	Rs. 69,41,698/-	Rs. 82,98,327/-	Rs.1,52,40,025/-
Current Liabilities	–	–	Rs. 1,18,163/-	Rs. 1,18,163/-

**19.0 Information pursuant to part IV of Schedule VI to the Companies Act, 1956.**
**Balance Sheet Abstract and Company's Business Profile**
**I. Registration Details :-**

 Registration No. **21-50101**

 State Code **21**

 Balance Sheet Date **31 03 2007**

Date Month Year

**II. Capital Raised during the Period (Amount in Rs. Thousand)**

Public Issue

**NIL**

Rights Issue

**NIL**

Bonus Issue

**17957**

Private Placement

**30142**
**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities

**1010294**

Total Assets

**1010294**
**Sources of Funds**

Paid-up Capital

**90000**

Reserves and Surplus

**417178**

Secured Loans

**401742**

Unsecured Loans

**61192**

Deferred Payment Liability

**20818**

Deferred Tax Liability

**19364**
**Application of Funds**

Net Fixed Assets

**175682**

Investments

**60541**

Net Current Assets

**769935**

Miscellaneous Expenditure

**4136**
**IV. Performance of company (Amount in Rs. Thousands)**

Turnover (Including other Income)

**1361689**

Total Expenditure

**1243808**

+/- Profit/Loss before Tax

**+ 117882**

+/- Profit/Loss after Tax

**+ 104268**

Earning Per Share in Rs.

**15.47**

Dividend Rate %

**7.50**

Recommended

V. Generic Names of Three Principal Products/Services of Company  
(As per monetary terms)

Item Code No. (ITC Code)	N I L
Product description	Piling
Item Code No. (ITC Code)	N I L
Product Description	Building
Item Code No. (ITC Code)	N I L
Product Description	Bridges & Flyovers
Item Code No. (ITC Code)	N I L
Product Description	Industrial & Other Works

**20.0** Previous year's figures have been re-arranged / re-grouped where considered necessary.

### SIGNATURES TO SCHEDULES

“1” TO “12”

For and on behalf of  
**CHATURVEDI & COMPANY**  
*Chartered Accountants*

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

Kolkata, Dated : 24th May, 2007

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

**R. D. Mundhra**  
*Director*

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

**B. K. Dash**  
*Company Secretary*

**Anand Chopra**  
*Director*

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	2006-2007		2005-2006	
	Rs.	Rs.	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before Tax		11,78,81,591		4,19,93,347
Adjustments for :				
Depreciation	98,25,105		82,91,695	
Interest (Net)	5,99,06,154		3,77,87,829	
(Gain)/Loss on sale of fixed assets	28,68,405		44,065	
Dividend	(4,065)		(2,954)	
Liability no longer required written back	—	7,25,95,599	(1,81,942)	4,59,38,693
Operating Profit before working capital changes		19,04,77,190		8,79,32,040
Adjustments for:				
Trade & other receivables	(28,13,69,035)		(14,77,79,465)	
Inventories	(10,09,58,905)		(2,67,14,200)	
Trade payables	8,11,81,612	(30,11,46,328)	(4,52,82,530)	(21,97,76,195)
Cash generated from operations		(11,06,69,137)		(13,18,44,155)
Direct Taxes Paid		(1,47,51,832)		(35,40,000)
Fringe Benefit Tax Paid		—		—
<b>Net Cash flow from Operative Activities</b>		(12,54,20,969)		(13,53,84,155)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(4,63,47,456)		(3,58,83,588)	
Disposal of fixed assets	1,22,18,750		1,90,000	
Interest Received	34,34,118		36,61,645	
Purchase of investment	(4,59,49,000)		(80,00,000)	
Dividend Received	4,065		2,955	
Inter-corporate Deposit	—		3,50,000	
<b>Net Cash used in investing activities</b>		(7,66,39,523)		(3,96,78,988)
		(20,20,60,493)		(17,50,63,143)
<b>CASH FROM FINANCING ACTIVITIES</b>				
Proceeds from Issue of Share Capital	17,87,13,300		11,00,00,000	
Proceeds from long term Borrowings	10,06,91,933		15,85,24,298	
Proceeds from short term borrowings	3,89,62,670		(68,92,134)	
Repayment of long term borrowing	(5,15,88,055)		(1,00,00,000)	
Dividend paid (Including Dividend Tax)	(71,66,472)		—	
Share Issue Expenses	(41,35,807)		—	
Interest Paid	(6,57,96,772)		(4,05,08,046)	
<b>Net cash flow from Financing Activities</b>		18,96,80,798		21,11,24,118
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,23,79,694)		3,60,60,975
Cash & Cash Equivalents at the beginning of the Year (Refer Schedule 7 to Accounts)	7,19,32,510		3,58,71,535	
Cash & Cash equivalentnts at the end of the Year (Refer Schdule 7 to Accounts)	5,95,52,816	(1,23,79,694)	7,19,32,510	3,60,60,975

### Notes:

- The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- Schedules referred to above form an integral part of the Cash Flow Statement.
- Previous year's figures have been regrouped/ rearranged where ever necessary.

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

For and on behalf of

### CHATURVEDI & COMPANY

Chartered Accountants

**Nilima Joshi**

Partner

Membership No. 52122

Kolkata, 24th May, 2007

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

**R. D. Mundhra**  
Director

**J. K. Bagri**  
Director

**B. K. Dash**  
Company Secretary

**Anand Chopra**  
Director

## STATEMENT OF HOLDING COMPANY'S INTEREST IN SUBSIDIARY COMPANY

### Statement pursuant to Section 212(1)(e) of the Companies Act, 1956

1. Name of the Subsidiary	Simpark Infrastructure Private Limited
2. The Financial Year of the Company Ended on	31st March, 2007
3. (i) No of Shares held at the end of the financial year of the Subsidiary	27,85,200
(ii) Extent of Holding	100%
4. The net aggregate of profits, less losses and reserves of the Subsidiary Company so far as it concerns the Holding Company :	
(i) dealt with in the accounts of Simplex Projects Ltd. by way of dividends on the shares held in Subsidiary	
(a) For the financial year of the Subsidiary Company	NIL
(b) For the previous financial year of Subsidiary since they became a subsidiary of Simplex Projects Ltd.	NIL
(ii) Not dealt with in the accounts of Simplex Projects Ltd.	
(a) For the financial year of the Subsidiary Company	3,07,86,235
(b) For the previous financial year of Subsidiary since they became a subsidiary of Simplex Projects Ltd.	(66,79,468)

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

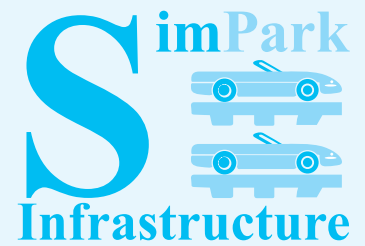
**J. K. Bagri**  
*Director*

**Anand Chopra**  
*Director*

Place : Kolkata  
 Date : 24.05.2007

**R. D. Mundhra**  
*Director*

**B. K. Dash**  
*Company Secretary*



# **SIMPARK INFRASTRUCTURE PRIVATE LIMITED**

**(A Subsidiary Company)**

## **BOARD OF DIRECTORS**

SRI VIJAY GOVERDHANDAS KALANTRI  
SRI ACHYUT GHOSH  
SRI PARAG CHANDULAL MEHTA  
SRI ARUP CHOUDHURI  
SRI PRADEEP KUMAR MISHRA  
SRI NITINDRA NATH SOM

## **AUDITORS**

CHATURVEDI & COMPANY  
CHARTERED ACCOUNTANTS

## **BANKERS**

UCO BANK

## **REGISTERED OFFICE**

12/1B, NELLIE SENGUPTA SARANI  
KOLKATA-700 087

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<b>Profit and Loss Account</b>	<b>35</b>
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## DIRECTORS' REPORT

To the Members

### SIMPARK INFRASTRUCTURE PRIVATE LIMITED

Your Directors have pleasure in presenting their Twelveth Annual Report with the Audited Statement of Accounts for the year ended on 31st March, 2007.

Working Results	Year ended 31st March, 2007 (Rs.)	Year ended 31st March, 2006 (Rs.)
The working result of the Company during the year under review after making provisions for Bonus and after charging all expenses is a net Profit/(Loss) of	<b>3,47,06,235</b>	(1,26,17,981)
Less: (a) Provisions for Taxation	<b>38,95,000</b>	—
(b) Fringe Benefit tax	<b>25,000</b>	11,000
	<b>3,07,86,235</b>	(1,26,28,981)
Profit(Loss) After Tax	<b>(2,00,04,381)</b>	(73,75,400)
Add: Balance Brought forward from last year	<b>1,07,81,854</b>	(2,00,04,381)
The Board proposes to carry over the said balance of <b>Rs. 1,07,81,854/-</b> to Balance Sheet.		

### REVIEW OF OPERATIONS :

Your Company, during the year under review, has incurred a profit of Rs. 3,07,86,235/- out of the operations from the first project at Rawdon Street, Kolkata and income lease premium out of the second project at New Market. The said amount after deducting the brought forward loss of Rs. 2,00,04,381/- in respect of earlier years, balance amount of Rs. 1,07,81,854/- is proposed to be carried over to the Balance Sheet.

The Company started the commercial operation of the New Market Project from 1st March, 2007. Income from transfer of commercial space at New Market has been accounted as income from lease premium.

Your Directors are in talking with Local autonomous bodies and private parties for development and installation of automated car parking system.

### HOLDING COMPANY :

During the year under review M/s. Simplex Projects Ltd. has acquired the entire shares of our Company, thereby making the Company its wholly owned subsidiary Company.

### DIRECTORS :

Mr. Nitindra Nath Som has been appointed as an Additional Director with effect from 14th May, 2007. As per Section 260 read with provisions of Articles of Association of the Company, Mr. Som will cease to act as Director on the date of the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Company has received a Notice pursuant to Section 257 of the Companies Act, 1956 from a member of the Company proposing Mr. Som's candidature as a Director, subject to retirement by rotation.

With this the Directors who continue to in the Board of Directors of the Company are :

1. Mr. Achyut Ghosh
2. Mr. Vijay Govardhandas Kalantri
3. Mr. Parag Chandulal Mehta
4. Mr. Pradeep Kumar Mishra
5. Mr. Arup Choudhuri
6. Mr. Nitindra Nath Som

#### **DIRECTORS' RETIREMENT BY ROTATION :**

The Company being a subsidiary of M/s. Simplex Projects Ltd., provisions of section 257 of the Companies Act, 1956 is applicable to the company. Mr. Vijay Govardhandas Kalantri and Mr. Parag Chandulal Mehta are liable to retire by rotation and being eligible offer themselves for re-appointment.

#### **PRICULARS OF EMPLOYEES :**

During the year, the Company had no employees drawing remuneration equal to or more than the limits prescribed under section 217 (2A) of the Companies Act 1956, read with Rule 1A of the Companies (Particulars of Employees) Rules 1975.

#### **DISCLOSURE OF PARTICULARS :**

Disclosure as required under Section 217 (1) ( c ) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, showing the particulars of Conservation of Energy in Form A and Technology Absorption in Form B :

The Company, not being a manufacturing company, is advised that Forms A and B are not applicable to it.

#### **FOREIGN EXCHANGE EARNING & OUTGO :**

- i) Activities relating to exports, initiatives taken to increase exports, developments of new export markets for products and services and export plans:-

During the year under review, there has been no export.

- ii) Total Foreign Exchange used and earned:

	<b>2006-07</b>	2005-06
	<b>Rs.</b>	Rs.
Foreign exchange earned	<b>NIL</b>	NIL
Foreign Exchange used	<b>18,51,180</b>	10,45,250

#### **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 had been followed;
- ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year;

- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the 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, 2007 on a going concern basis.

#### **AUDITORS :**

M/s. Chaturvedi & Company, Chartered Accountants, are retiring at the forthcoming Annual General Meeting. They are eligible for re-appointment and have consented to act as Auditors, if appointed.

#### **ACKNOWLEDGEMENT :**

Your Directors would like to place on record their sincere appreciation for the support and continued co-operation extended by the Shareholders, Banks, Central & State Government and others Statutory Bodies.

#### **Registered Office :**

12/1B, Nellie Sengupta Sarani,  
Kolkata-700 087.  
Dated : 24th May, 2007

By Order of the Board

**Pradeep Kumar Mishra**  
Director

## AUDITORS' REPORT

### AUDITORS' REPORT

To the Members

#### **SIMPARK INFRASTRUCTURE PRIVATE LIMITED**

1. We have audited the attached Balance sheet of **M/S SIMPARK INFRASTRUCTURE PVT. LTD** as at 31st March, 2007, and also the profit and loss account for the period ended on that date annexed there to. 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 mis-statement. 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 and as amended by the Company (Auditors Report) (Amendment) order 2004 "the order" issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we set out in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred in paragraph 3 above we report that:
  - (i) We have obtained all the informations and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (ii) 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
  - (iii) The Balance sheet and Profit & loss account dealt with by this report are in agreement with the books of account.
  - (iv) In our opinion, the Balance sheet, Profit & loss account dealt with by this report comply with the accounting standards, as referred to in Section 211(3C) of the Companies Act, 1956.
  - (v) On the basis of written representations received from the directors, as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2007.
    - (b) In the case of the Profit and Loss account, of the profit / loss for the year ended on date.

For **CHATURVEDI & COMPANY**

Chartered Accountants

**Nilima Joshi**

Partner

Place : Kolkata

Dated : 24th May, 2007

Membership No. 52122

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE  
MEMBERS OF M/S. SIMPARK INFRASTRUCTURE PRIVATE LIMITED ON THE  
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the period end which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, no fixed assets has been disposed off during the period, which has bearing on the going concern assumption.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.
- (b) The procedures of physical verifications of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to informations and explanations given to us, the company has taken loans from M/s Simplex Projects Ltd., holding company of the company to the tune of Rs. 9,20,88,823/- which is covered in the registrar maintained under section 301 of the Companies Act 1956.
- (b) According to the informations and explanations given to us, the advances taken from the holding company is interest free which as per the management is not prejudicial to the interest of the company.
- (c) The Company has not given any loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- (iv) In our opinion and according to the informations and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods. Further during the course of our audit, we have neither come across nor have we been informed of any instance of major weaknesses in internal control procedures.
- (v) Based on the audit procedures applied by us and according to the informations and explanations provided by the management we are of the opinion that, there is no transactions that need to be entered into the register maintained under Section 301 of the Companies Act.
- (vi) The Company has not accepted any deposits under section 58A and 58AA of the Companies Act, 1956 from public during the period.
- (vii) In our opinion, the company has an internal audit system which is commensurate with the size and nature of its business.
- (viii) As explained to us the Central Government has not prescribed for the maintenance of cost record under section 209(l)(d) of the Companies Act, 1956 in respect of the business of the Company.
- (ix) (a) According to the informations and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Income tax, custom duty and other material statutory dues, as applicable, *except TDS, professional tax and service tax where there was delay in certain cases.*
- (b) According to the informations and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty, and Cess and other material statutory dues for a period of more than six months from the date they became payable were outstanding, as at 31st March, 2007.

- (c) According to the informations and explanations given to us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Excise duty and Cess that have not been deposited on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of period. The Company has not incurred Cash losses during the period or in the immediately preceding financial year.
- (xi) *On the basis of informations and explanations given to us and on the basis of examination of books of account, we report that there has been delay in repayment of the principal in respect of loans taken from the bank, aggregating to Rs. 8,90,000/- and interest amounting to Rs.89,48,867/- by due dates, which has subsequently been paid while principal of Rs. 8,90,000 and interest of Rs 14,79,737/- has not been paid till date.*
- (xii) Based on our examination of documents and records and according to the information and explanation given by the management the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order 2003 are not applicable to the company.
- (xv) As per the informations and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the period.
- (xvi) The term loans have been applied for the purpose for which they were raised.
- (xvii) According to the informations and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the informations and explanations given to us, the company has not made any preferential allotment of shares to parties and or companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) According to the informations and explanations given to us, no debentures have been issued by the Company during the period.
- (xx) Based on the records examined by us, the Company has not raised any money by public issues during the period.
- (xix) During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices in India and according to the informations and explanations given to us we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For **CHATURVEDI & COMPANY**  
Chartered Accountants

**Nilima Joshi**  
Partner

Place : Kolkata

Dated : 24th May, 2007

Membership No. 52122

## BALANCE SHEET AS AT 31ST MARCH, 2007

Schedule	As at 31st March, 2007 Rs.		As At 31st March, 2006 Rs.	
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Fund</b>				
Share Capital	1	2,78,52,000		2,78,52,000
Reserve & Surplus	2	1,07,81,854		—
<b>Deposit from CMC (Long Term)</b>		<b>3,00,00,000</b>		<b>3,00,00,000</b>
<b>Loan Funds</b>				
Secured Loans	3	17,75,08,201	17,06,54,767	
Unsecured Loans	4	80,21,261	1,31,41,950	18,37,96,717
<b>TOTAL</b>		<b>25,41,63,316</b>		<b>24,16,48,717</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	5	9,29,23,930	9,16,53,355	
Add : During the year		14,40,70,468	12,70,575	
		23,69,94,398	9,29,23,930	
Less: Depreciation		2,48,18,711	1,95,16,242	
Net Block		21,21,75,687	7,34,07,688	
Capital Work-in-progress		—	—	7,34,07,688
<b>Investments</b>	6	<b>83,662</b>		<b>83,662</b>
<b>Current Assets, Loans &amp; Advances</b>				
Projects Work-in-Progress	7	8,47,58,086	28,37,02,267	
Cash & Bank Balances		21,83,315	3,07,699	
Sundry Debtors		8,76,19,249	3,96,786	
Other Current Assets		10,31,629	7,11,874	
		17,55,92,279	28,51,18,626	
<b>Current Liabilities &amp; Provisions</b>	8	<b>13,36,88,312</b>	<b>13,69,65,640</b>	
<b>Net Current Assets</b>		<b>4,19,03,967</b>		<b>14,81,52,986</b>
<b>Miscellaneous Expenditure :</b>				
Profit & Loss Account		—		2,00,04,381
<b>TOTAL</b>		<b>25,41,63,316</b>		<b>24,16,48,717</b>
<b>NOTES ON ACCOUNTS</b>	11			

As per our report of even date annexed.

For and on behalf of

**CHATURVEDI & COMPANY**

Chartered Accountants

**Nilima Joshi**

Partner

Membership No. 52122

Kolkata, 24th May, 2007

**Pradeep Kumar Mishra**  
Director

**Arup Choudhuri**  
Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

		Year Ended 31st March, 2007 Rs.		Year Ended 31st March, 2006 Rs.	
Schedule					
INCOME					
Income from Operations			47,73,724		39,92,471
Fee for Amenities			12,57,500		12,33,542
Income from Lease Premium			20,46,79,159		—
Closing Project Work-in-Progress			8,47,58,086		28,37,02,267
Other Income	9		6,84,802		2,78,155
			29,61,53,271		28,92,06,435
EXPENSES					
Operating & Maintaining Expenses	10		17,89,408		16,79,317
Cost of Completed Project			16,58,12,252		—
Projects Work-in-Progress					
Opening		28,37,02,267		18,33,36,531	
Add : Incurred during the year		11,09,38,539		10,03,65,735	
		39,46,40,806		28,37,02,267	
Less : Cost of Completed Projects		16,58,12,252		--	
Cost of Capital Assets		14,40,70,468	8,47,58,086	--	28,37,02,267
Interest			37,84,820		25,92,237
Depreciation			53,02,470		46,78,274
Preliminary Expenses written off			—		2,351
TOTAL			26,14,47,036		29,26,54,446
PROFIT/(LOSS) BEFORE TAX AND PRIOR PERIOD ADJUSTMENT PRIOR PERIOD ADJUSTMENTS			3,47,06,235		(34,48,011)
Arrear Depreciation			—		91,69,970
PROFIT/(LOSS) BEFORE TAX			3,47,06,235		(1,26,17,981)
Provision for Taxation			38,95,000		—
Fringe Benefit Tax			25,000		(11,000)
PROFIT/(LOSS) AFTER TAX			3,07,86,235		(1,26,28,981)
Balance Brought Forward from previous year			(2,00,04,381)		(73,75,400)
BALANCE CARRIED TO BALANCE SHEET			1,07,81,854		(2,00,04,381)
Basic and Diluted Earning Per Share (Note 7 of Schedule 11)			11.05		(4.53)

### NOTES ON ACCOUNTS

11

The Schedule referred to above form an integral part of the Profit & Loss Account.

For and on behalf of

**CHATURVEDI & COMPANY**

Chartered Accountants

**Nilima Joshi**

Partner

Membership No. 52122

Kolkata, 24th May, 2007

**Pradeep Kumar Mishra**  
Director

**Arup Choudhuri**  
Director

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2007  
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THE EVEN DATE**

Schedule	As at 31st March, 2007 Rs. Rs.		As At 31st March, 2006 Rs. Rs.	
<b><u>SCHEDULE - 1</u></b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
32,50,000 Equity Shares of Rs. 10/- each (Previous year 32,50,000 Equity Shares)		<b>3,25,00,000</b>		3,25,00,000
<b>Issued, Subscribed &amp; Paid-up</b>				
27,85,200 Equity Shares of Rs. 10/- each fully paid-up in cash (Previous year 27,85,200 Equity Shares)		<b>2,78,52,000</b>		2,78,52,000
		<b>2,78,52,000</b>		2,78,52,000
<b><u>SCHEDULE - 2</u></b>				
<b>RESERVES AND SURPLUS</b>				
Transfer from Profit & Loss A/c		<b>1,07,81,854</b>		—
		<b>1,07,81,854</b>		—
<b><u>SCHEDULE - 3</u></b>				
<b>SECURED LOAN</b>				
Term Loan from UCO Bank (Secured by exclusive first charge on the Parking system at Rawdon Street, Kolkata and also on present & future receivables through escrow mechanism)		<b>1,25,28,848</b>		1,61,24,869
Term Loan from UCO Bank (Secured by exclusive first charge on the Parking system at New Market, Kolkata and also on present & future receivables through escrow mechanism)		<b>16,49,79,353</b>		15,39,21,426
Temporary Overdraft from Bank		—		6,08,472
		<b>17,75,08,201</b>		17,06,54,767
<b><u>SCHEDULE - 4</u></b>				
<b>UNSECURED LOAN</b>				
Inter Corporate Deposits (Long Term)		<b>52,00,000</b>		65,00,000
Other Inter Corporate Deposits		—		30,00,000
From Shareholders		<b>25,00,000</b>		29,50,000
Interest Accrued thereon		<b>3,21,261</b>		6,91,950
		<b>80,21,261</b>		1,31,41,950

## SCHEDULE - 5

### FIXED ASSETS

PARTICULARS	Original cost as at 1.4.2006 Rs.	Additions during the year Rs.	Original cost as at 31.3.2007 Rs.	Depreciation as at 1.4.2006 Rs.	Depreciation for the year Rs.	Depreciation as at 31.3.2007 Rs.	Net Balance 31.3.2007 Rs.	Net Balance 31.3.2006 Rs.
BUILDING & STRUCTURE	4,33,09,642	6,02,63,082	10,35,72,724	92,03,299	24,16,578	1,16,19,877	9,19,52,847	3,41,06,343
PLANT & MACHINERY EQUIPMENT & MACHINERY	4,78,17,702	7,96,37,140	12,74,54,842	98,92,368	27,39,781	1,26,32,149	11,48,22,693	3,79,25,334
ELECTRICAL INSTALLATIONS	10,01,668	41,70,246	51,71,914	2,08,660	67,726	2,76,386	48,95,528	7,93,008
COMPUTERS	3,18,936	—	3,18,936	1,18,007	51,702	1,69,709	1,49,227	2,00,929
OFFICE EQUIPMENT	2,18,138	—	2,18,138	38,817	10,361	49,178	1,68,960	1,79,321
FURNITURE & FITTINGS	2,57,844	—	2,57,844	55,090	16,322	71,412	1,86,432	2,02,754
	9,29,23,930	14,40,70,468	23,69,94,398	1,95,16,241	53,02,470	2,48,18,711	21,21,75,687	7,34,07,689

## SCHEDULE - 6

### INVESTMENTS

(Other than trade- At Cost)

**Nominal Value  
of Shares (Rs.)**

#### Quoted

2,400 Equity Shares of UCO Bank	10/-	<b>28,800</b>	28,800
1,000 Equity Shares of Vijaya Bank	10/-	<b>24,000</b>	24,000
36 Equity Shares of TCS	1/-	<b>15,300</b>	15,300
251 Equity Shares of NTPC Ltd.	10/-	<b>15,562</b>	15,562
		<b>83,662</b>	83,662
Market value of Investments		<b>1,76,281</b>	1,84,050
Purchased/Sold during the year		<b>NIL</b>	—

## SCHEDULE - 7

### CURRENT ASSETS, LOANS & ADVANCES

#### PROJECTS WORK-IN-PROGRESS

(As certified and valued by the management)

Projects Work-in-Progress (At Cost)	<b>8,47,58,086</b>	28,37,02,267
-------------------------------------	--------------------	--------------

#### CASH & BANK BALANCES

Cheques in hand	<b>4,18,855</b>	—
Balance with Scheduled Bank : Current Account	<b>17,64,460</b>	3,07,699
	<b>21,83,315</b>	3,07,699

#### SUNDRY DEBTORS

(Unsecured, Considered good)

Debts Outstanding for a period exceeding six months	<b>4,52,08,543</b>	23,425
Other Debts	<b>4,24,10,706</b>	3,73,361
	<b>8,76,19,249</b>	3,96,786

#### OTHER CURRENT ASSETS

(Considered Good)

Tax Deducted at Sources	<b>5,25,073</b>	3,57,060
Pre-Paid Expenses	<b>1,32,671</b>	46,294
Security Deposit	<b>2,87,827</b>	1,87,827
Advances to Staff	<b>86,058</b>	1,20,693
	<b>10,31,629</b>	7,11,874
	<b>17,55,92,279</b>	28,51,18,626



## **SCHEDULE – 11**

### **NOTES ON ACCOUNTS :**

#### **1 SIGNIFICANT ACCOUNTING POLICIES**

##### **1.1 Basis of Accounting**

The Company prepares its financial statements on accrual basis, unless otherwise stated, in accordance with the generally accepted accounting principles and the Accounting Standards (AS) referred to in Section 211(3C) of the Companies Act, 1956.

##### **1.2 Revenue Recognition**

- a) Fee collections from users of facility are accounted for when the amount is due and recovery is certain.
- b) Fee for amenities are accounted for on accrual basis and are net of Service tax, if any.
- c) Revenue from Commercial Real Estate (received as lease premium) is recognised on making the initial agreement with the parties and receipt of substantial amount of total lease premium value.
- d) The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period such changes are determined.

##### **1.3 Cost of Construction / Development**

Cost of Construction / Development incurred is charged to the Profit & Loss account proportionate to project area sold. Adjustment, if required, are made in project work in progress .

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

##### **1.4 Fixed Assets**

Fixed assets are stated at original cost. Pre-operative expenses are capitalized as part of fixed assets till the date of commencement of commercial operations. Interests during construction period of the fixed assets are capitalized as a part of cost of asset, in so far as such expenses relate to the period prior to commercial operations.

##### **1.5 Project Work-in-progress**

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

##### **1.6 Depreciation**

Depreciation on certain assets is provided on straight line basis at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. Assets constructed on land not owned by the company were amortized over a period of the rights given under the concession agreement as referred to in Note 2 hereinafter.

##### **1.7 Impairment of Assets**

The Company identifies impairable assets based on individual assets or cash generating unit concept at the year end in the term of paragraphs 5 - 13 of AS - 28 issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, if any, is charged to the profit and loss accounts.

#### 1.8 Retirement Benefits

No provision for leave encashment has been made as all the employees are to avail the leave benefit within end of the financial year.

#### 1.9 Contingencies

Contingencies including foreseeable losses, which can be reasonably ascertained, are provided for, if in the opinion of the Company, there is a probability that the future outcome may be materially detrimental to the Company.

#### 1.10 Material Events

Material Events occurring after the date of Balance Sheet are taken into cognizance.

#### 1.11 Investment

There is no decline in the market value of long term quoted Investment.

#### 1.12 Deferred Tax

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

2. The Kolkata Municipal Corporation (KMC) has entered into an agreement dated 8.11.1999 with M/s Simplex Projects Ltd. (SPL) for installation, development and maintenance of Multilevel Computerised Car Parking System (hereinafter referred to as 'RSPP') at Rawdon Street, Kolkata. SPL, with the consent of KMC has nominated the Company to carry out the said project, which is on Built-Own-Operate-Transfer (BOOT) basis for a period of 20 years. (KMC has given a deposit of Rupees three crores to SPL as interest free deposit, to be refunded to them only out of the profits earned under a joint venture with KMC to develop commercial complex on a land to be allotted by KMC. The same has been adjusted by SPL against civil and other work of the project undertaken by them. The Company has, accordingly, accounted for the said deposit and adjusted the same on completion of execution of civil and other work by SPL).

Similarly, the said SPL has entered into another agreement dated 21/10/2002 with the KMC for installation, development and maintenance of another 'Multilevel Underground Car Parking System' at New Market, Lindsay Street, Kolkata (hereinafter referred to as 'NMP'). The said New Market Project has two levels basement, of which the upper basement has been utilized for the purpose of commercial development for which the company will enter into a lease agreement for an initial period of sixty year with KMC. Some agreements for transfer of Commercial space to shop owner have been made and revenue to be realized on the same has been accounted as Income from Lease Premium.

3. The company started the commercial operation of the New Market Project from 1st March, 2007 and accordingly the income & expenses thereafter has been taken into the Profit & Loss Account.
4. Estimated amount of Contracts to be executed on Capital Account and not provided for Rs. NIL (Previous year Rs. NIL).
5. The Company is a service company and accordingly information required under paragraph 4(c) of Part II of Schedule VI to the Companies Act, 1956 has not been furnished.
6. Payment against supplies from small scale and ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information. There was no amount overdue as on 31st March, 2007.
7. **Earning per Share :**

The earning considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

# 8. Segment Reporting:

Information about Business Segments - Information provided in respect of revenue items for the year ended 31st March, 2007/year ended 31st March, 2006 and in respect of assets and liabilities as at 31st March, 2007 /31st March, 2006.

Sl. No.	Particulars	Year ended 31st March, 2007	For the Year ended 31st March,2006
1.	<b>Segment Revenue</b>		
	Multilevel Car Parking	89,90,179	54,99,713
	Commercial Development	28,71,57,538	28,37,02,267
	Others	5,554	4,455
	<b>Total</b>	<b>29,61,53,271</b>	<b>28,92,06,435</b>
2.	<b>Segment Results</b>		
	Multilevel Car Parking	(28,88,952)	(1,25,85,290)
	Commercial Development	3,76,40,369	—
	Others	(45,182)	(32,691)
	<b>Profit Before Tax</b>	<b>3,47,06,235</b>	<b>(1,26,17,981)</b>
3.	<b>Segment Assets</b>		
	Multilevel Car Parking	21,60,05,622	7,44,14,202
	Commercial Development	17,15,15,780	28,39,56,457
	Others	3,30,226	1,55,655
	<b>Total</b>	<b>38,78,51,628</b>	<b>35,85,26,314</b>
4.	<b>Segment Liabilities</b>		
	Multilevel Car Parking	1,46,19,391	1,92,17,610
	Commercial Development	29,95,57,417	29,98,16,413
	Others	11,09,966	11,84,334
	<b>Total</b>	<b>31,52,86,774</b>	<b>32,02,18,357</b>
5.	<b>Depreciation</b>		
	Multilevel Car Parking	53,02,470	1,38,48,244
	Commercial Development	—	—
	Others	—	—
	<b>Total</b>	<b>53,02,470</b>	<b>1,38,48,244</b>

# 9. Deferred Tax Assets :

The deferred tax asset in the beginning as well as during the year has not been recognized, on prudence basis, in accordance with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India, as there is no reasonable certainty for future taxable income against which it can be realized.

# 10. C.I.F. Value of Imports :

	2006-07 Rs.	2005-06 Rs.
Raw Materials/Machinery	1,95,02,142	8,27,263
<b>TOTAL</b>	<b>1,95,02,142</b>	<b>8,27,263</b>

# 11. Expenditure in Foreign Currency :

	2006-07 Rs.	2005-06 Rs.
Travelling	18,51,180	10,45,250
<b>TOTAL</b>	<b>18,51,180</b>	<b>10,45,250</b>

12. Related party Disclosures pursuant to AS-18 issued by the ICAI :

RELATED PARTIES AND THEIR RELATIONSHIPS :

SL. NO.	NAME OF PARTY	RELATIONSHIP
1	SIMPLEX PROJECTS LIMITED	HOLDING COMPANY

MATERIALS TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR ENDED 31st MARCH, 2007

SL. NO.	PARTICULARS	TRANSACTION VALUE
1	SIMPLEX PROJECTS LTD.	
	LOAN & ADVANCE TAKEN	RS. 9,22,88,823.29
	SUNDRY CREDITORS	RS. 1,99,50,013.90
	CURRENT LIABILITY	RS. 79,41,698.34

13. Information pursuant to part IV of Schedule VI to the Companies Act, 1956 (As Amended).

Balance Sheet Abstract and Company's Business Profile

I. Registration Details :-

Registration No. 21-76031

State Code 21

Balance Sheet Date 31 03 2007  
Date Month Year

II. Capital Raised during the Period (Amount in Rs. Thousand)

Public Issue  
NIL

Rights Issue  
NIL

Bonus Issue  
NIL

Private Placement  
NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities  
387852

Total Assets  
387852

Sources of Funds

Paid-up Capital  
27852

Reserves and Surplus  
10782

Secured Loans  
177508

Unsecured Loans  
8021

Deposit  
30000

Application of Funds

Net Fixed Assets  
212176

Investments  
84

Net Current Assets  
41903

IV. Performance of company (Amount in Rs. Thousands)

Turnover (Including other Income)

2 9 6 1 5 3

+/- Profit/Loss before Tax

+ 3 4 7 0 6

Earning Per Share in Rs.

1 1 . 0 5

Total Expenditure

2 6 1 4 4 7

+/- Profit/Loss after Tax

+ 3 0 7 8 6

Dividend Rate %

0 0

Recommended

V. Generic Names of Three Principal Products/Services of Company  
(As per monetary terms)

Item Code No. (ITC Code)

N I L

Product Description

Developing, Maintaining and Operating  
Infrastructure Facility

14. Figures for the Current period relate to the year ended 31st March, 2007 and as such these are not comparable with previous year figures. Previous year's figures have been re-arranged / re-grouped where ever considered necessary.

**SIGNATURES TO SCHEDULES**

**“1” TO “11”**

For and behalf of

**CHATURVEDI & COMPANY**

*Chartered Accountants*

**Nilima Joshi**

*Partner*

Membership No. 52122

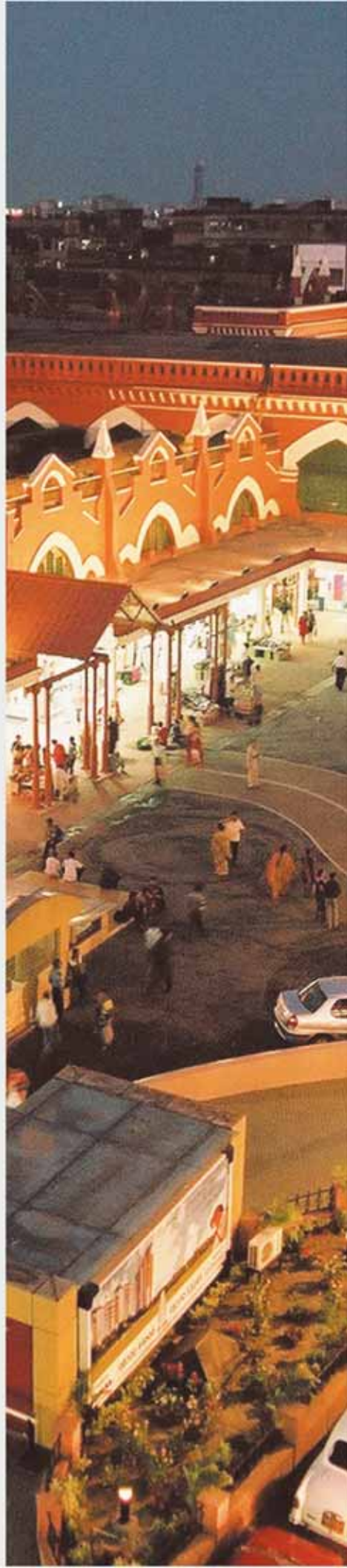
Kolkata, 24th May, 2007

**Pradeep Kumar Mishra**

*Director*

**Arup Choudhuri**

*Director*





[www.simplexprojects.com](http://www.simplexprojects.com)  
[www.simparkinfrastucture.com](http://www.simparkinfrastucture.com)