



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 31st March, 2021, 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 which are included the returns for the year ended on that date audited by the branch auditor of Company's branch located at Kingdom of Saudi Arabia.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the branch auditor as referred to Other Matters paragraph, 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 31st March, 2021, 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 and obtained by the branch auditor, in terms of their reports referred to in paragraph of Other Matter section below 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.

Other Matter

We did not audit the financial statements of one branch included in the financial statements of the Company whose financial statements reflects total assets and net assets of INR 249.57 lakhs and (-) INR 160.12 lakhs respectively as at 31st March 2021, and the total revenues of INR 286.45 lakhs total net loss after tax of INR 496.96 lakhs, total comprehensive income of (-) INR 500.39 lakhs, and cash flows (net) of (-) INR 591.26 lakhs respectively for the year ended on that date, as considered in the financial statements. These financial statements have been audited by the 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 on the financial statements, and our report on the other legal and regulatory requirements below, 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.

The comparative financial information of the Company for the year ended 31st March 2020 included in these financial statements have been audited by the predecessor auditor (i.e. M/s Walker Chandiook & Co LLP) whose report dated 25th June 2020 expressed modified opinion on those audited financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, based on our audit and on consideration of the report of the branch auditor as referred in Other Matters paragraph, 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 and proper return adequate for the purposes of our audit have been received from the branch not visited by us;
 - (c) The report on the books of accounts of the branch office of the Company audited under section 143(8) of the Act, by the branch auditor has been sent to us and have been properly dealt with by us in preparing this report;
 - (d) The financial statements dealt with by this report are in agreement with books of account and with the returns received from the branch not visited by us;
 - (e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) 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 B".



- (h) 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 and on the consideration of the report of the branch auditor, 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.
- (i) 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of branch auditor as referred to Other Matter paragraph above.
- i) The Company has disclosed the impact of pending litigations on its financial position as at 31st March 2021. (Refer note 31 to the financial statements).
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2021.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company during the year ended 31st March 2021.

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

Ajay Gupta

Ajay Gupta
Partner
Membership No.090104
ICAI UDIN - 21090104AAAACS5037

Place : New Delhi
Dated : 15th May 2021



Annexure "A" to the Independent Auditors' Report

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report on even date)

- i a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) The property, plant and equipment have been physical 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.
- ii The Company does not have any inventory Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- iii The Company has granted unsecured loans to a Company covered in the register maintained under section 189 of the Act 2013 and with respect to the same:
- a) In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
- b) The schedule of repayment of principal and payment of interest has been stipulated and repayment of the same are as per stipulations;
- c) There is no overdue amount in respect of loans granted to such company.
- iv In our opinion and according to the information and explanations given to us and the representation obtained from the management, (i) the Company has not granted any loans to any of its directors or any other person in whom director is interested or given guarantee or provided any security in connection with any loan taken by him or such other person within the meaning of section 185 of the Act and (ii) provisions of section 186 of the Act in respect of loan given and investments made have been complied by the Company and the Company has not given any guarantee or provided any security in connection with a loan within the meaning of section 186 of the Act.
- v in our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the provisions of sections 73 to 76 of the Act and the Rules framed thereunder. Accordingly, 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 services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, income-tax, goods and services tax, cess and other material statutory dues with the appropriate authorities. We are informed that there is no liability of the Company on account of employees' state insurance, custom duty and excise duty. There were no arrears of undisputed statutory dues as at 31st March, 2021, which were outstanding for a period of more than six months from the date they became payable.
- b) The dues outstanding in respect of income-tax and service-tax on account of any dispute, are as follows-

<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	315.91	Nil	FY 2008-09	Hon'ble High Court of Delhi
	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
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 On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks. The Company does not have any loans or borrowings from financial institutions / Government in the books of accounts at any time during the year. The Company has not issued any debentures. Therefore the question of default in repayment of dues of debenture holders does not arise.
- ix The Company did not raise any money by way of initial / further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained,
- x According to information and explanations given to us and the representation obtained from the management, no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the course of our audit.
- xi According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of the Act.
- xii The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- xvi in our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ajay Gupta

Ajay Gupta
Partner
Membership No.090104
ICAI UDIN - 21090104AAAACS5037

Place : New Delhi
Dated : 15th May 2021



Annexure “B” to the Independent Auditors’ Report

(Referred to in Paragraph 2 (g) under ‘Report on Other Legal and Regulatory requirements’ of our report on even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2021 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2021, 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
Partner
Membership No.090104
ICAI UDIN - 21090104AAAACS5037**

**Place : New Delhi
Dated : 15th May 2021**



Simon India Limited
Balance Sheet as at 31st March 2021

	Notes	Rs in lakhs	
		As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	98.03	99.43
Other intangible assets	4	15.47	38.45
Financial assets			
Investments	5	6,540.54	3,669.33
Loans	6	3,197.94	4,391.20
Deferred tax assets (net)	34	-	1,836.85
Income-tax assets (net)		81.68	1,151.02
Other non-current assets	7	743.53	1,147.38
Total non-current assets		10,677.19	12,333.66
Current assets			
Financial assets			
Trade receivables	8	1,883.95	5,135.84
Cash and cash equivalents	9	307.61	948.97
Bank balances other than above	10	875.94	161.77
Loans	11	5.98	15.29
Other financial assets	12	590.65	518.25
Other current assets	13	1,211.67	1,037.35
Total current assets		4,875.80	7,817.47
Total assets		15,552.99	20,151.13
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	500.00	500.00
Other equity	15	5,679.31	6,622.31
Total equity		6,179.31	7,122.31
Non-current liabilities			
Financial liabilities			
Borrowings	16	4,488.72	4,468.96
Provisions	17	74.64	73.86
Total non-current liabilities		4,563.36	4,542.82
Current liabilities			
Financial liabilities			
Borrowings	18	-	805.00
Trade payables			
total outstanding due to micro enterprise and small enterprise;	19	141.41	1,026.60
total outstanding due to creditors other than micro enterprise and small enterprise	19	2,325.35	4,619.29
Other financial liabilities	20	528.13	445.48
Other current liabilities	21	462.09	236.03
Provisions	22	1,353.34	1,353.60
Total current liabilities		4,810.32	8,486.00
Total equity and liabilities		15,552.99	20,151.13

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: New Delhi
Date : 15 May 2021



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

R.S. Raghavan
R.S. Raghavan
Chairman
DIN No.: 00362555

Place: Gurugram
Date : 15 May 2021

Ram Mohan Garg
Ram Mohan Garg
Chief Financial Officer
PAN - ACVPG5260B

Place: Faridabad
Date : 15 May 2021

Rakesh Verma
Rakesh Verma
CEO & Executive Director
DIN No.: 08103465

Place: New Delhi
Date : 15 May 2021

Puneet Kumar Sharma
Puneet Kumar Sharma
Company Secretary
Membership No.: A62801

Place: New Delhi
Date : 15 May 2021



Simon India Limited
Statement of Profit and Loss for the year ended 31st March 2021

	Notes	Rs in lakhs	
		Year ended 31.03.2021	Year ended 31.03.2020
REVENUE			
Revenue from operations	23	789.48	6,992.50
Other income	24	1,261.09	1,802.06
Total Revenue		2,050.57	8,794.56
EXPENSES			
Project expenses	25	924.29	6,659.49
Employee benefits expense	26	751.52	2,008.65
Finance costs	27	708.12	561.00
Depreciation and amortization expense	28	54.15	71.37
Other expenses	29	1,376.79	1,260.62
Total expenses		3,814.87	10,561.13
Loss before tax		(1,764.30)	(1,766.57)
Tax expense			
Current tax (reversals including earlier years)		0.42	(0.06)
Deferred tax charge / (credit)	34	1,836.85	(416.60)
		1,837.27	(416.66)
Loss for the year		(3,601.57)	(1,349.91)
Other comprehensive income			
A Items that will be reclassified to profit or loss			
Foreign currency translation reserve (FCTR)		(3.43)	18.58
B Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans		8.80	7.18
Income-tax effect		-	(1.87)
Net gain on FVTOCI equity securities		2,653.20	(1,289.20)
		2,662.00	(1,283.89)
Total (A + B)		2,658.57	(1,265.31)
Total comprehensive loss for the year		(943.00)	(2,615.22)
Earnings per equity share (nominal value of share of INR 10)			
Basic (INR)	30	(72.03)	(27.00)
Diluted (INR)		(72.03)	(27.00)

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: New Delhi
Date : 15 May 2021



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

R.S. Raghavan
R.S. Raghavan
Chairman
DIN No.: 00362555

Place: Gurugram
Date : 15 May 2021

Ram Mohan Garg
Ram Mohan Garg
Chief Financial Officer
PAN - ACVPG5260B

Place: Faridabad
Date : 15 May 2021

Rakesh Verma
Rakesh Verma
CEO & Executive Director
DIN No.: 08103465

Place: New Delhi
Date : 15 May 2021

Puneet Kumar Sharma
Puneet Kumar Sharma
Company Secretary
Membership No.: A62801

Place: New Delhi
Date : 15 May 2021



Simon India Limited
Statement of Cash Flows for the year ended 31 March 2021

	Rupees in lakhs	
	<u>Year ended</u> <u>31.03.2021</u>	<u>Year ended</u> <u>31.03.2020</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(1,764.30)	(1,766.57)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	54.15	71.37
Loss on sale of property, plant and equipment "PPE" (net)	-	0.21
Loss allowances on trade receivables	655.19	45.67
Capital work in progress charged off	92.13	
Bad debts written off	-	58.78
Interest income	(589.61)	(465.05)
Dividend income	(66.00)	(132.00)
Finance cost	708.12	561.00
Exchange fluctuation (net)	3.69	(28.02)
Fair value gain on financial assets at fair value through profit or loss	(218.01)	(186.35)
Amortisation of deferred fair valuation loss	218.01	186.35
Provision for warranties (reversed)/created (net)	-	(566.69)
Excess provision and credit balances written back	(43.37)	(168.12)
	<u>(950.00)</u>	<u>(2,389.42)</u>
Working capital adjustments:		
Movement in trade payables	(3,139.45)	(463.51)
Movement in provisions current and non current liabilities	0.52	(543.93)
Movement in other current liabilities	233.76	(3,021.88)
Movement in trade receivables	2,596.71	(682.21)
Movement in other financial assets	54.68	5,477.99
Movement in other current and non current assets	(127.98)	840.13
Cash used in operations	<u>(1,331.76)</u>	<u>(782.83)</u>
Income-tax refund (net)	1,070.00	245.22
Net cash used in operating activities	<u>(261.76)</u>	<u>(537.61)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE including changes in capital advances	26.92	(35.12)
Sale of PPE	-	1.26
Dividend received	66.00	132.00
Movement in fixed deposits	(714.17)	75.96
Loans given	-	(3,134.08)
Loans received back	1,193.26	-
Interest received	462.53	131.99
Net cash flow (used in)/from investing activities	<u>1,034.54</u>	<u>(2,827.99)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from non-current borrowings	1,920.00	3,714.00
Repayment of non-current borrowings	(1,901.05)	(5.35)
Proceeds from current borrowings	-	2,476.00
Repayment of current borrowings	(805.00)	(2,671.00)
Finance cost paid	(624.66)	(121.18)
Net cash flow from financing activities	<u>(1,410.71)</u>	<u>3,392.47</u>
Net increase in cash and cash equivalents (A + B + C)	<u>(637.93)</u>	<u>26.87</u>
Exchange fluctuation translation difference	(3.43)	18.58
Cash and cash equivalents at the beginning of the year	948.97	903.52
Cash and cash equivalents at the end of the year	<u>307.61</u>	<u>948.97</u>
Components of cash and cash equivalents: (refer note 9)		
Balances with banks on current accounts	306.10	946.25
Cash in hand	1.51	2.72
	<u>307.61</u>	<u>948.97</u>



Simon India Limited
Statement of Cash Flows for the year ended 31 March 2021

Rupees in lakhs

Year ended	Year ended
31.03.2021	31.03.2020

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 borrowings</u>	<u>Short term borrowings</u>
Opening Balance	4,474.54	805.00
Proceeds	1,920.00	-
Repayments	(1,901.05)	(805.00)
Closing balance	4,493.49	-

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: New Delhi
Date : 15 May 2021



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

R.S. Raghavan

R.S. Raghavan
Chairman
DIN No.: 00362555

Place: Gurugram
Date : 15 May 2021

Ram Mohan Garg

Ram Mohan Garg
Chief Financial Officer
PAN - ACVPG5260B

Place: Faridabad
Date : 15 May 2021

Rakesh Verma

Rakesh Verma
CEO & Executive Director
DIN No.: 08103465

Place: New Delhi
Date : 15 May 2021

Puneet Kumar Sharma

Puneet Kumar Sharma
Company Secretary
Membership No.: A62801

Place: New Delhi
Date : 15 May 2021



Simon India Limited
Statement of Changes in Equity for the year ended 31 March 2021

Rs in lakhs

(a) Equity Share Capital

Particulars	As at	As at
	31.03.2021	31.03.2020
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 2019	6,809.17	(4.73)	2,433.09	9,237.53
Loss for the year	(1,349.91)	-	-	(1,349.91)
Other comprehensive income	5.31	18.58	(1,289.20)	(1,265.31)
At 31 March 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

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: New Delhi
Date : 15 May 2021



For and on behalf of the Board of Directors of
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Place: New Delhi
Date : 15 May 2021

Puneet Kumar Sharma

Puneet Kumar Sharma
Company Secretary
Membership No.: A62801

Place: New Delhi
Date : 15 May 2021



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 15th May 2021.

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:



- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) 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

At 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 of 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;
- 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 or 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-of-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-of-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 on 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:

- (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).

I. 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.



Simon India Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2021**

Rupees in lakhs

3 Property, plant and equipment

Particulars	Office equipment	Computers	Lease hold improvements	Technical codes and standards	Furniture and fittings	Vehicles*	Total
Gross block							
As at 1 April 2019	27.50	141.72	9.30	1.42	4.88	21.98	206.80
Additions	0.16	-	-	-	34.97	-	35.13
Disposals	0.46	1.90	-	-	0.21	-	2.57
As at 31 March 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
Accumulated depreciation							
As at 1 April 2019	11.27	77.60	8.00	1.08	2.39	3.24	103.58
Charge for the year	4.34	29.32	0.52	0.05	0.60	2.61	37.44
Disposals	0.33	0.59	-	-	0.17	-	1.09
As at 31 March 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
Net block							
As at 31 March 2020	11.92	33.49	0.78	0.29	36.82	16.13	99.43
As at 31 March 2021	7.71	14.42	0.78	0.27	61.33	13.52	98.03

*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 2019

240.68

Additions

-

Disposals

-

As at 31 March 2020

240.68

Additions

-

Disposals

-

As at 31 March 2021

240.68

Amortization

As at 1 April 2019

168.30

Charge for the year

33.93

Disposals

-

As at 31 March 2020

202.23

Charge for the year

22.98

Disposals

-

As at 31 March 2021

225.21

Net block

As at 31 March 2020

38.45

As at 31 March 2021

15.47



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

	Rs in lakhs	
	As at 31.03.2021	As at 31.03.2020
5 Investments		
<i>Investments at fair value through OCI:</i>		
Investments in equity shares		
Quoted:		
2,200,000 (31 March 2020: 2,200,000) equity shares of INR 10 each fully paid-up of Chambal Fertilisers and Chemicals Limited	5,039.10	2,385.90
	<u>5,039.10</u>	<u>2,385.90</u>
Unquoted:		
9,800 (31 March 2020: 9,800) equity shares of Omani Riyal 1 each fully paid-up of Simon Engineering and Partners LLC, Sultanate of OMAN	10.45	10.45
Less: Impairment in value of investments (refer note 43)	(10.45)	(10.45)
	<u>-</u>	<u>-</u>
<i>Investments at fair value through profit or loss:</i>		
Investment in preference shares		
Unquoted:		
25,000,000 (31 March 2020: 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 37)	1,501.44	1,283.43
	<u>1,501.44</u>	<u>1,283.43</u>
	<u>6,540.54</u>	<u>3,669.33</u>
Aggregate amount of quoted investments	5,039.10	2,385.90
Aggregate market value of quoted investments	5,039.10	2,385.90
Aggregate amount of unquoted investments	1,511.89	1,293.88
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
Zuari Investments Limited	-	1,193.26
	<u>3,197.94</u>	<u>4,391.20</u>
7 Other assets (Non Current)		
Deferred losses on investment in NCRPS of GSML (Refer Note 37)	743.53	998.56
Capital advances (Refer Note 37)	-	148.82
	<u>743.53</u>	<u>1,147.38</u>
8 Trade receivables		
Unsecured – considered good (Refer Note 37)	1,883.95	5,135.84
Trade receivables which have significant increase in credit risk		
Unsecured – credit impaired	825.63	170.45
	<u>2,709.58</u>	<u>5,306.29</u>
Less: Loss allowances	(825.63)	(170.45)
	<u>1,883.95</u>	<u>5,135.84</u>
Reconciliation of loss allowances		
Opening balance at the beginning of the year	170.45	513.75
Net impairment loss recognised / (reversed)	655.18	(343.30)
Closing balance at the end of the year	<u>825.63</u>	<u>170.45</u>
9 Cash and cash equivalents		
Cash on hand	1.51	2.72
Balances with banks in current accounts	306.10	946.25
	<u>307.61</u>	<u>948.97</u>



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

	Rs in lakhs	
	<u>As at</u> <u>31.03.2021</u>	<u>As at</u> <u>31.03.2020</u>
10 Other bank balances		
Deposits with banks *	875.94	161.77
	<u>875.94</u>	<u>161.77</u>
* Includes amount pledged with banks as margin money for bank guarantees taken	875.94	160.54
11 Loans - Current		
Unsecured – considered good		
Security deposits	5.98	15.29
	<u>5.98</u>	<u>15.29</u>
12 Other financial assets - Current		
Interest accrued on loans -		
Indian Furniture Products Limited	461.30	222.48
Zuari Investments Limited	-	112.91
Interest accrued on bank deposits	3.96	2.79
Unbilled revenue	125.39	180.07
	<u>590.65</u>	<u>518.25</u>
13 Other assets - Current		
Deferred losses on investment in NCRPS of GSML (Refer note 37)	255.03	218.00
Balance with statutory authorities	823.59	715.42
Advance to employees	7.90	14.63
Advance to vendors	112.91	73.75
Prepaid expenses	7.07	7.68
Gratuity plan asset (refer note 33)	5.17	7.87
	<u>1,211.67</u>	<u>1,037.35</u>
14 Equity share capital		
<u>Authorized:</u>		
5,000,000 (31 March 2020: 5,000,000) equity shares of INR 10 each	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
<u>Issued subscribed and paid up:</u>		
5,000,000 (31 March 2020: 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	-	-
Outstanding at the end of the year	<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)	50,00,000	50,00,000
No of Equity shares	100%	100%
% of Shareholding		



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

Rs in lakhs

As at As at
31.03.2021 31.03.2020

15 Other equity

Retained earnings		
Opening Balance	5,464.57	6,809.17
Add: Profit / (Loss) for the year	(3,601.57)	(1,349.91)
Add: Re-measurement gains on defined benefit plans (net of taxes)	8.80	5.31
Closing Balance	<u>1,871.80</u>	<u>5,464.57</u>
Fair Value Gain / (Loss) on Equity Instruments through OCI		
Opening Balance	1,143.89	2,433.09
Add/(less): Movement during the year	2,653.20	(1,289.20)
Closing Balance	<u>3,797.09</u>	<u>1,143.89</u>
Foreign currency translation reserve (FCTR):		
Opening Balance	13.85	(4.73)
Add/(less): Movement during the year	(3.43)	18.58
Closing Balance	<u>10.42</u>	<u>13.85</u>
	<u>5,679.31</u>	<u>6,622.31</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.

16 Non-current borrowings

Secured		
From Banks (Secured against hypothecation of vehicles) *	4.77	10.54
Less : Current Maturities (Refer Note 20)	4.77	5.58
Unsecured		
Loans from Holding Company i.e. Zuari Global Limited **	4,488.72	4,464.00
	<u>4,488.72</u>	<u>4,468.96</u>

*Vehicle loan from bank is repayable in 48 monthly instalments

** Loan from the Holding Company is taken @ 15% pa (PY 14% - 14.25% pa) and is repayable after 31.03.2022.

17 Provisions (non-current)

Provision for leave encashment (Refer Note 33)	74.64	73.86
	<u>74.64</u>	<u>73.86</u>

18 Current borrowings

Unsecured		
Loans from Zuari Management Services Limited	-	805.00
	<u>-</u>	<u>805.00</u>



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

Rs in lakhs

	As at 31.03.2021	As at 31.03.2020
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19 Trade payables

Dues to micro and small enterprises	141.41	1,026.60
Dues to others (refer note 37)	2,325.35	4,619.29
	2,466.76	5,645.89

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

i) Principal amount due to suppliers under MSMED Act	141.41	1,026.60
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
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	-	-
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.	-	-
	141.41	1,026.60

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.

20 Other financial liabilities (Current)

Current maturities of non-current borrowings (refer note 16)	4.77	5.58
Interest accrued on borrowings		
- Zuari Global Limited	523.30	439.84
- Vehicle Loan	0.06	0.06
	528.13	445.48

21 Other current liabilities

Statutory dues	52.40	114.33
Deferred revenue	409.69	101.20
Advances from customers	-	20.50
	462.09	236.03

22 Provisions (current)

Provision for leave encashment (refer note 33)	27.81	20.37
Provision for warranty*	1,325.53	1,333.23
	1,353.34	1,353.60

*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	1,333.23	2,403.54
Arising during the year	-	7.79
Utilised during the year	(7.70)	(503.62)
Unused amounts reversed	-	(574.48)
At the end of the year	1,325.53	1,333.23



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

Rs in lakhs

Year ended **Year ended**
31.03.2021 **31.03.2020**

23 Revenue from operations

Sale of engineering supplies and services	789.48	6,992.50
	789.48	6,992.50

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	1,077.47	4,025.35
Changes in Advance from Customers	20.50	1,942.60
Changes in Deferred revenue	(308.49)	1,024.55
Revenue recognised during the year	789.48	6,992.50

b) **Significant changes in contract assets and liabilities**

Contract liabilities - Advance from customers

Opening balance	20.50	1,963.10
Less: Amount of revenue recognised	20.50	1,942.60
Add: Addition in current year	-	-
Closing balance	-	20.50

Contract liabilities - Deferred income

Opening balance	101.20	1,125.75
Less: Amount of revenue recognised	101.20	1,125.75
Add: Addition in current year	409.69	101.20
Closing balance	409.69	101.20

Contract assets - Unbilled revenue

Opening balance	180.07	5,602.27
Less: Amount of unbilled revenue transferred to trade receivables	54.68	5,602.27
Add: Addition in current year	-	180.07
Closing balance	125.39	180.07

Trade Receivable	1,883.95	5,135.84
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c) **Timing of revenue recognition**

Revenue recognised over a period of time	789.48	6,697.72
Revenue recognised at a point of time	-	294.78
	789.48	6,992.50

d) **Disaggregation of revenue - Geography Wise**

Revenue from contract with customer		
-India	435.39	3,956.30
-Middle east	354.09	3,036.20
	789.48	6,992.50

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	-	225.70
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Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at the balance sheet date will be recognised as revenue during the next reporting period. The amount disclosed above does not include variable consideration which is constrained. All other EPC contracts are for period of one year or less or are billed based on time incurred.

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 2021

Rs in lakhs

Year ended
31.03.2021

Year ended
31.03.2020

24 Other income

Interest on		
Bank deposits	23.69	15.11
Loans	565.92	447.92
Income-tax refund	85.02	145.15
Dividend from Investments mandatorily measured at FVTPL	66.00	132.00
Excess provision and credit balances written back	43.37	168.12
Foreign exchange fluctuation (net)	(3.69)	22.67
Fair value gain on financial assets at FVTPL - Preference Shares	218.01	186.35
Warranty provision of earlier years reversed (refer note 22)	-	574.48
Miscellaneous income	262.77	110.26
	1,261.09	1,802.06

25 Project expenses

Project supplies	388.93	2,404.80
Travelling and conveyance	23.53	179.35
Sub-contracting fee	271.31	3,592.69
Professional fees	16.00	272.37
Insurance	2.35	63.00
Bank charges	143.35	19.77
Site office expenses	35.00	58.61
Printing, stationery and communication	0.48	2.41
Rates and taxes	29.11	49.78
Miscellaneous expenses	14.23	16.71
	924.29	6,659.49

26 Employee benefits expense
(Refer Note 33)

Salaries, wages and bonus	663.11	1,891.79
Contribution to provident and other funds	27.54	74.27
Gratuity	22.16	17.19
Leave Encashment	30.91	10.21
Staff welfare expenses	7.80	15.19
	751.52	2,008.65

27 Finance costs

Interest expense	696.47	542.17
Other borrowing cost	11.65	18.83
	708.12	561.00

28 Depreciation and amortization expense

Depreciation of tangible assets (refer note 3)	31.17	37.44
Amortisation of intangible assets (refer note 4)	22.98	33.93
	54.15	71.37



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

	Rs in lakhs	
	Year ended 31.03.2021	Year ended 31.03.2020
29 Other expenses		
Power and fuel	8.40	58.82
Rent	69.25	290.49
Travelling and conveyance	8.37	48.62
Communication costs	9.67	27.70
Printing and stationery	0.35	1.68
Rates and taxes	18.25	38.46
Insurance	0.30	0.74
Repairs and maintenance (others)	109.59	222.64
Legal and professional fees	160.02	246.45
Payments to auditors (refer note 32)	12.24	13.02
Business promotion expenses	2.61	0.02
Recruitment and relocation expenses	(0.51)	0.98
Capital work in progress charged off	92.13	-
Loss on fixed assets sold/discarded (net)	-	0.21
Loss allowances on trade receivables	655.19	45.67
Bad debts written off	-	58.78
Amortisation of deferred fair valuation loss	218.01	186.35
Bank charges	0.14	1.70
Miscellaneous expenses	12.78	18.29
	1,376.79	1,260.62

30 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.

The following reflects the income and share data used in the basic and diluted EPS computations:

Loss attributable to equity holders of the Company	(3,601.57)	(1,349.91)
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)	(72.03)	(27.00)
Face value per share (INR)	10.00	10.00

31 Commitments and Contingencies

(1) Commitments

Estimated amount of contracts remaining to be executed on capital account and provided for: Nil 248.09

(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 2009-10	315.91	315.91
Service tax demand for financial year 2008-09, 2009-10, 2010-11, 2011-12	89.59	89.59
	427.92	427.92

#Subsequently, the appeal filed by the Company was partly allowed in Company's favour by the forum where the dispute was pending.

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.

b) The Hon'ble Supreme Court (SC) has, in a recent decision ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution.

As the above said ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for contribution has been recognised in the financial statements for the year ended 31 March 2021.

c) The Company enters into contract with MSME vendors as per Indian Contract Act, 1872 and being into EPC business, for safeguarding its interest as it is required to deduct liquidated damages for delay in obligation, if required and to keep retention against the performance warranty or defect liability period in some cases payment terms also include payment to be made within 90 days or may be higher or lesser period from the date of acceptance which is agreed by the MSME vendors as per contracts / agreements.

The Micro and Small Enterprises ("MSE") have a right to waive/forgo/surrender their aforesaid statutory rights contractually in order to abide the terms of the contracts in the larger interest of their own business. In line with accepted trade practices, the Company enters into contracts with MSEs with credit period in excess of the period specified under MSME Act. The Company has not accrued the interest on the payments due to above interpretations, in the financial statements for the year ended 31 March 2021.



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

Rs in lakhs

Year ended Year ended
31.03.2021 31.03.2020

32 Details of payments to auditors

As auditors:

Audit fee	11.49	9.35
Tax audit fee	0.75	1.10

In other capacities:

Taxation Matters		3.00
Goods and services tax audit	-	0.50
Certification fees	-	1.18
Reimbursement of expenses	-	
	<u>12.24</u>	<u>15.13</u>

33 Employee Benefits

a) Defined contribution plan

Employer's contribution to Provident Fund	26.93	71.40
Employer's Contribution to Superannuation Fund	0.61	2.87
	<u>27.54</u>	<u>74.27</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	6.80%	6.85%
Salary escalation rate	8% for first 2 years and 6.5% thereafter	8% for first 2 years and 6.5% thereafter

Amount recognised in the statement of profit and loss :

Total service cost	18.00	22.29
Net interest cost	6.45	10.27
Net actuarial loss / (gain) for the year	6.46	(22.35)
Expense recognized in the statement of profit and loss	<u>30.91</u>	<u>10.21</u>

Movement in the liability recognized in the balance sheet :

Present value of defined benefit obligation at the beginning of the year	94.24	132.51
Current service cost	18.00	22.29
Interest cost	6.45	10.27
Actuarial loss / (gain) on obligation	6.46	(22.35)
Benefits paid	(22.70)	(48.48)
Present value of defined benefit obligation at the end of the year	<u>102.45</u>	<u>94.24</u>

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 %)	6.80%	6.85%
Salary escalation (in %)	8% for first 2 years and 6.5% thereafter	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 2021

Rs in lakhs

Year ended **Year ended**
31.03.2021 **31.03.2020**

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	12.04	15.32
Net interest cost	(0.54)	0.71
Total	11.50	16.03

Amount recognised in other comprehensive income for the year		
Actuarial gain on obligations	9.60	4.79
Return on plan assets (excluding amounts included in net interest expense)	(0.80)	2.39
Total	8.80	7.18

Changes in the present value of the defined benefit obligation for the year		
Opening balance at the beginning of the year	89.63	118.17
Current service cost	12.04	15.32
Interest cost	6.12	9.16
Actuarial gain on obligations	(9.60)	(4.79)
Benefits paid	(16.05)	(48.23)
Closing balance at the end of the year	82.14	89.63

Changes in the fair value of plan assets are as follows:		
Opening balance at the beginning of the year	97.49	108.96
Interest income	5.88	10.84
Benefits paid	(16.06)	(48.23)
Service cost (transfer in)	-	25.92
Closing balance at the end of the year	87.31	97.49

Funded / (Unfunded Status)		
Fair Value of plan assets	87.31	97.49
Less : Fair Value of obligation	82.14	89.63
	5.17	7.86

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%

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%	(1.51)	(1.85)
Sensitivity level - Decrease in rate by 0.50%	1.57	1.93
Future Salary Increase		
Sensitivity level - Increase in rate by 0.50%	1.57	1.93
Sensitivity level - Decrease in rate by 0.50%	(1.52)	(1.86)

The Company expects to contribute INR 10.67 lakhs (31 March 2020 INR 14.91 lakhs) towards gratuity during the year 2021-22.

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)	11.68	10.99
Between 2 and 5 years	40.55	40.74
5 years onwards	29.91	37.89
	82.14	89.62



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

Rs in lakhs

	<u>Year ended</u> <u>31.03.2021</u>	<u>Year ended</u> <u>31.03.2020</u>
34 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):	0.42	(0.06)
Deferred tax charge / (Credit)	1,836.85	(416.60)
Income tax expense reported in the statement of profit or loss	<u>1,837.27</u>	<u>(416.66)</u>
b) OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Net gain on remeasurements of defined benefit plans	(8.80)	(7.18)
Deferred tax charged to OCI	-	1.87
c) Reconciliation of tax expense and the accounting profit multiplied by India's		
Accounting loss before Income-tax	(1,764.30)	(1,766.57)
At India's statutory income-tax rate of 25.17% (31 March 2020 : 25.17%)	(444.04)	(444.61)
Adjustments in respect of current income tax of previous year	-	(0.06)
Tax effects of non-deductible expenses for tax purposes:		
Donation and CSR expenses	-	0.76
Capital work in progress charged off	23.19	
Interest on delayed payment of taxes and other disallowances	2.85	10.93
Tax effects of income not considered for tax purposes:		
Dividend Income on non-current investments	(16.61)	(33.22)
Impact of others items:		
Change in tax rate deferred tax calculated at 25.17% (31 March 2020: 25.17%)	-	45.50
Impact of Non Recognition of current year deferred tax asset (DTA) and reversal of previous year DTA	2,271.88	-
Others	-	4.05
Income-tax expense reported in the statement of profit and loss	<u>1,837.27</u>	<u>(416.66)</u>
d) Deferred tax:		
Deferred tax liability:		
Impact of difference between WDV as per books and as per IT Act	-	1.70
Total deferred tax liability (A)	<u>-</u>	<u>1.70</u>
Deferred tax assets:		
Impact of difference between WDV as per books and as per IT Act	2.40	-
Provision for loss allowances	207.80	42.90
Expenses allowable in Income-tax on payment basis and deposition of statutory dues	40.90	36.90
Unabsorbed depreciation and business loss	1,892.00	1,758.75
Total deferred tax assets (B)	<u>2,143.10</u>	<u>1,838.55</u>
Deferred Tax Asset (Net) (B - A) - Refer note	<u>2,143.10</u>	<u>1,836.85</u>
e) Reconciliation of deferred tax assets (net):		
Opening balance	(1,836.85)	(1,422.12)
Tax charge / (credit) during the year recognised in profit or loss	1,836.85	(416.60)
Tax expense during the year recognised in OCI	-	1.87
Closing balance	<u>0.00</u>	<u>(1,836.85)</u>

Notes:

a) During the current year the Company has charged off opening balance of deferred tax of INR 1,836.85 lacs in view of lack of reasonable certainty over the future profitability of the Company.

b) The Company has also not recognised deferred tax assets accrued during the current year of Rs.306.25 lacs. Aggregate amount of DTA not recognised as at 31.03.2021 is Rs.21,43.10 lacs



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

Rs in lakhs

	<u>Year ended</u>	<u>Year ended</u>
	<u>31.03.2021</u>	<u>31.03.2020</u>

35 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	435.39	3,956.30
Middle east	354.09	3,036.20
	789.48	6,992.50

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

India	1,693.30	5,027.85
Middle east	178.03	275.25
United States of America	12.62	12.81
	1,883.95	5,315.91

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

Revenue from customers accounted for more than 10% of the revenue	711.42	6,698.71
No of customers - 3 (PY - 3 Nos)	711.42	6,698.71

36 Lease disclosures

The Company has lease contract for office building and related facilities used in its operations. Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to the lease contracts existing as at 1 April 2019.

On transition, for the lease previously accounted for as operating lease with a remaining lease term of less than 12 months and for leases of low-value assets, the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

The amount relating to payments not included in the measurement of the lease liability is INR 290.49 lakhs (INR 277.75 lakhs and INR 12.74 lakhs for short-term lease expense and expense pertaining to leases of low-value assets respectively).

37 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 Infraworld India Limited
 Gobind Sugar Mills Limited
 Zuari Management Services Limited
 Zuari Investments Limited

iii) Fellow Associates:

Zuari Agro Chemicals Limited

iv) Joint Ventures of the Company:

Simon Engineering and Partners, LLC

v) Key Management Personnel

Mr. Rakesh Verma, Executive director and Chief executive officer ('CEO')
 Mr. R S Raghavan, Director (Wef 11.06.2020)
 Mr. T. S. Darbari, Director (Wef 11.06.2020)
 Mr. Sandeep Fuller, Non-executive director (Resigned on 31.03.2020)
 Mr. Narayanan Suresh Krishnan, Non-executive director (Resigned on 03.03.2020)
 Mr. Marco Wadia, Independent director
 Mr. Vijay Vyankatesh Paranjape, Independent director

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 2021**

	Rs in lakhs	
	<u>Year ended</u> <u>31.03.2021</u>	<u>Year ended</u> <u>31.03.2020</u>
B. Related party transactions and balances		
i) Zuari Global Limited		
Legal and professional services expenses	-	60.00
Reimbursement of expenses (given)/received	(17.04)	(2.74)
Finance cost	640.04	368.67
Loan received	1,920.00	5,990.00
Loan repaid	1,950.28	1,471.00
Closing Balances - Receivable / (Payable)		
Borrowings	(4,488.72)	(4,519.00)
Trade Payables	(16.95)	(49.23)
Interest accrued on loan- Receivable / (Payable)	(523.36)	(326.47)
ii) Indian Furniture Products Limited		
Purchase of Capital Goods	29.89	-
Reimbursement of expenses (given) / received	(0.11)	(0.33)
Advance given for Capital Goods	-	15.78
Interest income	487.69	274.22
Loans given	-	3,090.82
Closing Balances - Receivable / (Payable)		
Loan receivable	3,197.94	3,197.94
Trade Payables	(48.09)	-
Interest accrued on loan- Receivable/(Payable)	451.11	222.49
Capital advances	-	15.78
iii) Zuari Finserv Limited		
Legal and professional services received	0.22	1.43
Reimbursement of expenses (given)/received	-	0.83
Closing Balances - Receivable / (Payable)		
Trade Payables	(10.69)	(0.83)
iv) Zuari Infraworld India Limited		
Closing Balances - Receivable / (Payable)		
Trade receivables	-	36.93
v) Gobind Sugar Mills Limited		
Sale of engineering services/supplies/projects	-	2.76
Loss allowances on trade receivables	-	45.67
Fair value gain on financial assets at FVTPL - Preference Shares	218.01	186.35
Reimbursement of expenses (given)/received	(36.04)	-
Closing Balances - Receivable / (Payable)		
Trade receivables	-	177.52
Other Payables	(1.55)	-
Loss allowances	-	(45.67)
Investment in preference shares	1,501.44	1,283.43
Deferred loss on investment in NCRPS	998.56	1,216.57
vi) Zuari Management Services Limited		
Legal and professional services expenses	1.23	-
Reimbursement of expenses (given)/received	(2.27)	-
Finance cost	55.76	1,267.03
Loan received	-	200.00
Loan repaid	750.00	200.00
Closing Balances - Receivable / (Payable)		
Borrowings	-	(750.00)
Trade Payables	(3.30)	(0.13)
Interest accrued on loan- Receivable/(Payable)	-	(113.37)
vii) Zuari Investments Limited		
Reimbursement of expenses (given)/received	-	0.44
Interest income	78.23	173.70
Loans given	-	43.26
Loan and Interest Repaid	1,306.17	-
Closing Balances - Receivable / (Payable)		
Borrowings	-	1,193.26
Interest accrued on loan- Receivable/(Payable)	-	112.91



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

	Rs in lakhs	
	<u>Year ended</u> <u>31.03.2021</u>	<u>Year ended</u> <u>31.03.2020</u>
viii) Zuari Agro Chemicals Limited		
Closing Balances - Receivable / (Payable)		
Trade payables	-	(0.01)
ix) Simon Engineering and Partners, LLC		
Closing Balances - Receivable / (Payable)		
Trade receivables	22.76	23.10
Investment	10.45	10.45
Loss allowances	(22.76)	(23.10)
Provision for diminution in value of investments	(10.45)	(10.45)
x) Simon India Limited Staff Superannuation Fund		
Superannuation paid	0.61	2.87
xi) Simon India Limited Gratuity Fund		
Gratuity paid	-	25.92
xii) Key Management Personnel		
a. Remuneration to key managerial personnel		
Mr. Rakesh Verma, Executive director and Chief executive officer ('CEO')#	72.47	76.42
Closing Balances - Receivable / (Payable)		
Remuneration Payable	-	(4.29)
#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. Director's sitting fees		
Mr. Marco Wadia, Independent director	4.15	3.10
Mr. Vijay Vyankatesh Paranjape, Independent director	4.15	3.10
c. Reimbursement of expenses (given) / received		
Mr. Marco Wadia, Independent director	-	(0.17)

38 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	4,468.96
Current maturities of non-current borrowings	4.77	5.58
Current borrowings	-	805.00
Total Debt (a)	4,493.49	5,279.54
Total Equity (b)	6,179.31	7,122.31
Debt to Equity ratio (a/b)	72.72%	74.13%



39 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 2021 and 31 March 2020.

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 2021.

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 2021 and 31 March 2020.

(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
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	FC	FC	INR	INR
Export trade receivables - USD	4.29	5.57	313.39	412.90
Import trade payables-USD	0.22	0.22	16.25	16.49
Other trade payables-SAR	-	14.47	-	290.85
Saudi Bank (SAR) (Banque Saudi Fransi Bank, Saudi British B	4.81	34.08	93.79	685.04

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 rate	Effect on (Loss) before tax	Change in SAR rate	Effect on (Loss) before tax
As at 31 March 2021	+10%	29.71	+10%	9.38
	-10%	(29.71)	-10%	(9.38)
As at 31 March 2020	+10%	42.94	+10%	39.42
	-10%	(42.94)	-10%	(39.42)



(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 5,039.10 lakhs (31 March 2020: INR 2,385.90 lakhs). A decrease of 5% on the NSE market index could have an impact of approximately INR lakhs 251.96 (31 March 2020: INR 119.30 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</u> <u>year</u>	<u>1 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
<u>Year ended 31 March 2021</u>				
Trade payables	2,466.76	-	-	2,466.76
Loans from related party (including interest accrued)	-	5,012.02	-	5,012.02
Vehicle loan	4.77	-	-	4.77
	2,471.53	5,012.02	-	7,483.55
<u>Year ended 31 March 2020</u>				
Trade payables	5,645.89	-	-	5,645.89
Loans from related party (including interest accrued)	-	5,708.84	-	5,708.84
Vehicle loan	5.58	4.96	-	10.54
	5,651.47	5,713.80	-	11,365.27



Simon India Limited
Notes to financial statements for the year ended 31 March 2021

Rs in lakhs

40 Fair value measurements

Particulars	Carrying value	
	As at 31.03.2021	As at 31.03.2020
Financial assets		
A. FVTOCI financial instruments:		
Quoted equity shares	5,039.10	2,385.90
B. FVTPL financial instruments:		
Un-quoted preference shares	1,501.44	1,283.43
C. Amortised Cost:		
Security deposits	5.98	15.29
Loans	3,197.94	4,391.20
Trade receivables	1,883.95	5,135.84
Cash and cash equivalents	307.61	948.97
Other bank balances	875.94	161.77
Other financial assets	590.65	518.25
	13,402.61	14,840.65
Financial liabilities		
A. Amortised Cost:		
Non-current borrowings	4,488.72	4,468.96
Current borrowings	-	805.00
Trade payables	2,466.76	5,645.89
Other financial liabilities	528.13	445.48
	7,483.61	11,365.33

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 2021 and 31 March 2020 are as shown below:

FVTPL assets in unquoted preference shares

Valuation Technique	DCF method	DCF method
	<u>Average borrowing rate of the instrument issuer company</u>	<u>Average borrowing rate of the instrument issuer company</u>
Significant unobservable inputs		
Discount rate (weighted average)	16%	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	7.51	6.42
Decrease in risk adjusted discount rate by 0.50% would result in increase in fair value by	-7.51	-6.42



41 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 2021 and 31 March 2020:

<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>	
Financial assets measured at fair value 31 March 2021				
A. FVTOCI financial instruments:				
Quoted equity shares	5,039.10	-	-	5,039.10
B. FVTPL financial instruments:				
Un-quoted preference shares	-	-	1,501.44	1,501.44
Financial assets measured at fair value 31 March 2020				
A. FVTOCI financial instruments:				
Quoted equity shares	2,385.90	-	-	2,385.90
B. FVTPL financial instruments:				
Un-quoted preference shares	-	-	1,283.43	1,283.43

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 2021 and 31 March 2020

<u>Particulars</u>	<u>Non-convertible redeemable non-cumulative preference shares ('NCRPS')</u>	<u>Total</u>
As at 1 April 2019	1,097.08	1,097.08
Additions	-	-
Gains recognised in statement of profit and loss	186.35	186.35
As at 31 March 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	1,501.44	1,501.44

42 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. Zuari Investment Limited	General Business Purpose	14.50%	1,193.26	1,193.26	-
2. Indian Furniture Product Ltd	General Business Purpose	15.25%	3,197.94	-	3,197.94



43 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 2020: INR 10.45 lakhs) and provision against amount receivable of INR 23.10 lakhs (31 March 2020: 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.

- 44 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 313.58 lakhs (31 March 2020: INR 263.81 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, no adjustments have been made in these financial statements.

- 45 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

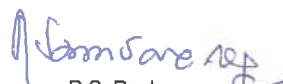


Ajay Gupta
Partner
Membership No.090104

Place: New Delhi
Date : 15 May 2021



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



R.S. Raghavan
Chairman
DIN No.: 00362555

Place: Gurugram
Date : 15 May 2021



Ram Mohan Garg
Chief Financial Officer
PAN - ACVPG5260B

Place: Faridabad
Date : 15 May 2021



Rakesh Verma
CEO & Executive Director
DIN No.: 08103465

Place: New Delhi
Date : 15 May 2021



Puneet Kumar Sharma
Company Secretary
Membership No.: A62801

Place: New Delhi
Date : 15 May 2021

