



Simplex Infrastructures Limited

Annual Report 2007 - 08



Simple philosophy. Simpler proposition.

Simplex Performance.

Contents

01

Corporate Information

02

Simple Philosophy. Simpler Proposition. Simplex Performance.

03

Vision

04

An Overview of Simplex Infrastructures

05

Business Sectors

06

Operational Achievements

07

Some Major Ongoing Projects

08

Financial Highlights

10

Chairman's Message

12

Directors' Report

18

Management's Discussion and Analysis

22

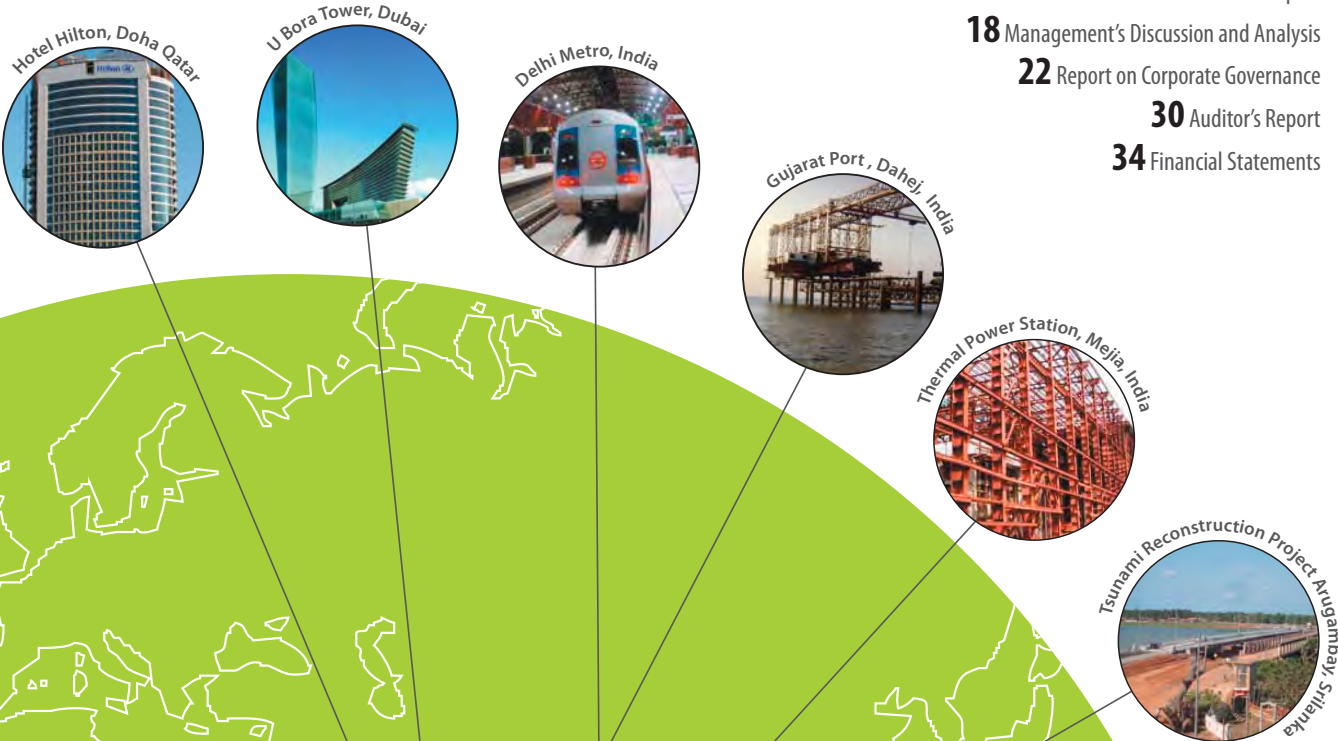
Report on Corporate Governance

30

Auditor's Report

34

Financial Statements



Corporate Information

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Shri B.L. Bajoria

BANKERS

United Bank of India
Standard Chartered Bank
UCO Bank
ING Vysya Bank Ltd.
The Federal Bank Ltd.
ICICI Bank Ltd.
Axis Bank Ltd.
IndusInd Bank Ltd.
HDFC Bank Ltd.
Allahabad Bank
IDBI Bank Ltd.
Canara Bank
Punjab National Bank
Indian Bank
Central Bank of India
Oriental Bank of Commerce
Exim Bank
Karur Vysya Bank Ltd.
ABN AMRO Bank
State Bank of Travancore
HSBC Ltd.

AUDITORS

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

REGISTERED OFFICE

'SIMPLEX HOUSE',
27, Shakespeare Sarani,
Kolkata 700017.

BRANCHES

Delhi office
Vaikunth,
82-83, Nehru Place,
New Delhi 110019.

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

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

BRANCHES (INTERNATIONAL)

Doha office
Home Centre Building,
HBK Tower, P. O. Box 22472
Doha, Qatar.

Dubai office
M-13 Al Futtaim Business Centre,
Shekh Zayed Road, P. O. Box 124748
Dubai, U.A.E.

Bahrain office
P. O. Box - 32571, Manama,
Kingdom of Bahrain.

Oman office
2nd Floor, Bldg. No. 1915,
Way No. 2137, Nizwa House, M. Q. ,
P. O. Box 1797, P. C. 114, Muscat,
Sultanate of Oman.

Sri Lanka office
No. 30 Dharmarama Road, Colombo - 06,
Sri Lanka.

Simple **Philosophy.** Simpler **Proposition.** Simplex **Performance.**

The purpose of our business is to create incremental value for stakeholders. They are our primary enablers and risk takers who empower us to scale operations, and transform our vision into a vibrant reality. Rewarding stakeholders is our **Simple Philosophy.**

Our growth is the consequence of the confidence clients have in our business capabilities. Our burgeoning order book is a testimony to their belief. We address this trust placed in us by offering clients efficiency in execution, timeliness in completion, quality assurance and competitiveness in prices. Consistently benefiting clients is our **Simpler Proposition.**

The single strand that connects stakeholders and clients is our performance. It is performance that guarantees great value to clients and performance once again that enables us to reward stakeholders. Consistently performing at a level that is far above the target and expectations is a Simplex trait. You could call it **Simplex Performance.**

Vision

Execute projects with consistent quality assurance, cost control and adhere to milestones as per customer requirements and to sustain position as a leader in foundation technology, general civil engineering construction and to endeavour to promote the culture of sharing rich and varied experience with staff members, as also with clients, which will benefit and help the growth of the construction fraternity and society at large.



An overview of Simplex Infrastructures



Incorporated in 1924 as Simplex Concrete Piles (India) Ltd.

Introduced cast- in- situ driven piles in Asia.

Holds several patents and some more applications under process.

Went public in 1993 - shares listed on the Bombay, Calcutta and other Stock Exchanges.

Shares listed on the National Stock Exchange in 2004.

Changed name to Simplex Infrastructures Limited in 2005.

Capabilities spanning infrastructure, industrial and real estate sectors.

Pan-India presence with footprint extending across the United Arab Emirates, Qatar, Bahrain, Oman and Sri Lanka.

Business Sectors

SECTOR	SERVICES
GROUND ENGINEERING	Foundation work including pre-cast piling, pre-cast jointed piling, cast-in-situ, driven and bored piling and ground engineering work including soil investigation, soil compaction and strengthening, diaphragm walls, grouting, stone columns etc.
INDUSTRIAL PLANTS	Cement, steel, aluminium, copper, refinery, material handling, engineering, automobiles, petrochemicals, oil and gas, fertiliser, paper, textiles, chemicals, pharmaceuticals, shipyards and other specialised structures such as tall chimneys, silos and rocket launching pads.
POWER PLANTS	Thermal, nuclear and hydroelectric.
URBAN INFRASTRUCTURE	Metro stations, airports, water and sewerage treatment plants and pipelines, sports complex, hotels, educational institutions and health centers.
BUILDINGS AND HOUSING	Residential and commercial high-rises, retail and other buildings.
MARINE STRUCTURES	Ports, jetties, harbours, wharves and breakwaters.
ROADS, RAILWAYS AND BRIDGES	Highways, expressways, flyovers and bridges; railway tracks and platforms; elevated corridors etc.

Operational Achievements

Presence outside India in the UAE, Qatar, Bahrain, Oman and Sri Lanka.

Ranked among India's Top 5 "Fastest Growing Large Companies" by Business Today - 15th June, 2008.

Around 100 residential and commercial towers under construction.

Completed 60 km substructure of the Dubai Metro project in around 12 months.

Constructing India's biggest port at Vallarpadam, Kochi.

Commissioning one of the country's largest grey cement plant for Grasim in Rajasthan.

Building India's first Ritz Carleton hotel in Bangalore.

Constructing a flyover ad-measuring 11.66 km connecting the Rajiv Gandhi International Airport, Shamshabad to Hyderabad City.

Completed the Udaipur Domestic Airport Terminal.

Constructing Hotel Hilton, a five-star hotel at Doha, Qatar.



Some Major Completed Projects in 2007-08

Construction of 400 KV GIS building, 220 KV GIS building, switchyard central control building for the Kudankulam Nuclear Power Plant, Tamilnadu.

Civil work for construction of 3 towers of 33 stories each, at Prabhadevi, Mumbai.

Construction of 4 x 250 MW Power Plant at Raigarh, Chattisgarh

Wharf and reclamation project in Navi Mumbai

Civil and structural works for 3 x 30 MW Captive Power Plant at Lanjigarh, Orissa

Civil structural work for Aluminium Smelter Project at Jharsuguda, Orissa



Some Major Ongoing Projects

Civil, Arhitecture, Road, Earthwork & Bailey bridge for construction of 4 x 33 MW Teesta Hydroelectric Project

Civil Work for International Container Transhipment Terminal, Kochi Phase 1A

Design & construction of 11.94 km Eastern Freeway from Prince of Wales Museum to Anik Panjarapole Link Road under MUIP

Civil construction, transportation, erection & testing for 2 x 525 MW Maithon Right Bank Thermal Power Plant

Civil contract for construction of via-duct VAG corridor - Mumbai Metro One project.

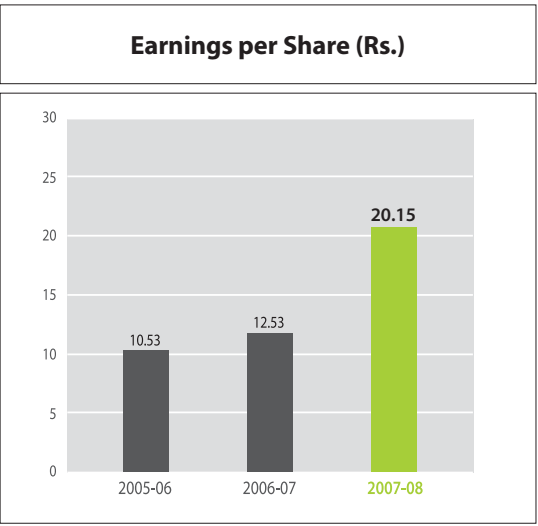
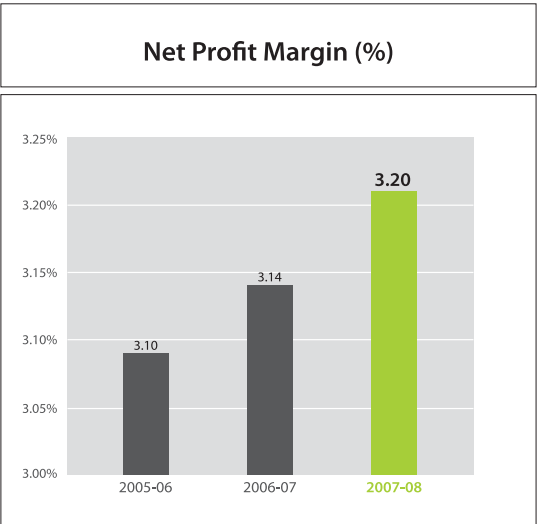
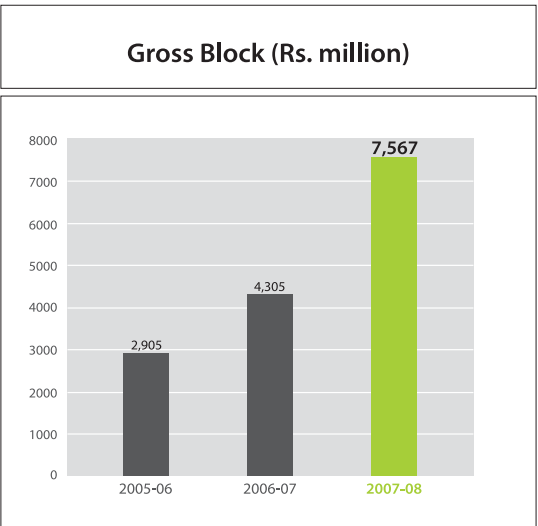
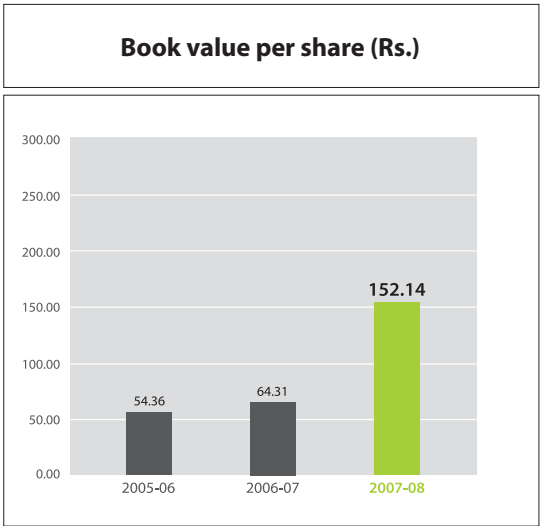
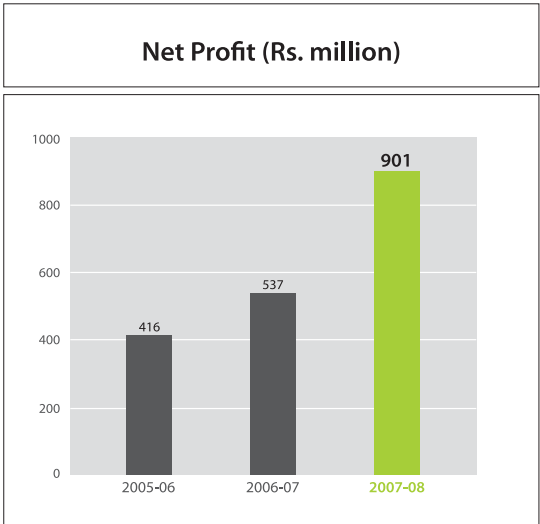
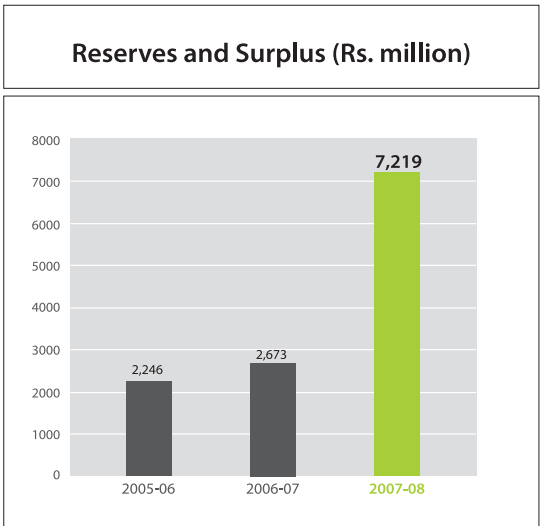
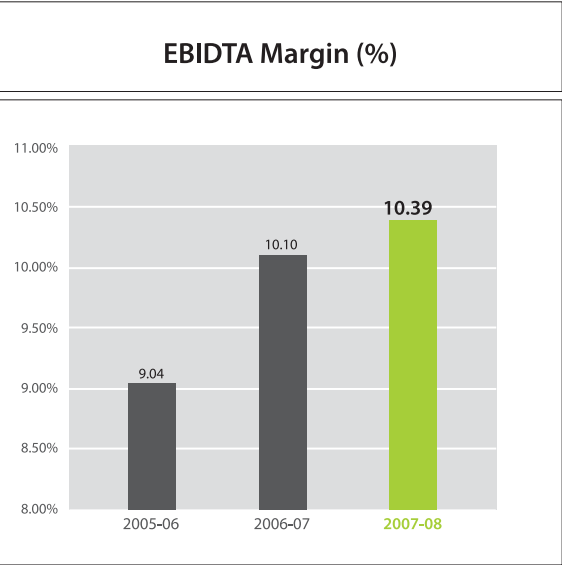
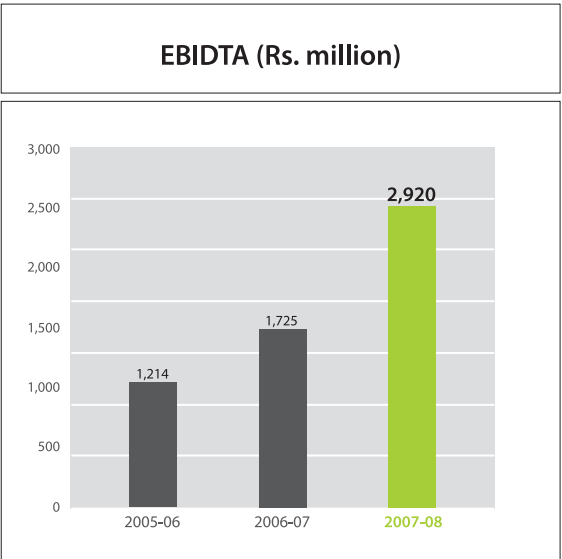
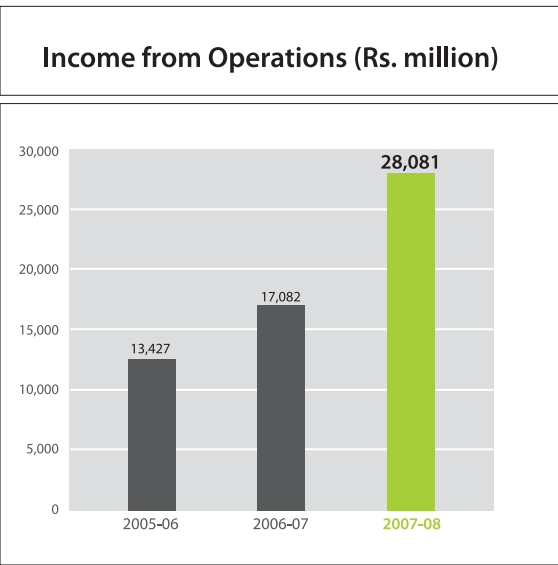
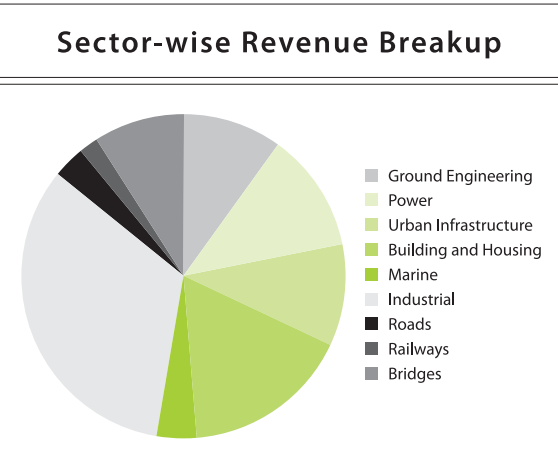
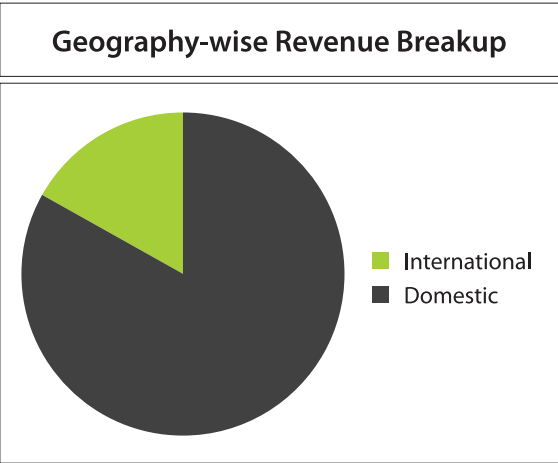
Civil, Structural & Architectural work of Main Plant Civil Package for 2 x 250 MW Unit 5 & 6 at Mejia TPS, West Bengal

Improvement of access to Golden Quadrilateral corridor by construction of free flow facility along NH-04, 45 & 205, Chennai

Electro-mechanical erection, civil work and commissioning assistance of CIF contract items and onshore supply items for 5,000 TPD cement plant, Qatar



Financial Highlights





Chairman’s Message

B. D. Mundhra
Chairman and Managing Director

“Over 2007-08, our gross revenues reached Rs. 28,081.20 million as against Rs.17,082.14 million last year. Profits before and after tax, grew to Rs.1,270.50 million and Rs.900.79 million, increasing 81.08 percent and 67.71 percent, from Rs.701.62 million and Rs.537.12 million, respectively. The continuous high growth and performance have enabled us to be named among the Top 5 “Fastest Growing Large Companies in 2007’ by Business Today. ”

Dear Shareholders,

As you are aware, the world is witnessing a powerful movement towards greater balance in the midst of an unprecedented surge of prosperity. Continued economic growth has to contend with anxieties on account of rising oil prices and geo-political uncertainty. In this environment, your company continues to march forward with unabated self-confidence.

Over 2007-08, our gross revenues reached Rs. 28,081.20 million as against Rs. 17,082.14 million last year. Profits before and after tax, grew to Rs. 1,270.50 million and Rs. 900.79 million, increasing 81.08 percent and 67.71 percent, from Rs. 701.62 million and Rs. 537.12 million, respectively. The continuous high growth and performance have enabled us to be named among the Top 5 “Fastest Growing Large Companies in 2007’ by Business Today.To fund our expansion plans, we successfully raised Rs. 4,000 million via a Qualified Institutional Placement. Further, the promoters have agreed to infuse Rs. 2,205.50 million by way of convertible warrants by April 2009 out of which Rs. 292.73 million has already been received by the Company during the financial year ended 31st March 2008.

Since our inception in 1924, the construction sector has existed, but not as today’s recognized category. Certainly less of India’s infrastructure existed then than now. By the same token, it was not a conventional line of business to take up. It required a unique outlook, and organisation of multiple skills, manpower and know-how then not easily accessible. Simplex has been able to hold together so many people, of so many varied skills and strength because of its strong corporate culture.

Intervening decades have seen many radical changes in India’s economy and geography, most notably in its infrastructure. Today, the construction industry is the second largest economic activity after agriculture employing about 31 million people. It is one of the core sectors of the economy with a gross value of output in excess of Rs. 3,100 billion, consuming 40-50% of the National Plan outlay and contributing to 20% of the GDP. The Government of India’s Rs. 500 billion outlay during the Eleventh Five Year Plan will provide the much needed impetus to infrastructure development. In this scenario, Simplex’s ability to amalgamate the knowledge of experience in the industry and the energy of youth is also a function of its corporate culture.

Your Company has adopted a ‘systems approach’ to project execution. It developed in house ERP system which, allows improved working and project monitoring. Your Company has also put in 24 x 7 online connectivity with the projects, using V-Sat, etc. This will help better communication, better working and execution.

In addition to the above, R&D efforts by our IT Division will yield number of developments for better execution and management. Your company through its strong and continuous R&D activities resulting in development of new construction techniques, asserts the fact that continual adaptability and updation is the name of the game at Simplex since its inception and a part of its corporate culture. The culture we imbibe at Simplex has enabled us to grow organically in all directions. It has introduced to this industry the benefits of retaining and building human capital. At every level of employee hierarchy, it involves training and responsibility, opportunity and challenge, incentive and reward. It makes better-rounded, better-motivated professionals who with their aspirations, would certainly occupy leadership positions in the near future.

Our culture, finally, is one of dependability, accountability and development oriented for the benefit of customers, employees, and business partners with an eye to creating value for our stakeholders.

I would like to take this opportunity to express my gratitude to the Board, customers, suppliers, bankers, employees and shareholders for their unceasing confidence and support and look forward to their continued patronage in future.

B. D. Mundhra
Chairman and Managing Director

Directors’ Report

TO THE MEMBERS,

Your Directors have pleasure in presenting Ninetieth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2008.

THE FINANCIAL HIGHLIGHTS ARE SET OUT BELOW:

	(Rs. in mn)			
	31ST MARCH 2008		31ST MARCH 2007	
Gross Billing		28081.20		17082.14
Earning before interest, depreciation, tax and amortisation (EBIDTA)		2920.45		1724.95
Less: Interest & finance charges		1007.30		632.25
Earning before depreciation, tax and amortisation (EBDTA)		1913.15		1092.70
Less: Depreciation and amortisation		642.65		391.08
Profit before tax		1270.50		701.62
Less: Provision for tax-current tax	264.00		97.00	
Fringe benefit tax	11.97	275.97	9.31	106.31
Profit before deferred tax		994.53		595.31
Less: Deferred tax		93.74		58.19
Profit after tax		900.79		537.12
Balance brought forward from the previous year		1192.07		795.20
Profit available for appropriation		2092.86		1332.32
Less: Transferred to:				
General Reserve	100.00		60.00	
Proposed Dividend	98.95		68.60	
Tax thereon	16.81	215.76	11.65	140.25
Balance carried to Balance Sheet		1877.10		1192.07

REVIEW OF OPERATIONS

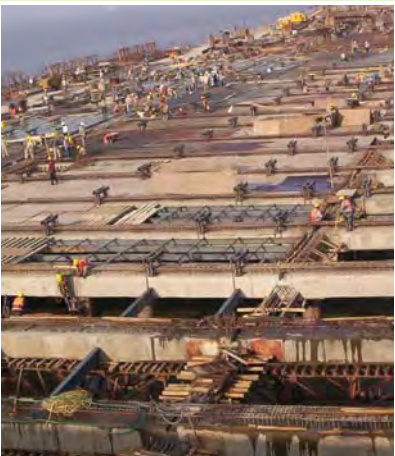
The turnover of the Company at Rs. 28,081.20 mn has shown an increase of 64.39% as compared to Rs.17,082.14 mn in the previous year. Profit before tax increased by 81.08% from Rs. 701.62 mn to Rs. 1,270.50 mn. Profit after tax increased by 67.71% to Rs. 900.79 mn compared to Rs. 537.12 mn in 2006-07.

The EBIDTA of the Company has shown a significant increase at 69.31% from Rs. 1,724.95 mn in the previous year to Rs. 2,920.45 mn in the year under review. Cash or Gross Profit (EBDTA) has also shown a healthy rise of 75.08% at Rs. 1,913.15 mn from Rs. 1,092.70 mn in the last year.

Your Company has emerged as a well-diversified Construction

Services Company with presence in almost all sectors of construction business. Your Company bagged several prestigious orders in various sectors of the construction business viz., Ground Engineering, Power, Urban Infrastructure, Building & Housing, Marine, Industrial and Transportation. The Current Order book of your Company stands at Rs. 100,127 mn.

Your Company with its significant project management and execution expertise has been able to capitalise on the opportunities in the Middle East. The Company already has its branch offices in Dubai, Qatar and Bahrain. During 2007-2008 your Company has also established branch office in Oman. The Current Overseas order book position of the Company stands at Rs. 26635 mn. As always, your Company is in constant pursuit towards leveraging its technical capabilities to provide high



quality construction services with significant cost advantage to its clients.

NEW BUSINESS INITIATIVES

Considering our diverse client mix spread across India and the Middle East and banking on the capabilities and good track record your Company has made a cautious and gradual foray into the real estate development business with different partners without undertaking the risks and costs of the land, in the cities with relatively more potential.

Your Company has entered into a contract for on-shore oil drilling services business by commissioning one oil-drilling rig for an Oil Company recently. Your Company is exploring and in negotiation with Oil Companies to expand this business further.

DIVIDEND

Your Directors recommend an enhanced dividend of 100% (previous year 80%) on equity shares of face value of Rs. 2.00 each for the financial year ended 31st March, 2008, which if approved at the forthcoming Annual General Meeting will be paid to all eligible members whose name appear in the register of Members of the Company at the close of business on 11th September, 2008. The dividend outgo (including tax on dividend) will be Rs. 115.76 mn (previous year Rs. 80.25 mn).

CAPITAL EXPENDITURE

During the year under review, the Company has made additions of Rs. 3332.65 mn to its Fixed Assets.

ALLOTMENT OF SHARES TO QIBs

During the year ended 31st March, 2008 the Company issued 6,400,000 equity shares of Rs. 2/- each at a price of Rs. 625/- per share, including a premium of Rs. 623/- per share aggregating to Rs. 4,000 mn in accordance with the resolution passed by the Shareholders pursuant to Section 81 (1A) of the Companies Act, 1956 and Chapter XIII A of SEBI (Disclosure and Investor Protection Guidelines), 2000.

ISSUE OF SHARE WARRANTS

The Company issued 5,500,000 warrants to a promoter group Company on preferential basis during the year ended 31st March, 2008 carrying an option to the warrant holders to apply for and be allotted equivalent number of equity shares within 18 months from the date of allotment at a price of Rs. 401/- per warrant. As on 31st March, 2008, 200,000 warrants have been converted into equity shares of the face value of Rs. 2/- each.

PUBLIC DEPOSIT

The Company has no overdue deposit other than unclaimed deposits amounting to Rs. 2.11 mn as on 31st March, 2008. On the date of this report, deposits aggregating Rs. 0.77 mn of the same has been claimed and paid.

CREDIT RATING

In order to comply with BASEL-II Guidelines for obtaining bank facilities your Company has got the rating done by Messrs Credit Analysis & Research Limited (CARE). The Rating assigned by CARE is 'PR1+' (PR One Plus) for short term facilities and 'AA-' (Double A Minus) for long term facilities.

AUDITORS

The Auditors, Price Waterhouse, Chartered Accountants, will hold office until the conclusion of the ensuing Annual General Meeting. We recommend re-appointing them as Statutory Auditors of the Company. They have furnished a certificate to the effect that their proposed appointment, if made will be in accordance with the limits specified under section 224 (1-B) of the Companies Act, 1956.

AUDITORS' REPORT

With respect to paragraph no. 4.6 of the Auditors' Report, we would like to inform that the matter has been explained in Note No. 9 on Schedule 19 forming part of the Balance Sheet. Derivative losses/gains are accounted for in the period in which they occur. The Board is of the opinion that the mark to market losses of Rs. 72.47 million as shown in Note No. 9 on Schedule 19 is notional. Hence the Company has not provided for losses on mark to market basis and will be provided on actual basis on expiry or cancellation of the contract.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1) (b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Member who is interested to obtain such particulars may write to the Company Secretary at the Registered Office of the Company.

DISCLOSURE OF PARTICULARS

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

DIRECTORS’ RESPONSIBILITY STATEMENT

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

(i) In the preparation of the Annual Accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

(ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the period;

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting of fraud and other irregularities;

(iv) The Directors have prepared the accounts for the financial year ended 31st March 2008 on a going concern basis.

CORPORATE GOVERNANCE

All Directors of the Company and Senior Management has affirmed the compliance of Code of Conduct framed by the Company. A separate section titled ‘Corporate Governance’ including a certificate from the Auditors of the Company

confirming compliance of the clauses of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms a part of the Report.

DIRECTORS

Mr. Rajiv Mundhra, Mr. A. D. Mundhra and Mr. N. N. Bhattacharyya retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re appointment.

Mr. H. B. Guha Biswas and Mr. P. K. Nandy resigned from the Directorship of the Company with effect from 10th December, 2007 and 19th May, 2008, respectively. Your Directors place on record their appreciation for the valuable services rendered by Mr. Guha Biswas and Mr. Nandy during their tenure as Directors of the Company.

Mr. A. D. Mundhra and Mr. A. Mukherjee, Whole-time Directors are proposed to be re-appointed for a period of five years and three years respectively with effect from 1st September, 2008.

ACKNOWLEDGEMENT

Your Directors would like to acknowledge with gratitude the co-operation and assistance received from the Financial Institutions, Banks, Central and State Governments and the Company’s valued investors for their continued co-operation and support. Your Directors also take this opportunity to record their sincere appreciation of the efforts put in by the workers, staff and officers at all level for their contribution to the success achieved by the Company.

By Order of the Board

B.D. MUNDHRA

Chairman & Managing Director

Mumbai

Dated: 30th June 2008

Annexure

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:

To conserve energy we have started using more sophisticated Machinery which can do more work in lesser time and there by reducing the requirement of equipments that programmes to maximize saving in two specific areas:

- i) Electric Energy
- ii) Fuel oil consumption

In this industry 99% equipments are powered by either electrical motor or by fuel oil powered engines. Since most of our work is carried out in remote locations and is subjected to harsh environmental conditions, the rate of depreciation is very high. The scope of energy efficiency in our industry will be energy conservation through well planned actions such as quality preventive maintenance, machinery up-gradation, modernization and introduction of sophisticated control system.

Fuel oil consumption has been reduced by implementing vigorous preventive maintenance measures and introducing new fuel efficient engines coupled with newer machinery and reducing idle running of equipments.

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

Continuous additional investments are made in phases to replace old machinery with newer more sophisticated and more fuel efficient ones. The replacement theory is applied in repairs and renewals.

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

The company has been able to reduce electrical energy and fuel oil consumption. Though it is not possible to quantify the impact, the measures are expected to result in considerable savings.

d) Total energy consumption and energy consumption per unit of production as per prescribed Form A of the annexure in respect of industries specified in Schedule thereto:

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

B. TECHNOLOGY ABSORPTION

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

Form B

(Disclosure of particulars with respect to technology absorption)

Research and Development

1. Specific areas in which R & D is carried out by the Company:

- ▶ Continuous efforts are made to innovate new methods of construction. Methods are developed to make optimum utilisation of both manpower and machinery.
- ▶ New techniques in foundation engineering have been developed specifically in the field of stone column developed in house by Simplex, imported technology of Vibro flotation, sand piles, Geopier system of piling, jointed piles, pre-cast piles and introduction of band drain and drilling piling technique.
- ▶ Use of alternative materials such as neoprene, fiberglass and bakelite has been developed to replace wood.
- ▶ Computer aided design techniques have been developed in the fields of soil analysis, structural analysis and machine design.
- ▶ Micro piling technique and band drain have been developed through in-house research.
- ▶ New shuttering methods have been developed to reduce use of wood and minimise waste of accessories.
- ▶ New forms of sleepers have been introduced to replace wooden sleepers.
- ▶ Hydraulic grab is manufactured for diaphragm wall.
- ▶ For segmental bridge construction, the whole system of casting and erection has been improved to speed up the work more effectively.

- For precast long length Girder erection in bridges, the new Launching Girder system developed for erection, including bend section up to 400 MT self weight.
- For lifting of heavy sections, a rod has been developed which replaces high strength pre-stress wire or imported rods.
- Manufacturing of spares for imported machinery locally with further improvement.

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

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

3. Future plan of action

- To improve R&D activities specifically in developing new machinery, shuttering and staging equipment, soil improvement techniques, pile driving and drilling technology.
- To introduce new soil reinforcement and pile foundation system.
- To introduce modern construction project management techniques, a thorough manpower analysis is done prior to start up.
- To tighten quality control system and safety.
- To carry on research in soil mechanics, foundation engineering and structural engineering.
- To develop new and low-cost construction material for housing, industrial structure and foundations.
- To develop improved techniques in solid waste disposal system.

- To develop improved technology that is environment-friendly.
- To implement quality assurance programme in accordance with modern management technique.
- To introduce pre-fabricated concrete technology in mass scale.
- To introduce new products to replace wooden products.

4. Expenditure on R&D

Expenditure on R&D	(Rs. in million)
a) Capital	0.06
b) Recurring	3.61
c) Total	3.67
d) Total R&D Expenditure as percentage of total turnover (%)	0.01%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

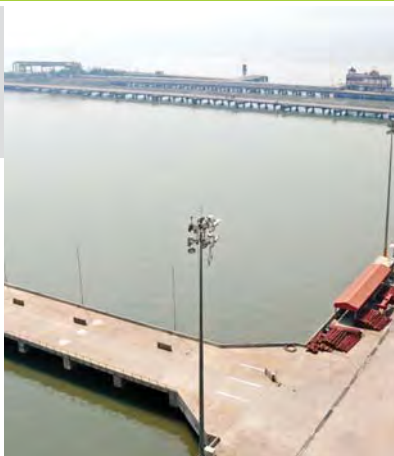
The company has absorbed foreign technology in the field of Slipform system, cooling tower, soil improvement, foundation engineering and commercial building techniques, road construction and the low cost housing technology.

2. Benefit derived as a result of the above efforts:

- International standards in construction of tall chimneys, high rise structures and cooling towers, low cost house building technology and road construction.
- New and low cost methods of CNS technology in foundation engineering.

3. Technology imported during the last five years:

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



FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Activities relating to exports, initiatives taken to increase exports development and new export markets for products and service and export plans:

The Company regularly participates in prestigious international exhibitions and conducts market surveys. It has offices abroad to boost exports. The Company is intensifying efforts in selected countries and exploring new markets. The Company's immense technology base and pool of experienced personnel enable it to offer integrated services in the world market. The Company is executing projects in countries like Qatar, Oman, UAE and Sri Lanka in various areas such as ground engineering, housing, urban utilities and industrial construction.

b) Total foreign exchange used and earned

	(Rs. in million)	
	2007-2008	2006-2007
Foreign Exchange earned	4781.69	2591.15
Foreign Exchange used	2274.80	1386.07

Mumbai,
Dated : 30th June 2008

By Order of the Board
B. D. Mundhra
Chairman & Managing Director



Management Discussion and Analysis



BUSINESS OVERVIEW

Simplex has achieved the topline growth of 64.39% with turnover rising from Rs.17082.14 million to Rs. 28081.20 million. The overseas revenue has grown 89.47% from Rs.2507.50 million to Rs. 4751.00 million, with its share also rising from 14.7% to 16.9%. The share of overseas order in the order book of Rs. 100,127 million is Rs. 26635 million, or 26.6%. The growth has been well-diversified across the verticals and geographies on the desired lines and focus. All the verticals are well balanced with the share of each ranging from 9% - 30% of revenue. The share of each vertical in the Order Book is even more evenly distributed ranging from 8% to 21%. This signifies that there is no over-dependence on any one sector or geography and we remain present in all segments with a reasonably significant participation. At the same time, we derive our revenues from about 156 simultaneously run projects catering to about 190 contracts with ever increasing ticket size of the order. Our focus on fast-track projects with short duration is helping us freeing our resources faster to take up newer and better jobs. All these factors help us better manage our business risks and growth, ensuring long-term sustainable growth with profitability.

ECONOMIC OVERVIEW

Over the past decade, India has emerged as an important player in the global economy, possibly the second highest growing economy in the world after China. The growth of over 9% last year is facing resistance due to inflationary pressure and it is expected that the current year growth should be about 7.5 - 8.5%. The inflation has crossed double-digit mark currently and is expected to remain high for the year. The overall growth in the economy should, nevertheless, remain in the range of 7 - 9% in the near term, much higher than the growth in the global economy.

INDUSTRY OVERVIEW

In India, at present construction is the second largest industry after agriculture. It employs about 31 million people. It is one of the core sectors of the economy with a gross value of output in

excess of Rs. 3,100 billion. It consumes 40-50% of the National Plan outlay and contributes 20% of GDP. Simplex is a major player in this sector.

The growth in construction of infrastructure, power, housing and basic industry in a growing economy is normally higher than the overall economic growth. India's infrastructure development has been expanding more rapidly to support the high economic growth rate. A massive US\$ 494 Billion investment is proposed in the eleventh plan period (2007-2012), which would increase the share of infrastructure investment to 9% of GDP from 5% in 2006-2007. The planned investment comprises: Power 44%, Railways 12%, Roads & Bridges 20%, Ports 4%, Airports 3%, JNNURM 4%, and others 13%. Many dedicated infrastructure funds are coming up along with significant private public partnerships. With various significant Government initiatives like The Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Peer Experience and Reflective Learning (PEARL), Pooled Finance Development Funds (PFDF) and Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) coupled with Private equity players and foreign investors, the growth of the infrastructure sector is immensely promising. Even for infrastructure projects that are marginally viable or unviable, the government has created a Viability Gap Funding arrangement through a window in the Finance Ministry with a time bound decision-making process. The Government has inter-alia set-up India Infrastructure Finance Company, Committee on Infrastructure headed by the Hon'ble Prime Minister of India, Bharat Nirman Programme and National Urban Renewal Mission to further boost Infrastructure development in the country.

The Government has announced commitments to build large infrastructure projects through significant public expenditure and with the help of private partners, including foreign investors. Driven by Government initiatives, investments in India's infrastructure development are growing. It is expected that over the next five years investments in construction projects would be double compared to investments made in the last five years. In this favourable environment Simplex with its strong project management team, project execution expertise & capabilities,

good track record and reputation is able to pursue a broader range of project tenders maximizing volume and profit margins. With a diverse mix of clientele consisting of Governments as well as the domestic and international companies the prospects of the business appears encouraging.

OPPORTUNITIES

The Committee on Infrastructure has indicated huge investment opportunities of about USD 500 billion over 5 years in the sector with special reference to the following where your Company has the significant presence and focus:

In power India has a total installed capacity for 134,717 MW of power generation, and at present is facing deficit of 15%, while 45% of population has no access to power. The Government of India has set an ambitious target of 'Power for all' by 2012 and proposes additional 80,000 MW generation capacities, to bridge the increasing gap between future demand and supply of power. The total investment in power sector is expected to be Rs. 4,200 billion. The component of construction in power is 38% approx, translating into total construction component of Rs. 1,596 billion. Simplex is a significant player in construction of Thermal power plants and has the presence and capabilities in Nuclear and Hydel power plants as well.

The Railway network in India is one of the world's busiest, with more than 13 million passengers journey per day. It runs about 11,000 trains everyday and has approximately 63,000 km of track. GOI has decided to build dedicated freight corridors between Mumbai-Delhi and Ludhiana-Kolkata at an estimated outlay of Rs. 220 billion and has also awarded licenses to 14 private parties for running container trains. This move will attract substantial private investment in construction of railway lines, utilities and terminals. Simplex is well poised to participate in this opportunity.

With the increasing international and domestic trade, the increasing cost of the surface transport and the availability of vast coastline of 7,517 km, the maritime activity is bound to increase. In India at present there are 12 major ports and 187

minor ports, of which only 60 minor ports are currently handling traffic. The major ports carry about 75% of the total traffic handled by ports of the country. The planned capacity addition is 485 MMT in major ports and 345 MMT in minor ports. The average turnaround time in India is 3.5 days for the major ports as compared to 10 hours in Hong Kong. Recently cargo handled by major ports registered a growth of 9.5% over the previous year, while container traffic grew at 17.9%. Keeping in view the current and emerging constraints, the Government of India has envisaged an investment of Rs. 500 billion during the 11th Plan. Simplex has a pre-eminent position in Port construction and an edge in project-execution with its rich experience and high technical skill set.

Urban population in India has grown to 27.8% of total population in 2001, from 23.3% in 1981. Going forward, urbanisation is expected to accelerate, translating to urban population growth of 2.27% until 2011, as compared to overall population growth of 1.5%. The growth in urbanisation will call for greater provisions of water, sanitation, transport services and urban infrastructures. During the 11th Five-Year Plan period, the outlay required for urban transport investment is Rs. 574 billion, which includes as much as Rs. 320 billions for Mass Rapid Transport System(MRTS) for mega cities. Simplex being an important player in this sector is presently handling big projects including MRTS projects and sewerage projects in various cities.

Industrial investments in key sectors are expected to soar up to Rs. 6,954 billion between 2007-2011 that would generate construction demand of Rs. 1,826 billion (approx. 26% of total investment) across various sectors. Growth in investment in industrials will be driven by strong capacity additions led by strong demand growth and high existing operating rates across some of the key industries like Cement, Metal and Oil & Gas, where Simplex has a significant presence and focus.

In housing development, investments are expected to grow upto Rs. 17,338 billion as compared with Rs. 9,810 billion invested in previous five years due to growing population, increasing urbanization and larger disposable income and ease

in financing. Moreover, commercial construction is expected to increase threefold over the next five years from Rs. 408 billion to Rs. 1,179 billion. Commercial construction is largely propelled by the growth of urbanisation, tourism, IT and BPO services. Simplex has been able to obtain sizable orders in Housing & Building projects in India and the Middle East.

Middle East Opportunities

Apart from excellent growth potential in India, Simplex's presence in the oil-rich UAE and Qatar areas of Middle East has lent more impetus to the business growth. With the surplus of oil money getting invested in creating the physical assets in the Middle East, the demand for construction will be even more pronounced. Simplex is in a position to capitalise on the opportunities by expanding the business in existing as well as the new territories of that region.

Simplex has received an Order in Oman for construction of 6 flyovers worth Rs. 302 crores. The 3 years presence in Qatar and 2 years in UAE has strengthened and matured the business base there. These new territories will further mature in due course with more opportunities unfolding, in the Oil-rich Middle East region.

The business opportunities are emerging from the growth and investment potential in India as well as the oil-rich Middle East. Simplex's presence in both the geographies and in the growing verticals will help it sustain the growth trajectory.

THREATS, RISKS AND CONCERNS

The growth in construction sector is being driven by a host of factors, which include political will and policies, public-private partnerships, the funding support of Multi-lateral agencies like the World Bank and the Asian Development Bank. Apart from this, the construction industry is not less challenging than it is exciting. It requires micro-management, technical expertise, right time supply of requisite construction equipments, materials, services, competent professional and project managers, large working capital and capex requirements, timely implementation of projects despite various constraints, adverse weather conditions and occasionally disrupted supply-chain management. Your Company's well-established construction-management practices and execution skills coupled with the well-diversified business portfolio, multi-location large number of short-duration contracts help in mitigating these risks.

The recent IIP data with lower than expected growth in manufacturing sector is of concern. The 3% growth for March has been replaced by 7% for April 2008. However, your Company's business cycle goes with the Capital cycle and not with the production and consumption cycle. The Capital Sector in the same period has grown by 11% & 14% respectively, which is quite encouraging for us. In the manufacturing sector, your

Company caters to and is currently focused on Cement Plants, Basic Metal Plants and Oil & Gas Plants, the sectors with visible growth potential in line with infrastructure and economic growth. Besides this, with the well-diversified business portfolio of your company, the exposure to domestic manufacturing sector is about 10% of the overall Order Book.

The threat of inflationary pressure has become real with its reaching the double digit mark and crude price hovering over US\$130/barrel. Although contractors being service providers do not carry the major risks of the input material costs being passed through to the main customer/owner of the project, yet some parts of the input cost increases, they have to necessarily absorb impacting the margins. In the favourable scenario, the margins have been improving due to better pricing as well as better efficiencies and larger volumes which could partly offset the inflationary impact on the construction margins. But, the inflation could impact the demand itself or hold it up, if not so much in infrastructure construction, but the housing specially the middle and low income or mass housing, and industrial investments. The other fallout of inflationary pressure is the Government's reactions to manage it by resorting to higher taxation regime, to fund its increasing expenses and direct and indirect subsidies and tighter monetary policies leading to stifling of investment. Although, inflation level is not likely to remain very low in the near term, we hope and believe with cautious optimism that the inflation for the year will be contained, keeping the Indian growth trajectory on its course.

Your Company has largely insulated itself from the above risks by judicious diversification of the construction portfolio within India and the Middle East, with Government Sectors contributing 34%, the Middle East region 30% and the remaining from the private sector in India, sticking to fast-track short duration projects large in numbers and increasing ticket size, keeping little exposure to mass and middle income housing which are highly susceptible to inflation; with 9% exposure to domestic housing, that too only high-end high-rise buildings/hotels the demand for which is less price-elastic and catering to basic and large industries like Cement, Metal and Oil & Gas.

The risk management model of the Company has evolved and fine-tuned over its past long existence. The well-diversified business model sectorally and geographically insulate us from the business cycle risks and location risks. Significantly large parts of our resources namely manpower and equipment are transportable across sectors enabling us to grow any sector according to the demand pattern. The presence of multiple project locations, contracts and clients mitigate the risks of a single large project. The faster project execution in a range of 3 months to 30 months as well as price escalation clause in the new contracts save us from price risks and execution risks. The Pre-contract due diligence process of the project selection also minimizes the project execution risks.

Recognising the needs associated with various facets of the business of the Company, the Company has already formulated a continuous and on-going Risk Management Framework in consultation with various functional heads to identify, assess and mitigate the major areas of risk associated with the individual project or overall business of the Company. The Audit Committee and the Board of Directors of the Company on a regular basis review and revamp the Risk Management Framework.

INTERNAL CONTROL SYSTEM AND ADEQUACY

Simplex has established extensive and sound system of internal control through internal checks, balances and MIS-based management system and decision support system, evolved over eight decades of its existence in the same business. The Internal control system is continually tested and revamped through continuous internal audit by outside qualified professionals duly supported by in-house internal audit team. The Operational control functions through well laid out systems of checks and balances along with Project planning and monitoring systems, technical-audit, regular review of reports from project sites to branch offices to management level.

FUND RAISING

To meet the capital expenditure requirement along with increased working capital needs, the company has raised Rs. 4,000 million of equity funds through Qualified Institutional Placement (QIP) of 64,00,000 equity shares of Rs. 2 each at a price of Rs. 625 per share. Apart from this, there are 53,00,000 outstanding share warrants issued to the promoters exercisable by April 2009, bringing in additional capital of Rs. 2125.30 million, out of this 10% has already been received in addition to the 2,00,000 warrants already exercised during the year in the amount of Rs. 80.20 million.

FINANCIAL PERFORMANCE

The Turnover of the Company stood at Rs. 28081.20 million with a growth of 64.39% as compared to Rs. 17084.14 million in the previous year ended. During the year, EBIDTA of the Company has also increased significantly from Rs. 1724.95 million to Rs. 2920.45 million showing a growth of 69.31%. The Gross or Cash profit (EBDTA) has also shown a healthy rise of 75.08% at Rs.1,913.15 million from Rs. 1,092.70 million in the last year. The profit before tax has increased by 81.08% from Rs. 701.62 million to Rs. 1270.50 million. Profit after Tax has also increased from Rs. 537.12 million to Rs. 900.79 million taking a growth of 67.71%. The Company has achieved growth in both top line and bottom line over the years. The CAGR in turnover is 39% over the last five years. During the year, the Company has bagged many big and prestigious orders in various segments. The present order book of the company is more than Rs. 100,000 million, which shows the continuous growth potential of the Company.

HUMAN RESOURCES

In Simplex, Human Resource Development ("HRD"), being recognised as a key function is manned by professionally qualified and experienced personnel and receives close attention of the top management. We practice effective HRD, resulting in greater employee satisfaction and retention levels. The Company has 7082 employees as on March 2008. Out of this more than 81% employees are technically qualified.

With the boom in the construction sector where talent retention and the availability of skilled workers continue to remain a challenge, it will be pleasing to note that the average stay of the middle and senior level employees with Simplex is more than 13 years. With the ongoing induction of new talents and professionals, there is unique and excellent blend of youth with experience, fresh talents coupled with long stability and maturity. As a part of the retention policy and with a view to continuously encouraging the employees and improving their skills the Company holds regular training programme for its employees to help them expand and develop their knowledge and skills. Training is provided in-house and covers many areas including construction technology, management and inter-personal skills. The Company also strives to provide a congenial work atmosphere, bonding and the growth opportunities for the employees.

The diversity of the business and the locations provide to employees more opportunities for growth, advancement, variety of experience and greater job satisfaction leading to greater retention. The Company has also hired people from the diverse background of culture and nationalities to cater to these multi-location construction projects. This also provides for enrichment of experience and sense of belonging to the project and the Company through its site office, zonal office and head office structure. No wonder the Company faces relatively lower attrition rate and is blessed with a fairly long association of the employees.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market data and information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

Report on Corporate Governance

1. COMPANY’S PHILOSOPHY

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

2. BOARD OF DIRECTORS

The Board as on 31st March, 2008 comprised 11 Directors, (six non-executive independent Directors with no professional and / or business relationship with the Company and five

executive Directors) headed by Chairman and Managing Director.

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

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

The Directors of the Company met ten times during the year on 8th May, 2007, 29th June, 2007, 31st July, 2007, 31st August, 2007, 19th September, 2007, 4th October, 2007, 30th November, 2007, 18th December, 2007, 29th February, 2008 and 27th March, 2008.

Composition of the Board, Number of Board Meetings, Attendance of Directors, Directorship, Committee positions held and shareholding in the Company as on 31st March, 2008 is given below:

Name of the Directors	Status	Number of Board Meetings attended (out of Ten meetings held during the year)	Attendance at the last AGM held on 19th September, 2007	Directorship held in other public limited Companies incorporated in India	Other Committee positions held in Indian Public Limited Companies *		Share holding in the Company
					As Chairman	As Member (*)	
Mr. B. D. Mundhra	Executive Promoter	10	Present	8	-	-	2794950
Mr. H.B. Guha Biswas**	Non-executive Independent	0	Absent	-	-	-	-
Mr. A.D. Mundhra	Executive Promoter	10	Present	8	-	-	1961570
Mr. A. Mukherjee	Executive non-independent	3	Present	1	-	1	500
Mr. B. Sengupta	Non-executive Independent	9	Present	-	-	-	500
Dr. R. Natarajan	Non-executive Independent	2	Present	-	-	-	500
Mr. S. Dutta	Executive non-independent	10	Present	-	-	-	500
Mr. P. K. Nandy***	Non-executive Independent	2	Absent	-	-	-	500
Mr. Rajiv Mundhra	Executive Promoter	8	Present	6	-	-	1803790****
Mr. N.N. Bhattacharyya	Non-executive Independent	10	Present	-	-	-	500
Mr. Kunal Shroff	Non-executive Independent	0	Absent	1	-	1	500
Mr. Sheo Kishan Damani	Non-executive Independent	0	Absent	-	-	-	500

* Only Audit & Shareholder’s Committee considered for this purpose.
** Mr. H. B. Guha Biswas resigned as a Director of the Company with effect from 10th December, 2007.
*** Mr. P.K. Nandy resigned as a Director of the Company with effect from 19th May, 2008.
**** Includes 233920 equity shares held as a Trustee.
(*) Including Chairmanship.

CODE OF CONDUCT

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

3. COMMITTEE OF DIRECTORS

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

Name of Director	Meetings attended
Mr. B. D. Mundhra	6
Mr. A. D. Mundhra	4
Mr. B. Sengupta	4
Mr. S. Dutta	5
Mr. Rajiv Mundhra	5

4. AUDIT COMMITTEE

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

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

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

Member	Position	Meetings attended
Mr. P. K. Nandy*	Chairman	2
Dr. R. Natarajan	Member	1
Mr. B. Sengupta	Member	7
Mr. N. N. Bhattacharyya	Member	7

*Mr. P.K. Nandy resigned as a Director of the Company with

effect from 19th May, 2008. Consequent upon the resignation of Mr. Nandy, Mr. N.N. Bhattacharyya was appointed as the Chairman of the Audit Committee by the Board of Directors at its meeting held on 30th June, 2008

The Audit Committee met seven times during the year under review on 28th June, 2007, 31st July, 2007, 31st August, 2007, 29th October, 2007, 30th November, 2007, 28th January, 2008 and 29th February, 2008.

The Audit Committee reviewed the annual financial statements for the year ended 31st March, 2007 on 28th June, 2007 before recommending the same to the Board for adoption. During the year the Committee also reviewed the quarterly Un-audited Financial Results before they were placed to the Board of Directors for approval.

Being indisposed, the Chairman of the Audit Committee was unable to attend the last Annual General Meeting held on 19th September, 2007.

5. REMUNERATION COMMITTEE

The Company has a Remuneration Committee comprising three Directors as on 31st March, 2008. The broad terms of reference of the Remuneration Committee are to recommend to the Board the salary (including annual increments), perquisites, commission and other benefits of the Wholetime Directors, within the overall ceiling as fixed by the Companies Act, 1956 from time to time. The Committee met twice during the year on 28th June, 2007 and 29th February, 2008. Mr. B. Sengupta was nominated as the Chairman of the Committee.

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

Name of Director	Position	Meetings attended
Mr. B. Sengupta	Chairman	2
Dr. R. Natarajan	Member	2
Mr. P.K. Nandy**	Member	0
Mr. H.B. Guha Biswas*	Member	0

* Mr. H. B. Guha Biswas resigned as a Director of the Company with effect from 10th December, 2007.

** Mr. P. K. Nandy resigned as a Director of the Company with effect from 19th May, 2008.

Consequent upon the resignation of Mr. Guha Biswas & Mr. Nandy as Directors of the Company, Mr. B.D. Mundhra & Mr. N.N.Bhattacharyya were co- opted on 30th June, 2008 as members of the Remuneration Committee.

REMUNERATION PAID/PAYABLE FOR THE FINANCIAL YEAR 2007 - 2008 (IN RUPEES)

DIRECTORS	Salaries & Allowances (1)	Contribution to Provident & Gratuity Fund (2)	Estimated Cost of benefits (3)	Commission to the Managing Director (4)	Sitting fee (5)	Total (6)
Mr. B. D. Mundhra	54,00,000.00	6,48,000.00	72,247.00	-	-	61,20,247.00
Mr. H. B. Guha Biswas*	-	-	-	-	-	-
Mr. A. D. Mundhra	42,26,000.00	12,92,000.00	2,90,530.00	-	-	58,08,530.00
Mr. A. Mukherjee	37,00,000.00	8,60,000.00	1,08,998.00	-	-	46,68,998.00
Mr. B. Sengupta	-	-	-	-	1,30,000.00	1,30,000.00
Dr. R. Natarajan	-	-	-	-	25,000.00	25,000.00
Mr. S. Dutta	25,00,000.00	1,75,000.00	6,47,197.00	-	-	33,22,197.00
Mr. P. K. Nandy**	-	-	-	-	25,000.00	25,000.00
Mr. Rajiv Mundhra	36,09,000.00	8,67,000.00	42,150.00	-	-	45,18,150.00
Mr. N. N. Bhattacharyya	-	-	-	-	1,05,000.00	1,05,000.00
Mr. Kunal Shroff	-	-	-	-	-	-
Mr.Sheo Kishan Damani	-	-	-	-	-	-
Total	1,94,35,000.00	38,42,000.00	11,61,122.00	-	2,85,000.00	2,47,23,122.00

* Mr. H. B. Guha Biswas resigned as a Director of the Company with effect from 10th December, 2007.

** Mr. P.K. Nandy resigned as a Director of the Company with effect from 19th May, 2008.

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. Compensation is also linked to individual and team performance as they support the achievement of Corporate Goals. The Company does not have any Employee Stock Option Policy.

6. SHAREHOLDERS’ COMMITTEE

The Shareholders’ Committee comprises four members of the Board who are non-executive independent Directors, to look into shareholders’ complaints and speedy disposal thereof. The Committee met four times during the year on 28th June 2007, 31st July 2007, 29th October, 2007 and 28th January 2008. The composition of the Committee and attendance at the meetings out of four meetings held during the year are stated below:

Name of Directors	Position	Meetings attended
Mr. B. Sengupta	Chairman	4
Dr. R. Natarajan	Member	0
Mr. P.K. Nandy*	Member	1
Mr. N.N. Bhattacharyya	Member	4

* Mr. P. K. Nandy resigned as a Director of the Company with effect from 19th May, 2008.

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

No Complaints were received from the shareholders during the year ended 31st March, 2008.

Number of shares pending for transfer: Nil

7. GENERAL BODY MEETINGS

Location and time of the last three AGMs held:

YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2006 -07	Gyan Manch 11,Pretoria Street Kolkata-700071	19th September 2007	10.30 am	YES
2005 -06	Gyan Manch 11,Pretoria Street Kolkata-700071	18th August 2006	10.30 am	YES
2004 -05	Kala Kunj (Basement of Kala Mandir) 48, Shakespeare Sarani, Kolkata-700017	10th September 2005	10.30 am	YES

No Special Resolution through Postal Ballot is proposed in the forthcoming Annual General Meeting.

As required under Clause 49IV(G)(i) of the Listing Agreement, the particulars of the directors who are proposed for appointment/re-appointment are given in the Notice to the shareholders of the ensuing 90th Annual General Meeting.

8. DISCLOSURES

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

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

As required by the Accounting Standard –18 prescribed by the Companies Act, 1956, details of the related party transactions are given in Note 24 on Schedule 19 of the Annual Accounts.

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

There was no non-compliance during the last three years on any matter related to the capital market. Consequently there were no penalties imposed nor strictures passed on the Company by stock exchanges, SEBI, or any other statutory authority.

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

► A certificate has been placed before the Board of Directors at their meeting held on 30th June, 2008, in compliance with Clause 49(V) of the Listing Agreement duly signed by the Chairman and Managing Director and Director (in-charge of Finance).

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

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

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

9. MEANS OF COMMUNICATION

In compliance with the requirements of Clause 41 of the Listing Agreement, the Company regularly intimates quarterly Un-audited financial results to the Stock Exchanges immediately after they are taken on record by the Board / Committee. Further coverage is given for the benefit of the shareholders

and investors by publication of the financial results in English daily, The Economic Times, Business Standard and one Bengali daily Pratidin.

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

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

10. SHAREHOLDERS INFORMATION

(a) 90th Annual General Meeting:
Date & time: 11th September, 2008 (Thursday) at 10:30 A. M.
Venue: Gyan Manch 11, Pretoria Street, Kolkata-700071.

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

(c) Dates of book closure: 6th September, 2008 to 11th September, 2008 (both days inclusive).

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

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

f (i) Listing details

Equity shares	Stock Code/ Symbol
The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata- 700001	29053
The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai –400023	523838
The National Stock Exchange Of India Limited Exchange Plaza Bandra Kurla Complex, Bandra (E) Mumbai-400051	SIMPLEXINF

(ii) Listing fees for the year 2008 - 2009 have been paid to the Stock Exchanges.

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

(i) The Bombay Stock Exchange Limited					(ii) National Stock Exchange of India Ltd.				
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Sensex (Rs.) (closing)	Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Nifty Closing)
April 2007	395.00	321.00	336.15	13872.37	April 2007	396.00	322.50	336.70	4087.90
May 2007	357.90	315.00	338.70	14544.46	May 2007	359.90	315.10	338.20	4295.80
June 2007	388.90	322.00	377.85	14650.51	June 2007	388.90	317.05	377.80	4318.30
July 2007	414.90	340.05	386.80	15550.99	July 2007	414.95	343.00	388.45	4528.85
August 2007	400.50	330.00	350.75	15318.60	August 2007	415.00	330.00	354.45	4464.00
September 2007	440.00	354.50	424.50	17291.10	September 2007	438.75	350.15	424.10	5021.35
October 2007	608.90	410.00	602.15	19837.99	October 2007	613.00	423.00	600.55	5900.65
November 2007	658.90	512.05	618.75	19363.19	November 2007	668.85	511.00	619.65	5762.75
December 2007	698.00	615.00	651.40	20286.99	December 2007	749.00	590.00	649.55	6138.60
January 2008	774.00	529.00	632.20	17648.71	January 2008	790.00	507.90	630.10	5137.45
February 2008	659.90	525.00	630.75	17578.72	February 2008	686.00	525.00	641.45	5223.50
March 2008	623.40	456.00	608.05	15644.44	March 2008	629.90	473.00	613.95	4734.50

h. Registrar and share transfer agent

Physical & Dematerialised
MCS Limited, 77/2 Hazra Road, Kolkata-700029

i. Share transfer system

Share transfer in physical forms are registered and returned within 15 days in most cases and in any case within 30 days from the date of receipt, if documents are cleared in all respects.

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

During the year ended 31st March, 2008, the Company issued 55,00,000 warrants to a promoter group Company on a preferential basis at a price of Rs. 401/- per warrant with an option to apply for and be allotted equivalent number of equity shares within 18 months from the date of allotment. In case the option is not exercised the amount paid on such warrants shall stand forfeited.On 27th March, 2008, out of the said 55,00,000 warrants, 2,00,000 warrants have been converted into equity shares of face value of Rs. 2/- each.

During the year ended 31st March, 2008 the Company also issued 64,00,000 equity shares of Rs. 2/- each at a price of Rs. 625/- per share, including a premium of Rs. 623/- per share aggregating to Rs. 400 crores in accordance with the resolution passed by the Shareholders pursuant to Section 81 (1A) of the Companies Act, 1956 and Chapter XIII A of SEBI (Disclosure and Investor Protection Guidelines), 2000.

j. Distribution of Shareholding as on 31st March 2008

Shares Held	2008				2007			
	No. of share holders	% of total share holders	No. of shares held	% of share holding	No. of share holders	% of total share holders	No. of shares held	% of share holding
1-500	6384	83.34	901108	1.82	6644	87.15	922456	2.15
501-1000	741	9.67	563314	1.14	561	7.36	442590	1.03
1001-10000	392	5.12	1007660	2.04	299	3.92	757308	1.77
10001-50000	53	0.69	1315648	2.66	54	0.71	1291567	3.01
50001 & above	90	1.18	45684600	92.34	66	0.86	39458409	92.04
TOTAL	7660	100.00	49472330	100.00	7624	100.00	42872330	100.00

k. Categories of Shareholding as on 31st March 2008

Category	2008			2007		
	No. of Shareholders	% of Share holding	No. of Shares held	No. of Shareholders	% of Shareholding	No of Shares held
Promoters & Directors	21	49.42	24449293	32	51.37	22023522
UTI & Mutual Funds	30	15.72	7777432	12	11.07	4744452
Banks & Financial Institutions	31	14.74	7290921	6	10.12	4341827
Non Resident Indians/ Overseas Corporate Bodies	213	0.96	476311	159	1.08	462809
Corporates	516	11.01	5449041	416	16.12	6910459
Individuals	6849	8.15	4029332	6999	10.24	4389261
TOTAL	7660	100.00	49472330	7624	100.00	42872330

I. Dematerialisation of Shares and Liquidity

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

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

As on 31st March, 2008 84.12 % of the Company's Shares are held in dematerialised form.

m.Address for Correspondence:

Secretarial department
Simplex Infrastructures Limited
"Simplex House"
27 Shakespeare Sarani
Kolkata-700017

Tel No: - 23011600 (30 lines) 2289-1476-81
Email: banwari.bajoria@simplexinfra.net
Website: www.simplexinfrastructures.com

NON –MANDATORY REQUIREMENTS

(a) The Board

The Company has an executive Chairman.

(b) Remuneration Committee

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

(c) Shareholders' Rights

The Company does not send any communication to shareholders covering financial performance or Summary of the significant events on half –yearly basis. Instead, the Company publishes the quarterly financial results in major newspapers and posts the same on the website of the Company. Further, significant events are informed to Stock Exchanges from time to time and then the same is posted on the website of the Company.

(d) Audit Qualification

Observations of the Auditors in their report to the members have been appropriately addressed in the Directors' Report and notes to the accounts.

(e) Mechanism of evaluating non-executive Board Members

Non-Executive Directors were always being evaluated by their own Peer in the Board meetings during the year 2007-08, although there was no formal Peer Group review by the entire Board except the Directors concerned.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
Simplex Infrastructures Limited

We have examined the compliance of conditions of Corporate Governance by Simplex Infrastructures Limited, for the year ended 31st March 2008, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place : Kolkata
Date : 30th June, 2008

S.K. Deb
Partner
Membership No. 13390
For and on behalf of
Price Waterhouse
Chartered Accountants

Auditors’ Report

TO THE MEMBERS OF SIMPLEX INFRASTRUCTURES LIMITED

1. We have audited the attached Balance Sheet of Simplex Infrastructures Limited as at 31st March, 2008 and the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor’s Report) Order, 2003 as amended by the Companies (Auditor’s Report) (Amendment) Order, 2004 (together the ‘Order’), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (‘the Act’) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we report that:
- 3.1 a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- b) The fixed assets of the Company have been physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified

- by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.
- 3.2 a) The inventory of the Company, other than work-in- progress have been physically verified by the management during the year. In respect of inventory lying with third parties, these have mostly been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of materials at sites, materials in transit, trading items and stores. As regards work-in-progress, as explained by the management, it is not practicable to maintain cumulative quantitative records. The discrepancies noticed on physical verification of inventory as compared to book records, where applicable were not material.
- 3.3 a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the clauses (iii)(b), (iii)(c) and (iii)(d) of the paragraph 4 of the Order are not applicable.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the clauses (iii)(f) and (iii)(g) of the paragraph 4 of the Order are not applicable.

- 3.4 In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 3.5 (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year other than preferential allotment of Equity Share Warrants and Equity shares (upon conversion of such Equity Warrants) in keeping with the SEBI Guidelines as indicated in Note 2(f) on Schedule 1 and Note 10 on Schedule 19 to accounts and also dealt with vide paragraph 3.18 below.
- 3.6 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law

- Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- 3.7 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 3.8 The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- 3.9 a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities except dues in respect of Provident / Trust Fund in Sri Lanka not deposited during the year, the extent of related year-end arrears for a period of more than six months from the date they became payable amounted to Rs.122 thousand.
- b) According to the information and explanations given to us and the records of the Company examined by us, as at 31 March 2008, there were no dues in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited on account of dispute other than certain disputed Sales Tax and Entry Tax dues in respect of which amounts involved and forums at which dispute is pending have been indicated below:

Name of Statute	Nature of the dues	Amount (Rupees in Thousand)	Period to which the amount relates	Forum where the dispute is pending
Orissa Sales Tax Act, 1947	Disallowances of labour, hire charges and overheads.	579	2003-04	Assistant Commissioner of Sales Tax, Cuttack - II Range, Cuttack, Orissa.
Gujarat Sales Tax Act, 1969	Additional Demand raised due to audit	973	1990-1994	Sales Tax Appellate Tribunal
West Bengal Sales Tax Act, 1994	Liability against wastage and transportation challenged	1,886	2003-04	Deputy Commissioner of Commercial Taxes (Appeal).
West Bengal Sales Tax Act, 1994	Liability for Contractual Transfer Price.	2,178	2004-05	Deputy Commissioner of Commercial Taxes (Appeal).
West Bengal Value Added Tax Act, 2003	Seizure of Excavator (machinery) and penalty	692	2006-07	Calcutta High Court
Andhra Pradesh General Sales Tax Act, 1957	Liability against turnover tax challenged	606	1996-97	Andhra Pradesh High Court
Andhra Pradesh General Sales Tax Act, 1957	Liability against turnover tax challenged	286	1997-98 to 1999-2000	Andhra Pradesh Tax Tribunal
Goa Sales Tax Act, 1964	Disallowance of Tax Paid on Interstate Purchase under Section 3 (a)	6,436	2004-05	Appellate Tribunal in Goa
Goa Sales Tax Act, 1964	Disallowance of Tax Paid on Interstate Purchase	85	2002-03	Administrative Tribunal in Goa
Central Sales Tax Act, 1956	Penalty U/S 10A	886	2002-03	Administrative Tribunal in Goa
Orissa Sales Tax Act, 1947	Levy of Tax on free issue materials.	258	1985-86, 1988-89, 1989-90	Sales Tax Officer, Balasore.
Orissa Sales Tax Act, 1947	WCT-Disallowance of labour component	693	2001-02, 2002-03	Assistant Commissioner of Sales Tax, Cuttack - II Range, Cuttack, Orissa for Angul.
Orissa Sales Tax Act, 1947	WCT-Disallowance of machinery hire charges	584	2001-02	Sales Tax Appellate Tribunal, Cuttack, Orissa for Paradeep.
Madhya Pradesh General Sales Tax Act,1958	Entry Taxes etc.	79	1986-87	Sales Tax Appellate Tribunal
Uttar Pradesh General Sales Tax Act, 1963.	Entry Taxes etc.	656	2003-04	Joint Commissioner of Trade Tax
Uttar Pradesh General Sales Tax Act, 1963.	Entry Taxes etc.	732	2004-05	High Court
Kerala General Sales Tax Act	Disallowances of Consumables, Transportation charges etc.	1,435	2001-02	The Deputy Commissioner (Appeals) Sales Tax.
Kerala General Sales Tax Act	Disallowances of Consumables, Transportation charges etc.	2,874	2002-03	The Deputy Commissioner (Appeals) Sales Tax.
Kerala General Sales Tax Act	Disallowances of Consumables, Transportation charges etc.	1,736	2003-04	The Deputy Commissioner (Appeals) Sales Tax.
Finance Act, 1994 - Service Tax	Service Tax demand referred to in Note 6(f) on Schedule 19	264,331	1.3.2005 to 30.9.2006	High Court at Calcutta
The Income-tax Act, 1961	Disallowance under Section 43B	3,989	1998-99	Commissioner of Income Tax (Appeal)

3.10	The Company has no accumulated losses as at 31st 2008, and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceeding financial year.	of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
3.11	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 or bank during the year. The Company has not issued any debentures.	4. Further to our comments in paragraphs 3 above, we report that:
3.12	The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
3.13	The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.	4.2 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 ;
3.14	In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.	4.3 The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
3.15	In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.	4.4 In our opinion the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Act;
3.16	In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.	4.5 On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act ;
3.17	On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investment other than Buyers' Credit (short term loan) sanctioned by the Bank Rs.176,489 thousand used for the purpose of purchase of fixed assets.	4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and also give, <i>subject to Note 9 on Schedule 19 to the accounts regarding non-provision in respect of mark-to-market losses on outstanding derivative instruments as at 31st March, 2008, amounting to Rs.72,470 thousand (with corresponding incremental effect on the year's profit and the year-end net worth)</i> , a true and fair view in conformity with the accounting principles generally accepted in India.
3.18	The Company has made during the year preferential allotment in keeping with SEBI Guidelines, of Equity Warrants / Shares (upon conversion of such Warrants) to a company covered in the register maintained under Section 301 of the Act as indicated in Note 2(f) of Schedule 1 and Note 10 on Schedule 19 to the accounts. In our opinion and according to the information and explanations given to us, the price at which such equity shares and equity share warrants have been issued is not prejudicial to the interest of the Company.	(a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 ; (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 Cash Flow Statement, of the cash flows for the year ended on that date.
3.19	The Company does not have any outstanding debentures at the year-end.	
3.20	The Company has not raised any money by public issue during the year.	
3.21	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance	

Kolkata
30th June, 2008

S.K. Deb
Partner
Membership No.13390
For and on behalf of
Price Waterhouse
Chartered Accountants

BALANCE SHEET AS AT 31ST MARCH, 2008		(Rupees in Thousand)			
	Schedule Reference	31st March, 2008		31st March, 2007	
SOURCES OF FUNDS					
Shareholders’ Fund					
Share Capital	1	99,331		86,131	
Equity Share Warrant		212,530		-	
[Note 10 on Schedule 19]					
Reserves and Surplus	2	7,219,247	7,531,108	2,672,618	2,758,749
Loan Funds					
Secured Loans	3	3,799,633		2,829,355	
Unsecured Loans	4	3,693,783	7,493,416	4,047,432	6,876,787
Deferred Tax Liability (Net)			371,454		180,847
[Note 3(b) on Schedule 19]					
TOTAL			15,395,978		9,816,383
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		7,566,632		4,304,549	
Less: Depreciation		1,271,948		913,876	
Net Block		6,294,684		3,390,673	
Capital Work in Progress		242,648	6,537,332	228,286	3,618,959
Investments	6		98,744		52,626
Current Assets, Loans and Advances					
Inventories	7	4,741,412		2,851,884	
Sundry Debtors	8	11,496,721		8,492,856	
Cash and Bank Balances	9	1,231,982		424,842	
Other Current Assets	10	834,120		408,140	
Loans and Advances	11	2,838,560		1,777,233	
		21,142,795		13,954,955	
Less: Current Liabilities and Provisions					
Liabilities	12	12,266,764		7,729,347	
Provisions	13	116,129		80,810	
		12,382,893		7,810,157	
Net Current Assets			8,759,902		6,144,798
TOTAL			15,395,978		9,816,383
Notes on Accounts	19				

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

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

S. K. Deb

Partner

Membership Number: 13390

For and on behalf of

PRICE WATERHOUSE

Chartered Accountants

Kolkata, 30th June,2008.

B.L.Bajoria

Secretary

Mumbai, 30th June,2008

B.D.Mundhra

Chairman & Managing Director

S.Dutta

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008		(Rupees in Thousand)			
	Schedule Reference	2007-2008		2006-2007	
INCOME					
Contract Turnover		28,081,196		17,082,144	
Less: Contract Expenses (other than related depreciation / amortisation) (Net)	14	24,318,098		14,676,412	
Profit on Contract Work done		3,763,098		2,405,732	
Company's Share in profit of Joint Venture (Refer Note 25.2 on Schedule 19)		39,706		27,504	
Other Income	15	245,665	4,048,469	106,266	2,539,502
EXPENSES					
Interest and Finance Charges (Net)	16	1,007,304		632,252	
Amortisation of Tools		270,689		151,038	
Depreciation		371,960		240,045	
Other Administrative Expenses	17	1,128,015	2,777,968	814,550	1,837,885
PROFIT BEFORE TAX			1,270,501		701,617
PROVISION FOR TAXATION					
Current Tax			264,000		97,000
Fringe Benefit Tax			11,974		9,307
PROFIT BEFORE DEFERRED TAX			994,527		595,310
Deferred Tax			93,738		58,186
PROFIT AFTER TAX			900,789		537,124
Balance Brought Forward from Previous Year			1,192,069		795,199
AMOUNT AVAILABLE FOR APPROPRIATIONS			2,092,858		1,332,323
APPROPRIATIONS					
Transfer to General Reserve			100,000		60,000
Proposed Dividend		98,945		68,596	
Tax thereon		16,816	115,761	11,658	80,254
			215,761		140,254
Year-end Surplus			1,877,097		1,192,069
			2,092,858		1,332,323
Basic Earning per Equity Share of Rs. 2/- each - Rs.			20.15		12.53
Diluted Earning per Equity Share of Rs. 2/- each - Rs.			19.76		12.53
(Note 26 on Schedule 19)					
Notes on Accounts	19				

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

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

S.K.Deb

Partner

Membership Number: 13390

For and on behalf of

PRICE WATERHOUSE

Chartered Accountants

Kolkata, 30th June,2008.

B.L.Bajoria

Secretary

Mumbai, 30th June,2008

B.D.Mundhra

Chairman & Managing Director

S.Dutta

Director

(Rupees in Thousand)				
	31st March, 2008	31st March, 2007		
Schedule 1				
SHARE CAPITAL				
Authorised (Note 1 below)				
374,900,000 Equity Shares of Rs. 2/- each		749,800		749,800
20,000 15% Cumulative Preference Shares of Rs. 10/- each		200		200
		750,000		750,000
Issued and Subscribed and Paid-up (Notes 1 and 2 below)				
49,472,330 (2007 - 42,872,330) Equity Shares of Rs. 2/- fully paid up	98,945		85,745	
126,000 Equity shares of Rs. 10/- each (equivalent of 630,000 shares of Rs. 2/- each) forfeited in earlier years	386	99,331	386	86,131
		99,331		86,131
Notes :				
1. Pursuant to the approval of the Shareholders at the Annual General Meeting held on 18th August, 2006, the authorised share capital of the Company stands increased and reclassified as indicated above with denomination of shares being subdivided into Equity Shares of Rs. 2/- each. Accordingly, the equity shares of the Company of face value of Rs. 10/- each were subdivided into Equity Shares of Rs. 2/- each, on 20th September, 2006.				
2. Of the year-end paid-up shares				
a) 13,925 shares of Rs. 10/- each (equivalent of 69,625 shares of Rs. 2/- each) allotted as fully paid up pursuant to a contract without payments being received in cash.				
b) 1,844,321 shares of Rs. 10/- each (equivalent of 9,221,605 shares of Rs. 2/- each) allotted as fully paid Bonus Shares by capitalisation of Reserves, Undistributed Profit and Securities Premium Account.				
c) 1,996,530 shares of Rs. 10/- each (equivalent of 9,982,650 shares of Rs. 2/- each) allotted at par on conversion of Partly Optionally Convertible Debentures on 1st January,1998 and on 1st January,1999.				
d) 1,285,000 shares of Rs. 10/- each (equivalent of 6,425,000 shares of Rs. 2/- each) issued in October, 2005 on preferential basis.				
e) 6,400,000 Shares of Rs. 2/- each at a premium of Rs. 623/- issued in December, 2007 to Qualified Institutional Buyers under Chapter XIII A of SEBI (Disclosure and Investor Protection) Guidelines, 2000.				
f) 200,000 Shares of Rs. 2/- each at a premium of Rs. 399/- each issued and allotted in March,2008 on preferential basis to a company in the promoter group upon conversion of Convertible Equity Warrants issued on 4th October, 2007 as indicated in Note 10 on Schedule 19.				

(Rupees in Thousand)					
		31st March, 2008	31st March, 2007		
Schedule 2					
RESERVES AND SURPLUS					
Capital Reserve			3,245		3,245
Capital Redemption Reserve			104		104
Securities Premium Account					
As per last Account		1,007,197		1,007,197	
Add: Addition during the year		4,067,000		-	
		5,074,197		1,007,197	
Less: Adjusted against Share Issue Expenses		132,072	4,942,125	-	1,007,197
General Reserve					
As per last Account		501,098		441,098	
Less: Adjustment during the year -					
Employee Benefits (Note 11(a) on Schedule 19)	5,379				
Deferred Tax (Note 3(a) on Schedule 19)	100,204	105,583			
Add: Transfer from Profit and Loss Account		100,000	495,515	60,000	501,098
Foreign Currency Translation Reserve Account (Note 1(j) on Schedule 19)					
As per Last Account		(31,095)		(790)	
Adjustment during the year		(67,744)	(98,839)	(30,305)	(31,095)
Profit and Loss Account Balance (Surplus)			1,877,097		1,192,069
			7,219,247		2,672,618

	31st March, 2008	31st March, 2007
Schedule 3		
SECURED LOANS		
Term Loans (Note 1 below)		
Financial Companies - Rupee Loan	696,581	613,348
Banks		
Rupee Loans	1,118,363	652,051
Foreign Currency Loans	352,091	198,670
Working Capital Loans from Banks (Note 2 below)		
Rupee Loans	1,563,270	1,220,054
Foreign Currency Loans	-	97,381
Vehicle Loans from Banks (Note 3 below)	67,384	44,160
Interest Accrued and Due on Working Capital Loans	1,944	3,691
	3,799,633	2,829,355

(Rupees in Thousand)				
	31st March, 2008		31st March, 2007	
Schedule 6				
INVESTMENTS				
LONG TERM - other than trade - At Cost				
Unquoted				
5-Fully paid-up Ordinary Shares of Rs. 50/- each in Mercantile Apartments Co-operative Housing Society Ltd., Mumbai - Face value Rs. 250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs. 50/- each in Pallavi Beach Angle Co-operative Housing Society Ltd.,Mumbai - Face value Rs. 250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs. 50/- each in Borlo Co-operative Housing Society Ltd.,Chembur, Mumbai - Face value Rs. 250/-	-		-	
5-Fully paid-up Ordinary Shares of Rs. 50/- each in Saket Co-operative Housing Society Ltd. Mumbai - Face value Rs. 250/-	-		-	
7 Year National Savings Certificates (Matured) (Lodged as Security Deposits.)	2		2	
6 Year National Savings Certificates (Lodged as Security Deposits - Matured)	134		134	
Investment in Joint Ventures (see Note 25.2(i) on Schedule 19.)	61,656		23,748	
4,900 shares of BD 50 each of Simplex Almoayyed W.L.L. Fully paid-up.	28,742	90,534	28,742	52,626
Quoted				
20,000 Equity Shares of Rs. 10/- each (Rs. 5/- paid up) of M/s Parasrampuria Synthetics Ltd. @	100		100	
4,700 Equity Shares of Rs. 10/- each at a Premium of Rs. 35/- each of Pennar Patterson Securities Ltd- Fully Paid up @	212		212	
17,500 Equity Shares of Rs. 2/- each of Dalmia Cement (Bharat) Limited	7,000	7,312	-	312
Current Investment - Other than trade				
- Mutual Fund		1,210		-
		99,056		52,938
Less: Provision for diminution in value of Investments		312		312
		98,744		52,626
Notes:				
i) Year end Market Value of quoted Investments other than that marked @ for which year-end official quotation is not available.				
Mutual Funds		1,210		-
Equity Shares		4,983		-
ii) Particulars and Movement of Current Investments have been shown in Note 32 on Schedule 19 to the Accounts.				

(Rupees in Thousand)		
	31st March, 2008	31st March, 2007
Schedule 7		
INVENTORIES		
At lower of cost and estimated net realisable value		
Work-in-Progress (Net of Advance from clients 185,969; 2007 - 157,010) (Note 27 on Schedule 19)	376,204	216,385
Materials at Sites	2,581,254	1,620,982
Materials in Transit	18,966	8,345
Trading Items	104	104
At or below cost		
Stores (including Tools 1,631,084; 2007 - 805,039) (Note 1 (e) on Schedule 19)	1,764,884	1,006,068
	4,741,412	2,851,884
Schedule 8		
SUNDRY DEBTORS, Unsecured		
Debts Outstanding for a period exceeding six months		
Considered Good	2,257,424	2,060,956
Considered Doubtful	24,906	9,412
Other Debts		
Considered Good [Note 8 on Schedule 19]	9,239,297	6,431,900
	11,521,627	8,502,268
Less: Provision for Doubtful debts	24,906	9,412
	11,496,721	8,492,856
Schedule 9		
CASH AND BANK BALANCES		
Cash in hand and Cheques in transit [Cheques in transit 38,046 (2007 - 17,589)]	39,820	26,363
Balances with Scheduled Banks-		
Current Accounts	624,838	308,219
Unpaid Dividend Account	942	780
Share Application Money	1	1
Term Deposit on Margin Account [Note 2 on Schedule 19]	36,621	36,183
Fixed Deposits (Lodged as Security Deposits 5 ; 2007 - 5)	2,067	2,357
Balance with Non-Scheduled Banks (Note 31 of Schedule 19 to accounts)	527,693	50,939
	1,231,982	424,842

(Rupees in Thousand)		
	31st March, 2008	31st March, 2007
Schedule 10		
OTHER CURRENT ASSETS, Unsecured		
Considered Good		
Interest Receivable	21,320	10,271
Excise Duty Recoverable	75,058	64,441
Accruals under Duty Free Credit Entitlement	239,039	88,239
Deposit for Contracts	104,026	68,766
Security Deposits	135,421	65,603
[including 28 (2007 - 28) on Savings Bank Account with Scheduled Banks. The Pass Book is lodged as Security Deposit]		
Deposit under Investment Deposit Scheme	1,513	1,513
Prepaid Expenses	257,743	109,307
Considered Doubtful		
Deposit for Contracts	165	165
Security Deposits	29	29
	834,314	408,334
Less: Provision for Doubtful Deposit	194	194
	834,120	408,140
Above includes		
Amount due by Firm in which Directors of the Company are Partners		
Security Deposit with Mundhra Estates	72	72

Schedule 11		
LOANS AND ADVANCES, Unsecured		
Considered good (unless stated otherwise below)		
Advances recoverable in cash or in kind or for value to be received (Refer Note 25.2(i) on Schedule 19)		
Considered Good	2,157,002	1,505,445
[including Capital advance 97,916; (2007 - 228,132) and Considered Doubtful 5,929 (2007 - 3,929)]		
Inter Corporate Deposits	526,650	66,150
Advance payment of Current Taxes (net of provision)	160,837	209,567
[Advance Tax 534,118 (2007 - 486,643), Provision for Current Tax 373,281 (2007 - 277,076)]		
	2,844,489	1,781,162
Less: Provision for Doubtful Advances	5,929	3,929
	2,838,560	1,777,233

(Rupees in Thousand)				
	31st March, 2008		31st March, 2007	
Schedule 12				
CURRENT LIABILITIES				
Acceptances		-		103,391
Sundry Creditors			10,007	
Due to Small Scale Industrial undertakings				
Due to Micro Small Scale and Medium Enterprises (Note 21 on Schedule - 19)	4,564			
Others	6,052,179	6,056,743	4,015,077	4,025,084
Other Liabilities		398,604		335,498
Advance from Clients		5,714,689		3,211,600
Interest Accrued but not Due		92,782		50,191
Investor Education and Protection Fund shall be credited by the following amounts namely [Note below]				
a) Unpaid dividend		942		780
b) Unpaid matured deposit		2,444		2,262
c) Interest accrued on (b) above		560		541
		12,266,764		7,729,347
Note : None of above unclaimed amounts is due to be transferred to above fund at the Balance Sheet date.				

Schedule 13				
PROVISIONS				
Provision for Fringe Benefit Tax (Net)		368		556
Proposed Dividend	98,945		68,596	
Tax thereon	16,816	115,761	11,658	80,254
		116,129		80,810

(Rupees in Thousand)				
	2007-2008		2006-2007	
Schedule 14				
CONTRACT EXPENSES				
Stores consumed		12,750,858		7,751,864
Salaries and Wages (including amount paid/payable to Sub-contractors)		8,390,241		5,045,875
Value Added Tax		380,852		240,465
Repairs and Renewals		8,521		4,912
Other Expenses (including Rent 261,796 ; 2007 - 56,349)		2,787,626		1,633,296
		24,318,098		14,676,412

Schedule 15				
OTHER INCOME				
Equipment Hire Charges		5,427		2,341
Liability no longer required written back		6,695		11,333
Accruals under Duty Free Credit Entitlement		207,132		87,024
Dividend from Long Term Investment		44		-
Income from Wind Mill - Electricity		336		589
Dividend from Current Investment		5,692		-
Profit on Sale of Fixed Assets		851		-
Duty Drawback		946		-
Sale of Scrap		13,832		792
Miscellaneous Receipts		4,710		4,187
		245,665		106,266

Schedule 16				
INTEREST AND FINANCE CHARGES				
Interest				
Assets Credit Term Loans		177,024		61,046
Bank Loans		647,690		421,894
Public Fixed Deposits		1,428		4,617
Other Loans / Advance		106,330		64,861
		932,472		552,418
Less: Interest Received/Receivable [Tax Deducted at Source 5,603 (2007 - 1,693)]		80,654		11,093
		851,818		541,325
Add: Finance charges				
Bank Charges	25,992		27,540	
Guarantee Charges	129,494	155,486	63,387	90,927
		1,007,304		632,252

(Rupees in Thousand)				
	2007-2008		2006-2007	
Schedule 17				
OTHER ADMINISTRATIVE EXPENSES ETC.				
Salaries and Bonus		432,426		287,863
Staff Welfare Expenses		19,709		15,146
Contribution to Provident and other Funds		70,453		64,661
Rent (Net)		44,688		31,152
Rates and Taxes [includes Wealth Tax 398; 2007 – 278]		3,778		6,569
Repairs and Maintenance - Buildings		9,307		9,322
Insurance		122,945		82,534
Loss on Sale of Fixed Assets		-		2,044
Expenses of Wind Mill		332		310
Provision for Doubtful Debts / Advances		26,567		9,462
Bad Debts / Advances written off (Net of Provision Written back 9,073 ; 2007 - 30,246)		81,768		58,549
Share Issue Expenses	132,072		-	
Less: Adjusted against Securities Premium Account	132,072	-	-	-
Miscellaneous expenses (including exchange loss 24,815; 2007 - 3,221)		316,042		246,938
		1,128,015		814,550

Schedule 18				
MANAGING AND OTHER DIRECTORS' REMUNERATION INCLUDED IN PROFIT AND LOSS ACCOUNT				
Salaries and allowances		19,435		18,300
Contribution to Provident and Gratuity Fund		3,842		2,438
Estimated Cost of benefits		1,161		516
Sitting Fees		285		370
		24,723		21,624

Computation of Net Profit under Section 198 read with Sections 309/349 of the Companies Act,1956 for the purpose of Commission payable to the Managing Director :-				
Profit before taxation as per Profit and Loss Account		1,270,501		701,617
Add : Directors' Remuneration		24,723		21,624
Wealth Tax		398		278
Provision for Doubtful Debts / Advances written back		(9,073)		(30,246)
Provision for Doubtful Debts / Advances		26,567		9,462
Net Profit in accordance with Section 198 of the Companies Act,1956		1,313,116		702,735
Commission @ 1% on the above profit		13,131		7,027
Restricted to		*		*
* waived				

(Rupees in Thousand)	
Schedule 19	
Notes on Accounts	
1. Significant Accounting Policies	
The Financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards prescribed under section 211(3C) of the Companies Act,1956 and the relevant provision of the Companies Act,1956.	
a) FIXED ASSETS	
Fixed Assets are stated at cost of acquisition and related expenditure. The cost of fixed assets acquired on finance lease is comprised of present value of minimum hire purchase / lease payments at the inception of lease and residual value of the related assets. The discounting factor considered in calculating the present value of the minimum hire purchase / lease payments is the rate of interest implicit in the lease.	
b) DEPRECIATION	
Depreciation is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act,1956, except as indicated below:	
i) Leasehold land and Building on leasehold land are amortised over the period of lease.	
ii) Building on contractee's land is depreciated @ 5% on Straight Line Method.	
iii) Construction equipments included in Plant and Machinery are depreciated @ 12.5% and 20%.	
iv) In case of branches outside India, depreciation is provided on Plant and Machinery @ 10%.	
v) Computer Software @ 20%.	
c) IMPAIRMENT LOSS	
Assets are tested for impairment at each Balance Sheet date if there is any indication in this regard. Impairment loss is recognised if the carrying amount of the fixed assets exceeds the corresponding recoverable amount i.e. the higher of the asset's net selling price and value in use.	
d) INVESTMENT	
Long Term investments are valued at cost less provision for permanent diminution, if any, in value of such investments. Current investments which are expected to be liquidated within one year are valued at lower of cost and fair value . Investment in integrated Joint Ventures are carried at cost net of adjustments for Company's shares in profit or losses as recognised.	
e) INVENTORIES	
Inventories other than tools / stores comprising various construction implements and tackles which are more of a type of equipment having a short life, are valued at lower of cost and net realisable value. The cost, in general, are determined under FIRST IN FIRST OUT method. Tools / stores are stated on the basis of their cost and effective future life determined on technical evaluation.	
f) REVENUE	
Revenue is recognised under percentage of completion method. The stage of completion is determined on the basis of completion of physical proportion of the contract work. Extra work and variation in contract (as mutually agreed), to the extent that it is probable that they will result in revenue and can be reliably measured is also covered. Dividend income on investments is accounted for when the right to receive the payment is established.	
g) SITE DEVELOPMENT AND INITIAL EXPENSES	
Site development including initial expenses (shown in Work in Progress) thereon is charged off proportionately within the stipulated period of contract from the date of revenue recognition.	
h) BORROWING COST	
Borrowing cost attributable to the acquisition of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.	
i) CLAIMS AND COUNTER CLAIMS	
Claims and counter claims (related to customers), including those under arbitration, are accounted for on their final disposal. Other contract related claims are recognised when there is reasonable certainty as to their recoverability.	
j) TRANSACTION IN FOREIGN CURRENCIES	
Transaction in respect of Foreign Currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions. Exchange differences arising on settlement of transactions and/ or restatements are dealt with in the Profit and Loss Account.	

(Rupees in Thousand)	
Schedule 19	
Notes on Accounts	
In respect of Forward Exchange Contracts with underlying transaction, the premium or discount arising at the inception of such contract is amortised as expenses or income over the life of contract.	
Financial Statements of foreign branches are treated as non-integral operation. In translating the financial statement of foreign branches, the assets and liabilities, both monetary and non-monetary, has been translated at the closing rate and income and expense items are translated at the average rate for the period. The resultant exchange differences are accumulated in Foreign Currency Translation Reserve Account. Exchange differences arising on monetary items that is receivable from or payable to non-integral operation for which settlement is neither planned nor likely to occur in the foreseeable future forms part of net investment in non-integral foreign operations and are also accumulated in Foreign Currency Translation Reserve Account.	
k) EMPLOYEE BENEFITS	
Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.	
Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any is to be made good by the Company. Provident Fund contributions in respect of a foreign branch are made to government administered provident fund towards which the Company has no further obligations beyond its monthly contributions. (Also refer Note 11(b) below).	
Liability towards gratuity and end of service benefit (Defined Benefit Plans) covering eligible employees, is provided on the basis of year-end actuarial valuation.	
Accrued liability towards leave encashment benefits, and leave travel allowance (beyond 12 months) covering eligible employees, evaluated on the basis of year-end actuarial valuation is recognised as a charge.	
Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge. Contributions under Employees Pension Scheme are made as per statutory requirement and charged as expense for the year.	
Actuarial gains/losses arising in Defined Benefit Plans are recognised immediately in the Profit and Loss Account as income / expense for the year in which they occur.	
l) TAXATION	
Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisability thereof.	
Fringe Benefit Tax is accounted for based on the estimated fringe benefit for the period as per related provisions of the Income-tax Act,1961.	
m) PROVISION AND CONTINGENT LIABILITIES	
The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.	
n) PRIOR PERIOD AND EXTRAORDINARY ITEMS AND CHANGES IN ACCOUNTING POLICIES	
Prior Period and extra ordinary items and changes in Accounting policies having material impact on the financial affairs of the Company are disclosed.	
o) MATERIAL EVENTS	
Material events occurring after the Balance Sheet date are taken into cognizance.	
2. There are outstanding guarantees given on behalf of the Company by Banks amounting to 15,643,926 (2007 - 10,155,064). The above guarantees are secured by the security as recited under Bank Loans in Schedule 3. Banks also hold margin money deposit receipts in few cases against outstanding guarantees (Schedule 9).	
3. a) Consequent to the disposal of Company's special leave petition before Hon'ble Supreme Court in this regard (initially moved before Calcutta High Court in 2001), deferred tax liability for the period up to 31st March,2001 amounting to 100,204 has been recognised with corresponding adjustment to General Reserve in keeping with the transitional provisions of the Accounting Standard (AS) 22 on Accounting for Taxes on Income prescribed under the Companies Act,1956 (the Act).	

(Rupees in Thousand)		
Schedule 19		
Notes on Accounts		
b) Year-end Deferred Tax balance comprises the following :		
	As at 31st March 2008	As at 31st March 2007
Tax impact due to timing differences resulting in liabilities / assets on account of Depreciation as per tax law and books [Refer Note 3(a) above]	388,734	185,448
Provision for doubtful debts / advances etc.	(10,546)	(4,601)
Others (Items admissible on payment basis)	* (6,734)	-
Net Deferred Tax Liability	371,454	180,847

* After considering tax effect of 3,335 relating to employee benefit obligation adjusted against General Reserve as indicated in Note 11 (a) below.

4. Obligations under Finance Lease arrangements

The Company acquired Vehicles, Plant and Machinaries and Loose Tools under Finance Lease/ Hire Purchase Scheme. Minimum lease payments outstanding as at 31st March,2008 in respect of these assets are as under:

Due	Total minimum lease payments outstanding as on 31-03-2008	Interest not due	Present Value of minimum lease payments
Within one Year	239 <i>3,012</i>	57 <i>182</i>	182 <i>2,830</i>
Later than one year and not later than five years	303 <i>542</i>	18 <i>75</i>	285 <i>467</i>
Total	542 <i>3,554</i>	75 <i>257</i>	467 <i>3,297</i>

Figures in italics relate to Previous Year

5. a) The Company has non cancellable lease obligation of 44,875 (2007 - 67,561) payable within one year and 26,909 (2007 - 32,160) payable later than one year but not later than five years and payable after five years Nil (2007 - Nil) as on 31.3.2008. Rental expenses towards non cancellable operating lease charged to the Profit and Loss Account for the year amounts to 12,305 (2007 - 10,904).
- b) The Company has entered into cancellable operating lease for office, warehouses and employee accommodation. Tenure of leases generally vary between 1 to 3 years. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating 29,739 (2007 - 13,136) have been debited to Profit and Loss Account.

6. Contingent Liabilities

	31st March, 2008	31st March, 2007
a) Claims not acknowledged as Debts		
Interest (others)	600	600
Professional Tax	434	434
b) Uncalled liability on partly paid shares	100	100
c) Sales Tax	40,886	41,257
d) Entry Tax	1,387	79
e) Income Tax	84,062	-

(Rupees in Thousand)		
Schedule 19		
Notes on Accounts		
The Company's claim for certain deduction under the provision of the Income-tax Act, 1961 for the Assessment Years 2005-06 and 2006-07 was disallowed by the Income Tax authorities in respect of which the Company's appeals are currently pending. Based on legal opinion obtained, the management is of the view that the Company is eligible to the benefit of the aforesaid deduction and the year end tax provision has been made accordingly. The tax impact in this regard in respect of unassessed years amount to 136,871.		
f) A show cause cum demand notice for 264,331 issued by Commissioner of Service Tax on 2.8.2007 has been challenged by the Company by a writ petition currently pending before the Calcutta High Court. According to a legal opinion obtained in this regard, the contention of the service tax authorities and consequent demand of service tax is not valid in law. Based on the aforesaid legal opinion the management is of the view that even in case of an adverse decision, tax impact in this should not exceed 41,818.		
7. Capital commitments not provided for (Net of advance) 792,134 (2007 – 778,086).		

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

	31st March, 2008	31st March, 2007
- More than Six Months	1,363,361	862,113
- Others	643,308	452,438

9. Derivative losses / gains are accounted for in the period in which they occur. Mark to market losses on outstanding derivative instruments as on 31st March, 2008 as ascertained by concerned banks stood at 72,470 arising from hedging transactions undertaken by the Company for its foreign currency related exposures. The Company does not hold or issue derivative financial instruments for trading or speculative purposes and all the derivative contracts entered into by the Company are to mitigate or offset the risks that arise from their normal business activities only. According to the management, the above mark to market loss is notional, hence the Company has not provided for losses on mark to market basis.

10. On 4th October, 2007, the Company had allotted on a preferential basis, to a company in the promoter group, 5,500,000 convertible Equity Warrants against receipt of 10% of the consideration of Rs. 401/- per warrant determined in keeping with the related SEBI Guidelines. Each Warrant is convertible into one Equity Share of nominal value of Rs. 2/- each at a price of Rs. 401/- per share at the option of the warrant holders within eighteen months from the date of allotment in accordance with relevant SEBI Guidelines and the terms of the issue upon payment of balance consideration by the warrant holders. The shares to be allotted would rank pari passu in all respect with the then existing Equity Shares. In case the conversion option is not exercised before the expiry of the period allowed for such conversion, 10% of the consideration received as aforesaid shall be forfeited to the extent of conversion option not exercised.

Out of above Equity Warrants the Company, upon realisation of balance consideration and exercise of conversion option by the warrant holders, has issued and allotted 200,000 fully paid Equity Shares of Rs. 2/- each at a premium of Rs. 399/- per share against conversion of equivalent number of Equity Warrants.

11. EMPLOYEE BENEFITS.

- a) Effective 1st April, 2007 the Company has adopted the revised Accounting Standard (AS) 15 on 'Employee Benefits' prescribed under the Act and revised its accounting policy in respect of employee benefits. Pursuant to the adoption of AS 15, and amount of 5,379 (Net of tax effect of 3,335) arising upon remeasurement of certain employee benefit obligation as on 1st April, 2007 has been recognised with corresponding adjustment to General Reserve (Schedule 2) in keeping with the transitional provisions of the aforesaid AS. There is no material impact in the Employees Benefit change for the current year as there are no significant changes in the assumptions compared to previous year.
- b) In Terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standard Board of the Institute of Chartered Accountants of India, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any. However, there is no such interest shortfall at the year end. According to the management on the basis of consultation with an actuary, actuarial valuation cannot be applied reliably to measure provident fund liabilities as at the year end in the absence of any guidance from the Actuarial Society of India. Accordingly, complete information required to be considered as per AS 15 in this regard are not available and the same could not be disclosed. During the year, the Company has contributed 24,511 (2007 - 18,867) to the Provident Fund.

(Rupees in Thousand)		
Schedule 19		

Notes on Accounts

c) Defined Contribution Plans.

The Company has recognised, in the Profit and Loss Account for the year ended 31st March, 2008 an amount of 24,780 (2007 - 17,874) as expenses under defined contribution plans as detailed below :

Benefit (Contribution to)	For the year	
	2007- 2008	2006 - 2007
Employees' Pension Fund	24,076	17,349
Employees' Provident Fund *	196	-
Employees' Trusts Fund *	73	-
Employees' State Insurance	435	525
Total	24,780	17,874

* pertaining to Srilanka Branch .

d) Post Employment Defined Benefit Plans

i) Gratuity (Funded)

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

ii) End of Service Benefit / Severance Pay (Unfunded)

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

iii) Leave Encashment Scheme (Unfunded)

The Company provides for accumulated leave benefit payable at the time of retirement of service subject to maximum of ninety / one hundred twenty days based on last drawn salary.

Following are the further particulars with respect to Defined Benefit Plans for the year ended 31st March, 2008 :-

	Gratuity	End of Service Benefit / Severance Pay	Leave Encashment Scheme
	(Funded)	(Unfunded)	(Unfunded)
I. Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation			
a) Present Value of Obligation at the beginning of the year	91,552	5,087	10,429
b) Current Service Cost	8,951	5,926	2,414
c) Interest Cost	7,149	356	834
d) Actuarial (Gain)/Loss	12,857	2,210	(1,977)
e) (Benefits Paid)	(4,374)	-	(4)
f) Present Value of Obligation at the end of the year	116,135	13,579	11,696

(Rupees in Thousand)			
Schedule 19			

Notes on Accounts

	Gratuity	End of Service Benefit / Severance Pay	Leave Encashment Scheme
	(Funded)	(Unfunded)	(Unfunded)
II. Reconciliation of opening and closing balances of the fair value of Plan Assets			
a) Fair Value of Plan Assets at the beginning of the year	73,089	-	-
b) Expected Return on Plan Assets	6,462	-	-
c) Actuarial Gain/(Loss)	(649)	-	-
d) Contributions by employer	19,760	-	-
e) (Benefits Paid)	(4,374)	-	-
f) Fair Value of Plan Assets as at the end of the year	94,288	-	-
III. Reconciliation of the present value of Defined Benefit Obligation in 'I' above and the fair value of Plan Assets in 'II' above			
a) Present Value of Obligation as at the end of the year	116,135	13,579	11,696
b) Fair Value of Plan Assets as at the end of the year	94,288	-	-
c) (Asset)/Liability recognised in the Balance Sheet	21,847	13,579	11,696
IV. Expense charged to the Profit and Loss Account			
a) Current Service Cost	8,951	5,926	2,414
b) Interest Cost	7,149	356	834
c) (Expected Return on Plan Assets)	(6,462)	-	-
d) Actuarial (Gain)/Loss	13,506	2,210	(1,977)
e) Total expense charged to the Profit and Loss Account*	23,144 *	8,492 **	1,271***
* recognised under Contribution to Provident and Other Funds in Schedule 17.			
** recognised under Salaries and Wages in Schedule 14.			
*** recognised under Salaries and Bonus in Schedule 17.			
V. Category of Plan Assets			
Central Government Securities	16,250	NA	NA
State Government Securities	14,050	NA	NA
Public Securities	59,424	NA	NA
Bank Balances	4,564	NA	NA
	94,288	NA	NA
VI. Actual Return on Plan Assets	5,813	NA	NA
VII. Principal Actuarial Assumptions as at 31st March, 2008			
a) Discount Rate (per annum)	7.60%	7.00%	7.60%
b) Expected Rate of Return on Plan Assets (per annum)	8.00%	NA	NA
c) Salary Escalation			
Permanent Employees	5.00%	5.00%	5.00%
Contractual Employees	3.00%	-	-

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

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

This being the first year of disclosure, previous year figures have not been furnished.

(Rupees in Thousand)

Schedule 19

Notes on Accounts

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

i) Licensed Capacity

ii) Installed Capacity

iii) Actual Production

iv) Opening & Closing Stock of goods produced

v) Raw Material Consumption

vi) Turnover

}

Not applicable as the Company is a Civil Engineering Concern doing mainly the Contractor's Business, manufacturing and trading activities under taken being very insignificant.

13. C.I.F. Value of Imports

		2007-2008		2006-2007
Capital Goods		1,737,947		689,498
Tools and Equipments		29,217		5,517
Components and Spare Parts		147,739		42,732

14. Expenditure in Foreign Currency

		2007-2008		2006-2007
Travelling		35,442		10,906
Interest and Finance Charges		52,746		49,450
Overseas Contract Expenses		2,045,338		1,229,170
Miscellaneous		141,277		96,542

15. Earning in Foreign Currency

		2007-2008		2006-2007
On Contract Work (Gross billing)		4,764,421		2,590,661
Interest Received		12,303		-
Others		4,965		491

16. Stores Consumed

	2007-2008		2006-2007	
	Value	% of total Consumption	Value	% of total Consumption
Imported	200,496	1.57	56,430	0.73
Indigenous	12,550,362	98.43	7,695,434	99.27
	12,750,858	100.00	7,751,864	100.00

(Rupees in Thousand)					
Schedule 19					
Notes On Accounts					
17. Particulars in respect of Trading Items					
	Unit	2007-2008		2006-2007	
		Quantity	Value	Quantity	Value
a) Opening Stock Reverse Osmosys system	No.	5	104	5	104
			104		104
b) Closing Stock Reverse Osmosys system	No.	5	104	5	104
			104		104
18. Particulars in respect of Manufacturing Operations					
	Unit		2007-2008		2006-2007
			Quantity		Quantity
a) Installed Capacity (As certified by the management) Electro Dialysis Unit	Nos.		12		12
Electricity	KW		820		820
b) Production Electricity	KW		133		219
	Unit	2007-2008		2006-2007	
		Quantity	Value	Quantity	Value
c) Sales Electricity	KW	133	336	219	589
19. Information in accordance with the requirements of the Accounting Standard (AS) 7 on 'Construction Contracts' prescribed under the Act.					
		2007-2008		2006-2007	
Contract revenue recognised for the year ended 31st March,2008		28,081,196		17,082,144	
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to 31st March, 2008 for all the contracts in progress		46,759,914		31,205,061	
The amount of customer advances outstanding for contracts in progress as at 31st March, 2008		5,647,616		2,893,974	
The amount of retention due from customers for contracts in progress as at 31st March, 2008		1,499,144		965,147	
Gross amount due from customers for contracts in progress [included in Work in Progress 376,204 (2007 - 216,385) and Sundry Debtors 4,189,854 (2007 - 3,142,942)]		4,566,058		3,359,327	
Gross amount due to customers for contracts in progress		-		-	
20. Dividend remitted in Foreign Currency					
		2007-2008		2006-2007	
Number of Non Resident Shareholders		4		4	
Number of Shares held		365,500		73,100	
Year for which Dividend Paid		2006-2007		2005-2006	
Dividend remitted		584,800		365,500	

(Rupees in Thousand)		
Schedule 19		
Notes on Accounts		
21. Information relating to Micro and Small Enterprises (MSEs) :		
	2007-2008	
(I) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year		
Principal	3,874	
Interest	690	
	4,564	
(II) The amount of interest accrued and remaining unpaid at the end of accounting year	690	
(III) The amount of interest paid by the buyer in terms of Section 16 to the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
Principal	21,065	
Interest	Nil	
	21,065	
The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Company and pursuant to amendment of Schedule VI to the Act vide Notification dated 16th November, 2007 issued by the Central Government.		
22. Sundry Creditors include		
(i) 50 (2007 - 2,775) on account of outstanding installment dues under Hire Purchase Scheme.		
(ii) 417 (2007 - 522) on account of outstanding installment dues under Finance Lease.		
23. Proceeds received upon issue of Equity Shares referred to in Note 2(e) on Schedule 1 and allotment of Equity Shares Warrants referred to in Note 10 on Schedule 19 above aggregating 4,292,730 have been utilised during the year on overall basis as set out below:		
	2007-2008	
Repayment of Short Term Loans etc.	3,368,087	
Repayment of Term Loan	138,410	
Trade related other payments	635,868	
Share issue expenses	132,072	
General Corporate Purpose	18,293	
	4,292,730	

(Rupees in Thousand)		
Schedule 19		
Notes on Accounts		
24. Related Party Disclosures pursuant to Accounting Standard 18 prescribed under the Act.		
Related Parties	Relationship	
Name		
Giriraj Apartments Pvt. Ltd.	Substantial interest in voting power of the Company	
Govind Das Madho Das	- Do -	
Mundhra Estate	- Do -	
Safe Builders	- Do -	
RBS Credit & Financial Development Private Limited	- Do -	
Anupriya Consultants Private Limited	- Do -	
Baba Basuki Distributors Private Limited	- Do -	
Asnew Finance & Investment Private Limited	- Do -	
Anjali Trade Links Private Limited	- Do -	
Universal Earth Engineering Consultancy Private Limited (with effect from 21st February,2008)	- Do -	
Gayatri Projects Limited	Co-Venturer	
Simplex – Gayatri Consortium	Joint Venture	
HO-HUP Simplex Joint Venture	- Do -	
Simplex - Subhash Joint Venture	- Do -	
Somdutt Builders - Simplex Joint Venture	- Do -	
Simplex Almoayyed W.L.L.	- Do -	
Simplex - Somdutt Builders Joint Venture	- Do -	
Laing - Simplex Joint Venture	- Do -	
Simplex - Meinhardt Joint Venture Project	- Do -	
Jaybee Simplex Consortium	- Do -	
Mr. B.D. Mundhra	Key Management personnel	
Mr. A.D. Mundhra	- Do -	
Mr. Apurba Mukherjee	- Do -	
Mr. Rajiv Mundhra	- Do -	
Mr. S. Dutta	- Do -	
Mrs. Krishna Devi Mundhra	Relatives of Key Management personnel	
Mrs. Yamuna Mundhra	- Do -	
Mrs. Savita Bagri	- Do -	
Mrs. Sarmistha Dutta	- Do -	
Mr. Subhabrata Dutta	- Do -	
Mr. Sumit Dutta	- Do -	

Schedule 19													
Notes on Accounts													
Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act (contd.).													
(Rupees in Thousand)													
Name and Relationship	Transactions during the year							Balance outstanding at the year end					
	Dividend Paid	Gross Billing on Contract	Other Income	Advance Given/ (Repaid)	Rent Paid / Hire Charges	Interest Received	Managerial Remuneration	Expenditure on other Services	Advance from Clients	Share of Income from Joint Venture	Equity Share Warrant	Issue of Equity Share	Sundry Debtors
Substantial interest in voting power of the Company													
	145	-	-	-	207	-	-	-	-	-	-	-	-
	91	-	-	-	207	-	-	-	-	-	-	-	-
	-	-	-	-	292	-	-	-	-	-	-	-	-
Mundhra Estate	-	-	-	-	292	-	-	-	-	-	-	-	-
Safe Builders	-	-	-	-	180	-	-	-	-	-	-	-	-
	-	-	-	-	180	-	-	-	-	-	-	-	-
RBS Credit & Financial Development Private Ltd.	6,644	-	-	-	-	-	-	-	-	-	212,530	80,200	-
	4,030	-	-	-	-	-	-	-	-	-	-	-	-
Anupriya Consultants Private Ltd.	11,296	-	-	-	-	-	-	-	-	-	-	-	-
	7,023	-	-	-	-	-	-	-	-	-	-	-	-
Baba Basuki Distributors Private Ltd.	1,200	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Anew finance & Investment Private Ltd.	450	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Anjali Trade Links Private Ltd.	1,200	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Universal Earth Engg.Consultancy Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	9
	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	250	-	-	-	-	61
Total	20,935	-	-	-	679	-	-	-	-	-	212,530	80,200	145
	11,144	-	-	-	679	-	-	250	-	-	-	-	145
Key Management Personnel													
Mr. B. D. Mundhra	4,472	-	-	-	-	-	6,120	-	-	-	-	-	450
	2,795	-	-	-	-	-	6,066	-	-	-	-	-	-
Mr. A. D. Mundhra	3,138	-	-	-	-	-	5,809	-	-	-	-	-	350
	1,962	-	-	-	-	-	5,008	-	-	-	-	-	-
Mr. Rajiv Mundhra	2,512	-	-	-	-	-	4,518	-	-	-	-	-	300
	1,569	-	-	-	-	-	4,185	-	-	-	-	-	-
Mr. Apurba Mukherjee	0.80	-	-	-	-	-	4,669	-	-	-	-	-	250
	0.50	-	-	-	-	-	3,418	-	-	-	-	-	-
Mr. S. Dutta	0.50	-	-	-	-	-	3,322	-	-	-	-	-	185
	0.50	-	-	-	-	-	2,577	-	-	-	-	-	-
Total	10,124	-	-	-	-	-	24,438	-	-	-	-	-	1,535
	6,327	-	-	-	-	-	21,254	-	-	-	-	-	-

Figures in italics pertain to previous year

Notes on Accounts													
Related party disclosure pursuant to Accounting Standard 18 prescribed under the Act.													
(Rupees in Thousand)													
Name and Relationship	Transactions during the year							Balance outstanding at the year end					
	Dividend Paid	Gross Billing on Contract	Other Income	Advance Given/ (Repaid)	Rent Paid / Hire Charges	Interest Received	Managerial Remuneration	Expenditure on other Services	Advance from Clients	Share of Income from Joint Venture	Equity Share Warrant	Issue of Equity Share	Sundry Debtors
Relative of Key Management Personnel													
	3,269	-	-	-	96	-	-	-	-	-	-	-	-
	2,043	-	-	-	96	-	-	-	-	-	-	-	-
	-	-	-	-	152	-	-	-	-	-	-	-	-
Mr. Subhabrata Dutta	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Sarmistha Dutta	-	-	-	-	152	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Sumit Dutta	-	-	-	-	152	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	339	-	-	-	-	-	-	-	-	-	-	-	-
	210	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,608	-	-	-	552	-	-	-	-	-	-	-	-
	2,253	-	-	-	96	-	-	-	-	-	-	-	-
Joint Venture													
Simplex-Gayatri Consortium	-	-	-	-	-	-	-	-	-	-	-	-	101,289
	-	-	-	-	-	-	-	5	-	-	-	-	101,379
Ho-Hup Simplex Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	168,768
	-	37,720	-	-	-	-	-	137	-	-	-	-	171,778
Simplex-Subash Joint Venture	-	-	-	-	-	-	-	474	-	4,053	-	-	-
	-	-	-	-	-	-	-	12	-	14,376	-	-	-
Somdutt Builders - Simplex Joint Venture	-	712,193	-	(243,809)	-	-	-	32,290	257,258	6,123	-	-	337,270
	-	490,356	-	-	-	-	-	-	140,514	4,833	-	-	240,049
Simplex-Somdutt Builders Joint Venture	-	1,067,366	-	(197,052)	-	-	-	-	182,435	28,085	-	-	174,676
	-	189,209	-	-	-	-	-	-	269,480	4,995	-	-	126,069
Simplex Almooyyed W.L.L.	-	-	1,518	-	-	-	-	-	-	-	-	-	-
	-	-	-	2,100	-	-	-	-	-	-	-	-	-
Jaybee Simplex Consortium	-	-	-	-	-	29,895	-	34,815	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Simplex Meinhardt Joint Venture Project	-	18,231	-	-	-	-	-	-	-	81	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Laing - Simplex Joint Venture	-	705,005	-	(100,189)	-	-	-	-	25,977	1,365	-	-	256,148
	-	239,742	-	-	-	-	-	-	225,541	3,300	-	-	141,670
Total	-	2,502,795	1,518	(541,050)	-	29,895	-	67,579	465,670	39,707	-	-	1,038,151
	-	957,027	-	2,100	-	-	-	154	635,535	27,504	-	-	780,945
Co-Venturer													
Gayatri Projects	-	-	-	-	-	-	-	35	-	-	-	-	-
	-	-	-	-	-	-	-	2,440	-	-	-	-	-
Grand Total	34,667	2,502,795	1,518	(541,050)	1,231	29,895	24,438	67,614	465,670	39,707	212,530	80,200	1,038,151
	19,724	957,027	-	2,100	775	-	21,254	2,844	635,535	27,504	-	-	780,945

Figures in italics pertain to previous year

(Rupees in Thousand)				
Schedule 19				
Notes on Accounts				
25.1 Disclosure in respect of Joint Ventures :-				
Sr. No.	Name of Joint Venture	Description of Interest	Proportion of Ownership Interest	Country of Incorporation / Residence
1	HO-HUP - Simplex Joint Venture	Jointly Controlled Entity	* 50% * 50%	India
2	Simplex - Gayatri Consortium	Jointly Controlled Entity	* 70% * 70%	India
3	Simplex - Subhash Joint Venture	Jointly Controlled Entity	50% 50%	India
4	Somdutt Builders-Simplex Joint Venture	Jointly Controlled Entity	* 50% * 50%	India
5	Simplex-Somdutt Builders Joint Venture	Jointly Controlled Entity	* 50% * 50%	India
6	Simplex Meinhardt JV	Jointly Controlled Entity	* 50% -	India
7	Simplex - Laing Joint Venture	Jointly Controlled Entity	* 49% 49%	India
8	Jaybee Simplex Consortium	Jointly Controlled Entity	* 80% -	India
9	Simplex - Almoayyed W.L.L.	Jointly Controlled Entity	49% 49%	Bahrain

* Above are subject to such modifications as and when mutually decided in terms of related clauses of the Joint Venture Agreements and the supplementaries thereof.

25.2Financial interest in Jointly Controlled Entities as at 31st March,2008

(i) Partnership / Association of Persons

Sr. No.	Name of the Joint Ventures	Assets	Liabilities	Income	Expenses	Tax
1	HO-HUP - Simplex Joint Venture	**	**	**	**	-
2	Simplex - Gayatri Consortium	**	**	**	**	-
3	Simplex - Subhash Joint Venture	18,543 23,289	6,783 13,782	59,314 208,669	55,261 194,293	- -
4	Somdutt Builders-Simplex Joint Venture	411,418 271,090	399,348 265,144	719,773 495,428	713,651 490,595	- -
5	Simplex-Somdutt Builders Joint Venture	408,751 393,403	375,671 388,408	1,095,570 194,209	1,067,485 189,214	- -

Previous year figures have been shown in Italics

(Rupees in Thousand)						
Schedule 19						
Notes on Accounts						
Sr. No.	Name of the Joint Ventures	Assets	Liabilities	Income	Expenses	Tax
6	Simplex Meinhardt JV	12,192 -	12,111 -	18,325 -	18,244 -	- -
7	Laing - Simplex Joint Venture	388,543 352,567	383,878 349,267	708,639 246,051	706,412 240,517	862 2,234
8	Jaybee Simplex Consortium	67,079 -	67,079 -	- -	- -	- -
	Total	1,306,526 1,040,349	1,244,870 1,016,601	2,601,621 1,144,357	2,561,053 1,114,619	862 2,234
	Share of Net Assets / Profit after Tax	61,656 23,748		39,706 27,504		

There were no contingencies and commitments as at 31st March,2008, as per audited accounts.

** Net amount due from HO-HUP - Simplex Joint Venture and Simplex Gayatri Consortium amounting to 36,143 (2007 - 40,143) and 100 (2007 - 100) respectively have been included under loans and advances as the proportion of ownership interest is subject to modification as and when mutually decided in terms of the related clauses of Joint Venture and other related agreements and as the revenue is accounted for under completed contract method, no income is accounted for as these contracts are now under progress.

(ii) Limited Liability Company

Sr. No.	Name of the Joint Ventures	Assets	Liabilities	Income	Expenses	Tax
1	Simplex Almoayyed W.L.L.	74,581 58,852	20,413 13,448	87,763 17,531	67,376 10,620	- -

Previous year figures have been shown in Italics

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

	2007-2008	2006-2007
(I) Basic		
a) (i) Number of Equity Shares at the beginning of the year	42,872,330	42,872,330
(ii) Number of Equity Shares issued during the year	6,600,000	-
(iii) Number of Equity Shares at the end of the year	49,472,330	42,872,330
(iv) Weighted average number of Equity Shares outstanding during the year	44,711,128	42,872,330
(v) Face Value of each Equity Share	Rs. 2	2
b) Profit after tax attributable to Equity Shareholders Profit after Taxation	900,789	537,124
Basic Earning per Share [(b)/(a)(iv)]	Rs. 20.15	12.53
(II) Diluted		
a) (i) Number of Potential Equity Shares at the beginning of the year	-	-
(ii) Number of Potential Equity Shares issued during the year	5,500,000	-
(iii) Number of Potential Shares converted during the year	200,000	-
(iv) Number of Potential Equity Shares at the end of the year	5,300,000	-
(v) Dilutive Potential Equity Shares at the end of the year determined after taking into consideration the fair value and the issue price per share	1,699,749	-
(vi) Weighted Average number of Dilutive Potential Equity Shares outstanding during the year	871,430	-
(vii) Weighted Average number of Equity Shares considered for computation of Diluted Earnings per share [1(a)(iv)+II(a)(vi)]	45,582,558	-
b) Diluted Earnings per Share [1(b)/II(a)(vii)]	Rs. 19.76	12.53

(Rupees in Thousand)		
Schedule 19		
Notes on Accounts		
27. Work in Progress include salaries & wages (including payment to contractors) 138,407 (2007 - 45,749) and rent 11,648 ; (2007 - 1,591).		
28. Pursuant to The Companies (Accounting Standard) Rules, 2006 becoming applicable to the Company w.e.f 1st April,2007 , exchange gain of 1,513 on Foreign Currency Loans/Credits taken for acquisition of certain imported Fixed Assets (hitherto adjusted with carrying amount of such fixed assets) is now recognised as income,thereby increasing profit by the corresponding amount.		
29. Auditors’ Remuneration paid / payable for the year		
	2007-2008	2006-2007
As Auditors		
a) Miscellaneous Expenses include:		
Audit Fee	4,000	2,400
Certificates etc.	1,885	1,725
Service Tax	536	461
Reimbursement of Expenses	50	40
b) Share Issue Expenses includes:		
Fees for issue of reports etc. in connection with the Placement Document 12,000 (excluding service tax 1,510).		

30. Segment information for the year ended 31st March,2008

The Company is engaged in construction business both within India as well as outside India and its primary reporting format is based on the Geographical Locations of its Operations. Consequently, there is no reportable secondary segment in accordance with Accounting Standard (AS) 17 prescribed under the Act.

	India	Other Asian Countries	Total of Reportable Segment
External Sales	23,369,901 <i>14,602,132</i>	4,751,001 <i>2,507,516</i>	28,120,902 <i>17,109,648</i>
Inter Segment Sales	- <i>-</i>	- <i>-</i>	- <i>-</i>
Other Income	234,963 <i>101,113</i>	4,965 <i>251</i>	239,928 <i>101,364</i>
Segment Revenue	23,604,864 <i>14,703,245</i>	4,755,966 <i>2,507,767</i>	28,360,830 <i>17,211,012</i>
Segment Result (PBIT)	2,107,190 <i>1,530,924</i>	454,029 <i>6,559</i>	2,561,219 <i>1,537,483</i>
Segment Assets	21,863,269 <i>15,075,441</i>	4,676,666 <i>2,119,774</i>	26,539,935 <i>17,195,215</i>
Segment Liabilities	9,072,182 <i>6,625,678</i>	2,963,013 <i>976,795</i>	12,035,195 <i>7,602,473</i>
Capital Expenditure	2,281,660 <i>1,417,730</i>	1,065,352 <i>214,449</i>	3,347,012 <i>1,632,179</i>
Depreciation	279,661 <i>171,067</i>	90,552 <i>67,264</i>	370,213 <i>238,331</i>
Non cash expenses other than depreciation	324,336 <i>224,611</i>	54,689 <i>24,683</i>	379,025 <i>249,294</i>

Figures in italics relate to Previous Year

(Rupees in Thousand)				
Schedule 19				
Notes on Accounts				
Reconciliation of Reportable Segments with the Financial Statements				
	Revenues	Results /Net Profit	Assets	Liabilities *
Total of Reportable Segment	28,360,830 <i>17,211,012</i>	2,561,219 <i>1,537,483</i>	26,539,935 <i>17,195,215</i>	12,035,195 <i>7,602,473</i>
Corporate - Unallocated (net)	5,737 <i>4,902</i>	(283,414) <i>(203,614)</i>	1,238,936 <i>431,325</i>	8,212,568 <i>7,265,318</i>
Inter Segment Sales	- <i>-</i>	- <i>-</i>	- <i>-</i>	- <i>-</i>
Interest and Finance Charges (net)	- <i>-</i>	(1,007,304) <i>(632,252)</i>	- <i>-</i>	- <i>-</i>
Provision for Taxation - Current	- <i>-</i>	(264,000) <i>(97,000)</i>	- <i>-</i>	- <i>-</i>
Provision for Taxation - Fringe Benefit	- <i>-</i>	(11,974) <i>(9,307)</i>	- <i>-</i>	- <i>-</i>
Provision for taxation - Deferred	- <i>-</i>	(93,738) <i>(58,186)</i>	- <i>-</i>	- <i>-</i>
As per Financial Statements	28,366,567 <i>17,215,914</i>	900,789 <i>537,124</i>	27,778,871 <i>17,626,540</i>	20,247,763 <i>14,867,791</i>

Figures in italics relate to Previous Year

* Excluding shareholders' Fund.

31. Balances with Non-Scheduled Bank comprises of the following :

			Maximum Balance outstanding during the year	
	Bank Balance as on 31.03.2008	Bank Balance as on 31.03.2007	Balance as on 31.03.2008	Balance as on 31.03.2007
Current Accounts				
ICICI Bank - Colombo	11,663	12,253	22,438	24,110
Standard Chartered Bank - Dubai	22,170	8,050	432,560	46,430
HSBC - Dubai	16,895	-	153,845	-
Standard Chartered Bank - Manama, Bahrain	801	1,910	1,828	3,087
Bank Muscat, Oman	697	-	6,784	-
Doha Bank - Doha, Qatar	49,529	1,012	853,568	37,284
Commercial Bank - Doha, Qatar	4,611	-	56,070	-
Ahali Bank - Doha, Qatar	79	-	551	-
Standard Chartered Bank - Doha, Qatar	67,755	26,938	200,352	98,492
	174,200	50,163	1,727,996	209,403
Fixed Deposit Account				
Doha Bank - Doha, Qatar	1,099	-	1,099	-
Standard Chartered Bank - Doha, Qatar	351,680	-	351,680	-
	352,779	-	352,779	-
Margin Money				
Standard Chartered Bank - Doha, Qatar	714	776	714	776
	714	776	714	776
Total	527,693	50,939	2,081,489	210,179

(Rupees in Thousand)								
Schedule 19								
Notes On Accounts								
32. Particulars and movements of current Investments								
Sr. No.	In Mutual Funds	Face value	Purchase including Dividend Reinvested during the year		Redemption/ Sale during the year		Closing Balance	
		Rs.	Unit	Value	Unit	Value	Unit	Value
1	LO72SD SBI PREMIER LIQUID FUND	10	9,975,013	100,074	9,967,605	100,000	7,408	74
2	RELIANCE LIQUID PLUS FUND	1,000	200,663	200,882	200,663	200,882	-	-
3	RELIANCE LIQUIDITY FUND	10	24,033,924	240,414	24,033,924	240,414	-	-
4	28Q ICICI PRUDENTIAL-FLEXIBLE INCOME PLAN	10	21,345,682	225,699	21,345,682	225,699	-	-
5	TEMPLETON FLOATING RATE	10	22,486,625	225,102	22,486,625	225,102	-	-
6	UTI LIQUID PLUS FUND	1,000	153,099	153,132	153,099	153,132	-	-
7	UTI LIQUID CASH PLAN	1,000	238,713	243,355	238,713	243,355	-	-
8	JM HIGH LIQUIDITY FUND	10	4,996,467	50,047	4,991,764	50,000	4,703	47
9	TATA LIQUID SUPER	1,000	44,904	50,046	44,862	50,000	41	46
10	KOTAK FLOATER SHORT TERM	10	4,983,216	50,045	4,978,706	50,000	4,510	45
11	DSP MERRILL LYNCH LIQUIDITY SCHEME	1,000	50,033	50,043	49,990	50,000	44	43
12	HDFC CASH MANAGEMENT SCHEME	10	24,982,886	250,616	24,921,497	250,000	61,389	616
13	HDFC FLOTING RATE INCOME FUND	10	19,867,960	200,287	19,867,960	200,287	-	-
14	BIRLA SUN LIFE LIQUID PLUS	10	15,299,833	153,102	15,299,833	153,102	-	-
15	BIRLA CASH PLUS	10	7,242,930	72,571	7,235,890	72,500	7,040	71
16	32IPD ICICI PRUDENTIAL LIQUID PLAN	10	22,594	268	-	-	22,594	268
			155,924,542	2,265,683	155,816,813	2,264,473	107,729	1,210

33. Previous year’s figures have been rearranged / regrouped, where necessary.

Signatures to Schedules 1 to 19

B.L.Bajoria
Secretary

B.D.Mundhra
Chairman & Managing Director

S.Dutta
Director

Cash Flow Statement for the year ended 31st March, 2008

(Rupees in Thousand)		
	2007-2008	2006-2007
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	1,270,501	701,617
Adjustments for:		
Depreciation	371,960	240,045
Interest and Finance charges (Net)	851,818	541,325
(Gain) /Loss on sale of Fixed Assets	(851)	2,044
Bad Debts/Advances written off	81,769	58,549
Provision for Doubtful Debts, Adances and Deposit	26,567	9,462
Tools written off / amortised	270,689	151,038
Liability no longer required written back	(6,695)	(11,333)
Wealth Tax	398	278
Dividend from Current Investments	(5,692)	-
Dividend from Long Term Investment	(44)	-
Exchange (Gain)/ Loss (Net)	1,906	8,354
Effect of Change in Foreign Exchange Translation	(8,522)	(18,872)
Operating Profit before Working Capital Changes	1,583,303	980,890
Adjustments for:	2,853,804	1,682,507
Trade and other receivables	(4,307,710)	(3,864,048)
Inventories	(2,168,143)	(1,202,393)
Trade Payables	4,441,387	3,461,665
Cash generated from operations	819,338	77,731
Direct Taxes (Paid)	(227,831)	(216,213)
Net Cash (used in) Operating Activities	591,507	(138,482)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(3,166,257)	(1,834,399)
Sale/Disposal of Fixed Assets	9,660	44,263
Purchase of investment	(2,267,000)	(10)
Sale of investment	2,264,481	-
Interest Received	69,604	17,537
Investment in Joint Venture	(37,908)	(20,805)
Dividend Received	44	-
Intercompany Deposit	(460,500)	59,000
Net Cash used in investing Activities	(3,587,876)	(1,734,414)
Carried Forward	(2,996,369)	(1,872,896)

Cash Flow Statement for the year ended 31st March, 2008

(Rupees in Thousand)

	2007-2008		2006-2007	
Brought Forward		(2,996,369)		(1,872,896)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issue of Share Warrants	220,550		-	
Proceeds from issue of Equity Shares to Qualified Institutional Buyers	4,000,000		-	
Proceeds from issue of Equity Shares upon conversion of Equity Warrants	72,180		-	
Share Issue Expenses	(132,072)		-	
Proceeds from long term borrowings	1,268,201		1,103,653	
Proceeds from short term borrowings (net)	913,790		6,002,598	
Repayment of long term borrowings	(738,713)		(293,730)	
Repayment of short term borrowings (net)	(821,695)		(4,392,562)	
Interest Paid	(894,125)		(516,468)	
Dividend Paid [including Dividend Tax 11,658 (2007-6,012)]	(80,092)		(48,825)	
Net Cash flow from Financing Activities		3,808,024		1,854,666
Net Increase/(Decrease) in Cash and Cash Equivalents		811,655		(18,230)
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents		(4,515)		(1,787)
		807,140		(20,017)
Cash and cash equivalents as at 31st March, 2007 [Refer Schedule 9 to Accounts]	424,842		444,859	
Cash and cash equivalents as at 31st March, 2008 [Refer Schedule 9 to Accounts]	1,231,982	807,140	424,842	(20,017)

Notes:

- 1 The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements prescribed by the Companies Act,1956.
- 2 Schedules referred to above form an integral part of the Cash Flow Statement.
- 3 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.

S.K.Deb
Partner
Membership Number: 13390
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants
Kolkata, 30th June,2008

B.L.Bajoria
Secretary

B.D.Mundhra
Chairman & Managing Director

Mumbai, 30th June,2008

S.Dutta
Director

BALANCE SHEET ABSTRACT

Balance Sheet Abstract and Company's Business Profile

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

1. Registration Details		
Registration No.	4969	State Code 21
	Date Month Year	
Balance Sheet Date	310308	
2. Capital Raised during the year (Amount in Rs. Thousand)		
Public Issue (out of calls in arrear)	Nil	Shares out of conversion of Debentures issued on right basis Nil
Bonus Issue	Nil	Private Placement 4292730
3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)		
Total Liabilities (Including Shareholders' Fund)	27778871	Total Assets 27778871
Sources of Funds	Paid-up Capital 99331 Secured Loans 3799633	Reserves and Surplus 7219247 Unsecured Loans 3693783
Application of Funds	Net Fixed Assets 6537332 Net Current Assets 8759902 Accumulated Losses Nil	Investments 98744 Miscellaneous Expenditure Nil
4. Performance of the Company (Amount in Rs. Thousand)		
	Turnover (Including Other Income, and Company's share in profit in Joint Venture.) 28366567 +/- Profit / Loss before Tax +1270501 Earnings per Share in Rs. Basic 20.15 Diluted 19.76	Total Expenditure 27096066 + / - Profit / Loss after Tax +900789 Dividend Rate % 100

5. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code no. (ITC CODE)	Nil	Product description	Piling
Item Code no. (ITC CODE)	Nil	Product description	Concrete Works
Item Code no. (ITC CODE)	Nil	Product description	Structural Steel
Item Code no. (ITC CODE)	Nil	Product description	Road Work
Item Code no. (ITC CODE)	Nil	Product description	Miscellaneous Works

B.L.Bajoria
Secretary

B.D.Mundhra
Chairman & Managing Director

S.Dutta
Director

“Coming together is a beginning.
Keeping together is progress.
Working together is success.”
- Henry Ford



Simplex Infrastructures Limited

Regd Office: “SIMPLEX HOUSE” 27 Shakespeare Sarani, Kolkata - 700017

D.P.ID	
Client ID	

Folio No.	
-----------	--

PROXY FORM

I/We
.....of being a member(s) of Simplex Infrastructures Limited holding shares nos
..... on the Register of the shareholders of the Company do hereby appoint
..... of or failing him/her
..... of as my/our proxy to vote for me/us and on my/
our behalf at the 90th Annual General Meeting of the Company to be held at Gyan Manch, 11, Pretoria Street, Kolkata - 700071 on Thursday, 11th
September, 2008 at 10.30 a.m. and at any adjournment/s thereof.

Signed this day of 2008

Affix
Revenue
Stamp

(Signature of the shareholder)

Note : The proxy in order to be valid must be deposited with the Company at its Registered Office of the Company duly completed in all respects not less than forty-eight hours before the time fixed of holding the above meeting.



Simplex Infrastructures Limited

Regd Office: “SIMPLEX HOUSE” 27 Shakespeare Sarani, Kolkata - 700017

D.P.ID	
Client ID	

Folio No.	
No. of Shares Held	

ATTENDANCE SLIP

Ninetieth Annual General Meeting - 11th September, 2008

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Ninetieth ANNUAL GENERAL MEETING of the Company at Gyan Manch 11, Pretoria Street, Kolkata-700071 on Thursday, 11th September, 2008 at 10.30 AM and at any adjournment thereof.

Member's/Proxy's name in
BLOCK LETTERS

Member's/Proxy's Signature

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



Teesta Low Dam Hydro Electric Project - Stage III



Registered Office: "SIMPLEX HOUSE" 27 Shakespeare Sarani, Kolkata - 700017