SIMPLEX BANGLADESH PRIVATE LIMITED

AUDIT FOR THE YEAR ENDED 31ST MARCH 2016

Conducted By

BINAYAK DEY & CO

Chartered Accountants

Gokuldham, Fl-2A, Bldg-III

32/1B, Ramkrishna Samadhi Road

Kankurgachi, Kolkata 700054

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Binayak Dey & Co.
Chartered Accountants

AUDITORS' REPORT

TO THE MEMBERS OF SIMPLEX BANGLADESH PRIVATE LIMITED

We have audited the accompanying financial statements of **Simplex Bangladesh Private Limited**, being a Company registered in Bangladesh, which comprise the Balance Sheet as at March 31, 2016 and the Profit and Loss Account for the year ended, and a summary significant accounting policies and other explanatory information. We have audited the accounts for the purpose of consolidation only.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Indian GAAP. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

a) In case of Balance Sheet, of the state of affairs of the Company as at 31st March 2016
b) In the case of Statement of Profit & Loss, of the profit of the Company for the year ended on that date.

For BINAYAK DEY & CO
CHARTERED ACCOUNTANTS
Firm Registration Number 328896E

BINAYAK DEY & CO FRN-328896E Chartered Accountants

BINAYAK DEY
(PROPRIETOR), M No- 062177
Dated: 25th day of May 2016

Office : 1 Gokuldham, Flat-2A, Building-III, 32/1B, Ramkrishna Samadhi Road, Kankurgachi, Kolkata-700054
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Simplex Bangladesh Private Limited

Balance Sheet as at 31st March, 2016

Amount in BDT

Particulars	Note No.	As at 31st March, 2016
EQUITY AND LIABILITIES		
Shareholders' funds		
Share Capital / Co-venturer's A/cs-Share of Profit	2	3,800,000
Reserves and surplus	3	22,504,981
Money received against share warrants		
Non-current liabilities		
Long-term borrowings		
Deferred tax liabilities (net)		
Other long-term liabilities		
Long-term provisions		
Current liabilities		
Short-term borrowings		
Trade payables	4	13,000
Other current liabilities	5	83,505,750
Short-term provisions	6	12,118,067
TOTAL		121,941,798
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	7	75,353,947
Intangible assets		-
Capital work-in-progress		-
Non-current investments		
Long-term loans and advances		
Other non-current assets		
Current assets		
Current investments		-
Inventories		-
Trade receivables	8	42,852,074
Cash and bank balances	9	3,735,777
Short-term loans and advances		-
Other current assets		-
TOTAL		121,941,798

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

The Notes are an integral part of these financial statements.

For Binayak Dey & Co.
Firm Registration Number: 328896E
Chartered Accountants

(Binayak Dey)
Proprietor
Membership Number: 062177
Kolkata, 25 May, 2016

BINAYAK DEY & CO. FRN-328896E Chartered Accountants

K.I. Said
Executive Director

Simplex Bangladesh Private Limited

Statement for Profit & Loss for the year ended 31st March, 2016

Amount in BDT

Particulars	Note No.	Year ended 31st March, 2016
Revenue from operations	10	41,182,194
Other Income	11	56,353
Total Revenue		41,238,547
EXPENSES		
Cost of materials consumed		-
Purchases of Stock-in-Trade		
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Employee benefits expense	12	1,405,029
Finance costs		
Depreciation and amortisation expense	13	1,932,153
Other expenses	14	3,278,317
Total Expenses		6,615,499
Profit before exceptional and extraordinary items and tax		34,623,048
Exceptional Items		
Profit before extraordinary items and tax		34,623,048
Extraordinary items		
Profit before tax		34,623,048
Tax Expense		
Current tax		12,118,067
Deferred tax		
Total tax expense		12,118,067
Profit for the period		22,504,981

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

The Notes are an integral part of these financial statements.

For Binayak Dey & Co.
Firm Registration Number: 328896E
Chartered Accountants

(Binayak Dey)
Proprietor
Membership Number: 062177
Kolkata, 25 May, 2016

BINAYAK DEY & CO. FRN-328896E Chartered Accountants

K.L.Baid
Executive Director

Simplex Bangladesh Private Limited

Notes to the Financial Statements

1. Significant Accounting Policies

1.1 **BASIS OF PREPARATION**

The Financial statements are prepared to comply all material aspects with all the applicable accounting standards in India.

1.2 **FIXED ASSETS**

Tangible Assets are stated at cost of acquisition and related expenditure.

1.3 **DEPRECIATION AND AMORTISATION**

Depreciation is provided on straight-line method over the estimated useful lives of the assets as decided by the management based on Techinical evaluation of the usage of the assets.

a) Plant and Machinery @ 10% on Straight Line Method.

1.4 **INVENTORIES**

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

1.5 **REVENUE RECOGNITION**

Contract Revenue is recognized under percentage of completion method. The stage of completion is determined on the basis of physical proportion of the contract work Extra work and variation in contract (as mutually agreed), to the extent that it is probable that they will result in revenue and can be reliably measured.

1.6 **TAXATION**

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws.

1.7 Prior Period and extra ordinary items and changes in Accounting policies having material impact on the financial affairs of the Company are disclosed.

1.8 **Material Events** occurring after the Balance Sheet date are taken into cognizance

BINAYAK DEY & CO.
FRN-322895E
Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

2 - Share Capital

	Amount in BDT As at 31st March, 2016
Authorised:	
10,00,000 Ordinary Shares of BDT 10 each	10,000,000
	10,000,000
Issued, Subscribed and Paid-up:	
3,80,000 Ordinary Shares of BDT 10 each	3,800,000
Net Total	3,800,000

BINAYAK DEY & CO. FRN-328996E Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

3 - Reserves & Surplus

Amount in BDT

	As at 31st March, 2016
Profit and Loss account - Surplus	
Balance as per last account	
Add: Transferred from Profit and Loss Statement	22,504,981
Amount available for appropriation	22,504,981
Appropriations :	-
	-
Total	**22,504,981**

BINAYAK DEY & CO.
FRN-328896E
Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

4 - Trade and other payables

Amount in BDT

	As at 31st March, 2016
Trade Payables	
Creditors for Supplies/ Services	13,000
Sub Contractors Retention	-
Total	**13,000**

BINAYAK DEY & CO. FRN 322261 Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

5 - Other current liabilities

Amount in BDT

	As at 31st March, 2016
Advances from Customers	170,000
Employee Related Liabilities	412,000
Statutory Dues (VAT,TDS etc)	2,390,896
Capital Liabilities	77,286,100
Simplex Infrastructures Limited	3,246,754
Total	**83,505,750**

BINAYAK DEY & CO.
FRN-328390E
Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

6 - Short-term Provisions

	Amount in BDT As at 31st March, 2016
Provision for tax (net of advance tax)	12,118,067
Total	**12,118,067**

BINAYAK DEY & CO
FRN-328896E
Chartered Accountants

Simplex - Navana Joint Venture

Notes to the Financial Statements

(Amounts in BDT)

7 . TANGIBLE ASSETS

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
Particulars	As at 31st March,2015	Additions during the Year	Disposals during the year	Other Adjustments during the year	As at 31st March,2016	As at 31st March,2015	For the Year	Disposals during the year	Other Adjustments during the year	As at 31st March,2016	**As at 31st March,2016**	As at 31st March,2015
Plant and Equipment	-	77,286,100	-		77,286,100	-	1,932,153			1,932,153	75,353,947	-
Total	**-**	**77,286,100**	**-**	**-**	**77,286,100**	**-**	**1,932,153**	**-**	**-**	**1,932,153**	**75,353,947**	**-**

BINAYAK DEY & CO.
FRN-328896E
Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

8 - Trade Receivables

	Amount in BDT As at 31st March, 2016
Unsecured considered good, unless otherwise stated	
Outstanding for a period exceeding six months from the date they are due for payment.	
Considered Good	
Less: Provision for doubtful debts	
Others	42,852,074
Total	**42,852,074**

BINAYAK DEY & CO. FRN-32[illegible] Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

9 - Cash and bank balances

	Amount in BDT As at 31st March, 2016
Cash and cash equivalents	
Cash on hand	-
Remittances in transit	
Balances with Banks on current accounts	3,735,777
Other bank balances	
Margin Money Accounts	-
Deposit Accounts lodged as Security Deposits	-
Total	**3,735,777**

BINAYAK DEY & CO.
FRN-328896E
Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

10 - Revenue from operations

Amount in BDT

	Year ended 31st March, 2016
Sale of services	
Contract Turnover	41,182,194
Total	**41,182,194**

BINAYAK DEY & CO. FRN-328896E Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

11 - Other Income

Amount in BDT

	Year ended 31st March, 2016
Net gain on foreign currency transaction and translation	56,353
Total	**56,353**

Simplex Bangladesh Private Limited

Notes to the Financial Statements

12 - Employee Benefits Expense

Amount in BDT

	Year ended 31st March, 2016
Salaries and wages	1,404,514
Contribution to provident and other funds	-
Staff welfare expenses	515
Total	**1,405,029**

BINAYAK DEY & CO.
FRN-328896E
Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

13 - Depreciation & Amortisation Expenses

Amount in BDT

	Year ended 31st March, 2016
Depreciation	1,932,153
Amortisation	-
Total	**1,932,153**

BINAYAK DEY & CO.
FRN-328896E
Chartered Accountants

Simplex Bangladesh Private Limited

Notes to the Financial Statements

14 - Other Expenses

Amount in BDT

	Year ended 31st March, 2016
Consumption of Stores & Spare Parts	2,016,352
Rent	64,000
Repairs to Machinery	767,250
Consultation Fee and Expenses	403,904
Other Contract Overheads	26,811
Total	**3,278,317**

BINAYAK DE[illegible] & CO
FRN-3[illegible]
Chartered Accountants

Simplex Bangladesh Private Limited
Notes to the Financial Statements

Amount in BDT

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

Names of Related Parties	Relationship
With whom transactions were carried out during the year etc :	
Simplex Middle East Limited	Holding Company
Simplex Infrastructures Limited	Ultimate Holding Company

	Transactions during the year			Balance outstanding at the year end	
Name and Relationship	Issued Share Capital	Purchase of Fixed Assets	Reimbursement of Expenses	Other Current Liabilities	Share Capital
Simplex Infrastructures Limited	- -	77,286,100 -	2,363,462 -	80,532,854 -	- -
Simplex Middle East Limited	3,800,000 -	- -	- -	- -	3,800,000 -
Total	3,800,000 -	77,286,100 -	2,363,462 -	80,532,854 -	3,800,000 -

Figures in italics pertain to previous year

For Binayak Dey & Co.
Firm Registration Number: 328896E
Chartered Accountants

(Binayak Dey)
Proprietor
Membership Number: 062177
Kolkata, 25 May, 2016

BINAYAK DEY & CO. FRN-328896E Chartered Accountants

K. L. Baid
Executive Director