



AN ISO 9001 : 2008
certified company

SIMPLEX INFRASTRUCTURES LIMITED

REGD. OFFICE :

'SIMPLEX HOUSE', 27, SHAKESPEARE SARANI, KOLKATA-700 017 (INDIA)
PHONES : +91 33 2301-1600, FAX : +91 33 2283-5964 / 5965 / 5966
E-mail : simplexkolkata@simplexinfra.com, Website : www.simplexinfrastructures.com
CIN No. L45209 WB 1924 PLC 004969

01/CS/SE/001/92341

September 20, 2016

The Manager, Listing Department
National Stock Exchange of India Limited
Bandra Kurla Complex
Bandra (East)
Mumbai-400051

Sub: Qualified Audit Reports filed by the Listed Entities for FY 2014-15

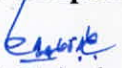
Dear Sir,

This has reference to your e-mail dtd 5.8.2016 advising the Company, which had filed Form B for the financial year 2014-15, to submit Statement on Impact of Audit Qualifications as per the format prescribed in the SEBI Circular No. CIR/CFD/CMD/56/2016 dtd 27.05.2016 for the financial year 2014-15.

In this connection, we are enclosing herewith the Statement on Impact of Audit Qualifications for the financial year 2014-15.

Thanking you,

Yours faithfully,
For Simplex Infrastructures Limited


B.L. Bajoria
Sr. Vice President & Company Secretary

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Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2015
(Standalone)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In Lakhs) * Refer Note below
I.	1.	Total Revenue	5,63,460	5,63,460
	2.	Total Expenditure	5,54,071	5,54,898
	3.	Net Profit/(Loss)	6243	5416
	4.	Earnings Per Share	12.62	10.95
	5.	Total Assets	7,83,932	7,83,105
	6.	Total Liabilities	6,39,713	6,39,713
	7.	Net Worth *	1,44,219	1,43,392
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

*Represent Shareholders' Funds as per Balance Sheet

Note: The adjusted figures are after considering Auditors' Qualification as set out in II (a)(i) read with II (a)(iii) with which the Management is not in agreement. However, the impact of Audit Qualification set out in II (a)(ii) read with II(a)(iii) is not ascertainable for the reasons indicated therein.

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:	The Independent Auditors have qualified their audit opinion in their Report dated 26th May, 2015 on the Standalone Financial Statements of the Company for the year ended 31st March, 2015. Relevant excerpts from the Independent Auditors' Report on the said Standalone Financial Statements are given below: "Basis for Qualified Opinion 8. We draw your attention to Note 32 to the financial statements with regard to following matters:
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- (i) "a) Non ascertainment and non- provision for
(i) diminution, other than temporary, in the carrying amount of investments aggregating Rs.387 Lakhs (As at March 31, 2014:Rs.387 Lakhs) in one of the subsidiaries of the Company, which is not in accordance with Accounting Standard 13 "Accounting for Investments" and

(ii) advances of Rs.440 Lakhs (As at March 31, 2014:Rs.410 Lakhs) due from the aforesaid subsidiary, recovery of which is doubtful in view of erosion of its net worth and other factors as stated in note referred above.Had the aforesaid provisions been considered, Non-current Investments would have been Rs.11,301 Lakhs (As at March 31, 2014:Rs.11,077 Lakhs) instead of the reported amount of Rs.11,688 Lakhs (As at March 31, 2014:Rs.11,464 Lakhs); Short-term Loans and Advances would have been Rs.81,755 Lakhs (As at March 31, 2014: Rs.71,847 Lakhs) instead of the reported amount of Rs.82,195 Lakhs (As at March 31, 2014: Rs.72,257 Lakhs);Other Expenses would have been Rs.267,211 Lakhs (Previous year ended March 31, 2014: Rs.258,214 Lakhs) instead of the reported amount of Rs.266,384 Lakhs (Previous year ended March 31, 2014: Rs.257,417 Lakhs);Total Expenses would have been Rs.554,898 Lakhs (Previous year ended March 31, 2014: Rs.547,475 Lakhs) instead of the reported amount of Rs.554,071 Lakhs (Previous year ended March 31, 2014: Rs.546,678 Lakhs); Reserves and Surplus would have been Rs.142,399 Lakhs (As at March 31, 2014: Rs.137,989 Lakhs) instead of the reported amount of Rs.143,226 Lakhs(As at March 31, 2014: Rs.138,786 Lakhs); Profit before tax would have been Rs.8,562 Lakhs (Previous year ended March 31, 2014: Rs.7,763 Lakhs) instead of the reported amount of Rs.9,389 Lakhs (Previous year ended March 31, 2014: Rs.8,560 Lakhs); Profit for the period would have been Rs.5,416 Lakhs (Previous year ended March 31, 2014: Rs.5,261 Lakhs) instead of the reported amount of Rs.6,243 Lakhs (Previous year ended March 31, 2014: Rs.6,058 Lakhs) and Earnings Per Equity Share would have been Rs.10.95 (Previous year ended March 31, 2014: Rs.10.63) instead of the reported amount of Rs.12.62 (Previous year ended March 31, 2014: Rs.12.25). This matter was also qualified in our report on the standalone financial statements for the year ended March 31, 2014.
- (ii) b) In view of the lack of adequate information, we are unable to comment on the extent of eventual recoverability of amount due from the aforesaid subsidiary classified as Other Current Assets aggregating Rs.1,481 Lakhs (As at March 31, 2014: Rs.1,428 Lakhs) as at the year end. The impact of this matter on the Other Current Assets, Other Expenses, Total Expenses, Reserves and Surplus, Profit before Tax, Profit for the period and Earnings per Equity Share of the Company is presently not ascertainable at this stage.This matter was also qualified in our report on the standalone financial statements for the year ended March 31, 2014."
- (iii) **"Qualified Opinion**
9.In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter referred to in paragraph 8 (a) above and the indeterminate effect of the matter referred to in paragraph 8 (b) above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at

	March 31, 2015, and its profit and its cash flows for the year ended on that date." "Report on other Legal and Regulatory Requirements 11. As required by Section 143 (3) of the Act, we report that: (a) We have sought and except for the indeterminate effect of the matter referred to in paragraph 8 (b) above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; (b) In our opinion, except for the effect of the matter referred to in paragraph 8(a) above and the indeterminate effect of the matter referred to in paragraph 8(b) above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; (d) In our opinion, except for the effect of the matter referred to in paragraph 8 (a) above and the indeterminate effect of the matter referred to in paragraph 8 (b) above, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014."
b. Type of Audit Qualification :	Qualified Opinion
c. Frequency of qualification:	This has been subject matter of qualification in Independent Auditors' Report on the Standalone Financial Statements of the Company since the financial year ended 31 st March, 2011
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Refer to point no. 8 (a) of the Independent Auditors' Report on the Standalone Financial Statements for the financial year ended 31st March, 2015 , which has been given in detail at point II (a) (i) read with II (a) (iii) above , under the heading ' details of Audit Qualification ' of this statement. The relevant extract of the Note.32 to the Standalone Financial Statements which explains the Management's views with respect to the Audit Qualification mentioned above is provided below: (Rs. In Lakhs) "The Company is of the opinion that the diminution in the carrying amount of the above investments is temporary in nature and no provision in this regard is considered necessary at this stage. Similarly, in view of the position explained above, the Company is of the opinion that the advance of Rs.440 (2014: Rs.410) due from Simplex Libya is recoverable and no provision in this regard is required to be made at this stage."
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	

(i) Management's estimation on the impact of audit qualification:	Refer to point no. 8 (b) of the Independent Auditors' Report on the Standalone Financial Statements for the financial year ended 31 st March, 2015 , which has been given in detail at point II (a)(ii) read with II (a) (iii) above, under the heading ' details of Audit Qualification ' of this statement, which is not ascertainable
(ii) If management is unable to estimate the impact, reasons for the same:	The relevant extract of the Note.32 of the Standalone Financial Statements which explains the Management's reasons for its inability to estimate the impact of the Audit Qualification mentioned above is provided below: (Rs. in Lakhs) “At the beginning of the current financial year , Management's Representative had visited Libya to take stock of the current situation and also follow up the recovery of dues with the local Government which is a substantial amount. The Representative also carried out physical inspection of Simplex Libya's tangible assets i.e. plant and machinery etc. and based on a valuation of such assets carried out by an independent valuer during the financial year, the aggregate market value of these assets is more than the amount due to the Company . The political situation in Libya is expected to improve gradually and position to be stabilised. Upon further improvement of the political situation and on assessment of recoverability of the total exposure as aforesaid, Management is of the opinion that on recovery of dues of Simplex Libya, its financial position is expected to improve substantially together with a positive net worth.”
(iii) Auditors' Comments on (i) or (ii) above:	No comment further to “Details of Audit Qualification” in Item II (a) above
III. Signatories:	
☐ • CEO / Managing Director	 ✓ A.K. Chatterjee CEO & Whole-time Director
• CFO	 ✓ Sukumar Dutta Whole-time Director & CFO
• Audit Committee Chairman ☐	 ✓ Asutosh Sen Audit Committee Chairman

• Statutory Auditor ☐

1. For Price Waterhouse
Firm Registration Number 301112E

(Pradip Law)
Partner
Membership No. 51790

2. For H.S. Bhattacharjee & Co.
Firm Registration Number 322303E

(H.S. Bhattacharjee)
Partner
Membership No. 50370

Place: Kolkata
Date: 13.09.2016