

# Walker Chandiook & Co LLP

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India

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## Independent Auditor's Report

### To the Members of Simon India Limited

### Report on the Audit of the Financial Statements

#### Qualified Opinion

1. We have audited the accompanying financial statements of Simon India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 the Company's branch located at Kingdom of Saudi Arabia.
2. 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 in paragraph 12 below, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

3. As stated in note 18(e) to the financial statement, the Company carries deferred tax assets (net of deferred tax liabilities) of INR 1,836.85 lakhs (including INR 414.73 lakhs recognized during the year) as at 31 March 2020 on items comprising carry forward of business losses, unabsorbed depreciation and other timing differences, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of convincing evidence on availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Indian Accounting Standard 12, "Income Taxes". Had the Company de-recognized these deferred tax assets, the net loss after tax for the year ended 31 March 2020 would have been higher by INR 1,836.85 lakhs, while the deferred tax assets and reserve and surplus at that date would have been lower by 1,836.85 lakhs.
4. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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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 that obtained by the branch auditor, in terms of their reports referred to in paragraph 12 of the Other Matter section below is sufficient and appropriate to provide a basis for our qualified opinion.

## Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director'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 in the 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. As described in the Basis for Qualified Opinion section above, the Company carries deferred tax assets (net of deferred tax liabilities) of INR 1,836.85 lakhs (including INR 414.73 lakhs recognized during the year) as at 31 March 2020, which, in view of the management, shall be realized on generation of taxable income in future years. However, in the absence of convincing evidence on availability of sufficient future taxable income, recognition of deferred tax assets, in our opinion, is not consistent with the accounting principles as laid down under Indian Accounting Standard 12, "Income Taxes". We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Director's Report affected by recognition of such deferred tax assets.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

6. 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 Ind AS 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 of 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.
7. In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

9. 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 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.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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;
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of the Company. For the branch included in the Statement, which has been audited by the branch auditor, such branch auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
11. 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

12. 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 733.47 lakhs and INR 340.27 lakhs respectively as at 31 March 2020, and the total revenues of INR 3,025.50 lakhs, total net profit after tax of INR 695.86 lakhs, total comprehensive income of INR 695.86 lakhs, and cash flows (net) of (-) INR 79.83 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 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.

## Report on Other Legal and Regulatory Requirements

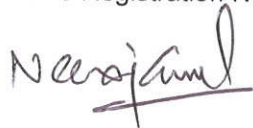
13. As required by section 197(16) of the Act, based on our audit, and on the consideration of the report of the branch auditor as referred to in paragraph 12 above, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
15. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, and on the consideration of the report of the branch auditor as referred to in paragraph 12 above, we report, to the extent applicable, that:
- a) we have sought and except for the matter described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) except for the effects of the matter described in the Basis for Qualified Opinion section, 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 returns adequate for the purposes of our audit have been received from the branch not visited by us;
  - c) the report on the 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 the books of account and with the return received from the branch not visited by us;
  - e) except for the effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;



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- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 June 2020 as per Annexure B expressed modified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the branch auditor as referred to in paragraph 12 above:
- i. the Company, as detailed in note 27(2) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
  - 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 31 March 2020; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Neeraj Goel**  
Partner  
Membership No.: 099514  
UDIN: 20099514AAAADF8831



**Place:** Gurugram  
**Date:** 25 June 2020

**Annexure A to the Independent Auditor's Report of even date to the members of Simon India Limited on the financial statements for the year ended 31 March 2020**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (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 physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold 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; 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 the principal and interest amounts are not due for repayment currently;
  - (c) there is no overdue amount in respect of loans granted to such company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 186 of the Act in respect of loans, investments and security. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.



## Annexure A to the Independent Auditor's Report of even date to the members of Simon India Limited on the financial statements for the year ended 31 March 2020

- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Nature of statute	Nature of Dues	Amount (INR lakhs) in	Amount paid under protest (INR in lakhs)	Period which amount relates to the	Forum where dispute is pending
Income Tax Act, 1961	Income tax	315.91	-	Financial year 2008-09	Hon'ble High Court of Delhi
Income Tax Act, 1961	Income tax	4.07	4.07	Financial year 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	18.35	18.35	Financial year 2013-14	Income Tax Appellate Tribunal
Financial Act, 1994	Service tax demand	89.59	-	Financial year 2008-09 to 2011-12	Commissioner of Central Tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank. The Company did not have any outstanding debentures, loan from financial institution or government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Simon India Limited on the financial statements for the year ended 31 March 2020

- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Neeraj Goel*

**Neeraj Goel**

Partner

Membership No.: 099514

UDIN: 20099514AAAADF8831



**Place:** New Delhi

**Date:** 25 June 2020



## **Annexure B to the Independent Auditor's Report of even date to the members of Simon India Limited on the financial statements for the year ended 31 March 2020**

### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Simon India Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal controls 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 issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the 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.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

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

6. A company's internal financial controls 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 controls with reference to financial statements include 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



## Annexure B to the Independent Auditor's Report of even date to the members of Simon India Limited on the financial statements for the year ended 31 March 2020 (cont'd)

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to financial statements as at 31 March 2020:

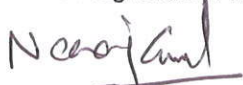
The Company's internal financial controls over recognition of deferred tax assets with respect to assessing future taxable income in accordance with Indian Accounting Standard 12, 'Income Taxes', was not operating effectively, which could potentially result in material misstatements in the carrying value of deferred tax assets and its consequential impact on the earnings, reserves and related disclosures in the financial statements due to recognition of deferred tax assets without establishing convincing evidence that sufficient future taxable income will be available against which the unused tax losses or unused tax credits can be utilised by the Company.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements as at 31 March 2020, based on internal controls 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 issued by the Institute of Chartered Accountants of India, and except for the effects of the material weakness described above on the achievement of objectives of the control criteria, the Company's internal financial controls with reference to the financial statements were operating effectively as at 31 March 2020.
11. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2020, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Neeraj Goel**

Partner

Membership No.: 099514

UDIN: 20099514AAAADF8831



Place: Gurugram

Date: 25 June 2020

**Simon India Limited**  
**Balance Sheet as at 31 March 2020**  
*(All amounts in INR lakhs, unless stated otherwise)*

	Notes	As at 31 March 2020	As at 31 March 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	99.43	103.22
Other intangible assets	4	38.45	72.38
<b>Financial assets</b>			
(i) Investments	5a	3,669.33	4,772.18
(ii) Loans	5b	4,391.20	-
(iii) Other financial assets	5c	-	36.23
Deferred tax assets (net)	18	1,836.85	1,422.12
Income-tax assets (net)		1,151.02	1,396.18
Other non-current assets	6	998.56	1,216.57
<b>Total non-current assets</b>		<b>12,184.84</b>	<b>9,018.88</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Trade receivables	7	5,135.84	4,530.06
(ii) Cash and cash equivalents	8	948.97	903.52
(iii) Bank balances other than (ii) above	9	161.77	202.84
(iv) Loans	5b	15.29	1,321.94
(v) Other financial assets	5c	518.25	5,612.32
Other current assets	6	1,186.17	1,994.64
<b>Total current assets</b>		<b>7,966.29</b>	<b>14,565.32</b>
<b>Total assets</b>		<b>20,151.13</b>	<b>23,584.20</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	500.00	500.00
Other equity	11	6,622.31	9,237.53
<b>Total equity</b>		<b>7,122.31</b>	<b>9,737.53</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	12	4,468.96	10.54
Provisions	17	73.86	107.79
<b>Total non-current liabilities</b>		<b>4,542.82</b>	<b>118.33</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	13	805.00	1,750.00
(ii) Trade payables			
(A) total outstanding due to micro enterprise and small enterprise;	14	1,026.60	442.17
(B) total outstanding due to creditors other than micro enterprise and small enterprise	14	4,619.29	5,835.35
(iii) Other financial liabilities	15	445.48	5.44
Other current liabilities	16	236.03	3,257.91
Provisions	17	1,353.60	2,437.47
<b>Total current liabilities</b>		<b>8,486.00</b>	<b>13,728.34</b>
<b>Total equity and liabilities</b>		<b>20,151.13</b>	<b>23,584.20</b>

Summary of significant accounting policies 2.1  
The accompanying notes are an integral part of the financial statements

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

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Neeraj Goel**  
Partner  
Membership No.: 099514  
Place : Gurugram  
Date : 25 June 2020



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

**Soundararaghavan Rangachari**  
Chairman  
DIN No.: 00362555  
Place: Gurugram  
Date : 11 June 2020

**Ram Mohan Garg**  
Chief Financial Officer  
Place: Faridabad  
Date : 11 June 2020

**Rakesh Verma**  
CEO & Executive Director  
DIN No.: 08103465  
Place: New Delhi  
Date : 11 June 2020

**Gaurav Butta**  
Company Secretary  
Membership No.: 24445  
Place: New Delhi  
Date : 11 June 2020

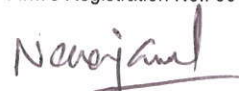


Simon India Limited  
Statement of Profit and Loss for the year ended 31 March 2020  
(All amounts in INR lakhs, unless stated otherwise)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>I. REVENUE</b>			
Revenue from operations	19	6,992.50	25,168.14
Other income	20	1,227.59	852.08
<b>Total Revenue (I)</b>		<b>8,220.09</b>	<b>26,020.22</b>
<b>II. EXPENSES</b>			
Project expenses	21	6,085.02	22,521.19
Employee benefits expense	22	2,008.65	2,512.29
Finance costs	23	561.00	184.68
Depreciation and amortization expense	24	71.37	79.89
Other expenses	25	1,260.62	1,711.68
<b>Total expenses (II)</b>		<b>9,986.66</b>	<b>27,009.73</b>
<b>III. Loss before tax (I-II)</b>		<b>(1,766.57)</b>	<b>(989.51)</b>
<b>IV. Tax credit:</b>			
Current tax reversals	18	(0.06)	(27.22)
Deferred tax credit	18	(416.60)	(262.24)
<b>Total tax credit</b>		<b>(416.66)</b>	<b>(289.46)</b>
<b>V. Loss for the year (III-IV)</b>		<b>(1,349.91)</b>	<b>(700.05)</b>
<b>VI. Other comprehensive income</b>			
<b>A Items that will be reclassified to profit or loss</b>			
Foreign currency translation reserve		18.58	(0.57)
<b>B Items that will not be reclassified to profit or loss</b>			
Re-measurement gains on defined benefit plans		(1,283.89)	55.16
Income-tax effect		7.18	3.19
Net gain on FVTOCI equity securities		(1.87)	(0.83)
Income-tax effect	18	(1,289.20)	52.80
<b>Total (A + B)</b>		<b>(1,265.31)</b>	<b>54.59</b>
<b>VII. Total comprehensive loss for the year (V + VI)</b>		<b>(2,615.22)</b>	<b>(645.46)</b>
<b>VIII. Earnings per equity share {nominal value of share of INR 10 (31 March 2019: INR 10)}</b>			
Basic (INR)	28	(27.00)	(14.00)
Diluted (INR)	28	(27.00)	(14.00)
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements			

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

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



Neeraj Goel  
Partner  
Membership No.: 099514  
Place : Gurugram  
Date : 25 June 2020



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



Soundararaghavan Rangachari  
Chairman  
DIN No.: 00362555  
Place: Gurugram  
Date : 11 June 2020



Rakesh Verma  
CEO & Executive Director  
DIN No.: 08103465  
Place: New Delhi  
Date : 11 June 2020



Ram Mohan Garg  
Chief Financial Officer  
Place: Faridabad  
Date : 11 June 2020



Gaurav Dutta  
Company Secretary  
Membership No.: 24445  
Place: New Delhi  
Date : 11 June 2020



Simon India Limited  
Statement of Changes in Equity for the year ended 31 March 2020  
(All amounts in INR lakhs, unless stated otherwise)

(a) Equity Share Capital

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>				
Issued, subscribed and fully paid up equity shares outstanding at the beginning of the year	5,000,000	500.00	5,000,000	500.00
Add: Shares issued during the year	-	-	-	-
<b>Issued, subscribed and fully paid up equity shares outstanding at the end of the year</b>	<b>5,000,000</b>	<b>500.00</b>	<b>5,000,000</b>	<b>500.00</b>

(b) Other equity

For the year ended 31 March 2020

	Retained Earnings Surplus in the statement of profit and loss	Items of OCI		Total
		FCTR	Equity instruments through OCI	
<b>As at 1 April 2018</b>	<b>7,506.86</b>	<b>(4.16)</b>	<b>2,380.29</b>	<b>9,882.99</b>
Loss for the year	(700.05)	-	-	(700.05)
Other comprehensive income	2.36	(0.57)	52.80	54.59
<b>At 31 March 2019</b>	<b>6,809.17</b>	<b>(4.73)</b>	<b>2,433.09</b>	<b>9,237.53</b>
Loss for the year	(1,349.91)	-	-	(1,349.91)
Other comprehensive income	5.31	18.58	(1,289.20)	(1,265.31)
<b>At 31 March 2020</b>	<b>5,464.57</b>	<b>13.85</b>	<b>1,143.89</b>	<b>6,622.31</b>

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Neeraj Goel*

Neeraj Goel  
Partner  
Membership No.: 099514  
Place: Gurugram  
Date : 25 June 2020



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

*Soundararaghavan Rangashari*  
Soundararaghavan Rangashari  
Chairman  
DIN No.: 00362555

Place: Gurugram  
Date : 11 June 2020

*Ram Mohan Garg*  
Ram Mohan Garg  
Chief Financial Officer

Place: Faridabad  
Date : 11 June 2020

*Rakesh Verma*  
Rakesh Verma  
CEO & Executive Director  
DIN No.: 08103465  
Place: New Delhi  
Date : 11 June 2020

*Gaurav Dutta*  
Gaurav Dutta  
Company Secretary  
Membership No.: 24445  
Place: New Delhi  
Date : 11 June 2020



Simon India Limited  
Statement of Cash Flows for the year ended 31 March 2020  
(All amounts in INR lakhs, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(1,766.57)	(989.51)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expense	71.37	79.89
Loss on sale of property, plant and equipment "PPE" (net)	0.21	-
Loss allowances on trade receivables	45.67	95.49
Bad debts written off	58.78	-
Interest income	(465.05)	(248.66)
Dividend income	(132.00)	(44.16)
Finance cost	561.00	184.68
Exchange fluctuation (net)	(28.02)	(38.90)
Fair value gain on financial assets at fair value through profit or loss	(186.35)	(159.29)
Amortisation of deferred fair valuation loss	186.35	159.29
Provision for warranties (reversed)/created (net)	(566.69)	1,506.64
Excess provision and credit balances written back	(168.12)	(71.41)
	<b>(2,389.42)</b>	<b>474.06</b>
<b>Working capital adjustments:</b>		
Movement in trade payables	(463.51)	(273.41)
Movement in provisions current and non current liabilities	(543.93)	(85.39)
Movement in other current liabilities	(3,021.88)	335.75
Movement in trade receivables	(682.21)	3,354.05
Movement in other financial assets	5,477.99	(5,416.62)
Movement in other current and non current assets	840.13	324.49
<b>Cash used in operations</b>	<b>(782.83)</b>	<b>(1,287.07)</b>
Income-tax refund (net)	245.22	27.42
<b>Net cash used in operating activities</b>	<b>(537.61)</b>	<b>(1,259.65)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of PPE including capital advance	(35.12)	(97.28)
Sale of PPE	1.26	0.07
Purchase of current investments	-	(2,650.00)
Sale of current investments	-	2,652.36
Dividend received	132.00	41.80
Movement in fixed deposits	75.96	(97.16)
Loans given	(3,134.08)	(3,061.78)
Loans received back	-	3,542.95
Interest received	131.99	278.53
<b>Net cash flow (used in)/from investing activities</b>	<b>(2,827.99)</b>	<b>609.49</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	3,714.00	-
Repayment of non-current borrowings	(5.35)	(4.92)
Proceeds from current borrowings	2,476.00	7,430.00
Repayment of current borrowings	(2,671.00)	(5,880.00)
Finance cost paid	(121.18)	(184.71)
<b>Net cash flow from financing activities</b>	<b>3,392.47</b>	<b>1,360.37</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>26.87</b>	<b>710.21</b>
Exchange fluctuation translation difference	18.58	(0.57)
Cash and cash equivalents at the beginning of the year	903.52	193.88
<b>Cash and cash equivalents at the end of the year</b>	<b>948.97</b>	<b>903.52</b>
<b>Components of cash and cash equivalents: (note 8)</b>		
Balances with banks on current accounts	946.25	902.04
Cash in hand	2.72	1.48
	<b>948.97</b>	<b>903.52</b>

This is the Statement of Cash Flows referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Neeraj Goel*  
Neeraj Goel  
Partner

Membership No.: 099514

Place : Gurugram  
Date : 25 June 2020



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

*Soundararaghavan Rangachari*  
Soundararaghavan Rangachari  
Chairman

DIN No.: 00362555

Place: Gurugram  
Date : 11 June 2020

*Ram Mohan Garg*  
Ram Mohan Garg

Chief Financial Officer

Place: Faridabad  
Date : 11 June 2020

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

Place: New Delhi  
Date : 11 June 2020

*Gaurav Dutta*  
Gaurav Dutta

Company Secretary  
Membership No.: 24445

Place: New Delhi  
Date : 11 June 2020



# Simon India Limited

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### 1. Corporate information

The financial statements of "Simon India Limited" ("the Company" or "SIL") are for the year ended 31 March 2020. 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. Information on related party relationships of the Company is provided in Note 35.

The financial statements were approved for issue in accordance with a resolution of the directors on 11 June 2020.

### 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 lakhs 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.



# Simon India Limited

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of PPE shall be recognized as an asset if, and only if:

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

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

### Depreciation on property, plant and equipment

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

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

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

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

### c. Intangible assets

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

#### Recognition:

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

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

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

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

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

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

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





## Simon India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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

#### d. Leases

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

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



## Simon India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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.



# Simon India Limited

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### 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 (none of which has the currency of a hyperinflationary economy) 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 recognized 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.



# Simon India Limited

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### 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



## Simon India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 (see Note 16). 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



# Simon India Limited

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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



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## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

### 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.



# Simon India Limited

## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 whilst 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:

- The rights to receive cash flows from the asset have expired, or
- 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.





## Simon India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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



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## Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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.



## Simon India Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

**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.

**t. Recent Indian Accounting Standards**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

**i. Amended standards adopted by the Company**

The Company has applied newly effective Ind AS 116 "leases" for the first time in the financial year 2019-20 which has superseded the erstwhile Ind AS 17 "Leases" including its appendices. On transition, the Company has applied the optional 'short-term lease' exemption to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. Therefore, Ind AS 116 does not have any impact on the leases of the Company. Refer note 35 for the disclosures of Ind AS 116.

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Simon India Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
 (All amounts in INR lakhs, unless stated otherwise)

**3. Property, plant and equipment**

Particulars	Office equipment	Computers	Lease hold improvements	Technical codes and standards	Furniture and fittings	Vehicles*	Total
<b>Gross block</b>							
As at 1 April 2018	26.03	103.44	9.30	1.37	4.63	21.98	166.75
Additions	1.47	38.35	-	0.05	0.25	-	40.12
Disposals	-	0.07	-	-	-	-	0.07
<b>As at 31 March 2019</b>	<b>27.50</b>	<b>141.72</b>	<b>9.30</b>	<b>1.42</b>	<b>4.88</b>	<b>21.98</b>	<b>206.80</b>
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
<b>As at 31 March 2020</b>	<b>27.20</b>	<b>139.82</b>	<b>9.30</b>	<b>1.42</b>	<b>39.64</b>	<b>21.98</b>	<b>239.36</b>
<b>Accumulated depreciation</b>							
As at 1 April 2018	6.75	50.08	6.00	1.01	1.77	0.63	66.24
Charge for the year	4.52	27.52	2.00	0.07	0.62	2.61	37.34
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2019</b>	<b>11.27</b>	<b>77.60</b>	<b>8.00</b>	<b>1.08</b>	<b>2.39</b>	<b>3.24</b>	<b>103.58</b>
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
<b>As at 31 March 2020</b>	<b>15.28</b>	<b>106.33</b>	<b>8.52</b>	<b>1.13</b>	<b>2.82</b>	<b>5.85</b>	<b>139.93</b>
<b>Net block</b>							
As at 31 March 2019	16.23	64.12	1.30	0.34	2.49	18.74	103.22
As at 31 March 2020	11.92	33.49	0.78	0.29	36.82	16.13	99.43

\*Refer to note 12 for information on vehicle pledged as security against non-current borrowings.

**4. Other intangible assets**

Particulars	Software
<b>Gross block</b>	
As at 1 April 2018	183.52
Additions	57.16
Disposals	-
<b>As at 31 March 2019</b>	<b>240.68</b>
As at 1 April 2019	240.68
Additions	-
Disposals	-
<b>As at 31 March 2020</b>	<b>240.68</b>
<b>Amortization</b>	
As at 1 April 2018	125.75
Charge for the year	42.55
Disposals	-
<b>As at 31 March 2019</b>	<b>168.30</b>
As at 1 April 2019	168.30
Charge for the year	33.93
Disposals	-
<b>As at 31 March 2020</b>	<b>202.23</b>
<b>Net block</b>	
As at 31 March 2019	72.38
As at 31 March 2020	38.45



Simon India Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lakhs, unless stated otherwise)

5. Financial assets

5a. Investments

Particulars	Non current	
	As at 31 March 2020	As at 31 March 2019
<b>Investments in equity shares</b>		
<b>Investments at fair value through OCI:</b>		
<b>Quoted:</b>		
2,200,000 (31 March 2019: 2,200,000) equity shares of INR 10 each fully paid-up of Chambal Fertilisers and Chemicals Limited	2,385.90	3,675.10
	<u>2,385.90</u>	<u>3,675.10</u>
<b>Unquoted:</b>		
9,800 (31 March 2019: 9,800) equity shares of Omani Riyal 1 each fully paid-up of Simon Engineering and Partners LLC, Sultanate of OMAN (refer note 35 for details of related party balances)	10.45	10.45
<b>Less: Impairment in value of investments (refer note 40)</b>	<u>(10.45)</u>	<u>(10.45)</u>
	-	-
<b>Investment in preference shares</b>		
<b>Investments at fair value through profit or loss:</b>		
<b>Unquoted:</b>		
25,000,000 (31 March 2019: 25,000,000) 7% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCRPS) of INR 10 each fully paid up in Gobind Sugar Mills Limited ('GSML') (refer note 35 for details of related party balances)	1,283.43	1,097.08
	<u>1,283.43</u>	<u>1,097.08</u>
	<u>3,669.33</u>	<u>4,772.18</u>
Aggregate amount of quoted investments	2,385.90	3,675.10
Aggregate market value of quoted investments	2,385.90	3,675.10
Aggregate amount of unquoted investments	1,293.88	1,107.53
Aggregate amount of impairment in value of investments	10.45	10.45

5b. Loans

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>Unsecured – considered good</b>				
Loans to related party (refer note 35 for details of related party balances)*	4,391.20	-	-	1,257.12
Security deposits	-	-	15.29	64.82
	<u>4,391.20</u>	<u>-</u>	<u>15.29</u>	<u>1,321.94</u>

\*During the current year, the Company has given Inter Corporate Deposits ('ICDs') to its related parties having outstanding balance of INR 4,391.20 lakhs (31 March 2019: INR 1,257.12 lakhs), which were originally given for a period of less than 12 months (refer note 38 for disclosure required under Section 186 (4) of the Companies Act, 2013). However, pursuant to changes in terms and conditions of repayment, these ICDs (including opening amount of current ICDs) are now receivable after 24 months from the reporting date, hence these have been reclassified as non-current as at 31 March 2020.

5c. Other financial assets

Particulars	Non current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Balances with banks - in deposit accounts*	-	34.89	-	-
Interest accrued but not due on loans/ deposits (refer note 35 for details of related party balances)	-	1.34	338.18	3.80
Other receivables (refer note 35 for details of related party balances)	-	-	-	6.25
<b>Contract assets**:</b>				
Unbilled revenue	-	-	180.07	5,602.27
	<u>-</u>	<u>36.23</u>	<u>518.25</u>	<u>5,612.32</u>

\*Amount pledged with banks of Nil (31 March 2019: INR 34.89 lakhs)

\*\*refer note 26 for details of significant changes in contract assets

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**6. Other assets**

Particulars	Non current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Deferred losses on investment in NCRPS of GSML (refer note 35 for details of related party balances)	998.56	1,216.57	218.00	186.35
Balance with statutory authorities	-	-	715.40	1,431.53
Advance to employees	-	-	14.63	7.39
Advance to vendors	-	-	73.76	327.30
Capital advances paid to:				
- related party (refer note 35 for details of related party balances)	-	-	15.78	-
- others	-	-	133.05	-
Prepaid expenses	-	-	7.68	40.30
Prepaid lease	-	-	-	1.77
Gratuity plan asset (refer note 34 for Ind AS 19 disclosures)	-	-	7.87	-
	<b>998.56</b>	<b>1,216.57</b>	<b>1,186.17</b>	<b>1,994.64</b>

**7. Trade receivables**

Particulars	As at	As at
	31 March 2020	31 March 2019
Trade receivables - related parties (refer note 35 for details of related party balances)	237.55	275.66
Trade receivables - others	5,068.74	4,768.15
	<b>5,306.29</b>	<b>5,043.81</b>
Less: Loss allowances (refer note 30 for reconciliation of loss allowances)	170.45	513.75
	<b>5,135.84</b>	<b>4,530.06</b>

**Break-up for security details:**

Particulars	As at	As at
	31 March 2020	31 March 2019
Secured - considered good	-	-
Unsecured - considered good	5,135.84	4,530.06
Trade receivables which have significant increase in credit risk	-	-
Unsecured - credit impaired	170.45	513.75
	<b>5,306.29</b>	<b>5,043.81</b>
Less: Loss allowances (refer note 30 for reconciliation of loss allowances)	(170.45)	(513.75)
	<b>5,135.84</b>	<b>4,530.06</b>

**8. Cash and cash equivalents**

Particulars	As at	As at
	31 March 2020	31 March 2019
Balances with banks on current accounts	946.25	902.04
Cash on hand	2.72	1.48
	<b>948.97</b>	<b>903.52</b>

There are no repatriation restriction with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

**9. Other bank balances**

Particulars	As at	As at
	31 March 2020	31 March 2019
<b>Bank Balances:</b>		
Deposits with original maturity for more than 3 months but less than 12 months*	161.77	202.84
	<b>161.77</b>	<b>202.84</b>

\*Including fixed deposit receipts pledged with banks for INR 160.54 lakhs (31 March 2019: INR 202.84 lakhs) as margin money.

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10. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Authorized:</b>		
5,000,000 (31 March 2019: 5,000,000) equity shares of INR 10 each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>Issued subscribed and paid up:</b>		
5,000,000 (31 March 2019: 5,000,000) equity shares of INR 10 each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>A. Reconciliation of shares outstanding at the beginning and end of the reporting year</b>		
Outstanding at the beginning of the year	5,000,000	5,000,000
Issued during the year	-	-
Shares bought back	-	-
<b>Outstanding at the end of the year</b>	<b>5,000,000</b>	<b>5,000,000</b>

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. Shares held by holding company

Particulars	As at 31 March 2020	As at 31 March 2019
Zuari Global Limited	500.00	500.00
5,000,000 (31 March 2019: 5,000,000) equity shares of INR 10 each		

D. Details of shareholders holdings more than 5% shares

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	Percentage of holding	Number of shares held	Percentage of holding
<b>Equity shares</b>				
Zuari Global Limited	5,000,000	100%	5,000,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

E. Shares issued for consideration other than cash

Particulars	As at 31 March 2020	As at 31 March 2019
Issue of shares for consideration other than cash	Nil	Nil

11. Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Retained earnings/ Surplus in the statement of profit and loss</b>		
Balance brought forward from last year's account (retained earnings)	6,809.17	7,506.86
Add: Loss for the year	(1,349.91)	(700.05)
Add: Re-measurement gains on defined benefit plans (net of taxes)	5.31	2.36
	<b>5,464.57</b>	<b>6,809.17</b>
<b>FVTOCI Reserve</b>		
Balance brought forward from last year's account	2,433.09	2,380.29
Add/(less): Movement during the year	(1,289.20)	52.80
	<b>1,143.89</b>	<b>2,433.09</b>
<b>Foreign currency translation reserve:</b>		
Balance as per last financial statements	(4.73)	(4.16)
Add/(less): Movement during the year	18.58	(0.57)
	<b>13.85</b>	<b>(4.73)</b>
	<b>6,622.31</b>	<b>9,237.53</b>

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.



## 12. Non-current borrowings

Particulars	Non Current	
	As at 31 March 2020	As at 31 March 2019
<b>Secured</b>		
Vehicle loan	10.54	15.89
<b>Unsecured</b>		
Loans from related parties (refer note 35 for details of related party balances)	4,464.00	-
<b>Less : Amount disclosed under the head "other current liabilities"</b>	<b>5.58</b>	<b>5.35</b>
	<b>4,468.96</b>	<b>10.54</b>

### (a) Vehicle loans from bank

Type of Loan	Principal amount (INR)	Installment	Amount outstanding (INR)	Number of installment	Installment amount (INR)	Rate of interest	Hypothecation of
Vehicle loan	21.98	Monthly	10.54	48	0.54	8.51%	Vehicle

### (b) Loan from related parties

(i) Unsecured loan taken from Zuari Global Limited ("Holding Company") during the year at annual rate of interest of 14%, originally repayable within 12 months, having outstanding balance of INR 3,714.00 lakhs (31 March 2019: Nil). Pursuant to changes in terms and conditions of repayment, the loan is now repayable after 24 months from the reporting date, hence it has been reclassified as non-current as at 31 March 2020.

(ii) Unsecured loan taken on 29 March 2019 from Zuari Management Services Limited, at annual rate of interest of 16.75%, originally repayable in 6 months, having outstanding balance of INR 750.00 lakhs (31 March 2019: INR 750.00 lakhs). Pursuant to changes in terms and conditions of repayment, the loan is now repayable after 24 months from the reporting date, hence it has been reclassified as non-current as at 31 March 2020.

## 13. Current borrowings

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
<b>Secured</b>		
Loan from bank	-	1,000.00
<b>Unsecured</b>		
Loans from related party (refer note 35 for details of related party balances)	805.00	750.00
	<b>805.00</b>	<b>1,750.00</b>

### (a) Loan from bank

Secured loan taken on 5 March 2019 from ICICI Bank Limited, amounting to INR 1,000.00 lakhs at annual rate of interest of 11% and maximum tenor of repayment is 6 months. Outstanding book balance of such loan as on 31 March 2020 is Nil (31 March 2019: INR 1,000.00 lakhs). The said facility was secured by first pari passu charge over entire current assets of the Company, both present and future.

### (b) Loan from related party

(i) Unsecured loan taken during the year from Zuari Global Limited ("Holding Company"), at annual rate of interest of 14%-14.25% having outstanding balance of INR 805.00 lakhs (31 March 2019: Nil), repayable in 12 months from the reporting date.

(ii) Unsecured loan taken on 29 March 2019 from Zuari Management Services Limited, at annual rate of interest of 16.75% amounting to INR 750.00 lakhs, originally repayable in 6 months. The same has been classified as non-current due to extension in repayment period. Refer note 12(b)(ii) above.

## 13.1 Changes in liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

Particulars	Non-current borrowings (including current maturities and interest accrued)	Current borrowings (including interest accrued)
	<b>As at 1 April 2018</b>	20.91
<b>Cash adjustments</b>		
Proceeds from current borrowings	-	7,430.00
Repayment of non-current borrowing	(4.92)	-
Repayment of current borrowing	-	(5,880.00)
Interest payments	(1.57)	(173.10)
<b>Non-cash adjustments</b>		
Interest cost /accruals (refer note 23)	1.56	173.10
<b>As at 31 March 2019</b>	<b>15.98</b>	<b>1,750.00</b>
<b>As at 1 April 2019</b>	<b>15.98</b>	<b>1,750.00</b>
<b>Cash adjustments</b>		
Proceeds from current borrowings	-	2,476.00
Proceeds from non-current borrowings (including current maturities)	3,714.00	-
Repayment of non-current borrowing	(5.35)	-
Repayment of current borrowing	-	(2,671.00)
Interest payments	(46.24)	(56.12)
<b>Non-cash adjustments</b>		
Interest cost /accruals (refer note 23)	428.82	113.35
Change in classification of borrowing	750.00	(750.00)
<b>As at 31 March 2020</b>	<b>4,857.21</b>	<b>862.23</b>





#### 14. Trade payables

Particulars	As at	As at
	31 March 2020	31 March 2019
<b>Trade payables</b>		
Dues to micro and small enterprises	1,026.60	442.17
Dues to related parties (refer note 35 for details of related parties balances)	50.20	1.69
Dues to others	4,569.09	5,833.66
	<b>5,645.89</b>	<b>6,277.52</b>

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

Particulars	31 March 2020	31 March 2019
i) Principal amount due to suppliers under MSMED Act	1,026.60	442.17
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.	-	-
	<b>1,026.60</b>	<b>442.17</b>

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.

#### 15. Other financial liabilities

Particulars	As at	As at
	31 March 2020	31 March 2019
Current maturities of non-current borrowings (refer note 12)	5.58	5.35
Interest accrued but not due on borrowings (refer note 35 for details of related party balances)	439.90	0.09
	<b>445.48</b>	<b>5.44</b>

#### 16. Other current liabilities

Particulars	As at	As at
	31 March 2020	31 March 2019
Statutory dues	114.33	169.06
<b>Contract liabilities*</b> :		
Deferred revenue	101.20	1,125.75
Advances from customers	20.50	1,963.10
	<b>236.03</b>	<b>3,257.91</b>

\*Refer note 26 for details of significant changes in contract liabilities

#### 17. Provisions (current and non-current)

Particulars	Non current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 34 for Ind AS 19 disclosures)	-	-	-	9.21
Provision for leave benefits (refer note 34 for Ind AS 19 disclosures)	73.86	107.79	20.37	24.72
<b>Provision for warranty*</b>				
	-	-	1,333.23	2,403.54
	<b>73.86</b>	<b>107.79</b>	<b>1,353.60</b>	<b>2,437.47</b>

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

#### Provision for warranty

Particulars	As at	As at
	31 March 2020	31 March 2019
At the beginning of the year	2,403.54	896.90
Arising during the year	119.49	1,506.64
Utilised during the year	(503.62)	-
Unused amounts reversed	(686.18)	-
<b>At the end of the year</b>	<b>1,333.23</b>	<b>2,403.54</b>



18. Income-tax

The major components of income-tax expense for the years ended 31 March 2020 and 31 March 2019 are:

(a) Profit or loss section

	As at 31 March 2020	As at 31 March 2019
<b>Current income tax:</b>		
Current income-tax (including earlier years):	(0.06)	(27.22)
Deferred tax	(416.60)	(262.24)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(416.66)</b>	<b>(289.46)</b>

(b) OCI section

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

	As at 31 March 2020	As at 31 March 2019
Net gain on remeasurements of defined benefit plans	(7.18)	(3.19)
Deferred tax charged to OCI	1.87	0.83

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31 March 2020 and 31 March 2019

Particulars	As at 31 March 2020	As at 31 March 2019
Accounting loss before Income-tax	(1,766.57)	(989.51)
At India's statutory income-tax rate of 25.168% (31 March 2019: 26.00%)	(444.61)	(257.27)
Adjustments in respect of current income-tax of previous year	(0.06)	(27.22)
<b>Tax effects of non-deductible expenses for tax purposes:</b>		
Donation and CSR expenses	0.76	1.99
Interest on delayed payment of taxes and other disallowances	10.93	1.40
<b>Tax effects of income not considered for tax purposes:</b>		
Dividend Income on current investments	-	(0.61)
Dividend Income on non-current investments	(33.22)	(10.87)
<b>Impact of others items:</b>		
Change in tax rate deferred tax calculated at 25.168% (31 March 2019: 26.00%)	45.50	-
Others	4.04	3.14
<b>Income-tax expense reported in the statement of profit and loss</b>	<b>(416.67)</b>	<b>(289.46)</b>

(d) Deferred tax:

Particulars	As at 1 April 2018	Provided during the year	As at 31 March 2019	Provided during the year	As at 31 March 2020
<b>Deferred tax liability:</b>					
Fixed assets Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	0.78	7.22	8.00	(6.30)	1.70
Taxable temporary differences on change in fair value of Investments carried at FVTOCI*	9.74	15.33	25.07	(25.07)	-
<b>Total deferred tax liability (A)</b>	<b>10.52</b>	<b>22.55</b>	<b>33.07</b>	<b>(31.37)</b>	<b>1.70</b>
<b>Deferred tax assets:</b>					
Provision for loss allowances	108.33	25.25	133.58	(90.68)	42.90
Expenses allowable in Income-tax on payment basis and deposition of statutory dues	48.39	(11.56)	36.83	0.07	36.90
Unabsorbed depreciation and business loss	993.30	266.41	1,259.71	499.04	1,758.75
Unabsorbed capital losses*	9.74	15.33	25.07	(25.07)	-
Provision for forecasted loss	11.47	(11.47)	-	-	-
<b>Total deferred tax assets (B)</b>	<b>1,171.23</b>	<b>283.96</b>	<b>1,455.19</b>	<b>383.36</b>	<b>1,838.55</b>
<b>Deferred Tax Asset (Net) (B - A)</b>	<b>1,160.71</b>	<b>261.41</b>	<b>1,422.12</b>	<b>414.73</b>	<b>1,836.85</b>

\*Capital gain from sale of Investments carried at FVTOCI can be set off with the bought forward capital losses on which the Company has not created deferred tax assets. In the previous year, the management of the Company had created deferred tax assets on bought forward capital losses to the extent of taxable temporary differences on change in fair value of Investments carried at FVTOCI. Consequently, the tax impact on fair valuation of Investments carried at FVTOCI was Nil. In the current year, there is no taxable temporary differences on change in fair value of investments carried at FVTOCI, hence deferred tax assets created in the previous year has been reversed. Refer notes (c) and (d) below for details of taxable temporary differences and unused capital tax losses for which no deferred tax assets are recognised.

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**(e) Reconciliation of deferred tax assets (net):**

	As at 31 March 2020	As at 31 March 2019
Opening balance	(1,422.12)	(1,160.71)
Tax credit during the year recognised in profit or loss	(416.60)	(262.24)
Tax expense during the year recognised in OCI	1.87	0.83
Closing balance	<b>(1,836.85)</b>	<b>(1,422.12)</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Notes:**

i) The Company has elected to exercise the option of reduced income-tax rate permitted under section 115BBA of Income-tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the applicable tax rate of Income Tax shall be 22% plus applicable surcharge and cess, i.e. 25.168% and deferred tax assets (net) are re-measured, basis the rate prescribed in the said section subject to certain conditions as prescribed therein. Impact on account of change in income tax rates amounting to INR 45.50 lakhs has been recognized during the year ended 31 March 2020. Accordingly, tax expense presented in the financial statements for the year ended 31 March 2020 is higher by one time charge of INR 45.50 lakhs on account of remeasurement of deferred tax assets (net).

ii) The Company has recognised deferred tax assets (net of deferred tax liabilities) of INR 1,836.85 lakhs (including INR 414.73 lakhs recognized during the year) on carried forward business losses, unabsorbed depreciation and other timing differences. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved budgets. The Company is expected to generate taxable income from 2021 onwards. As per tax regulations, the losses can be carried forward for a period of 8 years from the year in which the same have been incurred and the Company expects to recover these losses before expiry of the said period and accordingly, the Company has recognized the deferred tax assets on unused tax losses and other temporary differences during the year.

iii) The Company has not recognised deferred tax assets on unused capital tax losses in absence of reasonable certainty and availability of sufficient future taxable capital gain income against which such losses shall be utilised.

**The amount of unused capital tax losses on which no deferred tax assets are recognised amounted to:**

	As at 31 March 2020		As at 31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Unused capital tax losses	68.06	6.83	96.83	9.72

**The unused capital tax losses for which no deferred tax assets are recognised are as follows:**

Year of expiry	As at	
Financial year ending 31 March	31 March 2020	31 March 2019
2019-20	-	28.77
2020-21	67.30	67.30
2024-25	0.76	0.76

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Simon India Limited  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
*(All amounts in INR lakhs, unless stated otherwise)*

**19. Revenue from operations**

Particulars	For the period ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue from contracts with customers</b>		
Sale of engineering supplies and services (refer note 26 for disclosure of IND AS 115)	6,992.50	25,168.14
	<b>6,992.50</b>	<b>25,168.14</b>

**20. Other income**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Interest on</b>		
Bank deposits	15.11	19.21
Loans	447.92	225.28
Income-tax refund	145.15	175.65
Other	2.01	4.17
<b>Dividend from</b>		
Investments mandatorily measured at FVTPL	-	2.36
Equity investments designated at FVTOCI	132.00	41.80
Excess provision and credit balances written back	168.12	71.41
Foreign exchange fluctuation (net)	22.67	24.07
Fair value gain on financial assets at FVTPL	186.35	159.29
Miscellaneous income	108.26	128.84
	<b>1,227.59</b>	<b>852.08</b>

**21. Project expenses**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Project supplies	2,407.81	15,777.67
Travelling and conveyance	172.72	218.48
Sub-contracting fee	3,591.73	4,381.33
Professional fees	265.56	362.73
Insurance	63.00	43.61
Bank charges	19.77	104.75
Site office expenses	73.92	101.68
Printing, stationery and communication	2.98	41.94
Rates and taxes	39.13	-
Provision for expected loss reversed	-	(44.12)
Provision for warranties (refer note 17)	119.49	1,506.64
Warranty provision of earlier years reversed (refer note 17)	(686.18)	-
Miscellaneous expenses	15.09	26.48
	<b>6,085.02</b>	<b>22,521.19</b>

**22. Employee benefits expense**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	1,891.79	2,350.14
Contribution to provident and other funds (refer note 34)	74.27	85.69
Gratuity (refer note 34)	17.19	20.51
Leave compensation (refer note 34)	10.21	38.63
Staff welfare expenses	15.19	17.32
	<b>2,008.65</b>	<b>2,512.29</b>

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**Simon India Limited**  
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
*(All amounts in INR lakhs, unless stated otherwise)*

**23. Finance costs**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense	542.17	174.66
Other borrowing cost	18.83	10.02
	<b>561.00</b>	<b>184.68</b>

**24. Depreciation and amortization expense**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of tangible assets (refer note 3)	37.44	37.34
Amortisation of intangible assets (refer note 4)	33.93	42.55
	<b>71.37</b>	<b>79.89</b>

**25. Other expenses**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	58.82	61.61
Rent	290.49	308.25
Travelling and conveyance	48.62	66.99
Communication costs	27.70	40.33
Printing and stationery	1.68	7.96
Rates and taxes	38.46	139.25
Insurance	0.74	0.57
Repairs and maintenance (others)	222.64	227.08
Legal and professional fees	244.34	520.38
Payments to auditors (refer note 25(a) below)	15.13	13.84
Business promotion expenses	0.02	10.83
Recruitment and relocation expenses	0.98	33.93
Loss on fixed assets sold/discarded (net)	0.21	-
Loss allowances on trade receivables	45.67	95.49
Bad debts written off	58.78	-
Amortisation of deferred fair valuation loss	186.35	159.29
Bank charges	1.70	1.50
Corporate social responsibility expense (refer note 25(b) below)	-	7.64
Miscellaneous expenses	18.29	16.74
	<b>1,260.62</b>	<b>1,711.68</b>

**25(a). Details of payments to auditors**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Payment to auditors</b>		
<b>As auditors:</b>		
Audit fee	9.35	9.35
Tax audit fee	1.10	1.10
<b>In other capacities:</b>		
Goods and services tax audit	3.00	-
Certification fees	0.50	2.25
Reimbursement of expenses	1.18	1.14
	<b>15.13</b>	<b>13.84</b>

**25(b). Details of corporate social responsibility expense**

In light of Section 135 of Companies Act, 2013, the Company has not incurred any amount during the current year (31 March 2019: INR 7.64 lakhs) on Corporate Social Responsibility (CSR) against gross amount required to be spent INR Nil (31 March 2019: INR Nil)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent by the Company during the year	Nil	Nil
Amount spent during the year on the following*:		
1. Promoting education	-	7.64
2. Socia economic development	-	-
	<b>-</b>	<b>7.64</b>

The Company has during the year given an advance of INR Nil (31 March 2019: INR 6.25 lakhs) to National Skill Development Corporation for CSR expense.



**26. Disclosures of revenue recognition as per Ind AS 115****Revenue from contracts with customers**

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

**Significant changes in contract assets and liabilities**

Contract liabilities - Advance from customers	As at 31 March 2020	As at 31 March 2019
Opening balance of Contract liabilities - advance from customers	1,963.10	2,614.56
Less: Amount of revenue recognised against opening contract liabilities	1,963.10	1,700.29
Add: Addition in balance of contract liabilities for current year	20.50	1,048.83
<b>Closing balance of Contract liabilities - advance from customers (refer note 16)</b>	<b>20.50</b>	<b>1,963.10</b>

Contract liabilities - Deferred income	As at 31 March 2020	As at 31 March 2019
Opening balance of Contract liabilities - Deferred revenue	1,125.75	179.41
Less: Amount of revenue recognised against opening contract liabilities	1,125.75	179.41
Add: Addition in balance of contract liabilities for current year	101.20	1,125.75
<b>Closing balance of Contract liabilities - Deferred revenue (refer note 16)</b>	<b>101.20</b>	<b>1,125.75</b>

Contract assets - Unbilled revenue	As at 31 March 2020	As at 31 March 2019
Opening balance of Contract assets - Unbilled revenue	5,602.27	158.21
Less: Amount of unbilled revenue transferred to trade receivables	5,602.27	158.21
Add: Addition in balance of contract assets for current year	180.07	5,602.27
<b>Closing balance of Contract assets - Unbilled revenue (refer note 5c)</b>	<b>180.07</b>	<b>5,602.27</b>

**Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	As at 31 March 2020	As at 31 March 2019
Amounts included in contract liabilities at the beginning of the year	3,088.85	2,793.97
Performance obligations satisfied in previous years	-	-
	<b>3,088.85</b>	<b>2,793.97</b>

**Disaggregation of revenue**

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

Description	As at 31 March 2020	As at 31 March 2019
Revenue from contract with customer		
-India	3,956.30	24,898.97
-Middle east	3,036.20	269.17
	<b>6,992.50</b>	<b>25,168.14</b>

**Timing of revenue recognition**

Description	As at 31 March 2020	As at 31 March 2019
Services transferred over time	6,697.72	25,075.52
Services transferred at point in time	294.78	92.62
	<b>6,992.50</b>	<b>25,168.14</b>

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**Simon India Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(All amounts in INR lakhs, unless stated otherwise)

**Unsatisfied performance obligations**

The following table shows unsatisfied performance obligations resulting from fixed price long-term EPC contracts.

Description	As at 31 March 2020	As at 31 March 2019
Aggregate amount of the transaction price allocated to long term EPC contracts that are partially or fully unsatisfied as at reporting date	225.70	13,606.37

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as of 31 March 2020 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.

**Assets and liabilities related to contracts with customers**

Description	Current	
	As at 31 March 2020	As at 31 March 2019
<b>Trade receivables</b>	5,135.84	4,530.06
<b>Contract assets related to sale of service</b>		
Unbilled revenue	180.07	5,602.27
<b>Contract liabilities related to sale of service</b>		
Advance from customers	20.50	1,963.10
Deferred revenue	101.20	1,125.75

**Performance obligation of the Company**

The agreement with the customer specifies the obligation of Simon India wherein Simon India is responsible for

- (i) engineering & design of the plant,
- (ii) procurement of material including equipment; and
- (iii) civil, erection & commissioning of plant/structure as per the agreement.

The customer can benefit from each of the above together with other available resources which are available on stand-alone basis as they have a standalone fair value to the Customer. The Company is providing a significant integration service of combining the above mentioned goods and services. Each service offered by the Company to its customer is interlinked with other service in order to achieve one commercial objective as per contract and therefore goods/service customize other goods/service promised in the contract and represent a 'single performance obligation', i.e., to deliver fully developed plant.

**27. Commitments and Contingencies**

**(1) Commitments**

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

As at 31 March 2020, the Company had commitments of INR 248.09 lakhs (31 March 2019: Nil) relating to purchase of furniture, interior work, electrical work etc. for the office building of the Company.

**(2) Contingent liabilities**

**a) Litigations**

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contingent liabilities not provided for in respect of:</b>		
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	86.02
	<b>427.92</b>	<b>424.35</b>

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

b) The Hon'ble Supreme Court (SC) has, vide its decision dated 28 February 2019 ('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.

Consequent to the above SC decision, the management implemented necessary changes to comply with the judgement prospectively. While the above SC decision is applicable retrospectively, there is uncertainty with respect to the manner in which it needs to be applied for the earlier period. Accordingly, no provision has been recognized in the financial statements in respect of period prior to the judgement.

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 2020.



**Simon India Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020***(All amounts in INR lakhs, unless stated otherwise)***28. 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:

Particulars	31 March 2020	31 March 2019
Loss attributable to equity holders of the parent	(1,349.91)	(700.05)
Weighted average number of equity shares used for computing earning per share (basic & diluted)	5,000,000	5,000,000
Earning per share (basic and diluted) (INR)	(27.00)	(14.00)
Face value per share (INR)	10.00	10.00

**29. 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:

Particulars	As at	As at
	31 March 2020	31 March 2019
Non-current borrowings	4,468.96	10.54
Current maturities of non-current borrowings	5.58	5.35
Current borrowings	805.00	1,750.00
<b>Total Debt (a)</b>	<b>5,279.54</b>	<b>1,765.89</b>
<b>Total Equity (b)</b>	<b>7,122.31</b>	<b>9,737.53</b>
<b>Debt to Equity ratio (a/b)</b>	<b>74.13%</b>	<b>18.13%</b>

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**30. 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.

**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 2020 and 31 March 2019.

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 2020 and 31 March 2019.

**(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.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of USD, Saudi Riyal "SAR" and EURO 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
As at 31 March 2020	+7%	27.74
	-7%	(27.74)
As at 31 March 2019	+7%	28.49
	-7%	(28.49)

	Change in SAR rate	Effect on Loss before tax
As at 31 March 2020	+8%	31.36
	-8%	(31.36)
As at 31 March 2019	+8%	61.12
	-8%	(61.12)

	Change in EURO rate	Effect on Loss before tax
As at 31 March 2020	+8%	-
	-8%	-
As at 31 March 2019	+8%	(13.79)
	-8%	13.79

**(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 was INR 2,385.90 lakhs (31 March 2019: INR 3,675.10 lakhs). A decrease of 5% on the NSE market index could have an impact of approximately INR 119.30 lakhs (31 March 2018: INR 183.76 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.

**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 subsidiaries and deposits given for business purposes.

**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.

Summary	As at 31 March 2020	As at 31 March 2019
<b>Trade receivables</b>		
Retention money	4,121.77	2,846.07
Not due	61.82	628.82
Overdue		
-less than six months	98.96	877.32
-more than six months	1,023.74	691.60
<b>Sub-total</b>	<b>5,306.29</b>	<b>5,043.81</b>
<b>Loss allowances</b>	<b>(170.45)</b>	<b>(513.75)</b>
<b>Net trade receivables</b>	<b>5,135.84</b>	<b>4,530.06</b>

**Reconciliation of loss allowance - Trade receivable**

Particulars	Amount
<b>Loss allowances on 1 April 2018</b>	<b>416.65</b>
Loss allowances recognised during the year*	97.10
Loss allowances actualized	-
<b>Loss allowances on 31 March 2019</b>	<b>513.75</b>
Loss allowances recognised during the year*	53.26
Loss allowances actualized	(396.56)
<b>Loss allowances on 31 March 2020</b>	<b>170.45</b>

\* Inclusive of change in foreign currency exchange adjustment of outstanding impairment loss of foreign debtor.

**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.

**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.

	Less than 1 year	1 to 5 years	> 5 years	Total
<b>Year ended</b>				
<b>31 March 2020</b>				
Trade payables	5,645.89	-	-	5,645.89
Loans from related party (including interest liability)	1,357.61	5,713.92	-	7,071.52
Vehicle loan (including interest liability)	6.50	4.88	-	11.38
	<b>7,009.99</b>	<b>5,718.80</b>	<b>-</b>	<b>12,728.79</b>
<b>Year ended</b>				
<b>31 March 2019</b>				
Trade payables	6,277.52	-	-	6,277.52
Loans from related party (including interest liability)	812.81	-	-	812.81
Vehicle loan (including interest liability)	6.50	11.38	-	17.88
Current borrowings from bank	1,000.00	-	-	1,000.00
	<b>8,096.83</b>	<b>11.38</b>	<b>-</b>	<b>8,108.21</b>

**Collateral**

The Company has pledged its deposits in order to fulfil the collateral requirements for the bank guarantee contracts. At 31 March 2020, the fair values of the deposits pledged were INR 160.54 lakhs (31 March 2019: INR 237.73 lakhs). The counterparties have an obligation to return the securities to the Company.



## 31. Fair value measurements

Particulars	Carrying value	
	As at 31 March 2020	As at 31 March 2019
<b>Financial assets</b>		
<b>A. FVTOCI financial instruments:</b>		
Quoted equity shares	2,385.90	3,675.10
<b>B. FVTPL financial instruments:</b>		
Un-quoted preference shares	1,283.43	1,097.08
<b>C. Amortised Cost:</b>		
Security deposits	15.29	64.82
Loans	4,391.20	1,257.12
Trade receivables	5,135.84	4,530.06
Cash and cash equivalents	948.97	903.52
Other bank balances	161.77	202.84
Other financial assets	518.25	5,648.55
	<b>14,840.63</b>	<b>17,379.09</b>
<b>Financial liabilities</b>		
<b>A. Amortised Cost:</b>		
Non-current borrowings	4,468.96	10.54
Current borrowings	805.00	1,750.00
Trade payables	5,645.89	6,277.52
Other financial liabilities	445.48	5.44
	<b>11,365.33</b>	<b>8,043.50</b>

**Notes:**

(i) The equity securities for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value through OCI rather than profit and loss are investments which are not held for trading purposes.

(ii) The management assessed that carrying value of financial assets and financial liabilities, carried at amortized cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheets.

(iii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

-Security deposits and Loans - the fair value of same approximates the carrying value and hence, the valuation technique and inputs have not been given.

-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 2020 and 31 March 2019 are as shown below:

Description	Valuation technique	Significant unobservable inputs	Discount rate (weighted average)	Sensitivity of the input to fair value
<b>As at 31 March 2020</b>				
FVTPL assets in unquoted preference shares	DCF method	Average borrowing rate of the instrument issuer company	16%	Increase (decrease) in risk adjusted discount rate by 0.50% would result in decrease (increase) in fair value by INR 25.94 lakhs and INR (-) 26.51 lakhs respectively.
<b>As at 31 March 2019</b>				
FVTPL assets in unquoted preference shares	DCF method	Average borrowing rate of the instrument issuer company	16%	Increase (decrease) in risk adjusted discount rate by 0.50% would result in decrease (increase) in fair value by INR 27.33 lakhs and INR (-) 28.06 lakhs respectively.



## 32. 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 2020 and 31 March 2019:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value 31 March 2020</b>				
<b>A. FVTOCI financial instruments:</b>				
Quoted equity shares	2,385.90	2,385.90	-	-
<b>B. FVTPL financial instruments:</b>				
Un-quoted preference shares	1,283.43	-	-	1,283.43
<b>Financial assets measured at fair value 31 March 2019</b>				
<b>A. FVTOCI financial instruments:</b>				
Quoted equity shares	3,675.10	3,675.10	-	-
<b>B. FVTPL financial instruments:</b>				
Un-quoted preference shares	1,097.08	-	-	1,097.08

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 2020 and 31 March 2019

Particulars	Non-convertible redeemable non-cumulative preference shares ('NCRPS')	Total
<b>As at 1 April 2018</b>	<b>937.79</b>	<b>937.79</b>
Additions	-	-
Gains recognised in statement of profit and loss	159.29	159.29
<b>As at 31 March 2019</b>	<b>1,097.08</b>	<b>1,097.08</b>
Additions	-	-
Gains recognised in statement of profit and loss	186.35	186.35
<b>As at 31 March 2020</b>	<b>1,283.43</b>	<b>1,283.43</b>

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### 33. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

#### Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

#### Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

#### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publically available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 34.

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 31 and 32 for further disclosures.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

#### Construction contract revenue

Recognised amounts of construction contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

#### Impairment of assets

In assessing impairment, the Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Further, the 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.

#### Warranty provisions

The Company generally offers 12 months to 24 months warranties for its EPC projects. Management estimated that related provision for future warranty claims based on the historical warranty claims information, as well as recent data available that might suggest that past cost may differ from future claims. The assumptions made in relation to current year are consistent with those in the previous year. Factors that could impact the estimated claim information includes the success of the Company's productivity and quality services delivered.



**34. Gratuity and other post-employment benefit plans****Defined contribution plan**

Contribution to defined contribution plans, recognised as expense for the year ended is as under:

Particulars	31 March 2020	31 March 2019
Employer's contribution to Provident Fund (refer note 22)	71.40	81.85
Employer's Contribution to Superannuation Fund (refer note 22)	2.87	3.84
	<b>74.27</b>	<b>85.69</b>

**Defined benefit plans**

The Company has the following Defined Benefit Plans:

- Compensated absences (Unfunded)
- Gratuity (Funded)

These plans typically expose the Company to following actuarial risks:

**Salary increases**

Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

**Investment Risk**

If Plan is funded then assets liabilities mismatch &amp; actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

**Discount Rate**

Reduction in discount rate in subsequent valuations can increase the plan's liability.

**Mortality & disability**

Actual deaths &amp; disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

**Withdrawals**

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**a) Compensated absences (Unfunded)**

The leave obligations cover the Company's liability for permitted leaves. The amount of provision of INR 20.37 lakhs (31 March 2019: INR 24.72 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The weighted average duration of the defined benefit obligations 5.24 years (31 March 2019: 5.23 years).

**Amount recognised in the statement of profit and loss is as under:**

Particulars	31 March 2020	31 March 2019
Total service cost	22.29	33.15
Net interest cost	10.27	11.56
Expenses recovered on account of employees transferred from other companies	-	(3.43)
Net actuarial gain for the year	(22.35)	(2.65)
<b>Expense recognized in the statement of profit and loss</b>	<b>10.21</b>	<b>38.63</b>

**Actuarial gain on obligation**

Particulars	31 March 2020	31 March 2019
Actuarial gain arising from the change in demographic assumption	0.01	-
Actuarial gain arising from the change in financial assumption	0.48	-
Actuarial gain arising from experience adjustment	21.86	2.65

**Movement in the liability recognized in the balance sheet is as under:**

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	132.51	149.11
Current service cost	22.29	33.15
Interest cost	10.27	11.57
Actuarial gain on obligation	(22.35)	(2.65)
Benefits paid	(48.48)	(58.67)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>94.24</b>	<b>132.51</b>



**Bifurcation of projected benefit obligation at the end of the year in current and non-current**

Particulars	31 March 2020	31 March 2019
a) Current liability (amount due within one year)	20.37	24.72
b) Non - current liability (amount due over one year)	73.86	107.79
<b>Total projected benefit obligation at the end of the year</b>	<b>94.24</b>	<b>132.51</b>

**For determination of the liability of the Company, the following actuarial assumptions were used:**

Particulars	31 March 2020	31 March 2019
Discount rate	6.85%	7.75%
Salary escalation rate	8% for first 2 years and 6.5% thereafter	9% for first 2 years and 7.5% thereafter
	100%	100%

**Mortality table**

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

**Maturity plan of Defined Benefit Obligation**

	31 March 2020	31 March 2019
a) 0 to 1 year	20.37	24.72
b) 1 to 2 year	11.40	19.35
c) 2 to 3 year	9.67	13.85
d) 3 to 4 year	9.18	11.57
e) 4 to 5 year	6.78	10.51
f) 5 to 6 year	9.20	8.84
g) 6 year onwards	27.63	43.68

**Sensitivity analysis for compensated absences liability**

Particulars	31 March 2020	31 March 2019
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	94.24	132.51
a) Impact due to increase of 0.50 %	(2.40)	(3.48)
b) Impact due to decrease of 0.50 %	2.34	3.51
<b>b) Impact of change in salary increase</b>		
Present value of obligation at the end of the year	94.24	132.51
a) Impact due to increase of 0.50 %	2.33	3.50
b) Impact due to decrease of 0.50 %	(2.42)	(3.50)

**b) 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.

Particulars	31 March 2020	31 March 2019
Plans		
- Net gratuity asset/(liability) - funded	7.87	(9.21)
<b>Total</b>	<b>7.87</b>	<b>(9.21)</b>

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 (recognized in employee cost) for the year ended 31st March 2020**

Particulars	31 March 2020	31 March 2019
Current service cost	15.32	20.46
Net interest cost	0.71	2.87
Expenses payable/(recoverable) on account of employees transferred to/from other companies	1.16	(2.82)
<b>Total</b>	<b>17.19</b>	<b>20.51</b>

**Amount recognised in other comprehensive income for the year ended 31 March 2020**

Particulars	Gratuity	
	31 March 2020	31 March 2019
Actuarial gain on obligations	4.79	2.26
Return on plan assets (excluding amounts included in net interest expense)	2.39	0.93
<b>Total</b>	<b>7.18</b>	<b>3.19</b>



**Changes in the present value of the defined benefit obligation for the year ended 31 March 2020 are as follows:**

Particulars	Gratuity	
	31 March 2020	31 March 2019
Opening defined obligation	118.17	137.34
Current service cost	15.32	20.46
Interest cost	9.16	10.64
Actuarial gain on obligations	(4.79)	(2.27)
Benefits paid	(48.23)	(48.00)
<b>Defined benefit obligation</b>	<b>89.62</b>	<b>118.17</b>

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

Particulars	31 March 2020	31 March 2019
Fair value of plan assets	108.96	100.27
Interest income	10.84	8.70
Benefits paid	(48.23)	(48.00)
Service cost (transfer in)	25.92	47.99
<b>Closing fair value of plan assets</b>	<b>97.49</b>	<b>108.96</b>

The Company expects to contribute Nil (31 March 2019: INR 25.92 lakhs) towards gratuity during the year 2020-21.

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

Particulars	31 March 2020	31 March 2019
Investment with insurer (Life Insurance Corporation of India)	100%	100%

**Breakup of actuarial gain:**

Particulars	31 March 2020	31 March 2019
Actuarial gain from experience adjustment	4.79	2.27
<b>Total actuarial gain</b>	<b>4.79</b>	<b>2.27</b>

**The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:**

Particulars	31 March 2020	31 March 2019
Discount rate (in %)	6.85%	7.75%
Salary escalation (in %)	8% for first 2 years and 6.5% thereafter	9% for first 2 years and 7.5% thereafter
Mortality rate	100% of IALM 2012-14	100% of IALM 2006-08
Withdrawal rate (per annum)	15.00%	15.00%

**A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:**

Assumptions	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(1.85)	1.93	1.93	(1.86)

**A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:**

Assumptions	Discount rate		Future salary increases	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(2.59)	2.71	2.70	(2.61)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable

**Maturity profile of defined benefit obligation****Expected cash value over the next 10 years (valued on undiscounted basis)**

Particulars	31 March 2020	31 March 2019
Within the next 12 months (next annual reporting period)	10.99	18.58
Between 2 and 5 years	40.74	47.91
5 years onwards	37.89	51.68
	<b>89.62</b>	<b>118.17</b>

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35. Related party disclosures as per Ind AS 24 Related Party Disclosures

A. The list of related parties as identified by the management with whom transactions have been executed are as under:

- i) **Holding Company:**  
Zuari Global Limited
- ii) **Fellow Subsidiaries:**  
India Furniture Products Limited  
Zuari Finserv Limited  
Zuari Infracore India Limited  
Gobind Sugar Mills Limited  
Zuari Management Services 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. Sandeep Fuller, Non-executive director  
Mr. Narayanan Suresh Krishnan, Non-executive director  
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

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Simon India Limited  
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
(All amounts in INR lakhs, unless stated otherwise)

35a. Related Party disclosures

S.No.	Transaction details	Holding company		Fellow subsidiary/ associates		Post-employment benefit plan		Key management personnel		Total	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Transactions during the year (Amount excluding reimbursement made for expenses in the course of employment)											
1	<b>Managerial Remuneration#</b>										
	- Mr. Rakesh Verma, Chief executive officer	-	-	-	-	-	-	76.42	80.64	76.42	80.64
	#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.										
2	<b>Sitting fees</b>										
	- Mr. Marco Wadia (Independent director)	-	-	-	-	-	-	3.10	3.10	3.10	3.10
	- Mr. Vijay Vyankatesh Paranjape (Independent director)	-	-	-	-	-	-	3.10	3.10	3.10	3.10
3	<b>Other services</b>										
	- Mr. Vijay Vyankatesh Paranjape (Independent director)	-	-	-	-	-	-	-	1.20	-	1.20
4	<b>Sale of engineering services/supplies/projects (Revenue booked)</b>										
	- Gobind Sugar Mills Limited	-	-	2.76	20.62	-	-	-	-	2.76	20.62
5	<b>Sale of duty credit scrips</b>										
	- Zuari Agro Chemicals Limited	-	-	-	41.75	-	-	-	-	-	41.75
6	<b>Miscellaneous Expense</b>										
	- Zuari Finserv Limited	-	-	-	0.04	-	-	-	-	-	0.04
7	<b>Loss allowances on trade receivables</b>										
	- Gobind Sugar Mills Limited	-	-	45.67	-	-	-	-	-	45.67	-
8	<b>Legal and professional services received</b>										
	- Zuari Global Limited	60.00	61.67	-	-	-	-	-	-	60.00	61.67
	- Zuari Finserv Limited	-	-	1.43	0.15	-	-	-	-	1.43	0.15
9	<b>Reimbursement of expenses (given)/received</b>										
	- Zuari Global Limited	(2.74)	0.23	-	-	-	-	-	-	(2.74)	0.23
	- Zuari Global Limited	-	(0.05)	-	-	-	-	-	-	-	(0.05)
	- Indian Furniture Products Limited	-	-	(0.33)	(205.84)	-	-	-	-	(0.33)	(205.84)
	- Zuari Finserv Limited	-	-	0.83	-	-	-	-	-	0.83	-
	- Mr. Marco Wadia (Independent director)	-	-	-	-	-	-	(0.17)	-	(0.17)	-
	- Zuari Investments Limited	-	-	0.44	-	-	-	-	-	0.44	-
10	<b>Advance given for new furniture</b>										
	- Indian Furniture Products Limited	-	-	15.78	-	-	-	-	-	15.78	-
11	<b>Expenses recovered on account of employees transferred from other companies to Simon India Limited</b>										
	- Zuari Agro Chemicals Limited	-	-	-	6.25	-	-	-	-	-	6.25
12	<b>Interest income</b>										
	- Zuari Investments Limited	-	-	173.70	132.88	-	-	-	-	173.70	132.88
	- Indian Furniture Products Limited	-	-	274.22	92.39	-	-	-	-	274.22	92.39
13	<b>Finance cost</b>										
	- Zuari Global Limited	368.67	97.00	-	-	-	-	-	-	368.67	97.00
	- Zuari Management Services Ltd.	-	-	1,267.03	1.03	-	-	-	-	1,267.03	1.03
14	<b>Loans given</b>										
	- Indian Furniture Products Limited	-	-	3,090.82	1,161.78	-	-	-	-	3,090.82	1,161.78
	- Zuari Investments Limited	-	-	43.26	840.00	-	-	-	-	43.26	840.00
15	<b>Loans received back</b>										
	- Indian Furniture Products Limited	-	-	-	1,732.94	-	-	-	-	-	1,732.94
	- Zuari Investments Limited	-	-	-	750.00	-	-	-	-	-	750.00
16	<b>Loan received</b>										
	- Zuari Global Limited	5,990.00	3,680.00	-	-	-	-	-	-	5,990.00	3,680.00
	- Zuari Management Services Ltd.	-	-	200.00	750.00	-	-	-	-	200.00	750.00
17	<b>Loan paid back</b>										
	- Zuari Global Limited	1,471.00	3,680.00	-	-	-	-	-	-	1,471.00	3,680.00
	- Zuari Management Services Ltd.	-	-	200.00	-	-	-	-	-	200.00	-
18	<b>Gratuity paid</b>										
	- Simon India Limited Gratuity Fund	-	-	-	-	25.92	47.99	-	-	25.92	47.99
19	<b>Superannuation paid</b>										
	- Simon India Limited Staff Superannuation Fund	-	-	-	-	2.87	3.84	-	-	2.87	3.84



Simon India Limited  
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020  
 (All amounts in INR lakhs, unless stated otherwise)

S.No. Balance outstanding at the end of the year	Holding company		Fellow subsidiary/ associates		Joint venture		Key management personnel		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>1 Trade receivables</b>										
- Simon Engineering and Partners LLC	-	-	-	-	23.10	21.69	-	-	23.10	21.69
- Zuari Infracore India Limited	-	-	36.93	36.93	-	-	-	-	36.93	36.93
- Gobind Sugar Mills Limited	-	-	177.52	175.28	-	-	-	-	177.52	175.28
- Zuari Agro Chemicals Limited	-	-	-	41.75	-	-	-	-	-	41.75
<b>2 Other financial assets</b>										
- Zuari Agro Chemicals Limited	-	-	-	6.25	-	-	-	-	-	6.25
<b>3 Loans recoverable</b>										
- Zuari Investments Limited	-	-	1,193.26	1,150.00	-	-	-	-	1,193.26	1,150.00
- Indian Furniture Products Limited	-	-	3,197.94	107.12	-	-	-	-	3,197.94	107.12
<b>4 Investment</b>										
- Simon Engineering and Partners LLC	-	-	-	-	10.45	10.45	-	-	10.45	10.45
<b>5 Loans payable</b>										
- Zuari Global Limited	4,519.00	-	-	-	-	-	-	-	4,519.00	-
- Zuari Management Services Ltd.	-	-	750.00	750.00	-	-	-	-	750.00	750.00
<b>6 Trade payables</b>										
- Zuari Global Limited	49.23	1.67	-	-	-	-	-	-	49.23	1.67
- Indian Furniture Products Limited	-	-	-	-	-	-	-	-	-	-
- Zuari Agro Chemicals Limited	-	-	0.01	-	-	-	-	-	0.01	-
- Zuari Finserv Limited	-	-	0.83	0.02	-	-	-	-	0.83	0.02
- Zuari Management Services Ltd.	-	-	0.13	-	-	-	-	-	0.13	-
<b>7 Loss allowances</b>										
- Simon Engineering and Partners LLC	-	-	-	-	23.10	21.69	-	-	23.10	21.69
- Gobind Sugar Mills Limited	-	-	45.67	-	-	-	-	-	45.67	-
<b>8 Provision for diminution in value of investments</b>										
- Simon Engineering and Partners LLC	-	-	-	-	10.45	10.45	-	-	10.45	10.45
<b>9 Interest accrued but not due on loan- Receivable/(Payable)</b>										
- Indian Furniture Products Limited	-	-	222.49	1.68	-	-	-	-	222.49	1.68
- Zuari Investments Limited	-	-	112.91	-	-	-	-	-	112.91	-
- Zuari Global Limited	(326.47)	-	-	-	-	-	-	-	(326.47)	-
- Zuari Management Services Ltd.	-	-	(113.37)	-	-	-	-	-	(113.37)	-
<b>10 Investment in preference shares</b>										
- Gobind Sugar Mills Limited	-	-	1,283.43	1,097.08	-	-	-	-	1,283.43	1,097.08
<b>11 Capital advances</b>										
- Indian Furniture Products Limited	-	-	15.78	-	-	-	-	-	15.78	-
<b>12 Remuneration Payable</b>										
- Mr. Rakesh Verma, Chief executive officer & Executive Director	-	-	-	-	-	-	4.29	4.11	4.29	4.11
<b>13 Deferred loss on investment in NCRPS</b>										
- Gobind Sugar Mills Limited	-	-	1,216.57	1,402.92	-	-	-	-	1,216.57	1,402.92



**36 Lease disclosures**

a) 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 straightline basis over the remaining lease term.

There are no restrictions imposed by the lease arrangements. There are no subleases and the Company does not have any variable lease payment arrangements.

b) 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).

c) Total cash outflow for leases for the year ended 31 March 2020 was INR 170.00 lakhs.

c) The Company has total lease commitment INR 71.34 lakhs as at 31 March 2020 (INR 57.50 lakhs and INR 13.84 lakhs for short-term leases and leases of low-value assets respectively)

d) The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount
Total operating lease commitments disclosed as at 31 March 2019	126.50
Recognition exemption: Leases with remaining lease term of less than 12 months	(126.50)
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	-

**37 Segment Information****Information regarding Primary Segment Reporting as per 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:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
India	3,956.30	24,843.45
Middle east	3,036.20	324.69
	<b>6,992.50</b>	<b>25,168.14</b>

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
India	5,027.85	9,817.42
Middle east	275.25	302.88
United States of America	12.81	12.03
	<b>5,315.91</b>	<b>10,132.33</b>

The Company has common fixed assets in India for its operations. Management believes that it is currently not practical to provide segment disclosures relating to the carrying amount of segment fixed assets and addition of fixed assets.

**C. Information about revenue from major customers which is included in revenue**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from customers accounted for more than 10% of the revenue	6,698.71	23,302.03
	<b>6,698.71</b>	<b>23,302.03</b>

For the year ended 31 March 2020, three (31 March 2019: one) customers, individually, accounted for more than 10% of the revenue.

**Revenue from major products and services**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of service through engineering, procurement and construction	6,992.50	25,168.14
Other revenue	-	-
	<b>6,992.50</b>	<b>25,168.14</b>



## 38. Disclosure required under Section 186 (4) of the Companies Act, 2013

## a. Particulars of loans given:

Sr. No.	Name of the party	Opening balance	Loan given	Loan repaid	Outstanding balance	Purpose
1	Zuari Investment Limited	1,150.00	43.26	-	1,193.26	General Business Purpose
2	Indian Furniture Product Limited	107.12	3,090.82	-	3,197.94	General Business Purpose

## 39. Change in Estimated Cost and Revenue on Projects

The management update 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.

## 40. 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 2019: INR 10.45 lakhs) and provision against amount receivable of INR 23.10 lakhs (31 March 2019: INR 21.69 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.

41. 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 263.81 lakhs (31 March 2019: INR 247.76 lakhs) due from overseas parties is outstanding for a period of more than nine months.

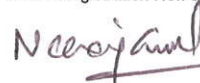
In respect of these receivables – the Company has intimated to RBI through its authorised dealer bank for the delays in its realisation. Pending the final outcome of the aforesaid matters, which is presently unascertainable, no adjustments have been made in these financial statements.

## 42. Particulars of unhedged foreign currency exposure outstanding as at the reporting date

Particulars	As at	As at
	31 March 2020	31 March 2019
Export trade receivables	INR 412.90 Lakhs (USD 5.57 lakhs @ closing rate of 1 USD = INR 74.13)	INR 432.10 Lakhs (USD 6.21 lakhs @ closing rate of USD = INR 69.62)
Import trade payables-USD	INR 16.49 Lakhs (USD 0.22 lakhs @ closing rate of 1 USD = INR 74.13)	INR 25.06 Lakhs (USD 0.36000 lakhs @ closing rate of 1USD = INR 69.62)
Import trade payables-EURO	Nil	INR 172.31 lakhs (EURO 2.20 lakhs @ closing rate of 1EURO = INR 78.83)
Other trade payables-SAR	INR 290.85 Lakhs (SAR 14.47 lakhs @ closing rate of 1 SAR = INR 20.10)	INR61.52 Lakhs (SAR 3.33 lakhs @ closing rate of 1SAR = INR18.47)
Saudi Bank (SAR) (Banque Saudi Fransi Bank, Saudi British Bank, Cash)	INR 685.04.00 lakhs (SAR 34.08 lakhs @ closing rate of 1 SAR = INR 20.10)	INR 764.05 lakhs (SAR 41.37 lakhs @ closing rate of 1 SAR = INR 18.47)

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
Neeraj Goel

Partner  
Membership No.: 099514

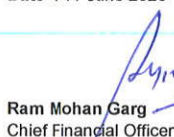
Place : Gurugram  
Date : 25 June 2020



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

  
Soundararaghavan Rangachari  
Chairman  
DIN No.: 00362555

Place: Gurugram  
Date : 11 June 2020

  
Ram Mohan Garg  
Chief Financial Officer

Place: Faridabad  
Date : 11 June 2020

  
Rakesh Verma  
CEO & Executive Director  
DIN No.: 08103465

Place: New Delhi  
Date : 11 June 2020

  
Gaurav Dutta  
Company Secretary  
Membership No.: 24445

Place: New Delhi  
Date : 11 June 2020

