



**V. SANKAR AIYAR & CO.**  
CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**SIMON INDIA LIMITED**

**Report on Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Simon India Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards including Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act and accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.



### **Responsibilities of Management and those charged with governance for the financial statements**

The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibility for the audit of financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing (SAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Other Matter

The comparative financial information of the KSA branch of the company for the year ended 31<sup>st</sup> March 2021 included in these financial statements are based on the previously financial statements audited by branch auditor whose reports have been furnished to us by the management, and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditor.

Our Opinion are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the branch auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit & Loss (including other comprehensive income), the Statement of changes in Equity and the Statement of Cash Flows statements dealt with by this report are in agreement with books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of and limits laid down under section.197(16) read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us :
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts during the year and therefore the question of making provisions for material losses on such contracts does not arise.
  - (iii) There were no amounts, which were required to be transferred during the year to the Investor Education and Protection Fund by the Company.
  - (iv) (A) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(B) The management has also represented to us, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



(C) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

(v) The Company has neither declared nor paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

**For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W**

*Ajay Gupta*

**Ajay Gupta  
Partner  
Membership No.090104  
ICAI UDIN - 22090104AJKMEY4092**

**Place : Gurugram  
Dated : 19<sup>th</sup> May 2022**



## **“Annexure A” referred to in the Independent Auditors’ Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Simon India Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub section of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W**

*Ajay Gupta*

**Ajay Gupta  
Partner  
Membership No.090104  
ICAI UDIN - 22090104AJKMEY4092**

**Place : Gurugram  
Dated : 19<sup>th</sup> May 2022**



**“Annexure B” referred to in the Independent Auditors’ Report**

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the shareholders of Simon India Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit and the representation obtained from the management, we state that:

- i a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets.  
b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment’s is reasonable having regard to the size of the Company and the nature of its assets  
c) The company does not have any immovable property (in the nature of ‘property, plant and equipment’). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.  
d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.  
(e) There are no proceedings initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii a) The Company does not have any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable.  
b) The Company does not have any working capital limit in excess Rs. 5 crores at any point of time during the year, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. During the year the Company has not made investments, provided guarantees, granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties, except in respect of security given in connection with loan taken by its holding company. The requisite disclosure are given below:  
(a) The company has provided security to its holding Company by way of pledge of its investment in equity shares. The aggregate amount during the year and balance outstanding at the balance sheet date with respect to such security (i.e. 12,50,000 equity shares of Rs. 10/- each of Chambal Fertilisers and Chemicals Limited) is Rs. 5276.25 lacs.  
(b) In our opinion, the terms and conditions of providing such security are not prejudicial to the company’s interest;  
(c) In respect of loans given in earlier years, the schedule of repayment of principal and payment of interest has been stipulated and the receipts are regular;  
(d) All the loans given in earlier years have been received back by the Company during the year and there is no overdue amount at the year end.  
(e) There were no loans or advances in the nature of loans, which have fallen due during the year, that has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.  
(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence, the provisions of clause 3(iii)(f) of the Order are not applicable.
- iv. The Company has not granted any loans or provide any guarantee or securities to parties covered under section 185 of the Act. Further, provisions of section 186 of the Act have been complied in respect of security given in connection with loan taken by its holding company. The company have not given any loans or guarantees or made any investments during the year.
- v The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed deposits within the meanings of sections 73 to 76 of the Act and the Rules framed thereunder. Hence, the provisions of clause 3(v) of the Order are not applicable.
- vi The Central Government has not specified the maintenance of cost records under clause (1) of section 148 of the Companies Act, 2013, in respect of Company’s activities. Hence, the provisions of clause 3(vi) of the Order are not applicable.



vii In respect of statutory dues

a) In our opinion, the Company has been generally regular in depositing undisputed statutory dues including goods and services tax (GST), provident fund, income tax, and other material statutory dues with the appropriate authorities. We are informed that there is no liability on the Company on account of employees' state insurance, sales tax, service tax, duty of customs, excise duty and value added tax. There were no arrears of undisputed statutory dues as at 31<sup>st</sup> March, 2022, which were outstanding for a period of more than six months from the date they became payable.

b) Details of disputed statutory dues referred to in sub-clause (a) above which not been deposited as on 31<sup>st</sup> March, 2022 on account of disputes are given below:

<u>Name of statute</u>	<u>Nature of dues</u>	<u>Amount (INR in lacs)</u>	<u>Amount paid under Protest (INR In lacs)</u>	<u>Period to which the amount relates</u>	<u>Forum where dispute is</u>
Income Tax Act, 1961	Income tax	4.07	4.07	FY 2012-13	Income Tax Appellate Tribunal
	Income tax	18.35	18.35	FY 2013-14	Income Tax Appellate Tribunal
	Income tax	292.44	Nil	FY 2017-18	Assistant Commissioner of Income Tax
Finance Act, 1994	Service Tax Demand	89.59	8.96	FY 2008-09 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal, New Delhi

viii The Company has not surrendered or disclosed any transaction, previously not recorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961 as income, during the year,

ix a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loans during the year. Hence reporting under clause 3(ix)(c) of the Order is not applicable.

d) On the overall examination of the financial statements of the Company, no funds raised on short term basis have been used for long term purpose by the Company.

The Company does not have any subsidiaries, associates or joint ventures. Therefore, the provision of clause 3(ix)(e) and (f) of the Order are not applicable.

x (a) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable

(b) the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence reporting under clause 3(x)(b) of the Order is not applicable.

xi (a) No case of fraud by the Company or on the Company has been noticed or reported during the year under audit.

(b) During the year, no report under section 143(12) of section 143 of the Companies Act has been filed by the auditors in the Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) The Company has not received any whistle blower complaints during the year.

xii The Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order are not applicable.

xiii In our opinion, the Company has complied with section 188 of the Act in respect of transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is not required to form Audit Committee under section 177 of the Act, Therefore, the provisions of clause 3(xiii) with respect to section 177 of the Order are not applicable.

xiv The company does not have an internal audit system and is not required to have an internal audit system under the provisions Section 138 of the Companies Act, 2013. Therefore provisions of clause 3(xiv)(a) and (b) of the Order are not applicable.

xv In our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, reporting under clause 3(xv) of the Order are not applicable.





- xvi (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a) of the Order are not applicable.
- (b) The Company has not conducting non-banking financial / housing finance activities during the year. Hence reporting under clause 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence reporting under clause 3(xvi)(c) of the Order are not applicable.
- (d) There are two Core Investment Company (CIC) as a part of Group out of which one is not required to register with Reserve Bank of India and another is in the process of getting registration with Reserve Bank of India. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii The Company has incurred Rs.180.01 lacs cash losses during the financial year and Rs.744.82 lacs cash losses in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year. Hence reporting under clause 3 (xviii) of the Order is not applicable.
- xix On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx The Company is not required to spend any amount on corporate social responsibility under section 135 of the Companies Act. Hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

**For V. Sankar Aiyar & Co.**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 109208W**

*Ajay Gupta*

**Ajay Gupta**  
**Partner**  
**Membership No.090104**  
**ICAI UDIN - 22090104AJKMEY4092**

**Place : Gurugram**  
**Dated : 19<sup>th</sup> May 2022**



**Simon India Limited**  
**Balance Sheet as at 31 March 2022**

	Notes	Rs in lakhs	
		As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	175.35	98.03
Other intangible assets	4	10.23	15.47
Right-of-use assets	4a	122.62	-
Financial assets			
Investments	5	9,286.20	6,540.54
Loans	6	-	3,197.94
Income-tax assets (net)		125.00	81.68
Other non-current assets	7	-	743.53
<b>Total non-current assets</b>		<b>9,719.40</b>	<b>10,677.19</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	8	772.50	1,883.95
Cash and cash equivalents	9	97.73	307.61
Bank balances other than above	10	858.33	875.94
Other financial assets	11	78.61	596.63
Other current assets	12	890.84	1,211.67
<b>Total current assets</b>		<b>2,698.01</b>	<b>4,875.80</b>
<b>Total assets</b>		<b>12,417.41</b>	<b>15,552.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	500.00	500.00
Other equity	14	8,828.12	5,679.31
<b>Total equity</b>		<b>9,328.12</b>	<b>6,179.31</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	-	4,488.72
Lease Liabilities	4a	122.91	-
Provisions	16	21.72	74.64
<b>Total non-current liabilities</b>		<b>144.63</b>	<b>4,563.36</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	81.55	4.77
Lease Liabilities	4a	4.79	-
Trade payables			
total outstanding due to micro enterprise and small enterprise;	18	113.84	141.41
total outstanding due to creditors other than micro enterprise and small enterprise	18	1,486.50	2,220.28
Other financial liabilities	19	51.84	628.43
Other current liabilities	20	3.36	462.09
Provisions	21	1,202.78	1,353.34
<b>Total current liabilities</b>		<b>2,944.66</b>	<b>4,810.32</b>
<b>Total equity and liabilities</b>		<b>12,417.41</b>	<b>15,552.99</b>

Summary of significant accounting policies  
The accompanying notes are an integral part of the financial statements

As per our attached report of even date.  
For V.Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No.109208W

*Ajay Gupta*

Ajay Gupta  
Partner  
Membership No.090104  
Place: Gurugram  
Date : 19.05.2022



For and on behalf of the Board of Directors of  
Simon India Limited

*Athar Shahab*  
Athar Shahab  
Non Executive Director  
DIN No.: 01824891  
Place: Gurugram  
Date : 19.05.2022

*Atul Kumar Jain*  
Atul Kumar Jain  
CEO & Executive Director  
DIN No.: 02208079  
Place: Gurugram  
Date : 19.05.2022

*Ram Mohan Garg*  
Ram Mohan Garg  
Chief Financial Officer  
PAN - ACVPG5260B  
Place: Gurugram  
Date : 19.05.2022

*Rohit Dhingra*  
Rohit Dhingra  
Company Secretary  
M.No - A60664  
Place: Gurugram  
Date : 19.05.2022



**Simon India Limited**  
**Statement of Profit and Loss for the Year ended 31 March 2022**

	Notes	Rs in lakhs	
		Year ended 31.03.2022	Year ended 31.03.2021
<b>REVENUE</b>			
Revenue from operations	22	1,236.85	789.48
Other income	23	616.57	1,261.09
<b>Total Revenue</b>		<b>1,853.42</b>	<b>2,050.57</b>
<b>EXPENSES</b>			
Project expenses	24	912.48	924.29
Employee benefits expense	25	378.67	751.52
Finance costs	26	270.80	708.12
Depreciation and amortization expense	27	29.07	54.15
Other expenses	28	1,354.85	1,376.79
<b>Total expenses</b>		<b>2,945.87</b>	<b>3,814.87</b>
<b>Loss before tax</b>		<b>(1,092.45)</b>	<b>(1,764.30)</b>
<b>Tax expense</b>			
Current tax (including reversals for earlier years)		5.32	0.42
Deferred tax charge / (credit)	33	-	1,836.85
		<b>5.32</b>	<b>1,837.27</b>
<b>Loss for the year</b>		<b>(1,097.77)</b>	<b>(3,601.57)</b>
<b>Other comprehensive income</b>			
<b>A Items that will be reclassified to profit or loss</b>			
Foreign currency translation reserve (FCTR)		(4.54)	(3.43)
<b>B Items that will not be reclassified to profit or loss</b>			
Re-measurement gains on defined benefit plans		4.02	8.80
Income-tax effect		-	-
Net gain on FVTOCI equity securities		4,247.10	2,653.20
		<b>4,251.12</b>	<b>2,662.00</b>
<b>Total (A + B)</b>		<b>4,246.58</b>	<b>2,658.57</b>
<b>Total comprehensive income for the year</b>		<b>3,148.81</b>	<b>(943.00)</b>
<b>Earnings per equity share (nominal value of share of INR 10)</b>			
Basic (INR)	29	(21.96)	(72.03)
Diluted (INR)		(21.96)	(72.03)

Summary of significant accounting policies  
The accompanying notes are an integral part of the financial statements

As per our attached report of even date.

For V.Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No.109208W

*Ajay Gupta*

Ajay Gupta  
Partner  
Membership No.090104  
Place: Gurugram  
Date : 19.05.2022



For and on behalf of the Board of Directors of  
Simon India Limited

*Athar Shahab*

Athar Shahab  
Non Executive Director  
DIN No.: 01824891  
Place: Gurugram  
Date : 19.05.2022

*Atul Kumar Jain*

Atul Kumar Jain  
CEO & Executive Director  
DIN No.: 02208079  
Place: Gurugram  
Date : 19.05.2022

*Ram Mohan Garg*

Ram Mohan Garg  
Chief Financial Officer  
PAN - ACVPG5260B  
Place: Gurugram  
Date : 19.05.2022

*Rohit Dhingra*

Rohit Dhingra  
Company Secretary  
M.No - A60664  
Place: Gurugram  
Date : 19.05.2022



**Simon India Limited**

**Statement of Cash Flows for the year ended 31 March 2022**

Rupees in lakhs

	<u>Year ended</u> <u>31.03.2022</u>	<u>Year ended</u> <u>31.03.2021</u>
<b>A. Cash Flows from Operating Activities</b>		
Loss before tax	(1,092.45)	(1,764.30)
<b>Adjustments to reconcile profit / (loss) before tax to net cash flows:</b>		
Depreciation and amortisation expense	29.07	54.15
Loss on of Securities	624.02	-
Loss allowances on trade receivables	191.14	655.19
Loss on sale of Fixed assets	1.42	-
Capital work in progress charged off	-	92.13
Interest income	(150.99)	(589.61)
Dividend income	(198.00)	(66.00)
Finance cost	270.80	708.12
Exchange fluctuation (net)	(9.19)	3.69
Fair value gain on financial assets at fair value through profit or loss	(66.80)	(218.01)
Amortisation of deferred fair valuation loss	66.80	218.01
Excess provision and credit balances written back	(146.10)	(43.37)
	<b>(480.28)</b>	<b>(950.00)</b>
<b>Working capital adjustments:</b>		
Movement in trade payables	(606.06)	(3,139.45)
Movement in provisions current and non current liabilities	(199.47)	0.52
Movement in other current liabilities	(458.73)	233.76
Movement in financial Liabilities	(576.59)	-
Movement in trade receivables	920.31	2,596.71
Movement in other financial assets	518.02	54.68
Movement in other current and non current assets	65.80	(127.98)
<b>Cash used in operations</b>	<b>(817.00)</b>	<b>(1,331.76)</b>
Income-tax refund (net)	(48.64)	1,070.00
<b>Net cash used in operating activities</b>	<b>(865.64)</b>	<b>(261.76)</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of PPE including changes in capital advances	(96.55)	26.92
Sale of PPE	1.20	-
Dividend received	198.00	66.00
Sale of Investment	1,875.98	-
Movement in fixed deposits	17.61	(714.17)
Loans received back	3,197.94	1,193.26
Interest received	150.99	462.53
<b>Net cash flow (used in)/from investing activities</b>	<b>5,345.17</b>	<b>1,034.54</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from non-current borrowings	-	1,920.00
Repayment of non-current borrowings	(4,488.72)	(1,901.05)
Proceeds from current borrowings	76.78	-
Repayment of current borrowings	-	(805.00)
Finance cost paid	(260.93)	(624.66)
Payment of Lease Liabilities	(12.00)	-
<b>Net cash flow from financing activities</b>	<b>(4,684.87)</b>	<b>(1,410.71)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(205.34)</b>	<b>(637.93)</b>
Exchange fluctuation translation difference	(4.54)	(3.43)
Cash and cash equivalents at the beginning of the year	307.61	948.97
<b>Cash and cash equivalents at the end of the year</b>	<b>97.73</b>	<b>307.61</b>
<b>Components of cash and cash equivalents: (refer note 9)</b>		
Balances with banks on current accounts	97.57	306.10
Cash in hand	0.16	1.51
	<b>97.73</b>	<b>307.61</b>



**Simon India Limited**  
**Statement of Cash Flows for the year ended 31 March 2022**

Rupees in lakhs

Year ended                      Year ended  
31.03.2022                      31.03.2021

**Note :**

1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

2) Reconciliation of Liabilities arising from financing activities

Particulars	<u>Long term</u> <u>borrowings</u>	<u>Long term</u> <u>borrowings</u>
Opening Balance	4,493.49	4,474.54
Proceeds	340.05	1,920.00
Repayments	<u>(4,751.99)</u>	<u>(1,901.05)</u>
Closing balance	<u>81.55</u>	<u>4,493.49</u>

As per our attached report of even date.

For V.Sankar Aiyar & Co.  
Chartered Accountants  
Firm's Registration No.: 109208W

*Ajay Gupta*

Ajay Gupta  
Partner  
Membership No.090104  
Place: Gurugram  
Date : 19.05.2022



For and on behalf of the Board of Directors of  
Simon India Limited

*Athar Shahab*

Athar Shahab  
Non Executive Director  
DIN No.: 01824891  
Place: Gurugram  
Date : 19.05.2022

*Atul Kumar Jain*

Atul Kumar Jain  
CEO & Executive Director  
DIN No.: 02208079  
Place: New Delhi  
Date : 19.05.2022

*Ram Mohan Garg*

Ram Mohan Garg  
Chief Financial Officer  
PAN - ACVPG5260B  
Place: Gurugram  
Date : 19.05.2022

*Rohit Dhingra*

Rohit Dhingra  
Company Secretary  
M.No - A60664  
Place: New Delhi  
Date : 19.05.2022



**Simon India Limited**  
**Statement of Changes in Equity for the year ended 31 March 2022**

Rs in lakhs

**(a) Equity Share Capital**

Particulars	As at 31.03.2022	As at 31.03.2021
Opening balance at the beginning of the year	500.00	500.00
Changes in equity share during the year	-	-
Closing balance at the end of the year	500.00	500.00

**(b) Other equity**

Particulars	Retained Earnings	Items of OCI - FCTR	Equity instruments through OCI	Total
As at 1 April 2020	5,464.57	13.85	1,143.89	6,622.31
Deemed dividend distribution	-	-	-	-
Loss for the year	(3,601.57)	-	-	(3,601.57)
Other comprehensive income	8.80	(3.43)	2,653.20	2,658.57
At 31 March 2021	1,871.80	10.42	3,797.09	5,679.31
Loss for the year	(1,097.77)	-	-	(1,097.77)
Other comprehensive income	4.02	(4.54)	4,247.10	4,246.58
At 31 March 2022	778.05	5.88	8,044.19	8,828.12

As per our attached report of even date.

For V.Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No.109208W

*Ajay Gupta*

Ajay Gupta  
Partner  
Membership No.090104

Place: Gurugram  
Date : 19.05.2022



For and on behalf of the Board of Directors of  
Simon India Limited

*Athar Shahab*

Athar Shahab  
Non Executive Director  
DIN No.: 01824891

Place: Gurugram  
Date : 19.05.2022

*Ram Mohan Garg*  
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Chief Financial Officer  
PAN - ACVPG5260B

Place: Gurugram  
Date : 19.05.2022

*Atul Kumar Jain*

Atul Kumar Jain  
CEO & Executive Director  
DIN No.: 02208079

Place: Gurugram  
Date : 19.05.2022

*Rohit Dhingra*  
Rohit Dhingra  
Company Secretary  
M.No - A60664

Place: Gurugram  
Date : 19.05.2022



## 1. Corporate information

Simon India Limited ("the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Birla Mills complex, P.O. Birla Lines, GT Road, Near Clock Tower, Delhi – 110007

The Company is in the engineering and contracting sector and offers technology, basic engineering, detailed engineering, project management, procurement and construction services and contracting capability covering a wide spectrum of the process industries.

The Company is a wholly owned subsidiary of Zuari Global Limited.

The financial statements were approved for issue in accordance with a resolution of the directors on 19<sup>th</sup> May 2022.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard ('Ind AS') and comply with requirements of Ind AS, stipulations contained in Schedule III (revised) as applicable under Section 133 of the Companies Act, 2013, the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other pronouncements/ provisions of applicable laws.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value, as applicable.

The financial statements of the Company are presented in Indian Rupees (INR), which is also its functional currency and all amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III to the Act, unless otherwise stated.

### 2.1 Summary of significant accounting policies

#### a. Basis of classification of current and non-current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

#### b. Property, plant and equipment ('PPE')

PPE and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Subsequent expenditure related to an item of PPE is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.



**Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Name of the Asset	Useful live considered
Office equipment	
Telephone equipment	3 years
Air-conditioners	5 years
Others	5 years
Furniture and fittings	10 years
Computers	3 years
Technical codes and standards	5 years
Vehicles	8 years

Leasehold improvements are depreciated over the primary lease period of the properties.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**c. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization impairment losses, if any.

**Recognition:**

The costs of intangible asset are recognized as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Intangibles representing computer software are amortized using the straight line method over their estimated useful lives of five years.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year end and adjusted prospectively, if appropriate

treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognized in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria.

Gains/(losses) arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**d. Leases**

As inception of the contract, the company assess whether a contract is, or obtains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether;

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;





## Simon India Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2022

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

### *Measurement and recognition of leases as a lessee*

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company measures its lease liability at amortized cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the comparative period, as a lessee, the lease payments in respect of assets taken on operating lease are charged to the profit or loss of a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increase.

### **e. Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

**f. Borrowing costs**

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalized up to the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**g. Foreign currency transactions**

**Functional and presentation currency**

The Company's financial statements are presented in INR, which is also its functional currency.

**Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

**Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

**Translation of a foreign operation**

The results and financial position of a foreign operation that have a functional currency different from the presentation currency are translated into the presentation currency as follows:



## Simon India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2022

- (i) assets and liabilities for each balance sheet presented (i.e. including comparatives) are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit and loss presented (i.e. including comparatives) are translated at average exchange rates; and
- (iii) all resulting exchange differences have been recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on disposal.

#### **h. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

#### **i. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **Warranty provision**

Provisions for warranty-related costs are recognized when the service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually.

#### **j. Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

#### **Identifying the performance obligations**

Under Ind AS 115, the Company must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customizing it).



#### **Determining the transaction price**

Under Ind AS 115, the Company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both.

#### **Allocating the transaction price to the performance obligations**

The transaction price is allocated to the separately identifiable performance obligations on the basis of their standalone selling price. For services that are not provided separately, the standalone selling price is estimated using adjusted market assessment approach.

#### **Recognizing revenue when/as performance obligation(s) are satisfied.**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

In the comparative period presented in financial statements, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognized when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

#### **Income from service- Engineering, procurement and construction ("EPC")**

The Company enters into contracts for the design, development and construction of different structures (like construction of a manufacturing plant) in exchange for a fixed fee and recognizes the related revenue over time.

Due to the high degree of interdependence between the various elements of these projects, they are accounted for as a single performance obligation. To depict the progress by which the Company transfers control of the systems to the customer, and to establish when and to what extent revenue can be recognized, the Company measures its progress towards complete satisfaction of the performance obligation by comparing actual cost incurred till date with the total estimated to be incurred for design, development and construction. The input method of cost incurred over budgeted cost provides the most faithful depiction of the transfer of goods and services to each customer due to the Company's ability to make reliable estimates, arising from its significant historical experience constructing similar systems.

In addition to the fixed fee, some contracts include bonus payments which the Company can earn by completing a project in advance of a targeted delivery date. At inception of each contract the Company begins by estimating the amount of the bonus to be received using the "most likely amount" approach. This amount is then included in the Company's estimate of the transaction price only if it is highly probable that a significant reversal of revenue will not occur once any uncertainty surrounding the bonus is resolved. In making this assessment the Company considers its historical record of performance on similar contracts, whether the Company has access to the labor and materials resources needed to exceed the agreed-upon completion date, and the potential impact of other reasonably foreseen constraints. Most such arrangements include detailed customer payment schedules.

When payments received from customers exceed revenue recognized to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities. The construction normally takes 12-36 months (depending upon project size and nature) from commencement of design through to completion. Since revenue is recognized over time, management believes that no significant amount is received from a customer wherein the time lag between customer payment and performance exceeds 12 months and thus the Company applies the practical expedient in Ind AS 115 (Para 63) and does not adjust the promised amount of consideration for the effects of financing.

Expected loss, if any, on a contract is recognized as expense in the period in which it is foreseen, irrespective of the stage of completion of contract.

Income from engineering and other service contracts is recognized on accrual basis to the extent the services have been rendered and invoices are raised in accordance with the contractual terms with the customers and recoveries are reasonably certain. Contract revenue earned in excess of billing has been reflected under other current assets and billing in excess of contract revenue has been reflected under current liabilities in the balance sheet.

Liquidated damages / penalties are netted off with revenue, based on management's assessment of the estimated liability, as per contractual terms and / or acceptances.



**Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividends**

Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

**Other**

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

**k. Income tax**

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealized tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit or Loss (either in other comprehensive income or in equity).

**l. Retirement and other employee benefits**

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the statement of profit and loss in the period in which the employee renders the related service.

**Provident Fund:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Superannuation:**

Retirement benefit in the form of Superannuation Fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the Superannuation Fund to Life Insurance Corporation of India (LIC) against the insurance policy taken with them. The Company recognizes contribution payable to the Superannuation Fund as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.



**Gratuity:**

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**Leave encashment:**

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

**m. Fair value measurement**

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**n. Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments at amortized cost
- b) Debt instruments at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading.

For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by - instrument basis. The classification is made on initial recognition and is irrevocable.



If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.





#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### **De-recognition**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **Derivative financial instrument - Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

#### **o. Segment reporting policies**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Chief Operating Decision Maker review the performance of the Company according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The analysis of geographical segments is based on the locations of customers.

#### **Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.



**p. Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Statement of Profit and Loss.

**q. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**r. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**s. Key sources of estimations**

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, expected cost of completion of contracts, provision for rectification costs, fair value measurement etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.



3 Property, plant and equipment

Rupees in lakhs

Particulars	Office equipment	Computers	Lease hold improvements	Technical codes and standards	Furniture and fittings	Vehicles*	Total
<b>Gross block</b>							
As at 1st April 2020	27.20	139.82	9.30	1.42	39.64	21.98	239.36
Additions	-	-	-	-	29.77	-	29.77
Disposals	-	-	-	-	-	-	-
As at 31 March 2021	27.20	139.82	9.30	1.42	69.41	21.98	269.13
Additions	5.82	-	87.91	-	2.82	-	96.55
Disposals	0.18	31.59	9.30	1.42	0.99	-	43.48
As at 31 March 2022	32.84	108.23	87.91	-	71.24	21.98	322.20
<b>Accumulated depreciation</b>							
As at 1st April 2020	15.28	106.33	8.52	1.13	2.82	5.85	139.93
Charge for the year	4.21	19.07	-	0.02	5.26	2.61	31.17
Disposals	-	-	-	-	-	-	-
As at 31 March 2021	19.49	125.40	8.52	1.15	8.08	8.46	171.10
Charge for the year	4.08	1.94	1.09	0.01	6.87	2.61	16.60
Disposals	0.17	30.01	8.52	1.16	0.99	-	40.85
As at 31 March 2022	23.40	97.33	1.09	-	13.96	11.07	146.85
<b>Net block</b>							
As at 31 March 2021	7.71	14.42	0.78	0.27	61.33	13.52	98.03
As at 31 March 2022	9.44	10.90	86.82	-	57.28	10.91	175.35

\*Refer to note 16 for information on vehicle pledged as security against non-current borrowings.

4 Other intangible assets

Software

**Gross block**

As at 1 April 2020	240.68
Disposals	-
As at 31 March 2021	240.68
Additions	-
As at 31 March 2022	240.68

**Amortization**

As at 1 April 2020	202.23
Charge for the year	22.98
As at 31 March 2021	225.21
Charge for the year	5.24
As at 31 March 2022	230.45

**Net block**

As at 31 March 2021	15.47
As at 31 March 2022	10.23

4a Lease disclosures

**Where Company is a lessee**

During 2021-22, the Company had entered into a lease contract for its office building having lease term of nine years. The lease has a lock-in period of 3 years and an option with the lessee to terminate the lessee after the said period. The Company does not have any variable lease payment arrangements.

**i. Right of Use assets**

Additions during the year	129.83
Amortisation	-7.21
Closing Balance as on 31 March 2022	122.62

**ii. Lease Liabilities**

Additions during the year	129.83
Interest accrued	9.87
Lease payments	-12.00
Closing Balance as on 31 March 2022	127.70
Current (current maturities of lease liabilities) 31 March 2022	4.79
Non current 31 March 2022	122.91

Note - The lease payments have been discounted using interest rate of 15.3% pa being the average borrowing rate of holding company of the FY 2020-21.



**Simon India Limited**

**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

As at                      As at  
31.03.2022                      31.03.2021

**5 Investments**

**Investments at fair value through OCI**

**Investments in equity shares**

**Quoted:**

2,200,000 (31 March 2021: 2,200,000) equity shares of INR 10 each fully paid-up of Chambal Fertilisers and Chemicals Limited

\* 12,50,000 shares has been pledged by Zuari Global Limited (Holding Company) for loan taken by them.

9,286.20                      5,039.10

9,286.20                      5,039.10

**Unquoted:**

9,800 (31 March 2021: 9,800) equity shares of Omani Riyal 1 each fully paid-up of Simon Engineering and Partners LLC, Sultanate of OMAN

Less: Impairment in value of investments (refer note 40)

10.45                      10.45

(10.45)                      (10.45)

-                      -

**Investments at fair value through profit or loss:**

**Investment in preference shares**

**Unquoted:**

NIL (31 March 2021: 25,000,000) 7% Non-Convertible Non-Cumulative Redeemable Preference Shares ('NCRPS') of INR 10 each fully paid up in Gobind Sugar Mills Limited ('GSML')

(Refer Note 35)

-                      1,501.44

-                      1,501.44

9,286.20                      6,540.54

Aggregate amount of quoted investments

9,286.20                      5,039.10

Aggregate market value of quoted investments

9,286.20                      5,039.10

Aggregate amount of unquoted investments

10.45                      1,511.89

Aggregate amount of impairment in value of investments

10.45                      10.45

**6 Loans - Non - Current**

**Unsecured – considered good**

**Loans to related parties**

Indian Furniture Products Limited

-                      3,197.94

-                      3,197.94

**7 Other assets (Non Current)**

Deferred losses on investment in NCRPS of GSML (Refer Note 35)

-                      743.53

-                      743.53

**8 Trade receivables**

(Considered Good unless otherwise stated)

Unsecured – considered good (Refer Note 43(xx))

772.50                      1,883.95

Trade receivables which have significant increase in credit risk

Unsecured – credit impaired

1,016.77                      825.63

1,789.27                      2,709.58

Less: Loss allowances

-1,016.77                      -825.63

772.50                      1,883.95

**Reconciliation of loss allowances**

Opening balance at the beginning of the year

825.63                      170.45

Net impairment loss recognised / (reversed)

191.14                      655.18

Closing balance at the end of the year

1,016.77                      825.63

**9 Cash and cash equivalents**

Cash on hand

0.16                      1.51

Balances with banks in current accounts

97.57                      306.10

97.73                      307.61



**Simon India Limited**  
**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

As at  
31.03.2022                      As at  
31.03.2021

**10 Other bank balances**

Deposits with banks *	858.33	875.94
	<u>858.33</u>	<u>875.94</u>
	858.33	875.94

\* Includes amount pledged with banks as margin money for bank guarantees taken

**11 Other financial assets - Current**

Interest accrued on loans -		
Indian Furniture Products Limited	-	461.30
Security deposits	2.48	5.98
Interest accrued on bank deposits	3.56	3.96
Unbilled revenue	72.57	125.39
	<u>78.61</u>	<u>596.63</u>

**12 Other assets - Current**

(Considered Good unless otherwise stated)

Deferred losses on investment in NCRPS of GSML (Refer note 35 )	-	255.03
Balance with statutory authorities	850.02	823.59
Advance to employees	2.24	7.90
Advance to vendors		
Considered Good	31.84	112.91
Considered Doubtful	27.33	-
Less: Provision for Doubtful amount	-27.33	-
Prepaid expenses	2.00	7.07
Gratuity plan asset (refer note 32)	4.74	5.17
	<u>890.84</u>	<u>1,211.67</u>

**13 Equity share capital**

Authorized:

5,000,000 (31 March 2021: 5,000,000) equity shares of INR 10 each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>

Issued subscribed and paid up:

5,000,000 (31 March 2021: 5,000,000) equity shares of INR 10 each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>

**A. Reconciliation of number of shares**

Outstanding at the beginning of the year	50,00,000	50,00,000
Issued during the year	-	-
Shares bought back	-	-
<b>Outstanding at the end of the year</b>	<u>50,00,000</u>	<u>50,00,000</u>

**B. Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**C. Details of shareholders holdings more than 5% shares**

Zuari Global Limited (Holding Company & Promoters) (Including shares held by nominee shareholders)		
No of Equity shares	50,00,000	50,00,000
% of Shareholding	100%	100%



**Simon India Limited****Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

<u>As at</u>	<u>As at</u>
<u>31.03.2022</u>	<u>31.03.2021</u>

**14 Other equity****Retained earnings**

Opening Balance	1,871.80	5,464.57
Add: Profit / (Loss) for the year	(1,097.77)	(3,601.57)
Add: Re-measurement gains on defined benefit plans (net of taxes)	4.02	8.80
Closing Balance	<u>778.05</u>	<u>1,871.80</u>

**Fair Value Gain / (Loss) on Equity Instruments through OCI**

Opening Balance	3,797.09	1,143.89
Add/(less): Movement during the year	4,247.10	2,653.20
Closing Balance	<u>8,044.19</u>	<u>3,797.09</u>

**Foreign currency translation reserve (FCTR):**

Opening Balance	10.42	13.85
Add/(less): Movement during the year	(4.54)	(3.43)
Closing Balance	<u>5.88</u>	<u>10.42</u>

<u>8,828.12</u>	<u>5,679.31</u>
-----------------	-----------------

**Nature and purpose of other reserves****FVTOCI Reserve**

The Company has elected to recognise changes in the fair value of certain investments in equity shares in other comprehensive income. These are accumulated in Fair value through OCI reserve in OCI within the equity. The Company transfers this reserves to retained earnings when relevant equity investments are derecognised.

**Foreign currency translation reserve**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

**15 Non-current borrowings****Secured**

From Banks (Secured against hypothecation of vehicles) *	-	4.77
Less : Current Maturities (Refer Note 17)	-	-4.77

**Unsecured**

Loans from Holding Company i.e. Zuari Global Limited **	-	4,488.72
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<u>-</u>	<u>4,488.72</u>
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**16 Provisions (non-current)**

Provision for leave encashment (Refer Note 32)	21.72	74.64
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<u>21.72</u>	<u>74.64</u>
--------------	--------------

**17 Current borrowings****Unsecured**

Loans from Holding Company i.e. Zuari Global Limited **	81.55	-
Current maturities of non-current borrowings (refer note 15)	-	4.77

<u>81.55</u>	<u>4.77</u>
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\*\* Loan from the Holding Company is taken @ 15% pa



**Simon India Limited****Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

	<u>As at</u> <u>31.03.2022</u>	<u>As at</u> <u>31.03.2021</u>
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**18 Trade payables**

Dues to micro and small enterprises	113.84	141.41
Dues to others (refer note 43(xxi))	1,486.50	2,220.28
	<b><u>1,600.34</u></b>	<b><u>2,361.69</u></b>

**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

i) Principal amount due to suppliers under MSMED Act	113.84	141.41
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	46.32	-
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
iv) Interest paid to suppliers under MSMED Act	-	-
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
vi) Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the accounting year	46.32	-
viii) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**19 Other financial liabilities (Current)**

Interest accrued on borrowings		
- Zuari Global Limited	-	523.30
- Vehicle Loan	-	0.06
Interest accrued on MSMED Vendors	46.32	-
Other Payable	5.52	105.07
	<b><u>51.84</u></b>	<b><u>628.43</u></b>

**20 Other current liabilities**

Statutory dues	3.36	52.40
Deferred revenue	-	409.69
	<b><u>3.36</u></b>	<b><u>462.09</u></b>

**21 Provisions (current)**

Provision for leave encashment (refer note 32)	5.72	27.81
Provision for warranty*	1,197.06	1,325.53
	<b><u>1,202.78</u></b>	<b><u>1,353.34</u></b>

\*A provision for warranty for expected claims / expenditure is based on the past experience of the Company of the level of claims / expense incurred in the past. The Company expects that a significant portion of the cost will have to be incurred / utilised in the next financial year and has accordingly classified the entire amount as current provision.

**Provision for warranty**

At the beginning of the year	1,325.53	1,333.23
Arising during the year	165.81	-
Utilised during the year	(294.28)	(7.70)
Unused amounts reversed	-	-
<b>At the end of the year</b>	<b><u>1,197.06</u></b>	<b><u>1,325.53</u></b>



**Simon India Limited**  
**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

Year ended                      Year ended  
31.03.2022                      31.03.2021

**22 Revenue from operations**

Sale of engineering supplies and services	1,236.85	789.48
	<u>1,236.85</u>	<u>789.48</u>

Disclosures of revenue recognition as per IND AS 115

There is only stream of revenue from operations i.e. sale of service through engineering, procurement and construction. Same has been disclosed below:

a) Reconciliation of revenue recognised with amount billed during the year

Amount billed during the year	815.01	1,077.47
Changes in Advance from Customers	-	20.50
Changes in Unbilled Revenue	12.15	-
Changes in Deferred revenue	409.69	(308.49)
Revenue recognised during the year	<u>1,236.85</u>	<u>789.48</u>

b) Significant changes in contract assets and liabilities

**Contract liabilities - Advance from customers**

Opening balance	-	20.50
Less: Amount of revenue recognised	-	20.50
Add: Addition in current year	-	-
Closing balance	<u>-</u>	<u>-</u>

**Contract liabilities - Deferred income**

Opening balance	409.69	101.20
Less: Amount of revenue recognised	409.69	101.20
Add: Addition in current year	-	409.69
Closing balance	<u>-</u>	<u>409.69</u>

**Contract assets - Unbilled revenue**

Opening balance	125.39	180.07
Less: Amount of unbilled revenue transferred to trade receivables	64.97	54.68
Add: Addition in current year	12.15	-
Closing balance	<u>72.57</u>	<u>125.39</u>

Trade Receivable	772.50	1,883.95
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c) Timing of revenue recognition

Revenue recognised over a period of time	1,236.85	789.48
Revenue recognised at a point of time	-	-
	<u>1,236.85</u>	<u>789.48</u>

d) Disaggregation of revenue - Geography Wise

Revenue from contract with customer		
-India	152.47	435.39
-Middle east	1,084.38	354.09
	<u>1,236.85</u>	<u>789.48</u>

e) Unsatisfied performance obligations

Aggregate amount of the transaction price allocated to long term EPC contracts that are partially or fully unsatisfied as at reporting date

f) Change in Estimated Cost and Revenue on Projects

The management updates its estimate of budgeted cost on every reporting date and consider cumulative adjustment to revenue. Such changes in budget are results of changes in cost due to better understanding of requirement as well as changes in prices, and also as a result of changes in work order. More often than not, cost changes are cumulative effects of more than factor. Therefore, it is impracticable to disclose effect of such changes on current period and future period for each individual factor.





**Simon India Limited****Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

	<u>Year ended</u> <u>31.03.2022</u>	<u>Year ended</u> <u>31.03.2021</u>
<b>23 Other income</b>		
Interest on Bank deposits	48.11	23.69
Loans	102.88	565.92
Income-tax refund	14.45	85.02
Dividend from Investments mandatorily measured at FVTPL	198.00	66.00
Excess provision of leave encashment written back	24.27	-
Excess provision and credit balances written back	146.10	43.37
Foreign exchange fluctuation (net)	9.19	(3.69)
Fair value gain on financial assets at FVTPL - Preference Shares	66.80	218.01
Miscellaneous income	6.77	262.77
	<b><u>616.57</u></b>	<b><u>1,261.09</u></b>
<b>24 Project expenses</b>		
Project supplies	32.06	388.93
Travelling and conveyance	10.15	23.53
Sub-contracting fee	628.08	271.31
Professional fees	0.23	16.00
Insurance	1.16	2.35
Bank charges	0.02	143.35
Site office expenses	11.02	35.00
Printing, stationery and communication	-	0.48
Rates and taxes	61.64	29.11
Provision for Warranty Expenses	167.75	-
Miscellaneous expenses	0.37	14.23
	<b><u>912.48</u></b>	<b><u>924.29</u></b>
<b>25 Employee benefits expense</b>		
<b>(Refer Note 32)</b>		
Salaries, wages and bonus	352.26	663.11
Contribution to provident and other funds	14.09	27.54
Gratuity	4.46	22.16
Leave Encashment	-	30.91
Staff welfare expenses	7.86	7.80
	<b><u>378.67</u></b>	<b><u>751.52</u></b>
<b>26 Finance costs</b>		
Interest expense	202.31	696.47
Other borrowing cost	12.30	11.65
Interest on lease liabilities (refer note 4a)	9.87	-
Interest to MSMED Vendors	46.32	-
	<b><u>270.80</u></b>	<b><u>708.12</u></b>
<b>27 Depreciation and amortization expense</b>		
Depreciation of tangible assets (refer note 3)	16.60	31.17
Amortisation of intangible assets (refer note 4)	5.26	22.98
Depreciation of right of use assets (refer note 4a)	7.21	-
	<b><u>29.07</u></b>	<b><u>54.15</u></b>



**Simon India Limited****Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

**28 Other expenses**

	<u>Year ended</u> <u>31.03.2022</u>	<u>Year ended</u> <u>31.03.2021</u>
Power and fuel	5.89	8.40
Rent	17.87	69.25
Travelling and conveyance	13.77	8.37
Communication costs	6.06	9.67
Printing and stationery	0.67	0.35
Rates and taxes	32.31	18.25
Insurance	0.33	0.30
Repairs and maintenance (others)	150.19	109.59
Legal and professional fees	96.96	160.02
Payments to auditors (refer note 31)	13.20	12.24
Business promotion expenses	0.35	2.61
Recruitment and relocation expenses	0.02	-0.51
Capital work in progress charged off	-	92.13
Loss on Sale of Fixed Assets	1.42	
Loss allowances on trade receivables	191.14	655.19
Amortisation of deferred fair valuation loss	66.80	218.01
Bank charges	0.01	0.14
Arbitration award paid to a contractor	125.47	-
Loss on Sale of Non Cumulative Redeemable Preference Shares	624.02	-
Miscellaneous expenses	8.37	12.78
	<b><u>1,354.85</u></b>	<b><u>1,376.79</u></b>

**29 Earnings per share (EPS)**

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Loss attributable to equity holders of the Company	(1,097.77)	(3,601.57)
Weighted Average number of equity shares used for computing EPS (Basic & Diluted)	50,00,000	50,00,000
Earning Per Share (Basic and Diluted) (INR)	(21.96)	(72.03)
Face value per share (INR)	10.00	10.00

**30 Commitments and Contingencies****(1) Commitments**

Estimated amount of contracts remaining to be executed on capital account and provided for: Nil Nil

**(2) Contingent liabilities****a) Litigations**

Contingent liabilities not provided for in respect of:

Income-tax demand for Assessment year 2014-15	18.35	18.35
Income-tax demand for Assessment year 2013-14	4.07	4.07
Income-tax demand for Assessment year 2018-19	292.44	-
Service tax demand for financial year 2008-09, 2009-10, 2010-11, 2011-12	89.59	89.59
	<b><u>404.45</u></b>	<b><u>427.92</u></b>

The Company is contesting the above demands and the management based on advice from consultants, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised, other than mentioned above. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and result of operation.



**Simon India Limited**

**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

Year ended                      Year ended  
31.03.2022                      31.03.2021

**31 Details of payments to auditors**

**As auditors:**

Audit fee	6.50	11.49
Tax audit fee	0.75	0.75

**In other capacities:**

Taxation Matters	1.10	-
Other Services (Including Rs. 2.00 lakh for FY 2020-21)	4.00	-
Certification fees	0.75	-
Reimbursement of expenses	0.10	-
	<u>13.20</u>	<u>12.24</u>

**32 Employee Benefits**

**a) Defined contribution plan**

Employer's contribution to Provident Fund	14.09	26.93
Employer's Contribution to Superannuation Fund	-	0.61
	<u>14.09</u>	<u>27.54</u>

**b) Defined benefit plans**

**i) Compensated absences (Unfunded)**

The leave obligations cover the Company's liability for permitted leaves. The Company provides for liability on account of leave encashment on the basis of actuarial valuation carried out by an independent actuary at the year end.

**Major actuarial assumptions used:**

Discount rate	7.11%	6.80%
Salary escalation rate	5%	8% for first 2 years and 6.5% thereafter

**Amount recognised in the statement of profit and loss :**

Total service cost	4.70	18.00
Net interest cost	6.97	6.45
Net actuarial loss / (gain) for the year	(35.93)	6.46
<b>Expense recognized in the statement of profit and loss</b>	<b><u>(24.26)</u></b>	<b><u>30.91</u></b>

**Movement in the liability recognized in the balance sheet :**

Present value of defined benefit obligation at the beginning of the year	102.45	94.24
Current service cost	4.70	18.00
Interest cost	6.97	6.45
Actuarial loss / (gain) on obligation	(35.93)	6.46
Benefits paid	(50.73)	(22.70)
<b>Present value of defined benefit obligation at the end of the year</b>	<b><u>27.45</u></b>	<b><u>102.45</u></b>

**ii) Gratuity (funded)**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policies.

**Major actuarial assumptions used:**

Discount rate (in %)	7.11%	6.80%
Salary escalation (in %)	5%	8% for first 2 years and 6.5% thereafter
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Withdrawal rate (per annum)	15.00%	15.00%



**Simon India Limited**

**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

Year ended                      Year ended  
31.03.2022                      31.03.2021

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Net employee benefit expense for the year

Current service cost	4.81	12.04
Net interest cost	(0.35)	(0.54)
<b>Total</b>	<b>4.46</b>	<b>11.50</b>

Amount recognised in other comprehensive income for the year

Actuarial gain on obligations	3.85	9.60
Return on plan assets (excluding amounts included in net interest expense)	0.17	(0.80)
<b>Total</b>	<b>4.02</b>	<b>8.80</b>

Changes in the present value of the defined benefit obligation for the year

<b>Opening balance at the beginning of the year</b>	82.14	89.63
Current service cost	4.81	12.04
Interest cost	5.59	6.12
Actuarial gain on obligations	(3.85)	(9.60)
Benefits paid	(40.17)	(16.05)
<b>Closing balance at the end of the year</b>	<b>48.52</b>	<b>82.14</b>

Changes in the fair value of plan assets are as follows:

<b>Opening balance at the beginning of the year</b>	87.31	97.49
Interest income	6.11	5.88
Benefits paid	(40.17)	(16.06)
Service cost (transfer in)	-	-
<b>Closing balance at the end of the year</b>	<b>53.25</b>	<b>87.31</b>

Funded / (Unfunded Status)

Fair Value of plan assets	53.25	87.31
Less : Fair Value of obligation	48.52	82.14
	<b>4.74</b>	<b>5.17</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investment with insurer (Life Insurance Corporation of India)	100%	100%
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Sensitivity Analysis

A quantitative analysis of Impact on defined benefit obligation due to change in discount rate and salary increase rate is given below :

**Discount Rate**

Sensitivity level - Increase in rate by 0.50%	(0.63)	(1.51)
Sensitivity level - Decrease in rate by 0.50%	0.66	1.57

**Future Salary Increase**

Sensitivity level - Increase in rate by 0.50%	0.67	1.57
Sensitivity level - Decrease in rate by 0.50%	(0.65)	(1.52)

The Company expects to contribute INR 16.02 lakhs (31 March 2021 INR 10.67 lakhs) towards gratuity during the year 2022-23.

Maturity profile of defined benefit obligation

**Expected cash value over the next 10 years (valued on undiscounted basis)**

Within the next 12 months (next annual reporting period)	20.45	11.68
Between 2 and 5 years	18.13	40.55
5 years onwards	9.94	29.91
	<b>48.52</b>	<b>82.14</b>



**Simon India Limited**  
**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

**Year ended**  
**31.03.2022**

**Year ended**  
**31.03.2021**

**33 Income-tax**

The major components of income-tax expense for the years are as follows -

**a) Profit or loss section**

**Current income tax:**

Current income-tax (including earlier years):	5.32	0.42
Deferred tax charge / (Credit)	-	1,836.85
<b>Income tax expense reported in the statement of profit or loss</b>	<b>5.32</b>	<b>1,837.27</b>

**b) OCI section**

Deferred tax related to items recognised in OCI during in the year:

Net gain on remeasurements of defined benefit plans	4.02	(8.80)
Deferred tax charged to OCI	-	-

**c) Reconciliation of tax expense and the accounting profit**

Accounting loss before Income-tax	(1,092.45)	(1,764.30)
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At India's statutory income-tax rate of 25.17% (31 March 2021 : 25.17%)

Adjustments in respect of current income tax of previous year	5.32	-
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**Tax effects of non-deductible expenses for tax purposes:**

Capital work in progress charged off	-	23.19
Interest on delayed payment of taxes and other disallowances	11.67	2.85

**Tax effects of income not considered for tax purposes:**

Dividend Income on non-current investments	-	(16.61)
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**Impact of others items:**

Impact of Non Recognition of current year deferred tax asset (DTA) and reversal of previous year DTA	255.90	2,271.88
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Others Items	7.98	-
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<b>Income-tax expense reported in the statement of profit and loss</b>	<b>0.00</b>	<b>1,837.27</b>
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**d) Deferred tax:**

**Deferred tax liability:**

<b>Total deferred tax liability (A)</b>	<b>-</b>	<b>-</b>
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**Deferred tax assets:**

Impact of difference between WDV as per books and as per IT Act	0.05	2.40
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Impact of Right of Use of Assets and Lease Liabilities	1.28	-
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Provision for loss allowances	262.78	207.80
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Expenses allowable in Income-tax on payment basis and deposition of statutory dues	6.91	40.90
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Capital Losses	157.05	-
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Unabsorbed depreciation and business loss	1,970.93	1,892.00
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<b>Total deferred tax assets (B)</b>	<b>2,399.00</b>	<b>2,143.10</b>
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<b>Deferred Tax Asset (Net) (B - A) - Refer note</b>	<b>2,399.00</b>	<b>2,143.10</b>
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**e) Reconciliation of deferred tax assets (net):**

<b>Opening balance</b>	<b>0.00</b>	<b>(1,836.85)</b>
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Tax charge / (credit) during the year recognised in profit or loss	-	1,836.85
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Tax expense during the year recognised in OCI	-	-
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<b>Closing balance</b>	<b>0.00</b>	<b>0.00</b>
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**Notes:**

The Company has not recognised deferred tax assets in view of lack of reasonable certainty over the future profitability of the Company.



**34 Segment Information - Ind AS 108**

**a) Operating Segments:**

The Company's operations predominantly comprise of only one segment i.e. engineering and contracting services, hence the entire business has been considered as a single segment by the management.

**b) Geographical information**

The geographical segments considered for disclosure are based on the services rendered within India and services rendered outside India on the basis of location of customers.

**The following is the distribution of the Company's revenues by geographical market:**

India	152.47	435.39
Middle east	1,084.38	354.09
	<b>1,236.85</b>	<b>789.48</b>

**The following is the distribution of the Company's trade receivable and unbilled revenue by geographical market:**

India	231.33	1,693.30
Middle east	541.17	178.03
United States of America	-	12.62
	<b>772.50</b>	<b>1,883.95</b>

**c) Information about revenue from major customers which is included in revenue**

Revenue from customers accounted for more than 10% of the revenue	1,217.66	711.42
No of customers - 3 (PY - 3 Nos)	<b>1,217.66</b>	<b>711.42</b>

**35 Related party disclosures as per Ind AS 24:**

**A. The list of related parties with whom transactions took place during the year or balances are outstanding at the year end -**

**i) Holding Company:**

Zuari Global Limited

**ii) Fellow Subsidiaries:**

Indian Furniture Products Limited  
 Zuari Finserv Limited  
 Zuari Infracore India Limited  
 Gobind Sugar Mills Limited (See Note below)  
 Zuari Management Services Limited  
 Zuari Investments Limited

Note - Subsequently merged with Zuari Global Limited on 30 April 2022 with appointed date 01.04.2020

**iii) Fellow Associates:**

Texmaco Infrastructure & Holdings Limited  
 Paradeep Phosphates Limited

**iv) Joint Ventures of the Company:**

Simon Engineering and Partners, LLC

**v) Key Management Personnel**

Mr. Ram Mohan Garg, Chief Financial officer ('CFO')  
 Mr. Rakesh Verma, Executive director and Chief executive officer ('CEO') (Till 01.08.2021)  
 Mr. Akshay Poddar, Independent Director  
 Mr. T. S. Darbari, Director  
 Mr. R.S Raghavan, Director (Till 27-01-2022)  
 Mr. Athar Shahab, Director (Wef 27.01.2022)  
 Mr. Atul Kumar Jain, Executive Director, Chief Executive Officer (CEO) (Wef 02.08.2021)  
 Mr. Marco Wadia, Independent director  
 Mr. Vijay Vyankatesh Paranjape, Independent director  
 Mr. Puneet Sharma, Company Secretary (Till 20.04.2022)  
 Mr. Rohit Dhingra, Company Secretary (Wef 19.05.2022)

**vi) Post-employment benefit plan**

Simon India Limited Staff Superannuation Fund  
 Simon India Limited Gratuity Fund



**Simon India Limited****Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

	<u>Year ended</u> <u>31.03.2022</u>	<u>Year ended</u> <u>31.03.2021</u>
<b>B. Related party transactions and balances</b>		
<b>i) <u>Zuari Global Limited</u></b>		
Reimbursement of expenses (given) / received	1.23	(17.04)
Finance cost	202.19	640.04
Loan received	340.05	1,920.00
Loan repaid	4,747.22	1,950.28
Sale of Preference Shares	1,875.98	-
<u>Closing Balances - Receivable / (Payable)</u>		
Borrowings	(81.55)	(4,488.72)
Trade Payables/Advance to Vendor	1.23	(17.11)
Interest accrued on loan- Receivable / (Payable)	-	(523.36)
<b>ii) <u>Indian Furniture Products Limited</u></b>		
Purchase of Capital Goods	-	29.89
Reimbursement of expenses (given) / received	-	(0.11)
Interest income	102.88	487.69
Loans Received Back	3,197.94	-
<u>Closing Balances - Receivable / (Payable)</u>		
Loan receivable	-	3,197.94
Trade Payables	-	(48.09)
Interest accrued on loan- Receivable/(Payable)	-	451.11
<b>iii) <u>Zuari Finserv Limited</u></b>		
Legal and professional services received	2.71	0.22
<u>Closing Balances - Receivable / (Payable)</u>		
Trade Payables	(1.19)	(10.69)
<b>iv) <u>Gobind Sugar Mills Limited</u></b>		
Fair value gain on financial assets at FVTPL - Preference Shares	66.80	218.01
Reimbursement of expenses (given) / received	-	(36.04)
<u>Closing Balances - Receivable / (Payable)</u>		
Other Payables	-	(1.55)
Investment in preference shares	-	1,501.44
Deferred loss on investment in NCRPS	-	998.56
<b>v) <u>Zuari Management Services Limited</u></b>		
Legal and professional services expenses	0.40	1.23
Reimbursement of expenses (given)/received	-	(2.27)
Finance cost	-	55.76
Sale of Fixed Assets	0.09	-
Loan repaid	-	750.00
<u>Closing Balances - Receivable / (Payable)</u>		
Trade Payables	0.01	(3.30)
<b>vi) <u>Zuari Investments Limited</u></b>		
Interest income	-	78.23
Loan and Interest Repaid	-	1,306.17
<b>vii) <u>Simon Engineering and Partners, LLC</u></b>		
<u>Closing Balances - Receivable / (Payable)</u>		
Trade receivables	23.46	22.76
Investment	10.45	10.45
Loss allowances	(23.46)	(22.76)
Provision for diminution in value of investments	(10.45)	(10.45)
<b>viii) <u>Simon India Limited Staff Superannuation Fund</u></b>		
Superannuation paid	-	0.61



**Simon India Limited****Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

	<u>Year ended</u> <u>31.03.2022</u>	<u>Year ended</u> <u>31.03.2021</u>
<b>ix) <u>Texmaco Infrastructure &amp; Holdings Limited</u></b>		
Rent Expense	12.00	-
Office Maintenance Expense	6.21	-
<u>Closing Balances - Receivable / (Payable)</u>		
<u>Trade Payable</u>	(12.96)	-
<b>x) <u>Paradeep Phosphates Limited</u></b>		
Sale of Engineering Services	83.32	193.53
<u>Closing Balances - Receivable / (Payable)</u>		
<u>Trade Receivable</u>	50.92	65.52
<b>x) <u>Key Management Personnel</u></b>		
<b>a. <u>Remuneration to key managerial personnel</u></b>		
Mr. Rakesh Verma, Executive director and Chief executive officer ('CEO')#	36.25	72.47
Mr. Atul Kumar, Executive director and Chief executive officer ('CEO')#	62.70	-
Mr. Ram Mohan Garg Chief Financial Officer	25.43	25.48
Mr. Puneet Kumar Sharma, Company Secretary	3.22	1.85
<b>b. <u>Reimbursement of Expenses to key managerial personnel</u></b>		
Mr. Rakesh Verma, Executive director and Chief executive officer ('CEO')#	1.30	-
Mr. Atul Kumar, Executive director and Chief executive officer ('CEO')#	0.76	-
Mr. Ram Mohan Garg Chief Financial Officer	0.71	0.66
Mr. Puneet Kumar Sharma, Company Secretary	0.12	0.08
#Does not include gratuity expense as the same is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures can not be determined.		
<b>b. <u>Director's sitting fees</u></b>		
Mr. Marco Wadia, Independent director	3.40	4.15
Mr. Vijay Vyankatesh Paranjape, Independent director	3.40	4.15

**36 Capital management**

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders, ensure access to external sources of financing, in part by maintaining an adequate rating and reducing cost of capital. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer. The management of the Company are making due efforts to improve the ratios. The position on reporting date is summarized in the following table:

Non-current borrowings	-	4,488.72
Current maturities of non-current borrowings	-	4.77
Current borrowings	81.55	-
<b>Total Debt (a)</b>	<b>81.55</b>	<b>4,493.49</b>
<b>Total Equity (b)</b>	<b>9,328.12</b>	<b>6,179.31</b>
<b>Debt to Equity ratio (a/b)</b>	<b>0.87%</b>	<b>72.72%</b>





**37 Financial risk management objectives and policies**

The Company's principal financial liabilities comprises of trade and other payables, advances from customers, deferred revenue and employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by Finance department under the policies approved by the Board of Directors. Finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

**a Market risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2022.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

**The following assumptions have been made in calculating the sensitivity analyses:**

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have interest rate risk since the rate of interest for all loans taken by the Company is fixed rate interest.

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in form of purchases and revenue from operations in foreign currency and the Company's net investments in foreign entity.

The Company manages its foreign currency risk by hedging payables in foreign currency. Based on the judgement of forex market, the Company avails forward cover booking from banks for its liabilities payable in foreign currency if adverse movement is anticipated.

**Foreign currency sensitivity**

**Particulars of unhedged foreign currency exposure outstanding as at the reporting date**

Particulars	As at	As at	As at	As at
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	FC	FC	INR	INR
Export trade receivables - USD (Gross Values excluding provision for doubtful amount)	4.29	4.29	323.28	313.39
Import trade payables-USD	0.22	0.22	16.75	16.25
Other trade Receivable-SAR	20.40	-	412.96	-
Other trade payables-SAR	19.55	-	395.60	-
Saudi Bank (SAR) (Banque Saudi Fransi Bank, Saudi British Bank, Cash)	1.23	4.81	24.89	93.79

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD and Saudi Riyal "SAR" with INR, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Change in USD	Effect on (Loss)	Change in SAR	Effect on (Loss)
	rate	before tax	rate	before tax
As at 31 March 2022	+10%	30.65	+10%	4.22
	-10%	(30.65)	-10%	(4.22)
As at 31 March 2021	+10%	32.96	+10%	9.38
	-10%	(32.96)	-10%	(9.38)

**(iii) Equity price risk**

The Company's listed equity investments carried at FVTOCI are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity investments at FVTOCI is INR 9,286.20 lakhs (31 March 2021: INR 5,039.10 lakhs). A decrease of 5% on the NSE market index could have an impact of approximately INR lakhs 464.31 (31 March 2021: INR 251.96 lakhs) on the OCI or equity attributable to the Company. The analysis is based on the assumption that the NSE market index and the equity investment moved inline. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.



b **Credit risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Concentration of Financial Assets**

The Company's principal business activity is execution of engineering, procurement and construction ('EPC') contracts. The Company's outstanding receivables are for EPC business. Loans and other financial assets majorly represents loans to fellow subsidiaries and deposit given for business purpose.

a. **Trade receivables**

The Company consider the credit risk in relation to trade receivables as Medium. At present, Company is providing services to only to limited customers for which outstanding balances are regularly monitored. Company used to obtain confirmations from the customers on periodic basis and resolve any issues in the balances if any. Regular follow up is made with customers for payment of outstanding invoices. An impairment analysis is performed at each reporting date on an individual basis for customers and if required necessary provision is recognised.

b. **Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's finance department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and overall exposure which the Company can take with a particular financial institution or bank. Further the guideline also covers the limit of overall deposit which the Company can make with a particular bank or financial institution. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

c **Liquidity risk:**

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>&gt; 5 years</u>	<u>Total</u>
<u>Year ended 31 March 2022</u>				
Current Borrowings	81.55			81.55
Trade payables	1,600.34	-	-	1,600.34
Interest accrued on MSMED Vendors	46.32			46.32
Other Payable	-	5.52	-	5.52
Lease Liabilities	4.79	39.30	83.61	127.70
	<b>1,733.00</b>	<b>44.82</b>	<b>83.61</b>	<b>1,861.43</b>
<u>Year ended 31 March 2021</u>				
Current Borrowings	4.77			4.77
Trade payables	2,361.69	-	-	2,361.69
Loans from related party (including interest accrued)	-	5,012.02	-	5,012.02
Vehicle loan	4.77	-	-	4.77
Other Payable	-	105.07	-	105.07
	<b>2,371.23</b>	<b>5,117.09</b>	<b>-</b>	<b>7,488.32</b>

38 **Fair value measurements**

Particulars	Carrying value	
	<u>As at 31.03.2022</u>	<u>As at 31.03.2021</u>
<b>Financial assets</b>		
<b>A. FVTOCI financial instruments:</b>		
Quoted equity shares	9,286.20	5,039.10
<b>B. FVTPL financial instruments:</b>		
Un-quoted preference shares	-	1,501.44
<b>C. Amortised Cost:</b>		
Loans	-	3,197.94
Trade receivables	772.50	1,883.95
Cash and cash equivalents	97.73	307.61
Other bank balances	858.33	875.94
Other financial assets	78.61	596.63
	<b>11,093.37</b>	<b>13,402.61</b>
<b>Financial liabilities</b>		
<b>A. Amortised Cost:</b>		
Non-current borrowings	-	4,488.72
Current borrowings	81.55	4.77
Trade payables	1,600.34	2,361.69
Other financial liabilities	51.84	105.13
	<b>1,733.73</b>	<b>6,960.31</b>



**Notes:**

- (i) The equity securities for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit and loss are investments which are not held for trading purposes.
- (ii) The management assessed that carrying value of financial assets and financial liabilities, carried at amortized cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheets.
- (iii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

The fair values of the quoted equity shares are based on price quotations at the reporting date. The fair value of unquoted preference shares is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2022 and 31 March 2021 are as shown below:

**FVTPL assets in unquoted preference shares**

Valuation Technique	NA	DCF method
Significant unobservable inputs	<u>Average borrowing rate of the instrument issuer company</u>	<u>Average borrowing rate of the instrument issuer company</u>
Discount rate (weighted average)	NA	16%
<u>Sensitivity of the input to fair value</u>		
Increase in risk adjusted discount rate by 0.50% would result in decrease in fair value by	0.00	7.51
Decrease in risk adjusted discount rate by 0.50% would result in increase in fair value by	0.00	-7.51

**39 Fair Value Hierarchy**

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis as at 31 March 2022 and 31 March 2021:

<u>Particulars</u>	<u>Fair value measurement using</u>			<u>Total</u>
	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>	
<b>Financial assets measured at fair value 31 March 2022</b>				
<b>A. FVTOCI financial instruments:</b>				
Quoted equity shares	9,286.20	-	-	9,286.20
<b>B. FVTPL financial instruments:</b>				
Un-quoted preference shares	-	-	-	-
<b>Financial assets measured at fair value 31 March 2021</b>				
<b>A. FVTOCI financial instruments:</b>				
Quoted equity shares	5,039.10	-	-	5,039.10
<b>B. FVTPL financial instruments:</b>				
Un-quoted preference shares	-	-	1,501.44	1,501.44

There have been no transfers between Level 1 and Level 2 during the year.  
 There are not any non recurring fair value measurements.



The following table presents the changes in level 3 items for the year ended 31 March 2022 and 31 March 2021

Particulars	<u>Non-convertible redeemable non-cumulative preference shares (‘NCRPS’)</u>	<u>Total</u>
As at 1 April 2020	1,283.43	1,283.43
Additions	-	-
Gains recognised in statement of profit and loss	218.01	218.01
As at 31 March 2021	<u>1,501.44</u>	<u>1,501.44</u>
Sale of shares	-877.42	-877.42
Gains/loss recognised in statement of profit and loss	-624.02	-624.02
As at 31 March 2022	<u>-</u>	<u>-</u>

**40 Disclosure required under Section 186 (4) of the Companies Act, 2013**

**Particulars of loans given:**

<u>Name of the party</u>	<u>Purpose</u>	<u>Rate of Interest</u>	<u>Opening balance</u>	<u>Loan repaid</u>	<u>Outstanding balance</u>
1. Indian Furniture Product Ltd	General Business Purpose	15.25%	3,197.94	3,197.94	-

**41 Interest in joint venture**

The Company had 49% interest in the assets, liabilities, expenses and output of the Simon Engineering & Partners LLC, incorporated in Sultanate of Oman (‘the JV Company’), which is involved in Engineering, Construction and Procurement Services. However, the Company’s interest in the JV Company had been reduced to 29% unilaterally in the year ended 31 December 2010. The Company did not have any control on the functioning of the JV Company, the change in shareholding pattern came to light when the termination agreement was in discussion. As of date, the Company is in the process of terminating the agreement with other investor in the JV Company.

The Company has created a provision for diminution in the value of investment in the share capital of the JV Company of INR 10.45 lakhs (31 March 2021: INR 10.45 lakhs) and provision against amount receivable of INR 23.10 lakhs (31 March 2021: INR 23.10 lakhs) from the JV Company against the invoices raised by the Company in the financial statements. The Company is of the opinion that they have no control on the said JV Company and hence disclosure related to the JV Company has not been given as required under Ind AS 28 - Investments in Associates and Joint Ventures as specified under Section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

**42 The Company has not received the payment of outstanding foreign receivables within the period mentioned in the Master Circular on Export of Goods and Services issued by the Reserve Bank of India (‘RBI’). Trade receivables amounting to INR 323.28 lakhs (31 March 2021: INR 313.58 lakhs) due from overseas parties is outstanding for a period of more than nine months.**

In respect of these receivables – the Company has intimated to RBI through its authorised dealer bank for the delays in its realisation. Pending the final outcome of the aforesaid matters, which is presently unascertainable, the Company has made provision for full amount during the current year, as a matter of prudence.



**Simon India Limited**

**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

**43 Additional disclosure / Regulatory Information as required by Notification no. GSR 207(E) dated 24.03.2021**

- (i) The Company does not have any immovable property
- (ii) The Company does not have any investment property.
- (iii) The Company has not revalued its Property, Plant and Equipment (including Right to Use Assets)
- (iv) The Company has not revalued its intangible assets.
- (v) Loan or advances granted to the promoters, directors and KMPs and the related parties:  
No loan or advances in the nature of loans have been granted to the promoters, directors, key managerial persons and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:  
(a) repayable on demand or  
(b) without specifying any terms or period of repayment
- (vi) The Company does not have any Capital Work in progress at the balance sheet date.
- (vii) The Company does not have intangible assets under development.
- (viii) No proceedings have been initiated or pending against the company for holding any benami property under benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ix) Reconciliation of quarterly statement of current assets filed with banks or financial statements  
The company has not taken any loan so not required to file any statement with the banks.
- (x) Willful Defaulter  
No bank has declared the company as "willful defaulter".
- (xi) Relationship with Struck off Companies:  
There are no transaction with the companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and the year ended 31 March 2021.
- (xii) Registration of charges or satisfaction with Registrar of Companies:  
All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done except in the following cases where modification of charge is pending:-

<u>Particulars / Remarks</u>	<u>Amount of Charge</u>
Actual exposure of company is Rs.90 lakhs only	5,000.00
Actual exposure of company is Rs.3127 lakhs only	7,500.00

(xiii) Compliance with number of layers of companies

No layers of companies has been established beyond the limit prescribed as per above said section / rules.



**Simon India Limited**

**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

(xiv) Financial Ratios

S No	Ratios	Numerator	Denominator	31-03-2022	31-03-2021	% of Variance	Reason for Variance	
		Current year		Previous year				
a)	Current Ratio= Current assets divided by Current Liabilities	2,698.01 4,875.80	2,944.66 4,805.55	0.92	1.01	-10%		
b)	Debt equity ratio= total debt divided by total shareholder's equity	81.55 4,488.72	9,328.12 6,179.31	0.01	0.73	-99%	Refer Note 1 below	
c)	Debt service coverage ratio= earnings available for debt services divided by total interest and principal repayments	(33.61) (254.71)	4,621.78 1,532.88	(0.01)	(0.17)	-96%		
d)	Return on equity ratio/ return on investment ratio= Net profit after tax divided by Average shareholder's equity	(1,097.77) (3,601.57)	9,328.12 6,179.31	(11.77)	(58.28)	-80%	Refer Note 2 below	
e)	Inventory turnover ratio= Net sales divided by average Inventory	Not Applicable						
f)	Trade receivables turnover ratio= Net sales divided by average trade receivables	1,236.85 789.48	1,328.22 3,509.90	0.93	0.22	314%	Refer Note 3 below	
g)	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	912.48 924.29	1,981.02 4,003.79	0.46	0.23	100%		
h)	Net capital turnover ratio= Net sales divided by working capital	1,236.85 789.48	(246.65) 70.25	(5.01)	11.24	-145%	Refer Note 3 below	
i)	Net profit turnover ratio= Net profit after tax divided by Net sales	(1,097.77) (3,601.57)	1,236.85 789.48	(88.76)	(456.20)	-81%	Refer Note 2 below	
j)	Return on Capital employed = Earnings before interest and taxes(EBIT) divided by Capital Employed	(877.84) (1,056.18)	9,451.03 10,668.03	(0.09)	(0.10)	-6%		
k)	Return on Investment= Interest from Fixed Deposits/ Average Fixed Deposits	48.11 23.69	867.14 518.86	0.06	0.05	22%		
k)	Return on Investment	198.00 66.00	7,162.65 3,712.50	0.03	0.02	55%	Refer Note 4 below	

Note 1 The variance in these ratios is due to the fact that Company has repaid majority of its borrowings taken from the holding company.

Note 2 The variance is due to decrease in losses during the year. In the previous year there was one time charge of Rs.1836.85 lacs on account of Deferred tax charge

Note 3 Most of the debtors and creditors are related to projects completed in earlier years. The Company is settling the liabilities as and when it is receiving payments from its customers. This is resulting in adverse financial ratios.

Note 4 The increase is due to increase in dividend income and increase in fair valuation gain in the value of investment.

(xv) Compliance with approved Scheme(s) of Arrangements

No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(xvi) Utilisation of Borrowed funds and share premium:

Particulars	Description
Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities.	No such transaction has taken place during the year
Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity.	No such transaction has taken place during the year

(xvii) Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

(xviii) Details of Crypto Currency or Virtual Currency

Particulars	31-03-2022	31-03-2021
Profit or loss on transactions involving Crypto currency or Virtual Currency	No Such Transaction during the year	
Amount of currency held as at the reporting date		
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency		



**Simon India Limited**  
**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

(xix) **Corporate Social Responsibility Expenditure**

Gross amount required to be spent by the Company during the year –NIL (Previous Year- NIL).

(xx) **Ageing schedule Trade Receivables**

As at 31st March , 2022

Particulars	Outstanding for following periods from due date of payment #						Total
	Not yet Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
a) Considered good	420.88	-	-	308.62	-	43.00	772.50
b) Significant increase in credit risk	-	-	-	58.73	296.18	661.86	1,016.77
c) Credit Impaired							
(ii) Disputed Trade Receivables							
a) Considered good							
b) Significant increase in credit risk							
c) Credit Impaired							
Less: Provision for doubtful debt				(58.73)	(296.18)	(661.86)	(1,016.77)
<b>Total</b>	<b>420.88</b>	<b>-</b>	<b>-</b>	<b>308.62</b>	<b>-</b>	<b>43.00</b>	<b>772.50</b>

# Where due date of payment is not available date of transaction has been considered

As at 31st March , 2021

Particulars	Outstanding for following periods from due date of payment #						Total
	Not yet Due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
a) Considered good	1,707.06		52.52	-	-	124.37	1,883.95
b) Significant increase in credit risk				296.18	406.51	122.94	825.63
c) Credit Impaired							
(ii) Disputed Trade Receivables							
a) Considered good							
b) Significant increase in credit risk							
c) Credit Impaired							
Less: Provision for doubtful debt				(296.18)	(406.51)	(122.94)	(825.63)
<b>Total</b>	<b>1,707.06</b>	<b>-</b>	<b>52.52</b>	<b>-</b>	<b>-</b>	<b>124.37</b>	<b>1,883.95</b>

# Where due date of payment is not available date of transaction has been considered

(xxi) **Ageing schedule Trade Paybles**

As at 31st March , 2022

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables						
a) MSME				113.84		113.84
b) Others	263.56	337.39	-	26.93	858.62	1,486.50
(ii) Disputed Trade Payabled						
a) MSME						
b) Others						
<b>Total</b>	<b>263.56</b>	<b>337.39</b>	<b>-</b>	<b>140.77</b>	<b>858.62</b>	<b>1,600.34</b>

# Where due date of payment is not available date of transaction has been considered



**Simon India Limited**  
**Notes to financial statements for the year ended 31 March 2022**

Rs in lakhs

As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Payables						
a) MSME			141.41			141.41
b) Others	134.14	-	796.16	901.69	388.29	2,220.28
(ii) Disputed Trade Payabled						
a) MSME						
b) Others						
<b>Total</b>	<b>134.14</b>	<b>-</b>	<b>937.57</b>	<b>901.69</b>	<b>388.29</b>	<b>2,361.69</b>

# Where due date of payment is not available date of transaction has been considered

44 Previous year figures have been regrouped or reclassified wherever considered necessary to conform to current year classification.

As per our attached report of even date.

For V.Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Registration No.109208W

*Ajay Gupta*

Ajay Gupta  
Partner  
Membership No.090104  
Place: Gurugram  
Date : 19.05.2022



For and on behalf of the Board of Directors of  
Simon India Limited

*Athar Shahab*      *Atul Kuman Jain*

Athar Shahab      Atul Kuman Jain  
Non Executive Director      CEO & Executive Director  
DIN No.: 01824891      DIN No.: 02208079  
Place: Gurugram      Place: Gurugram  
Date : 19.05.2022      Date : 19.05.2022

*Ram Mohan Garg*      *Rohit Dhingra*

Ram Mohan Garg      Rohit Dhingra  
Chief Financial Officer      Company Secretary  
PAN - ACVPG5260B      M.No - A60664  
Place: Gurugram      Place: Gurugram  
Date : 19.05.2022      Date : 19.05.2022

