



**SIMPLEX CASTINGS LIMITED**



Empowering the  
Engineering and Equipment  
Manufacturing Industry

**ANNUAL REPORT  
2019-2020**



## MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

**Dear Shareholders,**

It gives us pleasure to present to you your Company's Annual Report for the FY 2019-20.



**"Change is the only constant"- Heraclitus**

We are facing an unprecedented crisis - the novel Corona Virus Disease (COVID-19), a global pandemic which has not only affected economies across the world but turned lives upside down. Resilience, Compassion and Hope are the need of the hour. Hence, I urge you to be safe, positive and optimistic to overcome these challenging times.

The global economic growth forecast for the year was already indicative of macro uncertainties owing to the US-China trade tensions, rising protectionism, stringent monetary policies etc. Though the economy was poised for a modest rebound, the outlook continued to be fragile against the backdrop of rising debt and declining productivity. The growth in emerging and developing economies was expected to be better with India remaining one of the bright spots. However, the onset of the COVID-19 has caused the deepest global recession in several decades. While the ultimate outcome is still uncertain, the pandemic is expected to result in contractions across economies causing lasting damage to labour productivity and potential output.

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

The company's operations were effected from 24th March 2020 to 23rd April, 2020 due to suspension of production across all plants following nationwide lockdown imposed by Government of India. In view of pandemic COVID-19. Government permitted certain activities in the month of April 2020 subject to certain restrictions. Accordingly the Company has re-started operations in phased manner from 23rd April 2020 & from May 2020 all the plants are operating normally. Three months moratorium for deferral on payment of loan and other Credit facility taken from Company Bankers and NBFC falling due in March - May 2020 are availed. The Company has further avail the moratorium facility from June 2020 to August 2020.

The Company is following all relevant Government directives and guidelines regarding health and safety of the workforce on their all the premises.

The Company had registered a revenue from operations (from Continuing operations) of Rs 5442.51 Lacs as against Rs 10712.76 Lacs during the year FY 2018-19.

The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Continuing operations) for the year 2019-20 were Rs (5676.38) Lacs and Rs (4535.55) Lacs respectively, as against Rs (1862.72) Lacs and Rs (1449.86) respectively during the previous year ended 31 March, 2019.

The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Discontinuing operations) for the year 2019-20 were Rs 1680.17 Lacs and Rs 1680.17 Lacs respectively, as against Rs (631.44) Lacs and Rs (132.33) respectively during the previous year ended 31 March, 2019.

The Profit for the year 2019-20 were Rs (2855.38) Lacs respectively, as against Rs (1582.18) Lacs respectively during the previous year ended 31 March, 2019.

On a Consolidated basis, During the year ended 31 March, 2020, the Company had registered a revenue from operations (from Continuing operations) of Rs 7804.62 Lacs as against Rs 13727.93 Lacs during the year FY 2018-19. The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Continuing operations) for the year 2019-20 were Rs (5679.35) Lacs and Rs (4537.69) Lacs respectively, as against Rs (993.77) Lacs and Rs (580.90) respectively during the previous year ended 31 March, 2019.

The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Discontinuing operations) for the year 2019-20 were Rs 1680.17 Lacs and Rs 1680.17 Lacs respectively, as against Rs (1509.58) Lacs and Rs (1010.47) respectively during the previous year ended 31 March, 2019.

The Profit for the year 2019-20 were Rs (2857.52) Lacs respectively, as against Rs (1591.37) Lacs respectively during the previous year ended 31 March, 2019.

### **MSME REGISTRATION**

Pursuant to the amendment in the definition of MSME under the MSME Act, Company had applied for the registration and received the Registration Number i.e. UDYAM-CG-05-0000018.

### **THE ROAD AHEAD**

**"The only time you fail is when you fall down and stay down"-Stephen Richards**

In view of the fast pace of change that the Company is facing in all fronts, we have decided to build on our strengths i.e. knowledge of Customers need, skills available with our manpower and acceptance as quality supplier, by adding more sectors in our focus of operations.

Your Directors and We thank our shareholders and other stakeholders – employees, customers, partners and Government – for their continued trust and support. We remain committed in acting as trustee to create long-term value for all our stakeholders.

With Best Wishes

**Ketan Shah**  
Chairman

**Sangeeta Ketan Shah**  
Managing Director



## **CORPORATE INFORMATION**

### **COMMITTEES OF THE BOARD**

#### **AUDIT COMMITTEE**

Mr Champak Kalyanji Dedhia	Chairman
Mrs Ushma Nitin Khabaria	Member
Mrs S M Swathi	Member

#### **NOMINATION & REMUNERATION COMMITTEE**

Mr Champak Kalyanji Dedhia	Chairman
Mrs Ushma Nitin Khabaria	Member
Mrs S M Swathi	Member

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr Champak Kalyanji Dedhia	Chairman
Mrs Ushma Nitin Khabaria	Member
Mrs S M Swathi	Member

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Mr Champak Kalyanji Dedhia	Chairman
Mr Ketan Moolchand Shah	Member
Mrs Sangeeta Ketan Shah	Member

#### **BOARD OF DIRECTORS**

Mr. Ketan Moolchand Shah	Chairman and Executive Director
Mrs Sangeeta Ketan Shah	Managing Director
Mr. Om Prakash Patel	Executive Director
Mr. Champak K Dedhia	Independent Director
Mrs Ushma Nitin Khabaria	Independent Director
Mrs. S M Swathi	Independent Director

### **COMPANY SECRETARY**

Mrs Akanksha Kotwani

### **CHIEF FINANCIAL OFFICER**

Mr Deb Mukherjee

### **STATUTORY AUDITORS**

M/s APAS & Co

### **INTERNAL AUDITORS**

M/s Srikant & Agrawal

### **COST AUDITOR**

M/s Arindam Goswami & Co

### **BANKERS**

State Bank of India  
Bank of Baroda  
Union Bank of India

### **REGISTRAR AND TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
C 101, 247 Park,  
L.B.S.Marg, Vikhroli (West),  
Mumbai - 400083

### **REGISTERED OFFICE**

601/602 A, Fairlink Center,  
Off Andheri Link Road, Andheri  
(West), Mumbai -400053 (M.H.)

### **CORPORATE OFFICE**

Plot 32, Shivnath Complex,  
G.E. Road, Supela, Bhilai – 490023 (C.G.)

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## SUMMERISED FINANCIAL DATA

Rs. In Lacs(Except Other Financial Data)

PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015-16
<b>PROFIT &amp; LOSS ACCOUNT</b>					
Revenue from operations	5442.51	18297.82	22442.04	23676.33	20426.87
Other income	220.98	375.91	145.11	177.71	722.72
<b>TOTAL INCOME</b>	<b>5663.49</b>	<b>18673.73</b>	<b>22587.15</b>	<b>23854.04</b>	<b>21149.59</b>
(-) Cost of raw material and Component consumed	3323.68	9384.13	7767.5	11248.58	8972.8
(-) Employee benefit expenses	1520.51	1793.23	1727.35	1830.89	1613.85
(-) Purchase of Traded Goods	0	2384.73	7429.86	0.00	0.00
(-) Finance Costs	964.4	1371.93	1163.14	1128.61	1157.31
(-) Depreciation & Amortisation Expense	714.15	1518.34	1244.58	782.37	684.99
(-) Other expenses	4657.24	4715.53	2926.74	8493.01	8187.53
<b>PROFIT BEFORE TAX BEFORE EXCEPTIONAL ITEMS</b>	<b>(5516.49)</b>	<b>(2494.16)</b>	<b>327.97</b>	<b>370.57</b>	<b>533.11</b>
Exceptional Items	159.89	-	-	-	-
<b>PROFIT BEFORE TAX AFTER EXCEPTIONAL ITEMS</b>	<b>(5676.38)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(-) Current Tax	0.00	(22.19)	28.05	147.84	151.00
(-) Deferred Tax	(1140.83)	(889.78)	(35.55)	(0.78)	26.33
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>(4535.55)</b>				
<b>PROFIT AFTER TAX FROM DISCONTINUING OPERATIONS</b>	<b>1680.17</b>				
<b>PROFIT FOR THE YEAR</b>	<b>(2855.38)</b>	<b>(1582.18)</b>	<b>335.47</b>	<b>223.51</b>	<b>355.78</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(3093.91)</b>	<b>(1526.25)</b>	<b>232.40</b>	<b>266.44</b>	
<b>EARNING PER SHARE (Rs)</b>					
<b>Basic EPS</b>	<b>(46.57)</b>	(25.81)	5.61	3.73	5.95
<b>Diluted EPS</b>	<b>(46.57)</b>	(19.83)	5.59	3.73	5.95
<b>EXTRACTS FROM BALANCE SHEET</b>					
Share Capital	613.12	613.12	598.42	598.42	598.42
Equity Share Warrants	0.00	738.68	797.48	0.00	0.00
Reserve & Surplus/Other Equity	3787.36	6142.59	7484.36	7287.98	7482.48
Fixed Assets	5368.39	10288.72	11450.32	7681.73	7423.85
Inventories	4754.87	7636.35	8643.43	5544.23	5210.21
Trade Receivables	2079.06	8768.85	6059.93	6489.33	5137.95
<b>OTHER FINANCIAL DATA</b>					
<b>TURNOVER ( Rs.in Cr)</b>	<b>54.42</b>	<b>182.98</b>	<b>224.42</b>	<b>236.76</b>	<b>204.26</b>
<b>BOOK VALUE PER SHARE (Rs)</b>	<b>71.78</b>	<b>122.00</b>	<b>148.00</b>	<b>132.00</b>	<b>135.00</b>
<b>NET WORTH (Rs.in Cr)</b>	<b>44.00</b>	<b>74.94</b>	<b>88.80</b>	<b>78.86</b>	<b>80.81</b>
<b>DIVIDEND PER SHARE (Rs.)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

## NOTICE

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting (AGM) of the members of Simplex Castings Limited will be held on Wednesday, 30<sup>th</sup> September, 2020 at 3:00 pm, through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements including consolidated financial statements, for the financial year ended 31<sup>st</sup> March, 2020 and in this regard, pass the following resolutions as an Ordinary Resolutions.
  - (a) **"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered, adopted and approved."
  - (b) **"RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."
2. To appoint a Director in place of Mr Om Prakash Patel (DIN:08301041) who retires by rotation and being eligible offer himself for re-appointment.
3. **Appointment of Statutory Auditor**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification:

- a) To fill the casual vacancy:

**"RESOLVED THAT** pursuant to the provisions of Section 139 (8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and upon recommendation of the Audit Committee & Board of Directors, M/s. APAS & Co, Chartered Accountants (ICAI Firm Registration No.000340C), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. O P Singhania & Co , Chartered Accountants (ICAI Firm Registration No 002172 C).

**RESOLVED FURTHER THAT** M/s APAS & Co, Chartered Accountants (ICAI Firm Registration No.000340C), be and are hereby appointed as Statutory Auditors of the Company to hold the office from 29<sup>th</sup> August, 2020 until the conclusion of the ensuing 40<sup>th</sup> Annual General Meeting of the Company, at Rs 7,00,000 (Rupees Seven Lacs

only) plus applicable taxes, and out of pocket expenses, as may be mutually agreed with the Board of Directors."

- b) For a period of one year:

**"RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon recommendation of the Audit Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to appoint M/s. APAS & Co, Chartered Accountants (ICAI Firm Registration No.000340C) as the Statutory Auditors of the Company to conduct the statutory audit for a period of one year commencing from the conclusion of this 40<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company at Rs 7,00,000 yearly (Rupees Seven Lacs only) plus applicable taxes, and out-of-pocket expenses, as may be mutually agreed with the Board of Directors."

### SPECIAL BUSINESS:

#### 4. Ratification of Remuneration to Cost Auditor

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and rules thereof (including any statutory modification(s) or re-enactments thereof for time being in force) the remuneration of Rs. 70,000/-(Rupees Seventy Thousand Only) plus reimbursement of out of pocket expenses at actual basis to be paid to M/s Arindam & Associates, Cost Accountants, Raipur having Firm Registration no.000559 as Cost Auditors to conduct the audit of Cost Records of the Company for the financial year 2020-21 as recommended by the Board of the Directors, be and is hereby ratified."

#### 5. Re-Appointment of Mr Ketan Moolchand Shah (DIN-00312343) as an Whole Time Director Designated as Chairman and Chief Executive Officer of the Company :

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to recommendation of Nomination and Remuneration Committee and approval of the Board of Directors and subject to provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (the Act) and Rules made there under (including any



statutory modification or re-enactment thereof) read with Schedule V of the Act and provision of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby accorded for re-appointment of Mr Ketan Moolchand Shah(DIN:00312343) as Whole Time Director designated as Chairman and Chief Executive Officer of the Company for a period of Five years retrospective effect from 10.07.2020 to 09.07.2025, as well as the payment of salary and perquisites (herein after referred to as "remuneration"), upon terms and conditions as set out in the Agreement entered on by the Company with him and extracts of which has been set out in the Explanatory Statement annexed to the Notice convening this Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Ketan Moolchand Shah and that his office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr Ketan Moolchand Shah (DIN: 00312343) who is Promoter on such terms and conditions approved by the Shareholders notwithstanding that the remuneration payable to Mr. Ketan M Shah in any year exceeds Rupees 5 crores or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the Executive Directors exceeds 5% of the net profits of the Company, during the tenure of his appointment up to 9<sup>th</sup> July,2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to this resolution."

By Order of the Board  
Simplex Castings Limited

Akanksha Kotwani  
Company Secretary

Date : 02.09.2020

Place : Bhilai

Reg Off: 601/602A,Fairlink Center,

Off Andheri Road, Andheri (W),Mumbai-400 053

### NOTES:

- 1) The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013, Secretarial Standard-2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Business under Item No. 3 to 5 of the accompanying Notice is annexed hereto.
- 2) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of Members. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- 3) Although, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself/ herself, but since this meeting is being held through VC/OAVM under the framework of MCA circulars on account of threat posed by COVID-19, where physical presence of members has been dispensed with, the facility of appointment of proxy will not be available and hence the proxy form and attendance slip are not annexed hereto.
- 4) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- 5) Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. authorising its representatives to attend the AGM, by e-mail to [cs@simplexcastings.com](mailto:cs@simplexcastings.com).
- 6) The Register of Members and Share Transfer Books of the Company will be closed from 24<sup>th</sup> September, 2020 to 30<sup>th</sup> September, 2020 (both days inclusive) for the purpose of the Annual General Meeting for the year ended 31<sup>st</sup> March, 2020.

### Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report

- 7) In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.simplexcastings.com](http://www.simplexcastings.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>.

- 8) Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending a duly signed request letter to the Registrar and Transfer Agents of the Company, Link Intime India Pvt Ltd by providing Folio No. and Name of shareholder. Shareholders holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.
- 9 Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email on [cs@simplexcastings.com](mailto:cs@simplexcastings.com).

**Procedure for joining the 40th AGM through VC / OAVM**

10. NSDL will be providing facility for voting through remote e-Voting, for participation in the 40<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 40<sup>th</sup> AGM.
11. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come- first-served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the link available against the EVEN for Company's AGM. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
13. Members are encouraged to join the Meeting through Laptops for better experience.
14. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
15. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
16. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first-come first- served basis.

17. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) /022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in) / 022-24994553.
18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**Procedure to raise questions / seek clarifications with respect to Annual Report at the ensuing 40th AGM**

19. Members are encouraged to express their views /send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at [cs@simplexcastings.com](mailto:cs@simplexcastings.com). Questions / queries received by the Company till 5.00 p.m. on Monday, 28th September, 2020 shall only be considered and responded during the AGM.

**20. Procedure for remote e-Voting and e-Voting during the AGM**

- a. All the shareholders of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- b. In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force), members are provided with the following alternatives by which they may cast their votes:
  - (i) by electronic means through the remote e-Voting platform provided by the National Securities Depository Limited (NSDL). The remote e-Voting period will commence on Sunday , 27<sup>th</sup> September, 2020 at 9.00 a.m. and will end on Tuesday, 29<sup>th</sup> September, 2020 at 5.00 p.m. The remote e-Voting module will be disabled by NSDL for voting thereafter.

Instructions and information relating to e-Voting are as follows:

**Instructions**

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.





3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned in the Notice for registering your email address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- b) Physical User Reset Password?"

(If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, please click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.



**Step 2: Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e- Voting. Then, click on Active Voting Cycles.
  2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of the Company which is 113919.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (ii) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting, shall be eligible to vote through e-Voting system during the AGM.

**General Guidelines for shareholders:**

1. Institutional shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer at [info@dgcs.co.in](mailto:info@dgcs.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot

User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries for e-Voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- c. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/ participate in the Meeting through VC/OAVM but they shall not be entitled to cast their vote again.
- d. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Wednesday, 23rd September, 2020.
- e. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 40th AGM by email and holds shares as on the cut-off date i.e. Wednesday, 23rd September, 2020, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- f. Mr Dhawal Gadda of M/s Dhawal Gadda & Co , Practicing Company Secretary Mumbai has been appointed as the Scrutinizer to scrutinize for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- g. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- h. The results shall be declared not less than forty – eight (48) hours from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company [www.simplexcastings.com](http://www.simplexcastings.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.



## 21. Documents open for inspection:

- a. All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on [cs@simplexcastings.com](mailto:cs@simplexcastings.com) for inspection of said documents; and
- b. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [cs@simplexcastings.com](mailto:cs@simplexcastings.com).

## Others

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.
23. As per Regulation 40 of Listing Regulations, securities of listed companies can only be transferred in dematerialized form, with effect from 1st April, 2019, except in case of request of transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are urged for converting their holding to demat form. Members may contact the Company or RTA for any assistance in this regard.
24. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to RTA. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.

## 25. Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):

- A. Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), dividends that are unpaid or unclaimed for a period of seven (7) years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.
- B. During the financial year 2019 – 20, the Company has transferred to IEPF, the following unclaimed dividends and corresponding shares thereto:

Particulars	Amount of Dividend (in Rs)	No of shares
FY 2011-12	Rs 4,99,109.00	6775

- C. The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at [www.simplexcastings.com](http://www.simplexcastings.com) and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link ([www.iepf.gov.in](http://www.iepf.gov.in)).
26. A brief resume of Directors, who seeks re-appointment as a Director, has also been annexed as Annexure -I.

**Explanatory Statement [Pursuant to Section 102 of the Companies Act, 2013 ("Act")]**

The following Statement sets out all material facts relating to Item Nos. 3 to 5 mentioned in the accompanying Notice.

**ITEM NO.3**

The members of the Company at the 38th Annual General Meeting held on 21<sup>st</sup> September, 2018 has approved the appointment of M/s O P Singhania & Co, Chartered Accountants, Raipur, having FRN.: 002172C as the Statutory Auditors of the Company for a term of five years till the conclusion of 43th Annual General Meeting. M/s O P Singhania & Co, Chartered Accountants, Raipur has tender their resignation as the Statutory Auditors of the Company, expressing their inability, resulting in a casual vacancy in the office of the Auditors of the Company at the close of working hour on 30<sup>th</sup> July, 2020, as per section 139(8) of the Companies, Act, 2013. The Reason of Resignation as mentioned in Resignation letter dated 30<sup>th</sup> July, 2020 is that due to outbreak of COVID-19 globally and in India and nation wide lock down and certain restrictions imposed by the Central Government and subsequently by State Government from time to time, the statutory auditor are not in a position to continue as statutory auditor of the company from the financial years 2020-21 to 2022-23 because their office and work place are situated at a distance place (at Bhilai and Tedesara) and the statutory Auditor are not in a position to travel from Raipur to Bhilai and Tedesara as given the pandemic situation. The Auditor auditing staff strength has become low and partners of their firm are also not willing to travel and are mostly working from home. Thus, looking into the present lockdown/local restrictions, which are not expected to be relaxed in near future therefore the auditor are unable to depute their audit staff and partners for conducting quarterly review and other audit related work for the year 2020-21.

In accordance with aforesaid provisions of the Act, the casual vacancy caused by the resignation of the Statutory Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and confirmation received from M/s. APAS & Co, Chartered Accountants, Raipur, having ICAI Firm Registration No.000340C on their eligibility, the Board recommends to the members for the appointment of M/s APAS & Co, Chartered Accountants, Raipur, as the Statutory Auditors of the Company:

- a) to fill the casual vacancy caused by the resignation of M/s O P Singhania & Co, Chartered Accountants, Raipur and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting: and

- b) for a period of one year, from the conclusion of the 40<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2021.

In regards to appointment of Statutory Auditors referred to in item no. 3 of the Notice, the brief profile of the Auditors is as under:

M/s APAS & Co is a Raipur based leading Chartered Accountants firm with over 48 years of history. APAS & CO, has been one of Central India's prominent Chartered accountancy firms providing wide array financial and advisory services to numerous and diverse Clients. In Dec 1971, Mr. R.K. Mahawar (Founder) laid down a solid foundation with strong emphasis on client satisfaction and delivering excellence in Accounting, Auditing, Taxation, Assurance and Business Advisory services.

The fees / remuneration of the Auditor shall be Rs. 7.00 lakhs plus applicable taxes and out of pocket expenses for the financial year basis which is similar to fees of out going auditor for statutory audit, issue of audit reports, issue of limited review reports and service relating thereto, and reports or certificates to be issued as a statutory auditor. Aforesaid audits and reports includes for standalone and consolidated financial statements. In case the Auditor ceased as auditor due to whatsoever reason, before completing audit or non issue of audit report or limited review for relevant financial year / quarter, the fees shall be as may be determined by the Board of Directors of the Company. In case the Auditor resign or ceased as such, it shall complete audit / limited review and issue report as per the SEBI Regulation 2015 and circulars issued by SEBI in this respect. It is proposed to authorize the Board to vary the fees as per requirement of the Company.

Accordingly, the Audit Committee and Board of the Company has considered and recommended for the appointment of M/s. APAS & Co as a statutory auditor of the Company as mentioned in the resolution.

The Board recommends the resolution relating to appointment of auditor as set out in the Notice for your approval by way of passing ordinary resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

**ITEM NO. 4**

The Board of Directors of the Company on the recommendation of Audit Committee, has approved the appointment and remuneration of M/s Arindam & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2020-21.





In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rules thereunder, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2020-21 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors and Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, whether financially or otherwise, concerned or interested, in the said resolution.

The Board of Directors recommend the Ordinary Resolution as set out at item No. 4 of the Notice for approval by the members.

## ITEM NO.5

The Board of Directors of the Company has, subject to approval of members, re-appointed Mr Ketan M Shah as Whole Time Director designated as Chief Executive officer and Chairman for a further period five years from the expiry of his present term, which expired on 9th July 2020.

He will be paid remuneration and perquisites as recommended by the Nomination and Remuneration Committee as detailed below, within the limits prescribed under section 196,197,198 and schedule V and other applicable provisions of the Companies Act, 2013:

Particulars	Mr Ketan M Shah
Basic Salary	Rs 3,75,000/- per Month
House Rent Allowance (per month)	15% of Basic Salary
Commission	0.25% (point two five percent )of the net profits
Reimbursement of Electricity, Gas, Water and Furnishings	At actual
Reimbursement of Medical Expenses for self and family	At actual
Leave Travel Concession for self and family once in a year	At actual
Fees of clubs (excluding Admission and Life Membership Fees)	At actual
Personal Accident /Medical Insurance	As per Company Scheme
Provident Fund, Superannuation and Gratuity Benefits	As per Company Scheme
Contribution of 10% of monthly Basic Salary u/s 80CCD(2) of the Income Tax Act, 1961	Entitled

In addition to aforesaid, Mr Ketan M Shah is also entitled to reimbursement of expenses incurred for travelling, boarding and lodging during business trips, provision of car and telephone at residence for use on the Company's business and such expenses are not to be considered as perquisites.

## MINIMUM REMUNERATION

Notwithstanding anything hereinabove stated, where in any financial year during the tenure as Whole -Time Director, the Company has no profits or its profits are inadequate, Mr. Ketan M Shah shall be paid remuneration by way of salary, allowances and perquisites not exceeding the maximum limits as prescribed under Schedule V to the Companies Act, 2013 as amended from time to time.

The approval from members is also sought under Regulation 17(6)(e) of the SEBI Listing Regulations, 2015.

The remuneration as proposed is within the applicable limits under Schedule V to the Companies Act, 2013.

Except Mr Ketan M Shah, Mrs. Sangeeta K. Shah and his relatives, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution.

The Board Commends the Special Resolutions set out at Item No 5 of the Notice for approval by the Shareholders.

By Order of the Board  
Simplex Castings Limited

Akanksha Kotwani  
Company Secretary

Date:02.09.2020

Place :Bhilai

Reg Off: 601/602A,Fairlink Center,  
Off Andheri Road,  
Andheri (W),Mumbai-400 053.

### **Annexure-I**

**Brief Profile of Appointee:**

Name of Director:	Om Prakash Patel	Ketan M Shah
Date of Birth :	17/06/1955	02/12/1965
Date of First Appointment on Board:	14/12/2018	12/03/1993
Qualifications	Engineering degree in Mechanical and bachelor degree in science	Bachelor degree in Mechanical Engineering and postgraduate degree in Business Management
Experience/Expertise in specific functional area/ Brief resume of the Director:	Mr Om Prakash Patel has 40 years Experience in Marketing and Production field . He has joined Simplex Castings Limited in year 1983 and got promoted in several positions time to time. Mr Om Prakash Patel has made significant contribution in areas of Production , Design, Maintenance and Marketing.	Mr Ketan Moolchand Shah holds a Bachelor degree in Mechanical Engineering from the Madhav Institute of Technology and Science, Gwalior (M.P) and a postgraduate degree in Business Management from the University of Florida. Over the period of his thirty years of experience and being an innovative technocrat, company succeeded in positioning its global presence as one of the reliable name for customers.
Terms and conditions for appointment / reappointment	As per Company Policy on appointment of Board members	
Details of Remuneration sought to be paid and Remuneration last drawn:	As mentioned in the Corporate Governance Report (forming part of Annual Report 2019-20)	
Number of Board Meetings attended during FY 2019-20:	6/6	6/6
Other Directorship held:	-	1. Hem Holdings and Trading Limited 2. Sim Prabha Estates and Trading Company Pvt Ltd. 3. Prabha Plantations Pvt Ltd. 4. SEFW Projects Pvt Ltd.
No. of Shares Held (as on 31 <sup>st</sup> March, 2020)	0 (0.00%)	23,54,415 (38.40%)
Relationship with other Directors and KMPs of the Company	None	Mrs Sangeeta K Shah and Mr Ketan M Shah are related to each other.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 40<sup>th</sup> Annual Report on the business & operations of the Company together with the Standalone and Consolidated Audited Financial Statement for the year ended 31st March 2020.

### FINANCIAL HIGHLIGHTS

Financial results are presented in the table below:

(Rs in Lacs)

Particulars	Standalone		Consolidated	
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Revenue from Operations (Gross)	5442.51	10712.76	7804.62	13727.93
Other Income	220.98	232.80	222.21	232.80
Earnings Before Interest, Taxes, Depreciation and Amortization	(3997.83)	505.11	(3998.75)	496.05
Less: Finance Costs	964.40	849.50	966.45	849.62
Less: Depreciation and amortization expenses	714.15	1518.33	714.15	640.19
Profit Before Tax	(5676.38)	(1862.72)	(5679.35)	(993.77)
Less: Tax Expense	(1140.83)	(412.86)	(1141.66)	(412.86)
Profit After Tax from continuing operations	(4535.55)	(1449.86)	(4537.69)	(580.90)
Profit/(loss) for the year from discontinuing operations after Tax	1680.17	(132.33)	1680.17	(1010.47)
Profit for the year	(2855.38)	(1582.18)	(2857.52)	(1591.37)
Other Comprehensive Income	(238.53)	55.93	(238.53)	55.93
Total Comprehensive Income	(3093.91)	(1526.25)	(3096.05)	(1535.44)

### PERFORMANCE OF THE COMPANY

The Board of Directors of the Company, at its meeting held on 26<sup>th</sup> April, 2019 approved to sell / dispose off its Steel Castings Foundry situated at Urla, Industrial Estate, Raipur, Chhattisgarh -493221 to Texmaco Rail and Engineering Limited on a slump sale basis as a going concern for consideration of Rs. 87.50 crores (Rupees Eighty Seven Crores and Fifty Lacs only). In this relation, the Company has entered into a Business Transfer Agreement with Texmaco Rail and Engineering Limited on 26<sup>th</sup> April, 2019. The Company is in significant debt and the objective of the sale of the Steel Castings Foundry would be to reduce the debt burden of the Company. Texmaco Rail and Engineering Limited is a reputed house having experience in Steel and Rail Business and have shown interest in buying the Steel Castings Foundry. The net proceeds from the sale of the Steel Castings Foundry will be utilized to repay the existing loans and reduce interest burden, or enhancement of working capital of the Company for general business purposes and smooth operations of other two plants namely Grey Iron Foundry and Fabrication shop situated at - 5, Industrial Estate, Bhilai, Dist. Durg, C.G. 490 026 and 223/2 & 224, Industrial Estate, Tedesara, Rajnandgaon, C.G-491443.

The Company had registered a revenue from operations (from Continuing operations) of Rs 5442.51 Lacs as against Rs 10712.76 Lacs during the year FY 2018-19. The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Continuing operations) for the year 2019-20 were Rs (5676.38) Lacs and Rs (4535.55) Lacs respectively, as

against Rs (1862.72) Lacs and Rs (1449.86) respectively during the previous year ended 31 March, 2019.

The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Discontinuing operations) for the year 2019-20 were Rs 1680.17 Lacs and Rs 1680.17 Lacs respectively, as against Rs (631.44) Lacs and Rs (132.33) respectively during the previous year ended 31 March, 2019.

The Profit for the year 2019-20 were Rs (2855.38) Lacs respectively, as against Rs (1582.18) Lacs respectively during the previous year ended 31 March, 2019.

On a Consolidated basis, During the year ended 31 March, 2020, the Company had registered a revenue from operations (from Continuing operations) of Rs 7804.62 Lacs as against Rs 13727.93 Lacs during the year FY 2018-19. The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Continuing operations) for the year 2019-20 were Rs (5679.35) Lacs and Rs (4537.69) Lacs respectively, as against Rs (993.77) Lacs and Rs (580.90) respectively during the previous year ended 31 March, 2019.

The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Discontinuing operations) for the year 2019-20 were Rs 1680.17 Lacs and Rs 1680.17 Lacs respectively, as against Rs (1509.58) Lacs and Rs (1010.47) respectively during the previous year ended 31 March, 2019.

The Profit for the year 2019-20 were Rs (2857.52) Lacs respectively, as against Rs (1591.37) Lacs respectively during the previous year ended 31 March, 2019.



## **IMPACT OF COVID-19**

The country witnessed lockdown being implemented in India in the second fortnight of March 2020. There were also restrictions of varying extent across larger part of the world, due to the COVID-19 pandemic.

The company's operations were effected from 24th March 2020 to 23rd April, 2020 due to suspension of production across all plants following nationwide lockdown imposed by Government of India. In view of pandemic COVID-19. Government permitted certain activities in the month of April 2020 subject to certain restrictions. Accordingly the Company has re-started operations in phased manner from 23rd April 2020 & from May 2020 all the plants are operating normally. Three months moratorium for deferral on payment of loan and other Credit facility taken from Company Bankers and NBFC falling due in March - May 2020 are availed. The Company has further avail the moratorium facility from June 2020 to August 2020.

The Company has taken several measures to ensure their well-being including leveraging the power of technology to enable them to work from home. For those employees who are working in sales offices and manufacturing locations, their safety is being ensured by stringent use of protective gear, abiding by social distancing norms and taking all safety precautions. Standing by its core commitment, the Company is navigating through these unprecedented times by building stronger and deeper relationships with consumers and its partners.

## **DIVIDEND**

The Directors do not recommend any dividend on Equity shares on account of loss incurred during the financial year ended 31<sup>st</sup> March , 2020.

## **TRANSFER TO RESERVES**

There is no amount proposed to be transferred to reserves.

## **SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANIES**

The Company has one Subsidiary named Simplex Castings International Pte Limited .The Company does not have any associate or joint venture company.

Simplex Castings International Pte Limited is a material subsidiary as per the thresholds laid down under the Listing Regulations, 2015. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations, 2015 as amended from time to time. The Policy has been uploaded on the Company's website viz [www.simplexcastings.com](http://www.simplexcastings.com).

## **CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing

silent features of the financial statements of Subsidiaries in Form AOC-1 attached as **Annexure-I**.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed report on the Management Discussion and Analysis in terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as a separate chapter in the annual report.

## **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits )Rules, 2014 (including any statutory Modification(s) or re-enactment(s) for the time being in force).

## **CORPORATE GOVERNANCE**

The Company has taken the requisite steps to comply with the recommendations concerning Corporate Governance.

A separate statement on Corporate Governance together with a certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the Financial Year ended 31st March, 2020.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year, following changes took place in the Board of Directors and the Key Managerial Personnel (in the order of their occurrence):

- i) Reappointment of Mrs Ushma Khabaria (DIN: 06791342) as an Independent Director for a second term of 5 (five) consecutive years commencing from 1<sup>st</sup> October, 2019 to 30th September, 2024,
- ii) Re-appointment of Mrs Sangeeta Ketan Shah (DIN : 05322039) as Managing Director for a period of five years, with effect from 1st October, 2019 to 30th September, 2024,

## **Retirement of director by rotation**

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr Om Prakash Patel (DIN: 08301041), Director retires by rotation at the forthcoming Annual General Meeting and, being eligible



offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr Om Prakash Patel has been given in the Notice convening the Annual General Meeting.

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee reappointed Mr Ketan M Shah (DIN:00312343) as Whole Time Director designated as Chairman and Chief Executive officer of the Company for a further period of five years with effect from 10<sup>th</sup> July, 2020, subject to approval of members at the ensuing 40th Annual General Meeting.

## KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2020:

1. Mrs Sangeeta K Shah: Managing Director
2. Mr. J Suryam : Chief Financial Officer
3. Mrs D Meena : Company Secretary

## PERFORMANCE EVALUATION

Meeting the requirements of the statute and considering Board Performance Evaluation as an important step for a Board to transit to a higher level of performance, the Nomination and Remuneration Committee has laid down a comprehensive framework for carrying out the evaluations prescribed in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The framework was developed to give all Board members an opportunity to evaluate and discuss the Board's performance openly from multiple perspectives and enhance governance practices within the Board. The framework describes the evaluation coverage and the process thereof.

A structured questionnaire each for evaluation was prepared and a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board.

The performance evaluation of the Independent Directors was also carried by the entire Board. The performance evaluation of the Chairman, Managing Director & Executive Directors was carried out by the independent Directors at its separate meeting held on 14th February, 2020. The Directors expressed their satisfaction with the evaluation process.

## STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

All Independent Directors of the Company have given declarations as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS

The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company and can be accessed through the following link <http://www.simplexcastings.com/investors/notice-announcements/docs/notices/202021/familiarisation-programme-for-independent-Director-on-12-11-2019-&-14-02-2020.pdf>

## NOMINATION AND REMUNERATION POLICY

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The silent aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which forms part of this report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197 of the Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force is set out in the **Annexure-II** to this report.

The Company does not have any employee, whose particulars are required to be given pursuant to the provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) &(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the aforementioned Rules will be made available on request sent to the Company on [cs@simplexcastings.com](mailto:cs@simplexcastings.com)

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013 (including any statutory modification's or re-enactments thereof for the time being in force), the Directors of the Company confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;

- b. the Directors have selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and of the profit and loss of the Company for the financial year ended 31<sup>st</sup> March, 2020;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Annual Accounts have been prepared on a going concern basis;
- e. proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

#### **MEETING OF BOARD AND COMMITTEES**

The details of the meetings of the Board of Directors and its Committees, convened during the financial Year 2019-20 are given in the Corporate Governance Report which forms a part of Annual Report.

#### **STATUTORY AUDITORS AND THEIR REPORT**

The members of the Company at the 38th Annual General Meeting held on 21<sup>st</sup> September, 2018 has approved the appointment of M/s O P Singhania & Co, Chartered Accountants, Raipur, having FRN.: 002172C as the Statutory Auditors of the Company for a term of five years till the conclusion of 43th Annual General Meeting. M/s O P Singhania & Co, Chartered Accountants, Raipur has tender their resignation as the Statutory Auditors of the Company, expressing their inability, resulting in a casual vacancy in the office of the Auditors of the Company at the close of working hour on 30<sup>th</sup> July, 2020, as per section 139(8) of the Companies, Act, 2013. The Reason of Resignation as mentioned in Resignation letter dated 30<sup>th</sup> July ,2020 is that due to outbreak of COVID-19 globally and in India and nation wide lock down and certain restrictions imposed by the Central Government and subsequently by State Government from time to time, the statutory auditor are not in a position to continue as statutory auditor of the company from the financial years 2020-21 to 2022-23 because their office and work place are situated at a distance place (at Bhilai and Tedesara) and the statutory Auditor are not in a position to travel from Raipur to Bhilai and Tedesara as given the pandemic situation. The Auditor auditing staff strength has become low and partners of their firm are also not willing to travel and are mostly working from home. Thus, looking into the present lockdown/local restrictions, which are not expected to be relaxed in near future

therefore the auditor are unable to depute their audit staff and partners for conducting quarterly review and other audit related work for the year 2020-21.

In accordance with aforesaid provisions of the Act, the casual vacancy caused by the resignation of the Statutory Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and confirmation received from M/s. APAS & Co , Chartered Accountants, Raipur, having ICAI Firm Registration No.000340C on their eligibility, the Board recommends to the members for the appointment of M/s APAS & Co, Chartered Accountants, Raipur, as the Statutory Auditors of the Company:

- a) to fill the casual vacancy caused by the resignation of M/s O P Singhania & Co , Chartered Accountants, Raipur and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting: and
- b) for a period of one year, from the conclusion of the 40<sup>th</sup> Annual General Meeting till the conclusion of 41<sup>st</sup> Annual General Meeting of the Company to be held in the year 2021.

As required under Regulation 33 of the Listing Regulations, Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Necessary resolution and explanation thereto have been provided in the AGM notice seeking approval of members.

Observations and matters made by the Statutory Auditors in their report for the Financial year ended 31<sup>st</sup> March, 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013.

#### **COST AUDITOR AND THEIR REPORT**

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board, at its meeting held on 30<sup>th</sup> July,2020, has on the recommendation of the Audit Committee, re-appointed M/s Arindam & Associates, Cost Accountants to conduct the audit of the cost accounting records of the Company for F.Y. 2020-21 on a remuneration of Rs 0.70 lacs plus taxes as applicable and out-of-pocket expenses. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and is accordingly placed for your ratification.





## SECRETARIAL AUDITOR AND THEIR REPORT

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on 27<sup>th</sup> Feb, 2020 has reappointed Satish Batra & Associates, Practicing Company Secretary (Certificate of Practice No. 2875), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith as **Annexure III** to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

The Statutory Auditors, Cost Auditor or Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

## EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure VI** to this report. The same is also available on the Company's website at <http://www.simplexcastings.com/investors/financials/>.

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into by the Company during the year under review were on arm's length basis and were in the ordinary course of business thus a Disclosure in Form AOC-2 in terms of Section 134 of the Act is not required. There are no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or related parties which may have a potential conflict with the interest of the Company at large.

Members may refer to Note No 38 to the financial statement which sets out related party disclosures pursuant to Ind AS.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2020, are set out in Notes to the Financial Statements of the Company.

## SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2020 is Rs 613.12 Lacs.

Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and does not have any ESOP Scheme for its employees/Directors. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

The Company had allotted 19,93,700 Warrants ( 11,37,900 on 28th March,2018, 701500 on 31st March, 2018 and 1,54,300 on 3rd April,2018) of Rs 10/- each at a premium of Rs 150/- to non-promoters in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009.

Each of the said Warrant carried an option to subscribe to equivalent number of Equity shares of the Company of Rs 10.00 each not exceeding 18 months from the date of said Warrants. Holders of 18,46,700 Warrants have not exercised their option to convert Warrants held by them into Equity Shares of the Company till its maturity date ( 9,90,900 on 27th September,2019, 7,01,500 on 30th September,2019 and 1,54,300 on 2nd October,2019). Accordingly, the said Warrants stands cancelled and the entire subscription money received from them for subscription of Warrants stand forfeited.

## LISTING OF SHARES

The Delisting application is pending before delisting Committee at Delhi Stock Exchange. The Company is also listed on Calcutta Stock Exchange but trading is suspended.

## RISK MANAGEMENT

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. The Company has been addressing various risks impacting the Company.

## DISCLOSURE ON AUDIT COMMITTEE

The Audit Committee as on 31<sup>st</sup> March, 2020 comprises of the following Independent Directors:

Mr Champak K Dedhia (Chairman), Ms Ushma Nitin Khabaria and Mrs S. M Swathi as Members.

The Board has accepted all recommendations made by the Audit Committee during the year.

## VIGIL MECHANISM

A Vigil Mechanism Policy for Directors and employees of the Company is constituted, to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on rising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

All employees of the Company have access to the Chairman of the Audit Committee in case they want to report any concern. The Policy on Vigil Mechanism is available on your Company website.

During the year under review, the Company has not received any complaints under the Mechanism.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII to the Companies Act, 2013. A copy of the CSR Policy has been posted on the website of the company at [www.simplexcastings.com](http://www.simplexcastings.com) and the weblink [http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Corporate_Social_Responsibility_Policy.pdf).

The Composition of the CSR Committee:

Mr Champak K Dedhia (Chairman)

Mrs Sangeeta Ketan Shah (Member)

Mr Ketan M Shah (Member)

The Annual Report on Corporate Social Responsibility activities during the year are set out in **Annexure IV** of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules 2014.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure - V** to this report.

## **INTERNAL FINANCIAL CONTROL**

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its operation in future.

## **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

In accordance with the applicable provisions of Companies Act, 2013 (hereinafter referred to as "the Act") read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the "IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account

of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF during the FY 2019-20 and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information section of Corporate Governance report forming part of this Annual Report.

## **HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Your Company believes that its employees are one of the most valuable assets of the Company. During the year under review, the Company organised various training programs at all level to enhance skill of the employees. The employees are deeply committed to the growth of the Company.

## **COMPLIANCE OF SECRETARIAL STANDARD:**

Your Company have complied with all Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by Central Government from time to time.

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

During the year under review, there was no complaint received pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **ACKNOWLEDGEMENT**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Ketan M Shah  
Chairman  
DIN:00312343

Sangeeta K Shah  
Managing Director  
DIN:05322039

Place : Bhilai  
Date: 30.07.2020



## Annexure-I

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

##### Part “A”: Subsidiaries

(Rs In Lakhs)

Sl. No.	Particulars	Details
1	Name of the subsidiary	SIMPLEX CASTINGS INTERNATIONAL PTE LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>ST</sup> APRIL 2019 TO 31 <sup>ST</sup> MARCH 2020
3	Reporting currency	USD
4	Exchange Rate as on 31.03.2020	Rs 75.39
5	Share capital	Rs. 5.58
6	Reserves & surplus	Rs. (13.24)
7	Total assets	Rs. 626.95
8	Total Liabilities	Rs. 634.61
9	Investments	Rs. 0.00
10	Turnover	Rs. 2362.11
11	Profit before taxation	Rs. (2.97)
12	Provision for taxation	Rs. 0.00
13	Profit after taxation	Rs.(2.97)
14	Proposed Dividend	-
15	% of shareholding	100%

Note:

- (a) There are no Subsidiaries which are yet to commence operations.  
(b) There are no Subsidiaries which are liquidated during the year.

##### Part “B”: Associates and Joint Ventures

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Not Applicable
1. Latest audited Balance Sheet Date	Not Applicable
2. Shares of Associate/Joint Ventures held by the company on the year end	Not Applicable
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
3. Description of how there is significant influence	Not Applicable
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
6. Profit/Loss for the year	Not Applicable
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

Note:

- (a) There are no associates or joint ventures which are yet to commence operations.  
(b) There are no associates or joint ventures which are liquidated during the year.

For, O P Singhanian & Co  
(ICA Firm Reg No. 002172C)  
Chartered Accountants

For and on behalf of the Board of Directors of  
Simplex Castings Limited

Sanjay Singhanian  
Partner  
Membership NO.076961

Ketan M Shah  
Chairman and Whole Time Director  
(DIN:00312343)

Sangeeta K Shah  
Managing Director  
(DIN:05322039)

Place :Bhilai  
Date : 30.07.2020

D Meena  
Company Secretary

Deb Mukherjee  
Chief Financial Officer



### **Annexure-II**

**DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- a) The ratio of the remuneration of each Executive Director to the median employee's remuneration for the financial year 2019-20 :

Sl No	Name of Executive Directors	Ratio
1	Mr Ketan M Shah, Chairman and Whole Time Director	26.26:1
2	Mrs Sangeeta Ketan Shah , Managing Director	25.09:1
3	Mr Om Prakash Patel, Executive Director	11.52:1

Note:

1. The Independent Directors are paid only sitting fees for attending the meetings of the Board and its Committees. The ratio of remuneration and percentage increase in remuneration of these Directors is therefore not considered for the above.
- b) The percentage increase in Remuneration of Managing Director, Executive Director, Chief Financial Officer & Company Secretary in the FY 2019-20 is Nil.
- c) During FY 2019-20, the percentage increase in the median remuneration of employees as compared to previous year is 37.11%.
- d) The Company has 357 permanent employees on the rolls of Company as on March 31, 2020.
- e) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY20 is Nil.
- f) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.



**Annexure-III**

**FORM NO MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Simplex Castings Limited,  
601/602A, Fairlink Center,  
Off Andheri Link Road,  
Andheri (W), Mumbai (M. H.) - 53

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Simplex Castings Limited (CIN: L27320MH1980PLC067459) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board -processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be appropriately applicable for the year under Review:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and Dealing with Client;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period);
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);
  - g. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during audit period); and
  - h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period).

All other Relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the Management. The Examination and Reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

We have also examined compliance with the applicable clauses of the following :

- 1) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements ) Regulations, 2015;
- 2) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules ,Regulations, Guidelines, Standards etc mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, regulations and guidelines.

We further report that during the audit period:

- (a) The holders of 18,46,700 Warrants have not exercised their option to convert Warrants held by them into Equity Shares of the Company till its maturity date ( 9,90,900 on 27th September,2019, 7,01,500 on 30th September,2019 and 1,54,300 on 2nd October,2019). Accordingly , the said Warrants stands cancelled and the entire subscription money received from them for subscription of Warrants stand forfeited.
- (b) The unaudited financial results for the Quarter ended December,2019 couldn't approved by the Board of Directors in their meeting held on 14<sup>th</sup> February,2020 as some clarification and document required by the Director .Further the Board of Directors has approved the financials in their meeting held on 27<sup>th</sup> Feb,2020 and the same submitted to BSE. The Company has paid fine of Rs 64900/- for delay filing of results respect to non-compliance of Regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulation,2015.

Note:

There was no physical search made by us while preparing this report due to the ongoing lockdown imposed to prevent the spread of pandemic COVID-19 virus but the Company has provided an online support for preparing this report and we have verified the documents online and also kept the same for our record.

I hereby affirm that this report is being issued an online search and verification of all documents and records of the Company.

For, Satish Batra & Associates LLP  
Company Secretaries

(Satish Batra)  
FCS No: 1316  
C P No.: 2875

UDIN-F001316B000314631

Place: Raipur  
Date:03.06.2020



## Annexure-IV

### Annual Report on Corporate Social Responsibility Activities

(Pursuant to Section 135 of the Companies Act, 2013)

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII to the Companies Act, 2013. A copy of the CSR Policy has been posted on the website of the company at <a href="http://www.simplexcastings.com">www.simplexcastings.com</a> and the weblink <a href="http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Corporate_Social_Responsibility_Policy.pdf">http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Corporate_Social_Responsibility_Policy.pdf</a>
2.	The Composition of the CSR Committee	Mr Champak K Dedhia (Chairman) Mr Ketan Moolchand Shah (Member) Mrs Sangeeta Ketan Shah (Member)
3.	Average net profit of the Company for last three financial years	Rs (621.53)Lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Nil
5.	Amount unspent carried forward of the Financial Year 2018-19	Nil
6.	Total CSR Budget for Financial year 2019-20	Nil
7.	Details of CSR spent during the financial year. 1. Total amount spent for the Financial Year 2. Amount unspent, if any 3. Manner in which the amount spent during the financial year	Nil Nil The manner in which the amount is spent is detailed in the annexure.

(Rs in Lacs)

CSR Project or activities	Sector in which the project is covered.	Location where project is undertaken State(Local Area and District)	Amount outlay(budget) project or programs wise	Amount Spent on the Projects or Programs	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Nil						

- 8. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

Not Applicable

- 9. The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and Policy of the Company.**

Sangeeta Ketan Shah  
Managing Director

Champak K Dedhia  
Chairman-CSR Committee



### **Annexure-V**

**Statement pursuant to Section 134(3) of the Companies Act, 2013,  
read with Rule 8(3) of Companies (Accounts) Rules, 2014**

#### **Conservation of Energy**

The Company is continuously putting its efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. It is putting best endeavor to reduce energy consumption in all its operations and activities.

To achieve above objectives the following steps are being undertaken by the Company:-

- (a) Continuously monitoring the energy parameters such as maximum demand, power factor, load factor, TOD tariff utilization on regular basis.
- (b) Continuously replacing the inefficient equipment's with latest energy efficient technology & up gradation of equipment's continually.
- (c) Increasing the awareness of energy saving within the organization to avoid the wastage of energy.
- (d) Replacement of CFL lamp to LED lamp for shop floor.
- (e) Monitoring and Eliminating Compressed Air Leakages.
- (f) Recycling of drain water.

During the Year, the Company has invested Rs 0.30 Lacs for this purpose.

#### **Technology Absorption**

- (i) the efforts made towards technology absorption; **None**
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;  
**None**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)-  
**None**
- (iv) the expenditure incurred on Research and Development- **None**

#### **Foreign Exchange Earnings and Outgo:**

Total Foreign Exchange used and earned during the year:

(Rs in lacs)

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Foreign Exchange earned	387.95	986.81
Foreign Exchange used	7.49	2.78



**Annexure-VI**

**FORM NO. MGT -9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2020**

**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]**

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L27320MH1980PLC067459
2	Registration Date	30/01/1980
3	Name of the Company	Simplex Castings Limited
4	Category/Sub-category of the Company	Public Company/Limited by shares
5	Address of the Registered office & contact details	601/602A, Fairlink Center, Off Andheri Link Road, Andheri(West), Mumbai-400 053 (M.H) Tel No: 022-40034768 E-mail id : sclmumbai@simplexcastings.com
6	Whether listed company	Yes
7	Name, Address & contact details of Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Tel No.: +91 022 - 4918 6000 E-mail Id: rnt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	C.I Casting and Equipments	2431	86.09
2	Fabricated Equipments	2511	13.91

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Simplex Castings International Pte Ltd.	201831377M	Subsidiary Company	100%	Section 2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April 2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	31,57,957	-	31,57,957	51.51	31,73,173	-	31,73,173	51.75	0.25
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,93,600	-	2,93,600	4.79	2,93,600	-	2,93,600	4.79	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>34,51,557</b>	<b>-</b>	<b>34,51,557</b>	<b>56.29</b>	<b>34,66,773</b>	<b>-</b>	<b>34,66,773</b>	<b>56.54</b>	<b>0.25</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April 2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	34,51,557	-	34,51,557	56.29	34,66,773	-	34,66,773	56.54	0.25
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6,11,699	16,100	6,27,799	10.24	634664	400	635064	10.36	0.12
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals			-				-		
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	8,84,189	1,36,606	10,20,795	16.65	9,79,858	1,17,806	10,97,664	17.90	1.25
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	5,66,393	-	5,66,393	9.24	4,83,183	-	4,83,183	7.88	(1.36)
c) Others (specify)	3,67,056	97,600	4,64,656	7.58	3,52,216	96300.00	448516.00	7.32	(0.26)
Non Resident Indians	1,48,906	97,600	2,46,506	4.02	1,34,459	96,300	2,30,759	3.76	(0.26)
Clearing Members	11,094	-	11,094	0.18	2	-	2	0.00	(0.18)
Hindu Undivided Family	1,36,362	-	1,36,362	2.22	1,40,286	-	1,40,286	2.29	0.06
IEPF	70,694	-	70,694	1.15	77,469	-	77,469	1.26	0.11
<b>Sub-total (B)(2):-</b>	24,29,337	2,50,306	26,79,643	43.71	24,49,921	2,14,506	26,64,427	43.46	(0.25)
<b>Total Public (B)</b>	24,29,337	2,50,306	26,79,643	43.71	24,49,921	2,14,506	26,64,427	43.46	(0.25)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	58,80,894	2,50,306	61,31,200	100.00	59,16,694	2,14,506	61,31,200	100.00	0.00



**(ii) Shareholding of Promoter**

SI No	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April 2019)			Shareholding at the end of the year(As on 31st March 2020)			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr Ketan Shah	31,04,415	50.63	0.00	23,54,415	38.40	0.00	(12.23)
2	M/s Sim Prabha Estates & Trading Co Pvt Ltd	2,37,500	3.87	0.00	2,37,500	3.87	0.00	0.00
3	M/s Hem Holdings & Trading Limited	48,700	0.79	0.00	48,700	0.79	0.00	0.00
4	Mrs Jayshree Sanjiv Haria	38,300	0.62	0.00	38,300	0.62	0.00	0.00
5	M/s Prabha Plantations(P) Ltd	7,400	0.12	0.00	7,400	0.12	0.00	0.00
6	Mr Kisan R Choksey	3,500	0.06	0.00	3,500	0.06	0.00	0.00
7	Mrs Sangeeta Ketan Shah	6,297	0.10	0.00	7,73,697	12.62	0.00	12.52
8	Mr G Gopalswamy	0	0.00	0.00	0	0.00	0.00	0.00
9	Mr Piyush P Shah	4,486	0.07	0.00	3,240	0.05	0.00	(0.02)
10	Mrs Usha Piyush Shah	959	0.02	0.00	21	0.00	0.00	(0.02)
	Total	34,51,557	56.29	0.00	34,66,773	56.54	0.00	0.25

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SI. No	Shareholding of each Directors and each Key Managerial Personnel*	Shareholding at the beginning of the year(01-04-2019)/At the end of the year (31-03-2020)		Date	Reason	Increase/ Decrease in Share-holding	Cumulative Shareholding during the year(01-04-2019 to 31-03-2020)	
		No of shares	% of total shares				No of Shares	% of total shares
1	Mr Ketan M Shah							
	At the beginning of the year	31,04,415	50.63	01.04.2019			31,04,415	50.63
				05.03.2020	Inter Se Transfer	750000	2354415	38.4
	At the end of the year	23,54,415	38.40	31.03.2020				
2	M/s Sim Prabha Estates & Trading Co Pvt Ltd							
	At the beginning of the year/At the end of the year	2,37,500	3.87	No Change				
3	M/s Hem Holdings & Trading Limited							
	At the beginning of the year/At the end of the year	48,700	0.79	No Change				
4	Mrs Jayshree Sanjiv Haria							
	At the beginning of the year/At the end of the year	38,300	0.62	No Change				
5	M/s Prabha Plantations(P) Ltd							
	At the beginning of the year/At the end of the year	7,400	0.12	No Change				
6	Mr Kisan Ratilal Choksey							
	At the beginning of the year/At the end of the year	3,500	0.06	No Change				



Sl. No	Shareholding of each Directors and each Key Managerial Personnel*	Shareholding at the beginning of the year(01-04-2019)/At the end of the year (31-03-2020)		Date	Reason	Increase/Decrease in Shareholding	Cumulative Shareholding during the year(01-04-2019 to 31-03-2020)	
		No of shares	% of total shares				No of Shares	% of total shares
7	Mrs Sangeeta K Shah							
	At the beginning of the year	6,297	0.10	01.04.2019			6,297	0.10
				05.06.2019	Purchase	1,200	7,497	0.12
				02.07.2019	Purchase	100	7,597	0.12
				22.07.2019	Purchase	100	7,697	0.13
				31.07.2019	Purchase	15,900	23,597	0.38
				05.03.2020	Inter Se Transfer	7,50,000	7,73,597	12.62
				22.03.2020	Purchase	100	7,73,697	12.62
	At the end of the year	7,73,697	12.62	31.03.2020				
8	Mr G Gopalswamy							
	At the beginning of the year/At the end of the year	0	0.00	No Change				
9	Mr Piyush P Shah							
	At the beginning of the year	4,486	0.07	01.04.2019			4486	0.07
				08.05.2019	Sale	50	4436	0.07
				15.05.2019	Sale	539	3897	0.06
				22.05.2019	Sale	36	3861	0.06
				29.05.2019	Sale	621	3240	0.05
	At the end of the year	3,240	0.05	31.03.2020				
10	Mrs Usha P Shah							
	At the beginning of the year	959	0.02	01.04.2019			959	0.02
				03.04.2019	Sale	938	21	0.00
	At the end of the year	21	0.00	31.03.2020				

**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April 2019)		Shareholding at the end of the year (As on 31st March 2020)	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Yashkumar Poonamchand Golechha	2,00,000	3.26	2,50,000	4.08
2	Aequitas Investment Consultancy Private Ltd	1,15,024	1.88	1,15,024	1.88
3	Moneybee Securities Pvt Ltd	92,348	1.51	92,348	1.51
4	Amritrashi Suppliers Pvt Ltd	75,000	1.22	75,000	1.22
5	Glorious Holdings Pvt Ltd	72,000	1.17	72,000	1.17
6	KLB Securities Pvt Ltd*	247	0.00	67,503	1.10
7	Sharda Maheshwari	50,395	0.82	50,395	0.82
8	Kanchan Sunil Singhania	50,332	0.82	50,332	0.82
9	Rajesh Maneklal Rughani	45,900	0.75	45,900	0.75
10	Sobhagyachand Vidharamji Shah	44,800	0.73	44,800	0.73

\*\*\* Not in the list of Top 10 shareholders as on 1 April 2019 but was one of the Top 10 shareholders as on 31 March 2020.



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Shareholding of each Directors and each Key Managerial Personnel*	Shareholding at the beginning of the year(01-04-2019)/At the end of the year (31-03-2020)		Date	Reason	Increase/ Decrease in Share-holding	Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No of shares	% of total shares				No of Shares	% of total shares
1	Mr Ketan M Shah							
	At the beginning of the year	31,04,415	50.63				31,04,415	50.63
				05.03.2020	Inter Se Transfer	750000	2354415	38.4
	At the end of the year	23,54,415	38.40	31.03.2020				
2	Mrs Sangeeta K Shah							
	At the beginning of the year	6,297	0.10	01.04.2019			6,297	0.10
				05.06.2019	Purchase	1,200	7,497	0.12
				02.07.2019	Purchase	100	7,597	0.12
				22.07.2019	Purchase	100	7,697	0.13
				31.07.2019	Purchase	15,900	23,597	0.38
				05.03.2020	Inter Se Transfer	7,50,000	7,73,597	12.62
				22.03.2020	Purchase	100	7,73,697	12.62
	At the end of the year	7,73,697	12.62	31.03.2020				

\* The Following Directors/Key Managerial Personnel (KMP) did not hold any shares during fiscal year 2020:

- (a) Mrs Ushma Khabaria
- (b) Mr Champak K Dedhia
- (C) Mrs S M Swathi
- (d) Mr O P Patel
- (e) Mr J Suryam
- (f) Mrs D Meena

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8,502.01	2,331.67	0	10,833.68
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>	8,502.01	2,331.67	0	10,833.68
<b>Change in Indebtedness during the financial year</b>				-
* Addition				
* Reduction	3,872.44	143.55		4,015.99
<b>Net Change</b>				-
<b>Indebtedness at the end of the financial year</b>				-
i) Principal Amount	4,569.52	2,188.12	0	6,757.64
ii) Interest due but not paid	3.43	-		3.43
iii) Interest accrued but not due	56.62	-		56.62
<b>Total (i+ii+iii)</b>	4,629.57	2,188.12	0	6,817.69

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs/Lac)
		Mr Ketan Moolchand Shah (Chairman and Whole Time Director)	Mrs Sangeeta Ketan Shah (Managing Director)	Mr Om Prakash Patel (Whole Time Director)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.40	41.40	19.00	101.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.93	0.00	0.00	1.93
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>43.33</b>	<b>41.40</b>	<b>19.00</b>	<b>103.73</b>

### B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Mrs S M Swathi	Mr.Champak Kalyanji Dedhia	Ms Ushma Nitin Khabaria	
1	Independent Directors				
	Fee for attending board committee meetings	0.95	1.05	0.75	2.75
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>0.95</b>	<b>1.05</b>	<b>0.75</b>	<b>2.75</b>
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>0.95</b>	<b>1.05</b>	<b>0.75</b>	<b>2.75</b>

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs/Lac)
		Mr J.Suryam (CFO)	Ms D Meena (CS)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.42	9.23	20.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (C)</b>	<b>11.42</b>	<b>9.23</b>	<b>20.65</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences under the Companies Act during the year ended 31st March, 2020.



## **REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2020, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

### **COMPANY'S PHILOSOPHY**

The end of the year under review saw challenging times for the Company as well as for the world at large due to the impending COVID-19 pandemic. The situation continues to be exceptional and dynamic. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) promptly announced many relaxations with respect to the compliance requirements for India Inc. to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and dispensations granted by the MCA and SEBI, inter alia, for conduct of Annual General Meeting through electronic mode and dispatch of Annual Report electronically to shareholders who have registered their email addresses. These relaxations are noteworthy and were the need of the hour.

Your Company believes that Corporate Governance is a prerequisite for attaining sustainable growth in this competitive world. Simplex Castings philosophy on Corporate Governance is based on trusteeship, transparency and accountability. Your Company is committed to the highest standards of corporate governance, and setting industry-leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

### **GOVERNANCE STRUCTURE**

The Corporate Governance structure at Simplex Castings Limited is as follows:

#### **Board of Directors**

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

#### **Committees of the Board**

The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

### **BOARD OF DIRECTORS**

#### **Composition of the Board**

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Company has a judicious Combination of Executive and Non- Executive Directors. As on 31<sup>st</sup> March, 2020, the Board comprised of 6 Directors out of which three are Executive Directors (including one Managing Director) and three are Independent Directors. The Chairman of the Board is an Executive Director. The Board Composition is in conformity with the Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013.

#### **Directors' Attendance Record and their other Directorships/ Committee Memberships**

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2020 are given below:



**Directorship / Committee Membership as on March 31, 2020**

Sl. No	Name of the Director	Category	Attendance at meeting during 2019-20		Directorships in other Indian Public Limited Companies (excluding Simplex Castings Ltd.)	No. of Board Committees in which Chairman / Member (excluding Simplex Castings Ltd.)
			Board Meeting	AGM		
1.	Mr. Ketan Moolchand Shah (DIN:00312343)	Chairman and Whole Time Director (Promoter)	6/6	Yes	Hem Holdings and Trading Limited (Non-Executive Director)	2
2.	Mrs. Sangeeta Ketan Shah (DIN: 05322039)	Managing Director (Promoter)	6/6	Yes	Hem Holdings and Trading Limited (Managing Director)	2
3.	Mr. Champak Kalyanji Dedhia (DIN: 00044969)	Independent Director	4/6	Yes	Nil	Nil
4.	Ms. Ushma Nitin Khabaria (DIN: 06791342)	Independent Director	3/6	Yes	Nil	Nil
5.	Mr.Om Prakash Patel (DIN: 08301041)	Executive Director	6/6	No	Nil	Nil
6.	Mrs S M Swathi (DIN: 06952954)	Independent Director	4/6	No	PC Jeweller Limited (Independent Director)	Nil

**Notes:**

- Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
- Mr Ketan Moolchand Shah and Mrs Sangeeta Ketan Shah are related to each other.
- Chairman/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than Simplex Castings Limited.
- Details of Directors retiring or being reappointed are given in notice to Annual General Meeting.

**Skills / Expertise / Competencies of the Board of Directors:**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
- Financial and Management skills.

- Technical /Legal/Professional skills and specialized knowledge in relation to Company's business.

**Independent Directors**

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment, in compliance with the Act and the Listing Regulations. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. [www.simplexcastings.com](http://www.simplexcastings.com). As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

**Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.



The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board.

Total Six meetings of the Board of Directors were held in the financial year 2019-20. The company thus observed the provisions of listing agreement allowing not more than one hundred and twenty days gap between two such meetings.

## No of Board Meeting:

SI No	Date of Meetings	No of Directors Presents
1	26.04.2019	3
2	29.05.2019	6
3	12.08.2019	6
4	12.11.2019	6
5	14.02.2020	5
6	27.02.2020	3

## Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

## Post Meeting Mechanism

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/division.

## Board Support

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

## Separate Meeting of the Independent Directors

During the year under review, the Independent Directors met on 14<sup>th</sup> February, 2020, without the attendance of Non-Independent Directors and members of the management, *inter alia*, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive/Non Executive Directors ; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors of the Company attended the separate Meeting of Independent Directors except Mrs Ushma Khabaria. Mr Champak K Dedhia chaired the Meeting.

## Shareholding of Non Executive/ Independent Directors

No Independent Director holds any shares and any Convertible Warrants in the Company.

## Familiarisation Programme for Independent Directors

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Company Secretary is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. Managing Director also has a one to one discussion with the newly appointed Director to familiarise him with the Company's operations. Information are regularly given to the Independent Directors on various matters inter-alia covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarisation programme for Directors are available on the Company's website, viz. [www.simplexcastings.com](http://www.simplexcastings.com) and the web link thereto is <http://www.simplexcastings.com/investors/notice-announcements/docs/notices/202021/familiarisation-programme-for-independent-Director-on-12-11-2019-&-14-02-2020.pdf>

## COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The composition of various Committees of the Board of Directors is available on the website of the Company at [www.simplexcastings.com](http://www.simplexcastings.com) and weblink for the same is <http://www.simplexcastings.com/investors/board-committees/>.

The Board currently has the following Committees:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders' Relationship Committee, and
- Corporate Social Responsibility Committee,

## AUDIT COMMITTEE

### Composition

Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting Process.

The composition , quorum, powers, role and scope of the Audit Committee are in alignment with provisions of Section

177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and majority of them having accounting or related financial management experience. The Executive Chairman, Managing Director and Statutory Auditor are permanent invitees to attend the meeting. Mrs. D Meena, Company Secretary acts as Secretary to the Committee.

Mr Champak K Dedhia, Independent Director is the Chairman of the Audit Committee. The other members of the Audit Committee include Mrs Ushma Khabaria, Independent Director and Mrs S M Swathi , Independent Director.

### Meetings and Attendance

During the Financial Year 2019-20, the Audit Committee met four times on 29/05/2019, 12/08/2019, 12/11/2019 and 14/02/2020.

The Composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended 31<sup>st</sup> March, 2020 is detailed below:

Name of the Member(s)	Category	No of Meeting attended
Mr. Champak Kalyanji Dedhia (Chairman)	Independent Director	4/4
Ms. Ushma Nitin Khabaria	Independent Director	3/4
Mrs S M Swathi	Independent Director	4/4

The Chairman of the Audit Committee was present at the Last Annual General Meeting held on 26<sup>th</sup> September, 2019.

### Terms of reference and Role of the Audit Committee:

The Audit Committee is empowered, pursuant to its term of reference and its role, inter alia, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Review of the quarterly/half-yearly/annual financial statements with reference to changes, if any in accounting policies and reasons for the same;
3. Compliance with listing and legal requirements relating to financial statements, qualifications, if any in the draft audit report;
4. Review of internal audit function and discussion on internal audit reports;
5. Recommending the appointment, remuneration and terms of appointment of statutory auditors, Cost auditors, Secretarial Auditor and Internal Auditor of the Company;
6. Approving payment to Statutory Auditors and Cost Auditor, for any other services rendered by them;
7. Reviewing the adequacy of internal audit function;

8. To approve transaction of the Company with related parties and subsequent modifications, if any;
9. Review of the Vigil Mechanism/ Whistle Blower of the Company as per Vigil Mechanism/Whistle Blower Policy. Overseeing the functioning of the same;
10. Reviewing and Scrutinizing of inter-corporate loans and investments;
11. Appointment of Chief Financial Officer and
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### NOMINATION AND REMUNERATION COMMITTEE

#### Composition

The Nomination and Remuneration Committee comprises of three Directors. Mr Champak K Dedhia , Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Mrs Ushma Khabaria, Independent Directors and Mrs S M Swathi , Independent Directors.

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

#### Meetings and Attendance

The Committee met once during the year on 12<sup>th</sup> August, 2019. The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

Name of the Member(s)	Category	No of meeting Attended
Mr. Champak K Dedhia (Chairman)	Independent Director	1/1
Ms. Ushma Nitin Khabaria	Independent Director	1/1
Mrs S M Swathi	Independent Director	1/1

Mrs. D Meena, Company Secretary acts as Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on 26<sup>th</sup> September, 2019.

#### Terms of reference

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration policy:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment/ removal;



2. Carry out evaluation of every director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
3. Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; and
4. Devising a policy on Board Diversity.
5. Undertake any other matters as the Board may decide from time to time.

## NOMINATION AND REMUNERATION POLICY

### Policy on Director's appointment and remuneration

The Nomination and Remuneration Policy provides for appropriate composition of Executive and Non Executive Independent Directors on the Board of Directors of your company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company.

### Remuneration to Executive Directors

The Remuneration to be paid to Managing Director and Whole Time Directors shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

Presently, the Company does not have a stock options scheme for its Directors.

### Remuneration to Independent Director

The Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. An Independent Director shall not be entitled to any stock option of the Company. There were no other pecuniary relationships or transactions of Non-Executive Directors /Independent director vis-à-vis the Company. Mr Champak K Dedhia, Independent Director of the Company, is the Partner of M/s C K Dedhia & Associates., Chartered Accountants, which renders professional services to the Company. The quantum of fees paid to M/s. C K Dedhia & Associates., is an insignificant portion of their total revenue, thus, M/s C K Dedhia & Associates., is not to be construed to have any material association with the Company.

## Details of Remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2020

### (a) Independent Directors

The Non-Executive Directors are paid sitting fees within the limit prescribed under the Companies Act, 2013 for attending the Board meetings, Audit Committee meetings and other committee meetings. The Company has paid Rs 10,000/- per meeting for attending Board meeting, Rs 10,000/- per meeting for attending the Audit Committee meetings and Rs 5,000/- per meeting for attending other committee meetings, as sitting fees.

Details of sitting fees paid to Independent Directors for the Financial Year ended 31<sup>st</sup> March, 2020:

(Rs in Lacs)

Name of Director	Sitting Fees
Mr. Champak Kalyanji Dedhia	Rs 1.05
Mrs S M Swathi	Rs 0.95
Mrs. Ushma Nitin Khabaria	Rs 0.75
<b>Total</b>	<b>Rs 2.75</b>

### (b) Executive Directors

Details of remuneration paid to the Executive Directors of the Company for the financial year 2019-20 are as follows:

(Rs in Lacs)

Name of Director	Basic Salary	Perquisites	Total
Mr. Ketan Moolchand Shah	Rs 41.40	Rs 1.93	Rs 43.33
Mrs. Sangeeta Ketan Shah	Rs 41.40	Rs 0.00	Rs 41.40
Mr Om Prakash Patel	Rs 19.00	-	Rs 19.00

Notes-

- The agreement with Whole –time Director/ Managing Director is for 5 Years. Further, either party to the agreement is entitled to terminate the Agreement by giving not less than six months' notice in writing to the other party.
- Mr Ketan M Shah and Mrs Sangeeta K Shah shall be entitled to minimum remuneration comprising of Salary, Perquisites and benefits as per applicable provisions of the Companies Act, 2013 in the event of inadequate profit/absence of profits.
- The remuneration paid to Mr Om Prakash Patel who was functioning in the professional capacity, is in line with Clause B of Section II of Part II of Schedule V of Companies Act, 2013.

## Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance,



its Committees and Directors individually. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman and the Executive Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### **SUCCESSION PLAN**

The Board of Directors has satisfied itself that plans are in place for orderly succession for appointment to the Board of Directors and Senior Management.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Stakeholders Relationship Committee comprises of three directors. Mr Champak K Dedhia, Independent Director is the Chairman of this Committee. The other members of the Stakeholders Relationship Committee include Mrs Ushma Khabaria and Mrs S M Swathi, Independent Directors.

#### **Meetings and Attendance**

The Committee met once during the year on 12<sup>th</sup> November, 2019. The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

<b>Name of the Member(s)</b>	<b>Category</b>	<b>No of meeting Attended</b>
Mr. Champak K Dedhia (Chairman)	Independent Director	1/1
Ms. Ushma Nitin Khabaria	Independent Director	1/1
Mrs S M Swathi	Independent Director	1/1

Ms. D Meena is the Company Secretary and Compliance Officer for complying with the requirements of Securities Law and acts as Secretary to the Committee.

The committee focuses primarily on monitoring expeditious redressal of investors/stakeholders grievances and also function in an efficient manner that all issues/concerns stakeholders are addressed/ resolved promptly.

The Company Secretary and the Registrar and Share Transfer Agent, Link Intime India Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

### **Investor Grievance redressal**

A total of 20 Correspondences were received from investors during FY 2019-20, of which 2 cases were reported as Complaints.

Status of Investors Complaints as on 31<sup>st</sup> March, 2020 and reported under Regulation 13(3) of the Listing Regulations, is as under:

No of Complaints received	2
Resolved	2
Pending	0

The above table includes Complaints received from SEBI SCORES by the Company.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

#### **Composition**

The CSR Committee comprises of three Directors .Mr Champak K Dedhia, Independent Director is the Chairman of the Committee. The other members of the CSR Committee include Mr Ketan M Shah, Whole Time Director and Mrs Sangeeta K Shah ,Managing Director. The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

#### **Meeting and Attendance**

The CSR Committee met once during the year on 12<sup>th</sup> August, 2019. The Table below provides the attendance of the CSR Committee members:

<b>Name of the Member(s)</b>	<b>Category</b>	<b>No of Meeting Attended</b>
Mr. Champak K Dedhia (Chairman)	Independent Director	1/1
Mrs. Sangeeta Ketan Shah	Managing Director	1/1
Mr. Ketan Moolchand Shah	Executive Director	1/1

Mrs D Meena acts as Secretary to the Committee.

#### **Terms of reference**

The CSR Committee is empowered, pursuant to its terms of reference, *inter alia*, to:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Companies Act, 2013 and rules thereunder;
- Recommend the amount of expenditure to be incurred on the activities as above;
- Monitor the CSR Policy of the Company from time to time; and
- Such other activities as the Board of Directors may determine from time to time.



The CSR policy has been placed on the website of your Company and can be accessed through the following link: [http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Corporate\\_Social\\_Responsibility\\_Policy.pdf](http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Corporate_Social_Responsibility_Policy.pdf)

## SUBSIDIARY COMPANIES

The Company monitors performance of its subsidiary company, *inter-alia*, by the following means:

- The Audit Committee reviews financial statements of the subsidiary company, along with investments made , on a quarterly basis.
- The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary company.
- By appointing an Independent Director of the Company on the Board of Directors of unlisted material subsidiary.

Simplex Castings International Pte Ltd, a wholly owned subsidiary, incorporated outside India, is a material subsidiary of the Company. Further, Simplex Castings Limited does not have any unlisted material subsidiary, incorporated in India.

[Under the Listing Regulations, a “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent [for appointment of Independent Director of the Company on the Board of material subsidiary (refer iii) above)-twenty percent] of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year].

The Company does not have a listed subsidiary.

The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations as amended. The said policy has been uploaded on the website of the Company viz. [www.simplexcastings.com](http://www.simplexcastings.com). The weblink for the same is <http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Policy-for-Determining-Material-Subsidiaries.pdf>.

## AFFIRMATIONS AND DISCLOSURES

### Related Party Transactions

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and Listing Regulations. The Policy on Related Party Transaction has been displayed on the Company website at [www.simplexcastings.com](http://www.simplexcastings.com) at weblink [http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/RPT\\_Policy.pdf](http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/RPT_Policy.pdf).

The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval which also forms part of the Policy. Related Party Transactions of repetitive nature are approved by the Audit Committee on omnibus basis for one financial year at a time. The Audit Committee satisfies itself regarding the need for omnibus approval and that such approval is in the interest of the Company and ensures compliance with the

requirements of Listing Regulations and the Companies Act, 2013. All omnibus approvals are reviewed by the Audit Committee on a quarterly basis. During the year, there were no materially significant related party transactions that may have potential conflict with the interests of Company at large.

The details of remuneration paid to the employees of the Company, who are relatives of directors, as on 31st March, 2020 is as under:

Name of the employee	Nature of relationship with Director(s)	Remuneration
Santanu Ghosh	Brother of Mrs Sangeeta K Shah	Rs 4.00 Lacs

### Details of non compliance by the Company

The unaudited financial results for the Quarter ended December, 2019 couldn't approved by the Board of Directors in their meeting held on 14<sup>th</sup> February, 2020 as some clarification and document required by the Director. Further the Board of Directors has approved the financials in their meeting held on 27<sup>th</sup> Feb, 2020 and the same submitted to BSE. The Company has paid fine of Rs 64900/- for delay filing of results respect to non-compliance of Regulation 33 of SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015.

The company has not approached the exchange for listing of its 1,47,000 equity shares respect to Conversion of Convertible Warrants into Equity within twenty days from the date of allotment i.e. 28/01/2019. The Company has filed the application on 18/02/2019 and delayed by one day. The BSE has imposed a fine of Rs 20,000 plus applicable taxes according to SEBI circular No CIR/ CFD/DIL/57 /2017 dated 15/06/2017 for the delay. The Company has paid fine of Rs 21,600/- on 22.02.2019.

Except as mentioned above, no other penalty/ stricture was imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

### Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### Risk Management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

### Vigil Mechanism

The Company has adopted a Vigil Mechanism system to provide a formal mechanism to its Directors and Employees to voice concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organization and also safeguards against victimization of Directors and Employees who avail of the mechanism.

It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the vigil mechanism is not subjected to any discriminatory practice.

The above mechanism has been displayed on the Company website at [www.simplexcastings.com](http://www.simplexcastings.com) at weblink [http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy.pdf](http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf)

#### **Code of Conduct on prohibition of Insider Trading**

In line with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prohibition of insider trading. The objective of the policy is to ensure the prohibition of insider trading practices in the Company. Mrs D Meena, Company Secretary, is the Compliance Officer for the purpose of this policy.

The above code has been displayed on the Company website at [www.simplexcastings.com](http://www.simplexcastings.com) at weblink [http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Code\\_of\\_PIT.pdf](http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Code_of_PIT.pdf)

#### **Compliance with Mandatory and Non-Mandatory Requirements**

##### **Mandatory**

The Company has complied with all mandatory requirements of the Listing Regulations relating to Corporate Governance.

##### **Non-mandatory**

##### **i) Maintenance of Chairman Office:**

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

##### **ii) Shareholder rights:**

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.

##### **iii) Modified opinion (s) in Audit Report:**

The auditors have expressed an unmodified opinion on the financial statements of the Company.

##### **iv) Separate post of Chairman and CEO:**

Mr Ketan M Shah is Chairman & CEO of the Company.

##### **v) Reporting of Internal Auditor:**

The Internal Audit report has sent to Members of Audit Committee as part of the Agenda of the Meeting on Quarterly Basis.

#### **Disclosure of Commodity Price risks and Commodity hedging activities**

The principal raw materials of the Company are procured from the domestic suppliers and not from overseas markets. The Company does not indulge in any commodity hedging activities. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

#### **Certificate from Practicing Company Secretary**

A certificate from a Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The same is placed at the end of this report.

#### **Disclosure in relation to recommendation made by Committees of the Board**

During the year under review, all recommendations of the Board Committees have been accepted by the Board.

#### **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Details of total fees for all services paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is as under:

Fee paid/payable by the Company w.r.t. FY 2019-20

i) Statutory Audit Fees – Rs 7.00 Lacs

ii) Tax Audit Fees – Rs 0.50 Lacs

Fee paid/ payable by M/ s Simplex Castings International Pte Limited, wholly owned subsidiary w.r.t. FY 2019-20.

i) Statutory and certification fee – Rs. 3.17 Lacs

ii) Reimbursement of expenses – Rs. 0.25 Lacs

#### **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

No funds were raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

#### **Code of Conduct for Board Members and Senior Management**

Your Company has adopted a code of conduct for all the Board Members and members of senior management in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of your Company. All the Board members and senior Management Personnel have affirmed their compliance with the said code of conduct for the financial year 2019-20. The declaration to this effect signed by Mrs Sangeeta K Shah, Managing Director of the Company forms part of the Report.



## Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There was no complaints at the beginning of the year i.e. as on 1st April, 2019 and during the year the Company has not received any complaints and no complaints were pending as on 31st March, 2020.

## Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27, Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 and Part C of subparas (2) to (10) of Schedule V of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

## CEO/ CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the CEO and CFO have certified to the Board of Directors of the Company in their meeting held on 30<sup>th</sup> July, 2020, with regard to the financial statements and other matters specified in the said regulation, for the financial year 2019-20.

## Certificate on Corporate Governance:

The Company has obtained a certificate from M/s. Divanshu Mittal & Associates, Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in the Listing regulation. This is annexed to this Report. The certificate will be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

## GENERAL BODY MEETINGS

During the preceding three years, the Company Annual General Meetings were held at Babasaheb Dhaanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon house, 6<sup>th</sup> Floor, 12 K Dubhash Marg, Near Kala Ghoda, Fort Mumbai- 400 001.

The date and time of Annual General Meetings held during last three years are as follows:

AGM	Year	Date & Time	No of special resolution passed
39 <sup>th</sup>	2018-19	26.09.2019 at 3.00 P.M	5
38 <sup>th</sup>	2017-18	21.09.2018 at 10.30 A.M	Nil
37 <sup>th</sup>	2016-17	14.09.2017 at 3.00 P.M	Yes-2

The following Special Resolutions were taken up in the last three AGMs and were passed with requisite majority.

## 26<sup>th</sup> September, 2019

- Reappointment of Mrs Ushma Khabaria (DIN:06791342) as an Independent Director
- Re-appointment of Mrs Sangeeta Ketan Shah (DIN : 05322039) as Managing Director

- Approve the Remuneration to be paid to Mr Ketan M Shah, Whole Time Director and Mrs Sangeeta Ketan Shah, Managing Director
- Approve the Remuneration to be paid to Promoter Executive Directors
- Approve the reclassification of Mr Piyush P Shah and Mr G Gopalswamy from Promoter & Promoter Group to Public

## 14<sup>th</sup> September, 2017

- Payment of Minimum Remuneration to Mr Ketan M Shah (DIN: 00312343) in case of inadequate profit according to Schedule V of the Companies Act, 2013.
- Payment of Minimum Remuneration to Mrs Sangeeta K Shah (DIN: 05322039) in case of inadequate profit according to Schedule V of the Companies Act, 2013.

## Extraordinary General Meeting (EGM)

EGM	Date & Time	Special resolution
2019-20	29/05/2019 at 2.00 P.M	Transfer or sell or otherwise dispose off Steel Castings Foundry situated at Urla, Industrial Estate, Raipur, Chhattisgarh -493221 to Texmaco Rail & Engineering Limited [CIN: L29261WB1998PLC087404], as a going concern on a slump sale basis

## Details of Resolution passed through Postal Ballot, the person who conducted the postal ballot exercise and details of the voting pattern.

During the year under review, no resolution has been passed through the exercise of postal ballot.

## MEANS OF COMMUNICATION

Timely disclosure of the information on Corporate Financial performance and the Corporate developments is a sign of good governance practice which Company follows:

### a. Publication of Quarterly results:

Quarterly, half yearly and annual financial results of the Company were published in leading English and vernacular Language newspaper viz, Free Press Journal and Navshakti.

### b. Website and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website at [www.simplexcastings.com](http://www.simplexcastings.com) gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly/Half Yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. Your Company official news release is also available on the Company website at [www.simplexcastings.com](http://www.simplexcastings.com).



**c. Exclusive email ID for investors:**

The Company has designated the e-mail id investors@simplexcastings.com exclusively for investor servicing and the same is prominently displayed on the Company's website www.simplexcastings.com.

**d. SCORES (SEBI complaints redressal system):**

SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

**GENERAL SHAREHOLDER'S INFORMATION**

<b>40<sup>th</sup> Annual General Meeting</b>	
Date	30 <sup>th</sup> September, 2020
Time	3.00 P.M
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM.
<b>Financial Calender</b>	
Financial year	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
<b>Tentative Schedule for declaration of results during the Financial Year 2020-21</b>	
Unaudited First Quarter Results	On or before 14 <sup>th</sup> August, 2020
Unaudited second Quarter Results	On or before 14 <sup>th</sup> November, 2020
Unaudited Third Quarter Results	On or before 14 <sup>th</sup> February , 2021
Unaudited Fourth Quarterly Results	On or before 30 <sup>th</sup> May, 2021
<b>Date of Book Closure</b>	24 <sup>th</sup> September ,2020 to 30 <sup>th</sup> September, 2020 (both days inclusive)
<b>Dividend Payment Date</b>	The Board of Directors of the Company has not recommended payment of any dividend for the year under review. Hence, the dividend payment date is not applicable.
<b>Listing</b>	Bombay Stock Exchange
<b>Stock code</b>	513472
<b>Trading Symbol</b>	SIMPLEXCAS
<b>ISIN Number</b>	INE 658 D01011
<b>CIN</b>	L27320MH1980PLC067459

**Payment of Listing Fees**

Your Company has paid the Listing Fees to BSE and the Custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited for the Financial Year 2020-21.

**Dividend History for the last 10 financial years**

The Table below highlights the history of Dividend declared by the Company in the last 10 financial years:

SI No	Year	Amount declared per share
1.	2009-10	2.25
2.	2010-11	2.50
3.	2011-12	2.50
4.	2012-13	1.00
5.	2013-14	0.50
6.	2014-15	-
7.	2015-16	0.50
8.	2016-17	0.50
9.	2017-18	0.50
10.	2018-19	0.00

**Unclaimed Dividend**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125.

Details of dividends remaining unpaid/unclaimed have been duly uploaded on the website of the Company at www.simplexcastings.com and at the website of IEPF authority at www.iepf.gov.in.

Financial Year	Date of Declaration of Dividend	Unclaimed Amount (Rs in lakhs)	Due Date for Transfer of IEPF A/c
2012-13	23/09/2013	1.24	29/10/2020
2013-14	29/09/2014	0.80	04/11/2021
2014-15*	-	-	-
2015-16	29/09/2016	1.45	04/11/2023
2016-17	14/09/2017	1.24	20/10/2024
2017-18	21/09/2018	0.94	27/10/2025
2018-19*	-	-	-

\*The Company hasn't declared dividend during the FY 2014-15 and FY 2018-19.

During the year under review, the Company has transferred Unclaimed Dividend of Rs 4,99,109.00 to Investor Education and Protection Fund which was declared in FY 2011-12.

**Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years**

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by





a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits, if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

Pursuant to IEPF Rules, the details of Equity Shares transferred by the Company to the IEPF Authority are given as follows:

Transferred during the Financial Year	Number of Shares transferred to IEPF
2018-19	70694
2019-20	6775
Total	77469

The voting rights on these shares shall remain frozen until the rightful owner claims the shares. The Company has appointed Mrs D Meena, Company Secretary and Compliance officer as Nodal Officer under the provisions of IEPF.

## Share Transfer System

The Securities and Exchange Board of India has mandated transfer of securities only in dematerialized form with effect from 1st April, 2019, barring certain instances.

Applications for transfer of shares held in physical form are received at the office of the Registrar & Share Transfer Agents of the Company. All valid transfers are processed and registered within 15 days from the date of receipt.

Shares held in the dematerialised form are electronically traded through the Depositories. The Registrar & Share Transfer Agents of the Company periodically receive updated beneficiary holdings from the Depositories so as to enable them to update their records and send corporate communications, dividend warrants and other documents to beneficiaries.

Requests for dematerialization of physical shares are processed and completed within the statutory timelines, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the Members.

## Delisting of Securities

The Company had applied for delisting of its shares from Delhi Stock Exchange. Confirmation from the exchange for delisting is still awaited. The Trading is suspended in Calcutta Stock Exchange.

## Equity Evolution during the year

As at 31<sup>st</sup> March, 2020, the paid-up share capital of the Company was Rs. 6,13,12,000 consisting of 61,31,200 Equity Shares of Rs 10/- each.

## Outstanding GDRs/ADRs/WARRANTS

The Company had allotted 19,93,700 Warrants ( 11,37,900 on 28th March,2018, 701500 on 31st March ,2018 and 1,54,300 on 3rd April,2018) of Rs 10/- each at a premium of Rs 150/- to non-promoters in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009.

Each of the said Warrant carried an option to subscribe to equivalent number of Equity shares of the Company of Rs 10.00 each not exceeding 18 months from the date of said Warrants. Holders of 18,46,700 Warrants have not exercised their option to convert Warrants held by them into Equity Shares of the Company till its maturity date ( 9,90,900 on 27th September,2019, 7,01,500 on 30th September,2019 and 1,54,300 on 2nd October,2019). Accordingly , the said Warrants stands cancelled and the entire subscription money received from them for subscription of Warrants stand forfeited.

The Company has no Warrants Outstanding as on 31<sup>st</sup> March,2020. The Company has not issued any GDRs/ADRs during the financial year ended 31<sup>st</sup> March,2020.

## Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names, are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

## Reconciliation of Share Capital Audit

Satish Batra & Associates, an independent firm of practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company shares are listed.

## Compliance with Secretarial Standards

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards (SS) on various aspects of corporate law and practices. The Company has complied with the Secretarial Standards.

## Dematerialization of Shares

96.50% of our equity shares representing 59,16,694 equity shares have been dematerialized as on 31<sup>st</sup> March, 2020.

Particulars	No of Shares	% of Shares
Physical	2,14,506	3.50
Demat	59,16,694	96.50
Total	61,31,200	100.00

### Market price Data

The monthly high and low prices and volumes of your Company shares at BSE for the year ended 31<sup>st</sup> March, 2020 are as under:

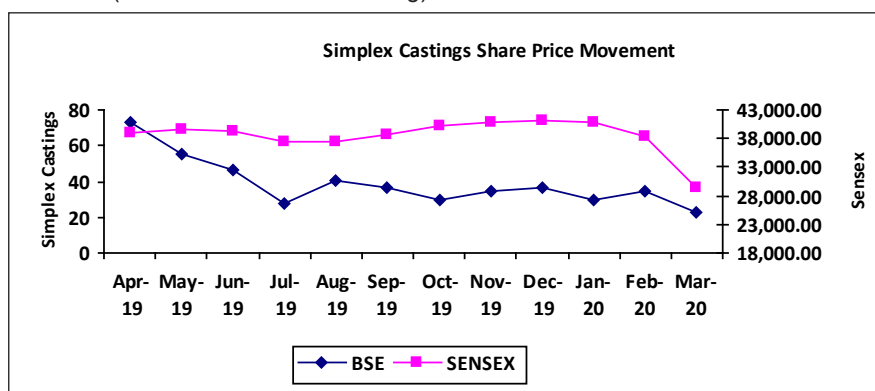
Month(s)	Highest	Lowest	No of Shares	No of Trades
April 2019	72.70	54.15	33394	306
May 2019	80.45	53.00	13699	251
June 2019	60.95	44.05	14368	179
July 2019	54.60	24.55	9510	191
August 2019	41.50	29.00	4511	62
September 2019	47.00	36.10	25616	156
October 2019	36.10	24.00	7772	54
November 2019	38.00	30.00	6976	71
December 2019	39.80	33.00	3483	52
January 2020	37.95	29.40	4585	67
February 2020	34.45	27.35	2188	36
March 2020	33.00	22.90	80539	21

(Source: The information is compiled from the data available from the website of BSE)

Particulars	BSE
Closing share price as on March 31, 2020	Rs 22.90
Market Capitalization as on March 31, 2020	Rs 1404.04 Lacs

### Performance in Comparison to broad - based Indices

The Chart below shows the comparison of your Company share price movement on BSE vis-à-vis the movement of the BSE Sensex for the Year 2019-20 (based on month end closing)



### Distribution of Shareholding as on 31.03.2020

Slab	Total No. of Shareholders	(%)	Number of shares	% of Total Share Capital
1-5000	2716	87.07	344532	5.61
5001-10000	160	5.12	129957	2.11
10001-20000	82	2.62	126336	2.06
20001-30000	48	1.53	123276	2.01
30001-40000	19	0.60	65714	1.07
40001-50000	14	0.44	67750	1.10
50001-100000	34	1.09	252118	4.11
100001-above	46	1.47	5021517	81.90
<b>Total</b>	<b>3119</b>	<b>100.00</b>	<b>6131200</b>	<b>100.00</b>



## Simplex Castings Ltd.

### Shareholding Pattern as on 31.03.2020:

Sr. No	Category	No of Shares	% Shareholding
1	<b>Promoter &amp; Promoter group:</b>		
(I)	Individual / HUF	31,73,173	51.75
(II)	Bodies Corporate	2,93,600	4.79
	<b>Total:</b>	<b>34,66,773</b>	<b>56.54</b>
2	<b>Public Shareholding:</b>		
	Institutions		
(I)	Mutual Fund/UTI	0	0.00
	Non-Institutions		
(I)	Bodies Corporate	6,35,064	10.36
(II)	HUF	1,40,286	2.29
(III)	Individuals	15,80,847	25.78
(a)	Individual shareholders holding nominal share capital upto Rs 2 Lakh	10,97,664	17.90
(b)	Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	4,83,183	7.88
(IV)	Non-Resident Individuals	2,30,759	3.76
(V)	Clearing Members	2	0.00
(VI)	IEPF	77469	1.26
	<b>Total:</b>	<b>26,64,427</b>	<b>43.46</b>
	<b>Total</b>	<b>61,31,200</b>	<b>100.00</b>

### Address for Correspondence:

<b>Registrar and Share Transfer Agents:</b> Link Intime India Private Limited C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai, Maharashtra 400083 PH No: 022 2594 6970 E-mail Id: rnt.helpdesk@linkintime.co.in	<b>Registered office :</b> Simplex Castings Limited, 601/602A, Fair Link Centre, Off Andheri Link Road, Andheri (W), Mumbai – 400 053 Tel. No: +91-22-40034768 Fax. No: +91-22-40034768 Email Id: sclmumbai@simplexcastings.com	<b>Compliance Officer:</b> <b>D Meena*</b> Company Secretary Corporate Office Plot No. 32, Shivnath Complex, G.E. Road, Supela, Bhilai, Dist. - Durg (CG) 490023 India Tel. No: 0788-2290483, 2290484, 2290485 Fax. No: 0788-2285664 E-mail Id: cs@simplexcastings.com
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\* D Meena ceased to be Compliance office wef 30<sup>th</sup> July ,2020 and in her place the Board has appointed Ms Akanksha Kotwani as Company Secretary and Compliance officer of the Company wef 30<sup>th</sup> July,2020

### Plant Location:

Unit-I	Unit-III
5, Industrial Estate, Bhilai, (C.G.) 490 026 Tel No-0788 4015273 Fax No- 0788-4034188	223/2 & 224, Industrial Estate, Tedesara, Rajnandgaon- 491443 (C. G.) Tel No-9203910587 Fax No-07744-220972

**DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34(3) READ WITH PARAGRAPH D OF SCHEDULE V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Members of  
Simplex Castings Limited

I, Sangeeta K Shah , Managing Director of Simplex Castings Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2020.

For Simplex Castings Limited

Place : Bhilai  
Date : 02.09.2020

**Sd/-**  
**Sangeeta K Shah**  
Managing Director

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE REGARDING DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
Simplex Castings Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Simplex Castings Limited** having **CIN L27320MH1980PLC067459** and having registered office at **601/602A, Fairlink Center, Off Andheri Link Road, Andheri (W), Mumbai-400 053** (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the period ended as on March 31, 2020.

**TABLE A**

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Champak Kalyanji Dedhia	00044969	01/08/2016
2.	Ketan Moolchand Shah	00312343	12/03/1993
3.	Sangeeta Ketan Shah	05322039	01/10/2014
4.	Ushma Nitin Khabaria	06791342	01/10/2014
5.	Sannovanda Swathi Machaiah	06952954	09/02/2019
6.	Om Patel Prakash	08301041	14/12/2018

For **Divanshu Mittal & Associates**  
Practicing Company Secretaries

**Divanshu Mittal**  
**Partner**

FCS No. 8703

CP No. 13800

UDIN- F008703B000631160

Place : Jaipur  
Date : 28<sup>th</sup> August, 2020



**Simplex Castings Ltd.**

## **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of

**Simplex Castings Limited**

We have examined the compliance of conditions of Corporate Governance by Simplex Castings Limited for the year ended 31st March, 2020 as stipulated in SEBI (LODR) Regulations, 2015 of the said Company, with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited

to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

For **Divanshu Mittal & Associates**  
Practicing Company Secretaries

**Divanshu Mittal**  
**Partner**

FCS No. 8703

CP No. 13800

UDIN- F008703B000631160

Place : Jaipur

Date : 28<sup>th</sup> August, 2020



**COMPLIANCE CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

**[Pursuant to Regulation 17(8)] OF SEBI (LODR) REGULATIONS, 2015**

To,  
The Board of Directors  
Simplex Castings Limited

We the undersigned, in our respective capacities as CEO and Chief Financial Officer of Simplex Castings Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. No significant fraud witnessed during the year.

sd/-  
(Ketan M Shah)  
Chief Executive officer

sd/-  
(Deb Mukherjee)  
Chief Financial Officer

Date: 02.09.2020  
Place: Bhilai



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Simplex Castings Limited (SCL) is premier manufacturing organisation in India with global business presence. SCL possess well equipped manufacturing facilities such as Cast Iron Foundry , and Heavy Engineering & Fabrication Plant. Each plant is associated with modern machining facilities and a central machine shop with several machine tools including large number of CNCs, EPC Division to take up Turn-Key Projects, Design wing with modern computer setup and aided tools. SCL is complete one stop shop for all engineering components manufacturing needs, castings, forging, fabrication, machining, assembly, equipment building, in-house testing, EPC division and Designing facility. SCL Units are situated in Bhilai, & Rajnandgaon, state of Chhattisgarh, the central part of India, most mineral rich & densely industrialized province in India. SCL is catering to various industrial sectors like Steel, Railways, Power, Mining , Cement, Sugar, Chemicals, Earthmovers, Machines Tools, Ship Building , Oil & Gas and Defense. Your Company believes in developing new products in line with changing technology and requirement of customer.

Simplex has been pioneer in its filed for several landmark activities:

- Pioneer to Export steel plant equipment's to Russia.
- Pioneer to Enter into tech tie-up with Tyazhprom Export Russia for Turnkey Projects in India.
- Pioneer to bring advance Japanese Technology for Sinter Plant in India for SAIL - Bhilai Steel Plant for complete Sinter Plant -III, executed on Turnkey basis in consortium with Mitsui / Kawasaki & Hitachi Zosen of Japan.
- Pioneer to install on turnkey basis, Mini Blast Furnace of 350 Cubs. Mt for Southern Iron Steel Company at Salem (India) with Chinese Technology.
- Pioneer to Design, engineering and supply of equipment for hot rolling stackle mill, executed for Salem Steel Plant as per SMS / Germany's design.
- Pioneer in manufacturing undercarriage (bogie) for Railway Locomotives.
- Pioneer in manufacturing Sucker rod pumping units for Oil & Gas, for ONGC, India

### ECONOMY OVERVIEW

#### GLOBAL ECONOMY

The global economy grew by 2.9% in 2019, recording its weakest pace since the global financial crisis of 2008. The slowdown in the global economy was primarily due to rising trade barriers and associated uncertainty weighing down business sentiment and activity globally. These developments were magnified in some advanced economies and China, leading to a structural slowdown. Additionally, country-specific weakness in large emerging market and developing economies (EMEDs) such as Brazil, India, Mexico, and Russia added to the pressure.

Worsening macroeconomic stress related to tighter financial conditions in Argentina, geopolitical tensions in Iran, and social unrest in Venezuela, Libya, and Yemen continued to stress the global economy. Firms, globally, turned cautious on long-range spending and purchase of machinery and equipment due to a weakening and uncertain economic environment. Household demand for durable goods also weakened, despite a pick-up witnessed in the second quarter of 2019. This was particularly evident with automobiles, where regulatory changes, new emission standards, and the shift to ride-shares impacted sales in several countries.

The recent outbreak of Covid-19 has also added fuel to the current global slowdown. The pandemic is inflicting high and rising human costs worldwide and the necessary protection measures in the form of stimulus packages are severely impacting economic activity. The global economy is projected to contract sharply by -3% in 2020, much worse than during the 2008-09 financial crisis. In a baseline scenario-- which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound--the global economy is projected to grow by 5.8 % in 2021 as economic activity normalizes, helped by policy support.

(Source: World Economic Outlook, April 2020)

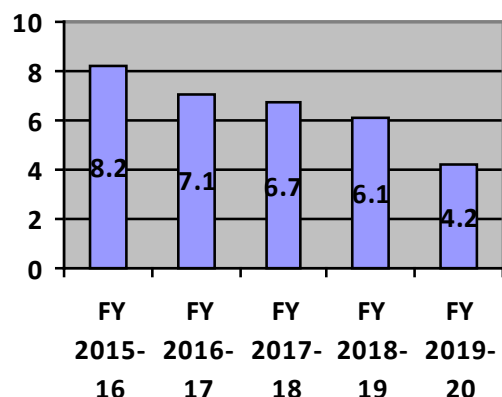
#### INDIAN ECONOMY

Indian economy is emerging as an economic powerhouse among the developing countries and today it is the 5th largest economy in the world, in terms of GDP. The economy is estimated to have grown by around 4.2% in FY 2019-20, which is lower in comparison to the previous year. Despite this slowdown in the economy, the country has improved its ranking in World Bank's Ease of Doing Business and stood at 63rd position in CY 2019 as compared to 142nd position in CY 2014. This improvement was backed by reforms introduced by the Government of India such as corporate tax rate cuts, ease in manufacturing policies to boost the Make in India campaign, infusion of funds in public sector banks, etc. With these initiatives, the PMI for the month of January 2020 rose to 55.3, taking it to an eight-year high.

However, the recent outbreak of Covid-19, which led to a country wide lockdown to curtail the spread of the virus, has posed a challenge and altered the outlook of the Indian economy and growth is likely to remain subdued in FY 2020-21. Other factors such as the credit crisis in the NBFC sector and demand- supply disruption are likely to aggravate this slowdown. Nevertheless, India and China appear to be the only two major economies likely to register growth while all other major economies are expected to contract. However, the Government of India and the Reserve Bank of India have been working in tandem to revive the economy and address the demand side contraction. Fiscal as well as monetary measures worth Rs 20 lakh crore have been introduced and are expected to counter this slowdown and

will help the economy to grow in future. Looking ahead, the Indian economy is expected to grow by 7.4% by FY 2021-22

#### INDIA GDP GROWTH TREND (%)



#### OUTLOOK GLOBAL

Just as CY 2020 started on a good note with the US and China reaching phase-1 agreement and uncertainty around Brexit waning, the world was hit hard by the COVID-19 pandemic. The virus spread rapidly across the world, compelling governments to impose national lockdowns to break the chain of transmission, which brought economic activities to a near halt.

The International Monetary Fund (IMF) has warned that the coronavirus-induced downturn could snowball into a global recession, which could see the world economy record its steepest decline since the Great Depression of the 1930s. The impact is expected to be more pronounced in low income households, threatening to roll back the progress made in poverty alleviation in the past few decades. Towards this end, the IMF has called for strong multilateral cooperation on various fronts to help the world navigate through this 'crisis like no other'. It has also provided blanket guidelines in terms of financial assistance, healthcare support, and economic policy.

The IMF estimates the global economy to contract by 4.9% in CY 2020. The recovery is expected to be gradual, with growth estimated at 5.4% in CY 2021, which reflects the disruptions to economic activity, policy countermeasures and commodity prices.

However, a few bright spots have emerged. Timely actions and significant stimulus measures have somewhat cushioned the blow. Several central banks have also adopted quantitative easing and scaled asset purchases to infuse liquidity. Oil prices have remained stable, and emerging market currencies have strengthened against the dollar, which point to stabilisation.

#### REGION-WISE GROWTH OUTLOOK ESTIMATES(%)

Country/Region	2018	2019	2020 (P)	2021 (P)
World	3.6	2.9	-4.9	5.4
AMEs	2.2	1.7	-8.0	4.8
EMEs	4.5	3.7	-3.0	5.9
ASEAN	5.3	4.9	-2.0	6.2
United States	2.9	2.3	-8.0	4.5
Euro Area	1.9	1.3	-10.2	6.3
China	6.7	6.1	1.0	8.2
Japan	0.3	0.7	-5.8	2.4
Russia	2.5	1.3	-6.5	4.1
India	6.1	4.2	-4.5	6.0

Source: International Monetary fund(IMF)

#### INDIA

The IMF estimates Indian GDP to contract by 4.5% in FY 2020-21. However, the economy is likely to rebound by 6.0% in FY 2021-22, supported by the synchronized fiscal and monetary policy stimulus.

#### INDUSTRY STRUCTURE & DEVELOPMENT

The steel industry has been one of the primary beneficiaries of India's rapid economic growth over the past couple of decades. However, steel demand remained subdued in CY 2019, largely due to lower consumption from construction, auto, infrastructure, real estate, and manufacturing industries. Further, the slowdown in the government's infrastructure investments and credit tightness impacted demand and consequently weighed on pricing.

#### DEMAND

India became the second-largest consumer of finished steel products in the world, surpassing the US in CY 2019. While the government's thrust on infrastructure development provided a boost, it was largely offset by the continued weakness in the auto and real estate sectors. Finished steel consumption grew by 1.4% to 100.01 MnT during FY 2019-20, non-alloy steel accounting for 94% (94.06 MnT) and the rest being alloy steel (5.95 MnT). Within the non-alloy, non-flat segment, bars and rods consumption was up 9.6% y-o-y to 39.72 MnT, while the non-alloy flats were led by hot rolled coils (HRCs) which was 40.63 MnT, down by 2.7% during FY 2019-20.

India's per capita steel consumption, which has a direct correlation with economic growth, grew at a CAGR of 4.12% to 68.9 kg between FY 2007-08 and FY 2017-18, driven by rapid growth in the industrial sector and robust infrastructure development (railways, roads and highways). However, compared with the global average of 208 kg, there exists a significant growth potential. Keeping this in mind, the National Steel Policy (NSP) was introduced in CY 2017 to increase per capita steel consumption to 160 kg by FY 2030-31. The NSP also set a target of achieving 300 MnT of production capacity, which translates into additional investments of Rs 10 lakh crore (US\$ 156.08 billion).



## PRODUCTION

According to the Joint Plant Committee, crude steel production declined by 1.5% y-o-y to 109.22 MnT in FY 2019-20, with a sharp contraction of 20% in March 2020 due to COVID-19 containment measures. Finished steel production grew 0.8% y-o-y to 102.06 MnT; non-alloy steel accounted for 96% (up from 93%), or 97.66 MnT, while alloy steel contributed the balance 4.4 MnT. In the non-alloy, non-flat finished steel segment, bars and rods grew by 3.6% y-o-y to 40.48 MnT, whereas in non-alloy flats, HRC grew by 2.6% y-o-y to 43.29 MnT.

India remained a net exporter of finished steel during FY 2019-20, with exports of 8.36 MnT, up 31.4% y-o-y. Non-alloy HRC was the most exported product at 4.82 MnT, while bars and rods led the non-alloy, non-flat segment exports with 0.51 MnT. Meanwhile, India imported 6.77 MnT of finished steel, down 13.6% y-o-y, with non-alloy HRC accounting for 34% of the total imports. Imports from Korea accounted for 40% of the total imports.

### Top 10 steel-producing countries:

RANK	COUNTRY	2019 (MnT)	2018 (MnT)	% CHANGE
1	China	996.3	920.0	8.3
2	India	111.2	109.3	1.8
3	Japan	99.3	104.3	-4.8
4	United States	87.9	86.6	1.5
5	South Korea	71.4	72.5	-1.40
6	Russia	71.6	72.0	-0.7
7	Germany	39.7	42.4	-6.5
8	Turkey	33.7	37.3	-9.6
9	Brazil	32.2	35.40	-9.00
10	Iran	31.9	24.5	30.10

## NEW GOVERNMENT INITIATIVE

The Institute of Indian Foundrymen (IIF) has chalked a vision Plan 2020 to recommend the needed initiatives for rapid growth as to emerge as a leading Supplier of Quality Castings in the global market. An implementing Agency for the India Foundry Mission (IFM) will assist the industry in monitoring market growth efficiently. To some extent, it will help Company to meet its customers requirements of Products that goes into the manufacturing of Castings.

## GOVERNMENT INITIATIVES FOR STEEL INDUSTRY

(Source: IBEF)

One of the designated core industries, steel is key to the government's focus on driving growth in the infrastructure segment. Towards this end, the following initiatives have rolled out in support of the steel industry:

- Implemented Steel Import Monitoring System (SIMS), which aids in monitoring real-time import data on, quality and value; the system helps detect misclassification and mis-declaration regarding over/ under-invoicing, preventing import of defective steel

- Imposed anti-dumping duty on galvalume products, ranging from US\$ 28-200/tonne; imports from China, South Korea and Vietnam are subject to duties.
- To ensure iron ore availability for domestic manufacturing, it introduced a 30% export duty on export of high grade iron ore (lumps and fines).
- Other measures are underway like the proposed steel scrap policy, safety codes, proposal to reduce royalty to 5% on low grade iron ore fines; Remission of Duties or Taxes on Export Products (RoDTEP) to replace existing Merchandise Export from India Scheme (MEIS); and engagement with international agencies to promote steel intensive design for roads, bridges and commercial and residential housing.

## OPPORTUNITIES & THREATS

The thrust on infrastructure development, road construction, coal production, power generation, housing policies is driving the demand for castings from the foundry industry. Besides, the Government's focus on manufacturing in India and other policies will also drive demand for castings. The Company is in a position to grab the opportunity in the years to come and confident to improvise the growth of turnover and profitability. The Company has necessary and well equipped production facilities to reap the benefits of the growth opportunities.

The Economic demand slow down presents a real challenge to growing volumes. The inflation figures, and recent emerging developments across the world, like Corona virus has potential to de stabilize existing business model of the Industry.

### Automotive

The automotive industry is forecasted to grow in size by US\$ 74 billion in 2015 to US\$ 260-300 billion by 2026. With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.

### Capital Goods

The capital goods sector accounts for 11 per cent of steel consumption and expected to increase 14/15 per cent by 2025-26 and has the potential to increase in tonnage and market share. Corporate India's capex is expected to grow and generate greater demand for steel.

### Infrastructure

The infrastructure sector accounts for 9 per cent of steel consumption and expected to increase 11 per cent by 2025-26. Due to such a huge investment in infrastructure the demand for long steel products would increase in the years ahead.

### Airport

More and more modern and private airports are expected to be set up. Development of Tier-II city airports would sustain consumption growth and estimated steel consumption in airport building is likely to grow more than 20 per cent over next few years.



## **Railways**

The Dedicated Rail Freight Corridor (DRFC) network expansion would be enhanced in future. Gauge conversion, setting up of new lines and electrification would drive steel demand.

## **Oil and Gas**

India's primary energy consumption of oil and gas is expected to increase to 10 mbpd and 14 bcfd, respectively, by 2040. This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity to the steel industry.

## **IMPACT OF COVID-19**

The country witnessed lockdown being implemented in India in the second fortnight of March 2020. There were also restrictions of varying extent across larger part of the world, due to the COVID-19 pandemic.

The company's operations were effected from 24th March 2020 to 23rd April, 2020 due to suspension of production across all plants following nationwide lockdown imposed by Government of India. In view of pandemic COVID-19. Government permitted certain activities in the month of April 2020 subject to certain restrictions. Accordingly the Company has re-started operations in phased manner from 23rd April 2020 & from May 2020 all the plants are operating normally. Three months moratorium for deferral on payment of loan and other Credit facility taken from Company Bankers and NBFC falling due in March - May 2020 are availed. The Company has further avail the moratorium facility from June 2020 to August 2020.

The Company has taken several measures to ensure their well-being including leveraging the power of technology to enable them to work from home. For those employees who are working in sales offices and manufacturing locations, their safety is being ensured by stringent use of protective gear, abiding by social distancing norms and taking all safety precautions. Standing by its core commitment, the Company is navigating through these unprecedented times by building stronger and deeper relationships with consumers and its partners.

## **OPERATIONAL AND FINANCIAL PERFORMANCE**

During the year ended 31 March, 2020, the Company had registered a revenue from operations (from Continuing operations) of Rs 5442.51 Lacs as against Rs 10712.76 Lacs during the year FY 2018-19. The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Continuing operations) for the year 2019-20 were Rs (5676.38) Lacs and Rs (4535.55) Lacs respectively, as against Rs (1862.72) Lacs and Rs (1449.86) respectively during the previous year ended 31 March, 2019.

The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Discontinuing operations) for the year 2019-20 were Rs 1680.17 Lacs and Rs 1680.17 Lacs respectively, as against Rs (631.44) Lacs and Rs (132.33) respectively during the previous year ended 31 March, 2019.

The Profit for the year 2019-20 were Rs (2855.38) Lacs respectively, as against Rs (1582.18) Lacs respectively during the previous year ended 31 March, 2019.

## **KEY FINANCIAL RATIOS:**

In accordance with the amended SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof:

The Company has identified following ratios as key financial ratios for Continuing Operations:

Particulars	2019-20	2018-19	Change in %
Debtors turnover ratio(No of Days)	223	315	(29.20)%
Payables Turnover Ration (No of Days)	336	639	(47.42)%
Inventory Turnover Ratio (No of Days)	319	178	79.21%
Interest Service coverage ratio	(5.52)	(1.66)	232.53%
Current Ratio	0.97	1.03	(5.82)%
Debt Equity Ratio	0.43	0.28	53.57%
EBIDTA to net sales (%)	(73.46)%	4.72%	(1656.36)%
Net Profit Margin (%)	(83.33)%	(13.54)%	(515.43)%
Return on Net Worth	(103.07)%	(21.46)%	(380.28)%

## **CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial results of the Company included results from the operations of Subsidiary Companies i.e. Simplex Castings International Pte Ltd. The Company does not have any associate or joint venture company.

On a Consolidated basis, During the year ended 31 March, 2020, the Company had registered a revenue from operations (from Continuing operations) of Rs 7804.62 Lacs as against Rs 13727.93 Lacs during the year FY 2018-19. The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Continuing operations) for the year 2019-20 were Rs (5679.35) Lacs and Rs (4537.69) Lacs respectively, as against Rs (993.77) Lacs and Rs (580.90) respectively during the previous year ended 31 March, 2019.

The Profit Before Tax (PBT) and Profit After Tax (PAT) (from Discontinuing operations) for the year 2019-20 were Rs 1680.17 Lacs and Rs 1680.17 Lacs respectively, as against Rs (1509.58) Lacs and Rs (1010.47) respectively during the previous year ended 31 March, 2019.

The Profit for the year 2019-20 were Rs (2857.52) Lacs respectively, as against Rs (1591.37) Lacs respectively during the previous year ended 31 March, 2019.





### RISK CONCERN

Business risks exist for any enterprise having national and international exposure. Your Company also faces some such risks, the key ones being - a longer than anticipated delay in economic revival, unfavorable exchange rate fluctuations, emergence of inflationary conditions, Competition in Indian and Global market and any unexpected changes in regulatory framework.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

### LONG-TERM AND MEDIUM-TERM STRATEGY

The Company has strategies for business development to cop up with the dynamic situation evolving everyday globally. Your Company is subject to all the positive & negative effects of the change in the global scenario. Your Company works on long term and medium term strategies to deal with the challenges:

#### a. Long-term Strategy:

- a) Widening of customer base
- b) Entry into new industry segments
- c) Development of new casting products for existing customers

#### b. Medium-term Strategy:

- a) Improvement in product quality
- b) Control & minimising rejections
- c) Cost reduction

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal audit and control systems. Internal auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audits at all units/ locations and report to the management the lapses, if any. Both internal auditors and statutory auditors independently evaluate the adequacy of internal control system. Based on the audit observations and suggestions, follow up, remedial measures are being taken including review and increase in the scope of coverage, if necessary. The Audit Committee of Directors, in its periodical meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements.

The internal control system ensures compliance with all applicable laws and regulations, facilitates in optimum utilisation of resources and protect the Company's assets and investors' interests. The Company has a clearly defined organisational structure, decision rights, manuals and operating procedures for its business units to ensure orderly and efficient conduct of its business.

The Company has a whistle blower policy so that Directors and Senior personal can report their genuine concern. The Audit Committee of the Board on Quarterly basis reviews significant audit findings covering operational, financial and other areas and provides guidance on further strengthening the internal controls framework.

### HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies, processes and initiatives to meet its business needs. In order to focus on keeping employees abreast of technological and technical developments, the Company provides opportunity for training and learning. Industrial relations at all the units and locations are cordial. As on March 2020, the company had 357 employees on its rolls.

#### Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that would influence the Company's operations include cost of raw materials, tax laws, interest and power cost and economic developments and such other factors within the country and the international economic and financial developments.

## INDEPENDENT AUDITORS' REPORT

To the Members of Simplex Castings Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of **Simplex Castings Limited** ('the Company'), which comprise the balance sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

we have determined the matters described below to be the key audit matters to be communicated in our report.

SI No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1.	<b>Contingent Liabilities</b> As at 31 <sup>st</sup> March, 2020 company having contingent liabilities in respect of Income tax and claim before NCLT by one party. The determination of the contingences and the level of disclosure required involve a high degree of judgement resulting in contingent liabilities being considered as a key audit matter (Refer Note - 31).	Discussed significant matters and their probability with Management. Reviewing the assessment and appeal letter alongwith paper related to NCLT as presented by management before us. Review the letters and correspondence with vendors as presented by management before us.
2.	As at 31 <sup>st</sup> March, 2020 one of the vendor has filed case under NCLT for their dues amounting to Rs.13.52 lacs and also received notices from MSME Vendors in respect of their dues to the tune of Rs.156.45 lacs (Refer Note – 32).	We assessed the appropriateness of the related disclosures and considered it to be reasonable.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include standalone financial statements and our auditors report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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. We have nothing to report in this regard.



### Management's Responsibilities for the Standalone Financial Statements

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 standalone 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 Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial controls 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 in place an adequate internal financial controls system over financial reporting 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 ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore key audit matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors as on 31 March 2020 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;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
  - (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in with accordance with the provisions of Section 197 of the Act; 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:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **OPSinghania & Co.**

(ICAI Firm Regn. No.002172C)

Chartered Accountants

**per Sanjay Singhania**

**Partner**

Membership No.076961

UDIN: 20076961AAAACI2915

Raipur, 30<sup>th</sup> July, 2020



## **Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) As explained to us, all major assets except certain low value items viz furniture & fixtures and office equipment have been physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed.
- (c) The title deeds of immovable properties, as disclosed in Note 4 & 5 to the financial statements, are held in the name of the Company.
- (ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any secured or unsecured loan to the companies, firms, limited liability partnership firms or other parties covered in the register maintained under section 189 of the Act, therefore, the provisions of clause 3 (iii) of the Order is not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public, in terms of the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder; therefore the provisions of clause 3(v) of the Order is not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, cess and any other statutory dues with the appropriate authorities. According to the information & explanations given, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods & services tax, cess and any other statutory dues were outstanding as at 31st March 2020 for a period of more than six months from the date they became payable except the followings:

Sl No.	Nature of Dues	Amount (Rs. in lacs)
1.	Provident Fund	49.64
2.	Employees' State Insurance	6.23

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods & services tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following cases:

Name of the Statute	Nature of the Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	977.34	A.Y. 2010-11	At High Court, Mumbai
Income Tax Act, 1961	Income Tax Demand	7.01	A.Y. 2006-07, A.Y. 2009-10, A.Y. 2015-16 & A.Y. 2017-18	Rectification petition yet to be filed



- (viii) The Company has defaulted in repayment of Rs.470.85 lacs in respect of cash credit limits including letter of credits devolvement of the following banks and default in repayment of installments to financial institution by Rs.3.50 lacs. The default occurred from the month of January'2020 and was not cleared until 31<sup>st</sup> March, 2020.

Name of the Bank	Amount (Rs. in lacs)	Period of default
Bank of Baroda	183.32	From 17 <sup>th</sup> February'2020
Union Bank of India	287.53	From 21 <sup>st</sup> January'2020
Edelweiss Retail Finance Limited	1.37	For the month of March' 2020
Tata Capital Financial Service Ltd.	0.68	For the month of March' 2020
Magma Fincorp Limited	1.45	For the month of Feb' 2020

- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). As the company has not raised any term loan during the year, therefore, the provisions of clause 3(x) of the Order is not applicable to the company.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Order is not applicable to the company.
- (xi) The Company has provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Order is not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order is not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order is not applicable to the company.

For **OPSinghania & Co.**

(ICAI Firm Regn. No.002172C)

Chartered Accountants

**per Sanjay Singhania**

**Partner**

Membership No.076961

UDIN: 20076961AAAACI2915

Raipur, 30<sup>th</sup> July, 2020



## **Annexure - B to the Independent Auditors' Report**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Simplex Castings Limited** (the "Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **OPSinghania & Co.**

(ICAI Firm Regn. No.002172C)

Chartered Accountants

**per Sanjay Singhania**

**Partner**

Membership No.076961

UDIN: 20076961AAAACI2915

Raipur, 30<sup>th</sup> July, 2020



## BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lakhs)

Particulars	Note No	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
1) Non-current assets			
(a) Property, plant and equipment	4	4,914.26	5,181.58
(b) Capital work-in-progress		114.15	11.68
(c) Investment properties	5	281.42	316.66
(d) Other intangible assets	6	58.56	98.40
(e) Financial assets			
(i) Investments	7	14.15	19.29
(ii) Other financial assets	8	153.00	-
(f) Deferred tax assets (net)	9	1,343.36	112.46
(g) Other non-current assets	10	209.80	191.18
(2) Current-assets			
(a) Inventories	11	4,754.87	5,240.63
(b) Financial assets			
(i) Trade Receivables	12	2,079.06	8,768.86
(ii) Bank, Cash and cash equivalents	13	113.83	69.12
(iii) Bank balances other than (ii) above	13	377.23	562.44
(c) Other current assets	10	1,793.52	3,381.65
(3) Assets classified as discontinued operations		497.84	7,259.90
<b>Total Assets</b>		<b>16,705.04</b>	<b>31,213.84</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
(a) Equity share capital	14	613.12	613.12
(b) Other equity		3,787.36	6,142.59
(c) Equity Share Warrant		-	738.68
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
- Borrowings	15	2,323.95	2,427.05
(b) Provisions	16	560.99	263.90
(c) Other non-current liabilities	17	21.35	646.75
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	4,384.83	5,409.70
(ii) Trade payables	19		
- total outstanding dues of micro enterprises and small enterprises		296.06	182.63
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,170.06	9,283.35
(iii) Other financial liabilities	20	728.03	1,399.88
(b) Other current liabilities	21	759.30	1,195.77
(c) Provisions	16	59.98	39.24
(3) Liabilities classified as discontinued operations		-	2,871.17
<b>Total Equity and Liabilities</b>		<b>16,705.04</b>	<b>31,213.84</b>
<b>Summary of significant accounting policies</b>	<b>2 &amp; 3</b>		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

**For O P Singhania & Co.**

(ICAI Firm Reg. No.002172C)

Chartered Accountants

**Simplex Castings Limited**

**per Sanjay Singhania**

**Partner**

Membership No.076961

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**Sangeeta K Shah**

Managing Director

(DIN: 05322039)

Place : Raipur

Date : 30.07.2020

**D. Meena**  
Company Secretary

**Deb Mukherjee**

CFO

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR  
ENDED 31ST MARCH, 2020**

			(₹ in lakhs)
	Notes	31.03.2020	31.03.2019
<b>INCOME</b>			
Revenue from operations	22	5,442.51	10,712.76
Other Income	23	220.98	232.80
<b>TOTAL REVENUE (I)</b>		<b>5,663.49</b>	<b>10,945.55</b>
<b>EXPENDITURE</b>			
Cost of raw material and component consumed	24	3,323.68	4,900.50
Purchase of traded goods		-	2,384.73
Job work contract		329.94	-
Changes in inventories of work-in-progress, stock-in-trade and finished goods	25	925.46	(351.42)
Employees benefit expense	26	1,520.51	1,141.47
Finance costs	27	964.40	849.50
Depreciation and amortization expense	28	714.15	1,518.33
Other expenses	29	3,401.84	2,365.16
<b>TOTAL EXPENDITURE (II)</b>		<b>11,179.98</b>	<b>12,808.28</b>
<b>Profit/(Loss) before exceptional items and tax from continuing operations</b>		<b>(5,516.49)</b>	<b>(1,862.72)</b>
Exceptional items	44	159.89	-
<b>Profit/(Loss) before tax from continuing operations</b>		<b>(5,676.38)</b>	<b>(1,862.72)</b>
<b>Tax expenses</b>			
Current tax		-	(22.19)
Deferred Tax		(1,140.83)	(390.67)
<b>Total tax expenses</b>		<b>(1,140.83)</b>	<b>(412.86)</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>(4,535.55)</b>	<b>(1,449.86)</b>
Profit/(loss) before tax from discontinuing operations		1,680.17	(631.44)
Tax expense of discontinued operations		-	(499.11)
<b>Profit/(loss) for the year from discontinuing operations</b>		<b>1,680.17</b>	<b>(132.33)</b>
<b>Profit/(loss) for the year</b>		<b>(2,855.38)</b>	<b>(1,582.18)</b>
<b>Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
Actuarial gain or loss on defined benefit plans		(323.76)	81.75
Income tax relating to items that will not be reclassified to profit or loss		90.07	(27.29)
<b>A (i) Items that will be reclassified to profit or loss</b>			
Fair valuation of investments		(4.84)	1.47
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the period Comprising Profit/(Loss) and Other Comprehensive Income for the period</b>		<b>(3,093.91)</b>	<b>(1,526.25)</b>
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2019" ₹ 10) for continuing operations</b>	30		
<b>Basic</b>		<b>(73.97)</b>	<b>(23.65)</b>
<b>Diluted</b>		<b>(73.97)</b>	<b>(18.17)</b>
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2019" ₹ 10) for discontinuing operations</b>			
<b>Basic</b>		<b>27.40</b>	<b>(2.16)</b>
<b>Diluted</b>		<b>27.40</b>	<b>(1.66)</b>
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2019" ₹ 10) for continuing &amp; discontinuing operations</b>			
<b>Basic</b>		<b>(46.57)</b>	<b>(25.81)</b>
<b>Diluted</b>		<b>(46.57)</b>	<b>(19.83)</b>
<b>Summary of significant accounting policies</b>	<b>2 &amp; 3</b>		

The accompanying notes are integral part of the financial statements.  
As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**For and on behalf of the Board of Directors of  
Simplex Castings Limited**

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

Place : Raipur  
Date : 30.07.2020

**D. Meena**  
Company Secretary

**Deb Mukherjee**  
CFO





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in lakhs)

	2020	2019
<b>Cash Flow from operating activities</b>		
Profit/(loss) before tax from continuing operations	(5,676.38)	(1,862.72)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	714.15	1,518.33
Profit from sale of investment properties	(30.08)	-
Provision/Allowances for credit loss on debtors	772.10	50.54
Provision for warranty & guarantee	7.16	(0.55)
Finance Cost	964.40	849.50
Interest Income	(144.41)	(159.71)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(3,393.05)</b>	<b>395.39</b>
Movements in working capital :		
Increase/(decrease) in trade payables	(5,999.87)	1,270.22
Increase/(decrease) in other financial liabilities	(650.00)	759.77
Increase/(decrease) in other current liabilities	(539.47)	(317.88)
Increase/(decrease) in Other non-current liabilities	(625.40)	5.20
Decrease/(increase) in trade receivables	5,917.69	(2,821.24)
Decrease/(increase) in inventories	485.76	(855.23)
Decrease/(increase) in other non current assets	(18.62)	(5.35)
Decrease/(increase) in provisions	258.37	36.12
Decrease/(increase) in other current assets	1,624.15	(809.44)
<b>Cash generated from/(used in ) operations</b>	<b>(2,940.43)</b>	<b>(2,342.44)</b>
Direct taxes paid (net of refunds)	(34.07)	4.46
<b>Net Cash flow from/(used in) operating activities continuing operation</b>	<b>(2,974.50)</b>	<b>(2,337.98)</b>
<b>Net Cash flow from/(used in) operating activities discontinuing operation</b>	<b>(260.38)</b>	<b>1,689.84</b>
<b>Net Cash flow from/(used in) operating activities</b>	<b>(3,234.88)</b>	<b>(648.14)</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE, including intangible assets, CWIP & net of capital creditors	(406.95)	(45.93)
Proceeds from sale of investment properties	64.80	-
Investments/advances in/to subsidiary company	(1.96)	(3.29)
Changes in investments	0.30	-
Investment in bank deposits (having original maturity of more than three months)	27.21	(49.12)
Interest received	144.41	159.71
<b>Net cash flow from/(used in) investing activities continuing operations</b>	<b>(172.19)</b>	<b>61.37</b>
<b>Net cash flow from/(used in) investing activities discontinuing operations</b>	<b>8,432.16</b>	<b>(167.68)</b>
<b>Net cash flow from/(used in) investing activities</b>	<b>8,259.97</b>	<b>(106.31)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Share capital issued	-	176.40
Proceeds/(Repayment) of long-term borrowings (net)	(179.98)	383.74
Proceeds from short-term borrowings	(1,024.86)	2,147.10
Interest paid	(904.35)	(849.50)
Dividends paid on equity shares	-	(29.92)
Tax on equity dividend paid	-	(6.09)
<b>Net cash flow from/(used in) financing activities continuing operations</b>	<b>(2,109.20)</b>	<b>1,821.73</b>
<b>Net cash flow from/(used in) financing activities discontinuing operations</b>	<b>(2,871.17)</b>	<b>(1,123.10)</b>
<b>Net cash flow from/(used in) financing activities</b>	<b>(4,980.38)</b>	<b>698.63</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>44.71</b>	<b>(55.83)</b>
Cash and Cash Equivalents at the beginning of the year	69.12	124.94
<b>Cash and Cash Equivalents at the end of the year</b>	<b>113.83</b>	<b>69.12</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1.39	2.58
With banks- on current account	112.44	52.13
With banks- on deposit account	-	14.40

The Statement of Cash Flow has been prepared using Indirect method as per Ind AS 7.

As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 30.07.2020

**For and on behalf of the Board of Directors of**

**Simplex Castings Limited**

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**D. Meena**  
Company Secretary

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

**Deb Mukherjee**  
CFO

## Statement of Changes in Equity for the year ended 31.03.2019

Equity Share Capital

(₹ in lakhs)

Balance as at 01.04.2018	Changes in the equity share capital during the year	Balance as at 31.03.2019
598.42	14.70	613.12

### Other Equity

	Reserves and Surplus				Equity Instruments through Other Comprehensive Income (Net of Tax)	Other itmes of Other Comprehensive Income (Gain/ loss on employee benefit) (Net of Tax)	Total
	Capital Reserve	Securities Premium*	General Reserve**	Retained Earnings			
<b>Restated balance at the beginning of the reporting period 01.04.2018</b>	-	511.12	5,700.00	1,333.20	3.52	(63.48)	7,484.36
Addition During the year	-	220.50	-	-	-	-	220.50
Actuarial Gain/ loss on employee benefit) (Net of Tax)	-	-	-	-	-	54.46	54.46
Equity Instruments through Other Comprehensive Income (Net of Tax)	-	-	-	-	1.47	-	1.47
Profit/(loss) for the year	-	-	-	(1,582.18)	-	-	(1,582.18)
Proposed Dividend & Tax	-	-	-	(36.01)	-	-	(36.01)
<b>Balance at the end of the reporting period 31.03.2019</b>	-	731.62	5,700.00	(285.00)	5.00	(9.03)	6,142.59

\* Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of Companies Act, 2013.

\*\* General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 30.07.2020

**For and on behalf of the Board of Directors of**  
**Simplex Castings Limited**

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**D. Meena**  
Company Secretary

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

**Deb Mukherjee**  
CFO



## Statement of Changes in Equity for the year ended 31.03.2020

Equity Share Capital

(₹ in lakhs)

Balance as at 01.04.2019	Changes in the equity share capital during the year	Balance as at 31.03.2020
613.12	-	613.12

Other Equity

	Reserves and Surplus				Equity Instruments through Other Comprehensive Income (Net of Tax)	Other itmes of Other Comprehensive Income (Gain/loss on employee benefit) (Net of Tax)	Total
	Capital Reserve*	Securities Premium**	General Reserve***	Retained Earnings			
<b>Balance at the beginning of the reporting period 01.04.2019</b>	-	731.62	5,700.00	(285.00)	5.00	(9.03)	6,142.59
Addition During the year (refer note 45)	738.68	-					738.68
Acturial Gain/loss on employee benefit) (Net of Tax)						(233.69)	(233.69)
Equity Instruments through Other Comprehensive Income (Net of Tax)					(4.84)		(4.84)
Profit/(loss) for the year				(2,855.38)			(2,855.38)
<b>Balance at the end of the reporting period 31.03.2020</b>	738.68	731.62	5,700.00	(3,140.37)	0.15	(242.72)	3,787.36

\* Due to non exercise of option to convert Warrants held by Warrantholders, into Equity Shares till its maturity date, the forfeiture of same is treated as capital reserve.

\*\* Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of Companies Act, 2013.

\*\*\* General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**For and on behalf of the Board of Directors of  
Simplex Castings Limited**

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

Place : Raipur  
Date : 30.07.2020

**D. Meena**  
Company Secretary

**Deb Mukherjee**  
CFO

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

### **1. CORPORATE INFORMATION**

Simplex Castings Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. It's shares are listed on one stock exchanges in India. The company is mainly engaged in Manufacturing of SG Iron, Steel, Special Alloy Castings, C.I. Castings and Equipments.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 BASIS OF PREPARATION AND PRESENTATION**

- i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 and guidelines issued by the Securities and Exchange Board of India (SEBI).
- ii) The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
  - Certain financial assets and liabilities and
  - Defined benefit plans - plan assets
- iii) Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

#### **2.2 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)**

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the plant was closed down on account of nation wise lockdown since 24th March, 2020 and as a result of lockdown the volume for the month of March, 20 have been impacted to some extent. Subsequently, in view of classification of iron & steel Industry as essential commodity, the Company has resumed operations in phased manner from May 2020 after obtaining necessary approval from the appropriate Government agencies. The Company is taking full measure to protect the health & safety of the employees. Further the Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments and has concluded that there are no material adjustments required in the financial statements. Barring unforeseen circumstances, the management believes that the impact of the Covid-19 outbreak on the business and financial position of the Company is not likely be significant at this stage, unless the corona impacted cases further increase in the area of operations of the Company. The Company is monitoring the situation closely and will take appropriate measures depending on the evolving situation.

#### **2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The company has identified twelve months as its operating cycle.



### b) Fair Value Measurement

Fair value 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. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is 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
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

### c) Property, Plant and Equipment (PPE)

- i) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.
- ii) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- iii) The cost of an item of property, plant and equipment is measured at :
  - its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
  - any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
  - the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- iv) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- v) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.
- vi) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.
- vii) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.
- viii) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.



**d) Capital Work in Progress**

- i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under “Capital works in progress” and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under “Capital work in progress” and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the “attributability” and the “Unit of Measure” concepts in Ind AS 16- “Property, Plant & Equipment”. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

**e) Intangible Assets**

- i) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- ii) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.
- iii) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**f) Leases**

The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified 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: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**g) Revenue recognition**

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- i) Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.
- ii) Revenue from sales of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.

**Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividends**

Revenue is recognised when the company’s right to receive payment is established, which is generally when shareholders approve the dividend.



### Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

### h) Depreciation on Property, Plant & Equipment and Amortization of Intangible Assets

- i) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on plant & machinery and factory shed & building. In case of other assets, it is provided on written down value method as per the estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013 with the exception of the following:
  - spares classified as plant and equipment are depreciated over 2 to 15 years based on the technical evaluation of useful life done by the management.
  - assets costing 5,000 or less are fully depreciated in the year of purchase.
- ii) Depreciation on additions to/deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- iii) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.
- iv) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.
- v) Spares parts procured alongwith Plant & Machinery or subsequently, which are capitalized and added in the carrying amount of such items, are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.
- vi) Leasehold land is amortised annually on the basis of tenure of lease period. Freehold land is not depreciated.
- vii) Other Intangible assets are amortized over technically useful life of the assets.

### i) Inventories :

- i) Inventories are valued at lower of cost and net realizable value, after providing for obsolescences, if any.
- ii) Cost of Raw Materials, Stores & Spares, Work in Progress, Finished Goods and Stock-in-Trade are computed on Moving Average basis.
- iii) Cost of Work in Progress and Finished Goods includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.
- iv) The cost is determined using moving average cost formula and net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

### j) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### k) Income Taxes

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In such cases tax are also recognised directly in equity or in other comprehensive income.

#### i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**l) Foreign Currency Transactions**

- i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.
- ii) Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in the Statement of Profit and loss.

**m) Employee Benefits Expense**

**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits**

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Contributory Pension Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefits Plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and future pension increases. 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 company has recognized the gratuity payable to the employees as per the Payment of Gratuity Act, 1972 and Leave Encashment Benefits as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

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 recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

**o) Impairment of non-financial assets - property, plant and equipment and intangible assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.



The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**p) Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

**q) Financial Instruments**

**i) Financial Assets**

**A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement**

Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Equity Investments**

All equity investments are measured at fair value through Other Comprehensive Income with value changes recognised therein.

**D. Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through OCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

**ii) Financial Liabilities**

**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) Derivative financial instruments**

The Company uses derivative financial instruments such as interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments

are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently 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 Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

**A. Cash flow hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**B. Fair Value Hedge**

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

**iv) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**r) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

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) Dividend Distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

**t) Statement of Cash Flows**

**i) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are classified within borrowings in current liabilities.





- ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

**u) Warranty provisions**

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

### **3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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.

**a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

**c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**d) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Measurement of defined benefit obligations**

The measurement of defined benefit and other post-employment benefits obligations 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, mortality rates and future pension increases. 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.

#### **3.1 NEW AND AMENDED STANDARDS**

During the year Ind AS 116 made effective from 01.04.2019 and several other amendments apply for the first time for the year ended 31.03.2020, but do not have an impact on the standalone financial statements of the company. The company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

#### **3.2 RECENT ACCOUNTING DEVELOPMENTS**

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

**4. Property, Plant and Equipment**

(₹ in lakhs)

	Freehold Land	Leasehold Land	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
<b>Gross Block Carrying Value</b>							
<b>At 1 April 2018</b>	408.71	124.17	2,060.54	8,804.96	22.78	111.84	11,533.02
Additions	-	-	-	1,840.49	-	-	1,840.49
Disposals	-	-	-	-	-	-	-
Reclassified as discontinued operations	-	47.44	676.88	5,682.51	3.04	21.24	6,431.11
<b>At 31 March, 2019</b>	408.71	76.74	1,383.66	4,962.95	19.74	90.60	6,942.40
Additions	-	-	-	407.48	-	-	407.48
Disposals	-	-	-	-	-	-	-
Reclassified as discontinued operations	-	-	-	-	-	-	-
<b>At 31st March, 2020</b>	<b>408.71</b>	<b>76.74</b>	<b>1,383.66</b>	<b>5,370.43</b>	<b>19.74</b>	<b>90.60</b>	<b>7,349.88</b>
<b>Depreciation</b>							
At 1 April 2018	-	3.20	277.49	1,669.07	8.80	55.32	2,013.89
Charge for the year on continuing operations	-	0.91	60.61	540.77	3.14	14.67	620.10
Reclassified as discontinued operations	-	0.69	65.41	808.52	0.52	2.71	877.85
Transfers/adjustments	-	2.07	136.69	1,599.75	1.64	10.86	1,751.01
<b>At 31 March, 2019</b>	-	<b>2.73</b>	<b>266.82</b>	<b>1,418.61</b>	<b>10.82</b>	<b>61.85</b>	<b>1,760.82</b>
Charge for the year on continuing operations	-	0.07	60.32	602.13	1.98	8.44	672.95
Reclassified as discontinued operations	-	0.06	2.77	56.70	0.02	0.17	59.71
Transfers/adjustments	-	(1.85)	2.77	56.76	0.02	0.17	57.86
<b>At 31st March, 2020</b>	-	<b>4.72</b>	<b>327.14</b>	<b>2,020.67</b>	<b>12.80</b>	<b>70.29</b>	<b>2,435.62</b>
<b>Net Block</b>							
<b>At 31 March, 2019</b>	<b>408.71</b>	<b>74.00</b>	<b>1,116.84</b>	<b>3,544.35</b>	<b>8.92</b>	<b>28.75</b>	<b>5,181.58</b>
<b>At 31st March, 2020</b>	<b>408.71</b>	<b>72.02</b>	<b>1,056.52</b>	<b>3,349.75</b>	<b>6.94</b>	<b>20.31</b>	<b>4,914.26</b>

**5. Investment Properties**

(₹ in lakhs)

	Freehold Land	Building	Total
<b>Gross Block Carrying Value</b>			
At 1 April 2018	289.22	28.98	318.21
Purchase/additions	-	-	-
<b>At 31 March, 2019</b>	<b>289.22</b>	<b>28.98</b>	<b>318.21</b>
Purchase/additions	-	-	-
Disposals	34.72	-	34.72
<b>At 31st March, 2020</b>	<b>254.50</b>	<b>28.98</b>	<b>283.49</b>
<b>Depreciation/Amortization</b>			
At 1 April 2018	-	1.03	1.03
Charge for the year	-	0.52	0.52
<b>At 31 March, 2019</b>	-	<b>1.55</b>	<b>1.55</b>
Charge for the year	-	0.52	0.52
<b>At 31st March, 2020</b>	-	<b>2.06</b>	<b>2.06</b>
<b>Net Block</b>			
<b>At 31 March, 2019</b>	<b>289.22</b>	<b>27.44</b>	<b>316.66</b>
<b>At 31st March, 2020</b>	<b>254.50</b>	<b>26.92</b>	<b>281.42</b>



**6. Other Intangible assets**

(₹ in lakhs)

	Computer software	Total
<b>Gross Block</b>		
<b>Carrying Value</b>		
At 1 April 2018	18.53	18.53
Purchase/additions	111.88	111.88
Reclassified as discontinued operations	1.21	1.21
<b>At 31 March, 2019</b>	<b>129.20</b>	<b>129.20</b>
Purchase/additions	-	-
Reclassified as discontinued operations	-	-
<b>At 31 March, 2020</b>	<b>129.20</b>	<b>129.20</b>
<b>Amortization</b>		
At 1 April 2018	11.83	11.83
Charge for the year on continuing operations	19.57	19.57
Reclassified as discontinued operations	0.30	0.30
Transfers/adjustments	0.91	0.91
<b>At 31 March, 2019</b>	<b>30.80</b>	<b>30.80</b>
Charge for the year on continuing operations	40.69	40.69
Reclassified as discontinued operations	0.02	0.02
Transfers/adjustments	0.87	0.87
<b>At 31 March, 2020</b>	<b>70.64</b>	<b>70.64</b>
<b>Net Block</b>		
<b>At 31 March, 2019</b>	<b>98.40</b>	<b>98.40</b>
<b>At 31 March, 2020</b>	<b>58.56</b>	<b>58.56</b>

**7. Investments**

(₹ in lakhs)

	No. of Shares/ Units as at 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>Trade investments</b>			
<b>Valued at cost</b>			
<b>Investment in subsidiaries</b>			
Investment in Ordinary Shares with no par value Simplex Castings International Pte Ltd. of \$ 0.074 each	1,00,000	3.29	3.29
<b>Non Trade investments</b>			
<b>Carried at Fair Value through OCI</b>			
Investment in equity instruments, fully Paid up			
Quoted			
Equity Shares of Rs. 10/- each of Industrial Development Bank of India	7,200	1.39	3.21
Investment in mutual fund, fully Paid up			
<b>Carried at Fair Value through OCI</b>			
SBI Magnum Comma Fund	19,990	5.61	7.18
SBI PSU Fund	34,349	3.81	5.25
Investment in government securities			
<b>Other Long term investments</b>			
National Saving Certificates		0.06	0.36
		<b>14.15</b>	<b>19.29</b>
Aggregate amount of quoted investments and market value thereof		10.80	15.64
Aggregate amount of Unquoted investments		3.35	3.65
Investment in government securities carried at cost		0.06	0.36
Investment in subsidiaries carried at cost		3.29	3.29
Investment carried at fair value through OCI		10.80	15.64

**8. Other financial assets**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, considered good unless stated otherwise</b>		
Balance with bank having maturity for more than 12 months '(refer note-13)	153.00	-
	<b>153.00</b>	<b>-</b>

**9. Deferred Tax (Assets)/Liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax (Assets)/Liabilities</b>		
Temporary differences on account of PPE & Other intangible assets	463.71	891.28
Temporary differences on account of Employee Benefits	(166.20)	(108.44)
Temporary differences on index cost of inflation	(15.26)	(38.08)
MAT Credit Entitlement	(0.98)	(0.98)
Unabsorbed Depreciation and Business losses	(1,267.36)	(690.49)
Temporary differences on Provisions for receivables and warranties	(357.26)	(165.75)
<b>Net deferred tax (assets)/ liabilities</b>	<b>(1,343.36)</b>	<b>(112.46)</b>
<b>RECONCILIATION OF DEFERRED TAX (ASSETS)/LIABILITIES (NET)</b>		
<b>Deferred Tax (Assets)/Liabilities</b>		
Deferred tax liability / (assets) at the beginning of the year	(112.46)	750.04
Deferred tax liability / (assets) during the year on account of timing difference	(1,230.90)	(862.49)
<b>DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR</b>	<b>(1,343.36)</b>	<b>(112.46)</b>

**10. Other assets (unsecured, considered good)**

(₹ in lakhs)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Advances other than capital advances</b>				
Advance to Subsidiary Company			1.96	-
Advance to Vendors			1,285.64	2,642.78
Prepaid expenses			54.57	54.14
Balance with statutory/govt. authorities			390.74	433.56
Security deposit with govt. & others	209.80	191.18		
Others			60.62	251.17
<b>Total</b>	<b>209.80</b>	<b>191.18</b>	<b>1,793.52</b>	<b>3,381.65</b>

**11. Inventories (valued at lower of cost and net realizable value)**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Raw Materials, components and Stores & spares	2,910.93	2,477.49
Finished goods	356.45	551.12
Semi-finished goods	1,475.99	2,206.78
Stock of Scrapping of Assets	11.50	5.25
	<b>4,754.87</b>	<b>5,240.63</b>

**12. Trade receivables**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Trade receivables considered good - Unsecured	2,079.06	8,768.86
Trade Receivables which have significant increase in Credit Risk	1,252.19	480.09
	3,331.26	9,248.95
Less: Provision for doubtful receivables	1,252.19	480.09
	<b>2,079.06</b>	<b>8,768.86</b>



**13. Bank, Cash and cash equivalents**

(₹ in lakhs)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts			112.44	52.13
Deposits with original maturity of less than three months			-	14.40
Cash on hand			1.39	2.58
			<b>113.83</b>	<b>69.12</b>
<b>Other bank balances</b>				
Unpaid dividend account			5.67	10.67
Deposits with original maturity for more than 12 months	153.00	-		
Deposits with original maturity for more than 3 months but less than 12 months			371.56	551.77
	<b>153.00</b>	<b>-</b>	<b>377.23</b>	<b>562.44</b>
Amount disclosed under other financial assets (note 8)	<b>153.00</b>	<b>-</b>		
	<b>-</b>	<b>-</b>	<b>491.05</b>	<b>631.56</b>

Deposits are pledged with various banks for availing LC, Bank Guarantee and margin money.

**14. Equity Share capital**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Authorised		
10000000 (31st March, 2019: 10000000) equity shares of ₹ 10/- each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
Issued, Subscribed and fully paid-up		
6131200 (31st March, 2019: 6131200) equity shares of ₹ 10/- each fully paid-up		
	<b>613.12</b>	<b>613.12</b>

**a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period**

	As at 31.03.2020		As at 31.03.2019	
	No.	₹ in Lacs	No.	₹ in Lacs
At the beginning of the period	61,31,200	613.12	59,84,200	598.42
Issued during the period	-	-	1,47,000	14.70
Outstanding at the end of the period	<b>61,31,200</b>	<b>613.12</b>	<b>61,31,200</b>	<b>613.12</b>

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

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the 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 shareholders.

**c. There is no holding/ultimate holding company of the Company.**

**d. In the period of five years immediately preceding 31st March, 2020, the company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash.**



**e. Details of shareholders holding more than 5% shares in the company:**

	As at 31.03.2020		As at 31.03.2019	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of Rs.10/- each fully paid				
Shri Ketan M Shah	2354415	38.40	3104315	50.63
Smt. Sangeeta Ketan Shah	773697	12.62	6297	0.10
	<b>3128112</b>	<b>51.02</b>	<b>3110612</b>	<b>50.73</b>

**f. Terms of Issue of Equity Share Warrants**

The Company had allotted 19,93,700 Warrants ( 11,37,900 on 28th March,2018, 701500 on 31st March ,2018 and 1,54,300 on 3rd April,2018) of Rs 10/- each at a premium of Rs 150/- to non-promoters in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009. Each of the said Warrant carried an option to subscribe to equivalent number of Equity shares of the Company of Rs 10.00 each not exceeding 18 months from the date of said Warrants. In this connection we would like to inform you that holders of 18,46,700 Warrants have not exercised their option to convert Warrants held by them into Equity Shares of the Company till its maturity date ( 9,90,900 on 27th September,2019, 7,01,500 on 30th September,2019 and 1,54,300 on 2nd October,2019). Accordingly , the said Warrants stands cancelled and the entire subscription money received from them for subscription of Warrants stand forfeited.

**15. Borrowings**

(₹ in lakhs)

Particulars	Effective interest rate	Maturity	Long-Term		Current maturities	
			As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b><u>Secured</u></b>						
Term loan from financial institutions	12.00%	March, 2023	102.50	167.81	35.26	36.96
Term loan from financial institutions	13.00%	Sept', 2027	32.05	-	3.22	-
<b><u>Other loans and advances</u></b>			-	-	-	-
Other loans from bank (secured)	11.65%	March, 2020 & June, 2021	-	5.57	5.30	6.49
Other loans from financial institutions (secured)	13.00%	January, 2022	1.28	2.92	1.58	1.39
<b><u>Unsecured</u></b>						
Loans & advances from Directors	0.00%	--	843.17	778.95	-	-
Loans & advances from body corporates	0% to 4.75%	--	1,344.95	1,471.81	-	-
Loan from financial institutions	17.75% to 18.00%	February, 2020	-	-	1.45	39.10
Loan from financial institutions	18.00% to 19.00%	March, 2020	-	-	2.05	41.81
			<b>2,323.95</b>	<b>2,427.05</b>	<b>48.86</b>	<b>125.75</b>
<b>The above amount includes</b>						
Secured borrowings			135.83	176.30	45.36	125.75
Unsecured borrowings			2,188.12	2,250.75	3.50	-
Amount disclosed under the head "other current liabilities" (refer note 20)					(48.86)	(125.75)
<b>Net amount</b>			<b>2,323.95</b>	<b>2,427.05</b>	<b>-</b>	<b>-</b>



**Security and terms & conditions for above loans:**

- Term Loan from financial institutions are secured by way of equitable mortgage on the freehold land.
- Other loans and advances from Banks and financial institutions are secured by Hypothecation of respective vehicles purchased under the loan.
- Other loans from directors and body corporates are repayable after more than one year.
- Unsecured loan from financial institutions are secured by personal guarantee of two directors of the company.

**16. Provisions**

(₹ in lakhs)

	Long Term		Short Term	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits	549.94	247.51	47.48	39.24
Provision for warrenty and gurantees	11.06	16.39	12.50	-
	<b>560.99</b>	<b>263.90</b>	<b>59.98</b>	<b>39.24</b>

**17. Other non-current liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Retention money/Security Deposit payable	21.35	646.75
	<b>21.35</b>	<b>646.75</b>

**18. Borrowings**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Cash Credit facility from banks (secured)	4,384.83	4,262.57
Working capital demand loan (secured)	-	1,147.13
<b>The above amount includes</b>	<b>4,384.83</b>	<b>5,409.70</b>
Secured borrowings	<b>4,384.83</b>	<b>5,409.70</b>

**Terms & Conditions of Secured Loans**

- The cash credit facilities from Banks are secured by first pari passu charge over entire current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables of the Company and second charge over the other movable assets and immovable assets of the Company.
- The above credit facilities are also secured by personal guarantee of promoter directors of the Company.
- During the year due to adverse business cycle faced by the company, the letter of credits issued by the bank have been devolved and the outstanding as on 31st March'2020 was in excess of cash credit limit by Rs.470.85 lacs.

**19. Trade Payable**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Trade payables - dues for micro and small enterprises	296.06	182.63
Trade payables otherthan micro and small enterprises	3,170.06	9,283.35
	<b>3,466.12</b>	<b>9,465.98</b>

**20. Other Financial Liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Current maturities of long-term borrowings (secured) (refer note-15) *	48.86	125.75
Interest accrued but not due on borrowings	56.62	-
Interest accrued and due on borrowings	3.43	-
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	5.67	10.67
Liabilities for expenses	613.46	1,263.45
	<b>728.03</b>	<b>1,399.88</b>

\* Current maturities of long-term borrowings includes overdue installments of Rs.3.50 lacs as on 31.03.2020.

**21. Other Current Liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Other Payable		
Duties & Taxes Payable	83.65	8.46
TDS payable	31.48	66.21
Capital creditors	103.00	-
Advances from Customer	541.18	1,121.09
	<b>759.30</b>	<b>1,195.77</b>

**22. Revenue from operations**

(₹ in lakhs)

	2019-20	2018-19
<b>Revenue from operations</b>		
Sale of products	5,021.51	8,199.51
Job Contract Receipts	63.87	98.05
Work Contract Receipts	351.51	-
<b>Other operating revenue</b>		
Sale of traded goods	-	2,388.58
Sale of MEIS Scripts/export incentives	5.62	26.62
<b>Revenue from operations</b>	<b>5,442.51</b>	<b>10,712.76</b>

**23. Other Income**

(₹ in lakhs)

	2019-20	2018-19
<b>Interest Income on</b>		
Bank Deposits & others	144.41	159.71
Exchange fluctuation gain	3.12	-
Profit on sale of investment properties	30.08	-
Other non-operating income (net of expenses directly attributable to such income)	43.38	73.09
	<b>220.98</b>	<b>232.80</b>

**24. Cost of material and components consumed**

(₹ in lakhs)

	2019-20	2018-19
Inventory at the beginning of the year	2,477.49	1,973.68
Add: purchases	3,757.12	5,404.31
	6,234.61	7,377.99
Less : Inventory at the end of the year	2,910.93	2,477.49
<b>Cost of raw material and components consumed</b>	<b>3,323.68</b>	<b>4,900.50</b>

**25. Changes in inventories of work-in-progress, stock-in-trade and finished goods**

(₹ in lakhs)

	2019-20	2018-19	(Increase)/ Decrease
<b>Inventories at the end of the year</b>			<b>2019-20</b>
Finished goods	356.45	551.12	194.67
Semi-Finished goods	1,475.99	2,206.78	730.79
	<b>1,832.44</b>	<b>2,757.90</b>	<b>925.46</b>
<b>Inventories at the beginning of the year</b>			<b>2018-19</b>
Finished goods	551.12	1,044.09	492.97
Semi-Finished goods	2,206.78	1,362.39	(844.39)
	<b>2,757.90</b>	<b>2,406.47</b>	<b>(351.42)</b>
<b>Net (increase)/decrease in inventories</b>	<b>925.46</b>	<b>(351.42)</b>	



**26. Employees benefit expense**

(₹ in lakhs)

	2019-20	2018-19
Salaries, wages and other benefits	1,305.78	946.78
Directors' remuneration	84.73	67.94
Contribution to provident and other funds	88.82	66.98
Gratuity expense	18.05	38.12
Workmen and staff welfare expense	23.14	21.65
	<b>1,520.51</b>	<b>1,141.47</b>

**27. Finance Costs**

(₹ in lakhs)

	2019-20	2018-19
Interest		
- on working capital	489.80	571.58
- on others	355.45	129.38
Bank charges	119.15	148.54
	<b>964.40</b>	<b>849.50</b>

**28. Depreciation and amortization expense**

(₹ in lakhs)

	2019-20	2018-19
Depreciation on property, plant & equipment	672.95	1,497.94
Depreciation on investment properties	0.52	0.52
Amortization of intangible assets	40.69	19.88
	<b>714.15</b>	<b>1,518.33</b>

**29. Other Expenses**

(₹ in lakhs)

	2019-20	2018-19
Testing/Laboratory charges	9.65	9.38
Off loading/Job contract charges	103.54	997.45
Power & Fuel	460.64	563.37
Freight and forwarding charges	99.87	291.10
Rent	12.14	14.37
Rates and taxes		
- Sales tax & work contract tax	-	0.07
- Others	7.94	6.21
Insurance	23.86	24.68
Repairs and maintenance		
- Plant and machinery	14.25	13.01
- Buildings	5.48	2.67
- Others	48.66	36.80
Liquidated damages	195.08	1.80
Commission		
- Other than Sole selling agents	22.84	30.47
Provision for doubtful debtors	772.10	50.54
Provision for Warranty & Guarantee	7.16	(0.55)
Travelling and conveyance	92.81	115.97
Communication expenses	9.07	10.27
Printing and stationery	5.99	6.19
Legal and professional fees	91.76	73.54
Directors' sitting fees	2.21	2.45
Research & Development	-	1.57
Payment to Auditor (Refer details below)	7.50	7.50

	2019-20	2018-19
Advertisement/Sales Promotion expense	8.80	13.09
Donation	1.41	0.76
Forward contract premium	13.89	45.97
Corporate Social Responsibility	0.80	9.37
Balances written off	777.89	-
Bad Debts written off	577.54	-
Miscellaneous expenses	28.97	37.12
	<b>3,401.84</b>	<b>2,365.16</b>

Payment to Auditor	2019-20	2018-19
<b>As auditor :</b>		
Audit fee	7.50	7.00
Tax Audit fee	-	0.50
	<b>7.50</b>	<b>7.50</b>

### 30. Earnings per share (EPS)

(₹ in lakhs)

	2019-20	2018-19
Profit/ (Loss) after tax for the year from continuing operations	(4,535.55)	(1,449.86)
Profit/ (Loss) after tax for the year from discontinued operations	1,680.17	(132.33)
Profit/ (Loss) after tax for the year from continuing & discontinued operations	(2,855.38)	(1,582.18)
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of equity shares in calculating Basic EPS	61,31,200	61,31,200
Weighted average number of equity shares in calculating Diluted EPS	61,31,200	79,77,900
Basic & Diluted EPS		
- Basic earning per share (Continuing operations)	(73.97)	(23.65)
- Diluted earning per share (Continuing operations)	(73.97)	(18.17)
- Basic earning per share (discontinuing operations)	27.40	(2.16)
- Diluted earning per share (discontinuing operations)	27.40	(1.66)
- Basic earning per share (continuing & discontinuing operations)	(46.57)	(25.81)
- Diluted earning per share (continuing & discontinuing operations)	(46.57)	(19.83)

### 31. Contingent Liabilities and Capital Commitments are not provided for in respect of :-

- i) Counter Guarantees given to banks against Bank guarantees issued by the Company Banker aggregate to Rs.1549.27 lacs (Previous Year Rs.1629.91 lacs.)
- ii) Disputed liability of Rs.977.34 lacs (Previous Year Rs.977.34 lacs) on account of Income Tax for the A.Y. 2010-11 where the department has filed an appeal with Hon'ble High Court, Mumbai as against the order of Appellate Tribunal in favour of the company.
- iii) Disputed liability aggregating to Rs.7.01 lacs (Previous Year - Nil) appearing online portal of Income Tax website for the different assessment years for which rectification petition are to be filed.
- iv) During the year the Cimmco Ltd. has filed an application before NCLT, Mumbai for demanding Rs.831.01 lacs for non-supply of Bogie which is on account of loss of profit, goodwill, harassment, LD, Interest etc. from the company whereas the company is having receivable of Rs.91.01 lacs against supply of Bogie to Cimmco Ltd. The company has also filed an application before NCLT, Kolkata for demanding Rs.91.01 lacs but due COVID-19, the hearing was adjourned. The Company has not provided for the liability towards the amount of claims raised by Cimmco against the Company, in view of strong defence of the Company, the management believes ultimate outcome of the proceedings is expected to be in Company's favour.
- v) Claim against the company not acknowledged as debt Rs.18.56 Lacs (Previous year : Rs. Nil)

32. During the year one of the vendor has filed case under NCLT for their dues amounting to Rs.13.52 lacs and the company is in the process of settlement the case with the party. Further, the company has also received notices from MSME in respect of their dues to the tune of Rs.156.45 lacs for which necessary replies has been submitted.





(₹ in lakhs)

- 33.** In order to reduce the debt burden of the company, the board of directors of the company, in its meeting held on 26th April, 2019 approved to sell/disposed off its Steel Castings Foundry Unit situated at Urla, Industrial Estate, Raipur (Chhattisgarh)-493221, on a slump sale basis as a going concern and the same has also been approved by the shareholders in the Extra Ordinary General Meeting held on 29th May, 2019. As at 31st March 2019, the carrying amount of such assets and liabilities of discontinuing operations which were not disposed off for previous year was Rs.7259.90 lacs and Rs.2871.17 lacs respectively. The following statement shows the revenue and expenses of continuing and discontinuing operations:

SI No.	Particulars	Discontinuing Operations	
		31.03.2020	31.03.2019
<b>I</b>	<b><u>Revenue</u></b>		
	Revenue from operations	138.03	7,585.07
	Other Income*	1,940.56	143.11
	<b>TOTAL REVENUE (I)</b>	<b>2,078.59</b>	<b>7,728.18</b>
<b>II</b>	<b><u>Expenditure</u></b>		
	Cost of raw material and component consumed (net of disposal)	(26.73)	4,483.63
	(Increase)/decrease in inventories of finished goods & work-in-progress	-	969.78
	Employees benefits expense	90.90	651.75
	Finance costs	22.98	522.43
	Depreciation and amortization expense	59.73	878.15
	Other Expenses	251.54	1,732.01
	<b>TOTAL EXPENDITURE (II)</b>	<b>398.41</b>	<b>9,237.75</b>
<b>III</b>	<b>Profit before tax (I - II)</b>	<b>1,680.17</b>	<b>(1,509.58)</b>
<b>IV</b>	<b>Tax Expense</b>		
	Current Tax	-	-
	Deferred Tax	-	(499.11)
<b>V</b>	<b>Profit after tax (III - IV)</b>	<b>1,680.17</b>	<b>(1,010.47)</b>
<b>VI</b>	Other Comprehensive Income	-	-
<b>VII</b>	<b>Total Comprehensive income for the year (V+VI)</b>	<b>1,680.17</b>	<b>(1,010.47)</b>

\* Other Income for the year 2019-20 for Rs.1940.56 lacs was on account of gain on business transfer after making final reconciliation and as per revised agreement.

**34. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:**

**a. Defined Contribution Plan:**

Amount of Rs.92.16 lacs (P.Y. Rs.107.08 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no 26).

(₹ in lakhs)

Benefit (Contribution to):	2018-19	2017-18
Provident Fund & Employee state insurnace scheme	92.16	107.08
<b>Total</b>	<b>92.16</b>	<b>107.08</b>

**b. Defined benefit plan:**

**Gratuity:**

The Company provides for gratuity, a defined banefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days salary for each completed year of service subject to a maximum of Rs. 20 Lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

The Company makes annual contributions to LIC Group Gratuity Fund, which is funded defined benefit plan for qualifying employees.

(₹ in lakhs)

Particulars		Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
		(Funded)	(Funded)	(Non Funded)	(Non Funded)
<b>I</b>	<b>Change in Present value of defined benefit obligation during the year:</b>				
	Present value of defined benefit obligation at the beginning of the year	460.87	514.82	84.34	114.78
	Interest Cost	6.54	36.91	3.68	8.16
	Current Service Cost	11.51	38.28	8.83	6.82
	Past Service Cost				
	Benefit paid directly by employer	(193.92)	(71.01)	(63.40)	(17.70)
	Actuarial Changes arising from changes in financial assumption	46.65	3.17	2.70	0.34
	Actuarial Changes arising from changes in experience assumption	258.29	(61.30)	17.12	(28.06)
	Present value of defined benefit obligation at the end of the year	589.93	460.87	53.27	84.34
<b>II</b>	<b>Change in fair value of plan assets during the year:</b>				
	Fair value of plan assets at the beginning of the year	-	-	-	-
	Contribution paid by the employer	193.92	71.01	63.40	17.70
	Benefit paid from the fund	(193.92)	(71.01)	(63.40)	(17.70)
	Fair value of plan assets at the end of the year	-	-	-	-
<b>III</b>	<b>Net asset / (liability) recognised in the balance sheet:</b>				
	Present Value of defined benefit obligation at the end of the year	589.93	460.87	53.27	84.34
	Fair value of plan assets at the end of the year	-	-	-	-
	Amount recognised in the balance sheet	-	-	-	-
	Net asset / (liability) - Current	44.19	32.73	3.30	6.50
	Net asset / (liability) - Non Current	545.74	428.13	49.97	77.83
<b>IV</b>	<b>Expenses recognized in the statement of profit and loss for the year:</b>				
	Current Service Cost	11.51	38.28	8.83	6.82
	Interest Cost on benefit obligation (Net)	6.54	36.91	3.68	8.16
	Total expenses included in employee benefits expenses	18.05	75.18	12.51	14.98
<b>V</b>	<b>Recognized in other comprehensive income for the year:</b>				
	Actuarial Changes arising from changes in financial assumption	46.65	3.17	2.70	0.34
	Actuarial Changes arising from changes in experience assumption	258.29	(61.30)	17.12	(28.06)
	Recognized in other comprehensive income for the year:	304.93	(58.13)	19.82	(27.73)
<b>VI</b>	<b>Maturity profile of defined benefit obligation:</b>				
	Within the next 12 months (next annual reporting period)	44.19	32.73	3.30	6.50
	Between 2 and 5 years	1,005.52	207.05	28.57	32.40
	Between 6 and 10 years	296.92	229.75	20.70	44.14
<b>VII</b>	<b>Quantitative Sensitivity analysis for significant assumption is as below:</b>				
<b>1</b>	1% point increase in discount rate	511.21	428.34	77.97	77.97
	1% point decrease in discount rate	580.91	497.83	91.64	91.64
	1% point increase rate of salary Increase	578.94	495.53	91.91	91.91
	1% point decrease rate of salary Increase	512.10	429.34	77.62	77.62
	1% point increase rate of employee turnover rate	543.29	460.87	84.20	84.20
	1% point decrease rate of employee turnover rate	545.10	460.83	84.49	84.49
<b>2</b>	<b>Sensitivity Analysis Method:</b>				
	Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.				


**VIII Actuarial assumptions:**

Particulars		Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
		Non Funded	Non Funded	Non Funded	Non Funded
1	Discount rate	7.00%	7.70%	7.00%	7.70%
2	Salary escalation	8.00%	8.00%	8.00%	8.00%
3	Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
5	Rate of Employee Turnover	1% to 8%	1% to 8%	1% to 8%	1% to 8%

**Expected contribution to the defined plan for the next reporting period:**
**Notes:**

- (i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2020. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected Unit Credit Method.

**35. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, other financial assets, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Price risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

**Credit Risk**

The Company is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

**Trade receivables**

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

**Bank, Cash and cash equivalents**

Bank, Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Amount ₹ in lakhs)

	31-Mar-20	31-Mar-19
Trade receivables	2,079.06	8,768.86
Bank, Cash and cash equivalents	491.05	631.56

#### Impairment losses

	31-Mar-20	31-Mar-19
Trade receivables (measured under life time excepted credit loss model)		
Opening balance	480.09	367.78
Provided during the year	772.10	112.31
Reversal of provision	-	-
Closing balance	1,252.19	480.09

#### Ageing analysis

	31-Mar-20	31-Mar-19
Upto 3 months	726.00	4,777.71
3-6 months	377.81	917.74
More than 6 months	975.25	3,073.41
	2,079.06	8,768.86

No significant changes in estimation techniques or assumptions were made during the reporting period

#### Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

#### Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31 March 2020	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	4,433.70	2,307.64	16.32	6,757.65
Trade payables	3,466.12	-	-	3,466.12
Other financial liabilities	679.17	-	-	679.17
	8,578.98	2,307.64	16.32	10,902.94

As at 31 March 2019	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	5,535.45	2,427.05	-	7,962.50
Trade payables	9,465.98	-	-	9,465.98
Other financial liabilities	1,274.13	-	-	1,274.13
	16,275.56	2,427.05	-	18,702.61

#### Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.



The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

**a) Interest rate risk exposure**

	31-Mar-20	31-Mar-19
Variable rate borrowings	4,384.83	5,409.70
Fixed rate borrowings	2,372.82	2,552.80

**b) Sensitivity analysis**

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	31-Mar-20	31-Mar-19
Interest rates - increase by 70 basis points	(30.69)	(58.05)
Interest rates - decrease by 70 basis points	30.69	58.05

**FOREX EXPOSURE RISK**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly foreign currency cash flows.

The company does not have any long term borrowings in foreign currency. However, short term borrowings have been hedged by the company including interest.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the hedge most of its currency exposure.

PARTICULARS		Currency in Lacs	
	Currency	2019-20	2018-19
Borrowings	USD	-	41.77
Trade Receivables	USD	1.16	1.05
Trade Receivables	EURO	0.84	1.74

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

(Amount ₹ in lakhs)

	Impact on profit after tax	
	2019-20	2018-19
Foreign exchange rates - increase by 1%	1.57	29.01
Foreign exchange rates - decrease by 1%	(1.57)	(29.01)

**PRICE RISK:**

The entity is exposed to equity price risk, which arised out from FVTOCI quoted equity shares and mutual funds. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

**Sensitivity Analysis for Price Risk:**

Equity Investments carried at FVTOCI are listed on the stock exchange and in case of mutual funds NAV is available. For equity investments and mutual funds classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of Rs.0.22 lacs (2018-19: Rs.0.31 lacs); an equal change in the opposite direction would have decreased profit and loss.



(₹ in lakhs)

### 36. CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities; and
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
- safeguard its ability to continue as a going concern
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of bank, cash and cash equivalents) divided by total equity.

(Amount ₹ in lakhs)

	31-Mar-20	31-Mar-19
Total liabilities (long term debt)	2,372.82	2,552.80
Less : Bank, Cash and cash equivalent	491.05	631.56
<b>Net debt</b>	<b>1,881.76</b>	<b>1,921.24</b>
Total equity	4,400.48	6,755.71
<b>Net debt to equity ratio</b>	<b>0.43</b>	<b>0.28</b>

The company has complied with the covenants of the terms of the major borrowing facilities through out the reporting period however, due to adverse business cycle faced by the company, the letter of credits issued by the bank have been devolved and the outstanding as on 31st March'2020 was in excess of cash credit limit by Rs.470.85 lacs (Previous Year Rs.1516.86 lacs).

Apart from this there was default in repayment of instalments to financial institutions during the year amounting to Rs.3.50 lacs (Previous Year - Nil).

### 37. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.



(Amount ₹ in lakhs)

	Carrying amount			
	As at 31.03.2020	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
Investments	3.29			
Trade receivables	2079.06	-	-	-
Other financial assets	153.00			
Bank, Cash and bank balances	491.05	-	-	-
	<b>2726.40</b>	-	-	-
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments	10.80	10.80	-	-
<b>Total</b>	<b>10.80</b>	<b>10.80</b>	-	-
<b>Financial liabilities at amortised cost:</b>				
Long term borrowings	2323.95	-	-	-
Short term borrowings	4384.83	-	-	-
Trade payables	3466.12	-	-	-
Other financial liabilities	728.03	-	-	-
<b>Total</b>	<b>10902.94</b>	-	-	-

(Amount ₹ in lakhs)

	Carrying amount			
	As at 31.03.2019	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
Investments	3.29			
Trade receivables	8768.86	-	-	-
Other financial assets	0.00			
Bank, Cash and bank balances	631.56	-	-	-
	<b>9403.70</b>	-	-	-
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments	15.64	15.64	-	-
<b>Total</b>	<b>15.64</b>	<b>15.64</b>	-	-
<b>Financial liabilities at amortised cost:</b>				
Long term borrowings	2427.05	-	-	-
Short term borrowings	5409.70	-	-	-
Trade payables	9465.98	-	-	-
Other financial liabilities	1399.88	-	-	-
<b>Total</b>	<b>18702.61</b>	-	-	-

During the reporting period ending 31st March, 2020 and 31st March, 2019, there were no transfers between Level 1, Level2 and Level 3 fair value measurements.

**38. Information on Related Party Disclosures are given below :**

**i) Related Parties**

**a) Subsidiaries**

- Simplex Castings International Pte Ltd.

**b) Other Related Parties where significant influence exist**

- Prabha Plantations Pvt. Ltd.
- Sim Prabha Estates & Trading Co. Pvt. Ltd.
- SEFW Projects Pvt. Ltd.
- Ssquare Iromax Pvt. Ltd.
- Hem Holdings & Trading Limited

**c) Key Management Personnel**

- Shri Ketan M. Shah,  
Chairman and Whole time Director
- Smt. Sangeeta K. Shah,  
Managing Director
- Shri O P Patel,  
Executive Director
- Smt. D Meena,  
Company Secretary
- Shri J Suryam,  
CFO
- Shri Champak K. Dedhia,  
Independent Director
- Smt. Ushma N Khabaria,  
Independent Director
- Smt. S M Swathi,  
Independent Director

**d) Relatives of Key Management Personnel**

- Shri Santanu Ghosh (Brother of KMP)

**ii) Transaction with Related Parties in the ordinary course of business (Rs.in lacs)**

			2019-20	2018-19
<b>a) Subsidiaries</b>	Capital Contribution		-	3.29
	Advances Given		1.96	-
	<b>Outstandings</b>			
	Receivables		1.96	-
<b>b) Other Related Parties where significant influence exist</b>	Commission paid		15.00	79.06
	Interest Paid		18.74	15.40
	Unsecured Loan received		520.34	610.00
	Unsecured Loan repaid		803.13	0.00
	Job work receipts		84.54	2.75
	Rent received		0.25	0.00
	<b>Outstandings</b>			
	Payables		1,345.10	1611.01
<b>c) Key Management Personnel</b>	Remuneration/salary Paid		124.38	109.43
	Rent Paid		12.00	14.20
	Consultancy Charges Paid		1.00	0.00
	Sitting Fees		2.75	2.65
	Unsecured Loan received		2.00	76.95
	Unsecured Loan repaid		31.00	6.00
	<b>Outstandings</b>			
	Payables		843.17	778.95
<b>d) Relatives of Key Management Personnel</b>	Salary paid		4.00	-
	<b>Outstandings</b>			
	Payables		0.00	0.00

**iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year**

<b>a) Commission paid:</b>		<b>2019-20</b>	<b>2018-19</b>
SEFW Projects Pvt. Ltd.		15.00	79.06
<b>b) Job work receipts</b>		<b>2019-20</b>	<b>2018-19</b>
Ssquare Iromax Pvt. Ltd.		84.54	2.75
<b>c) Interest Paid:</b>		<b>2019-20</b>	<b>2018-19</b>
Prabha Plantation Pvt. Ltd.		18.74	15.40



<b>d) Rent Paid:</b>	<b>2019-20</b>	<b>2018-19</b>
Shri Ketan M Shah	12.00	14.20
<b>e) Consultancy Charges Paid:</b>	<b>2019-20</b>	<b>2018-19</b>
Shri Champak K. Dedhia	1.00	-
<b>f) Rent Received:</b>	<b>2019-20</b>	<b>2018-19</b>
Ssquare Iromax Pvt. Ltd.	0.25	-
<b>g) Advances given:</b>	<b>2019-20</b>	<b>2018-19</b>
Simplex Castings International Pte Ltd.	1.96	-
<b>h) Remuneration/Salary Paid</b>	<b>2019-20</b>	<b>2018-19</b>
Shri Ketan M Shah	43.33	43.58
Smt. Sangeeta K Shah	41.40	41.85
Shri OP Patel	19.00	5.42
<b>i) Sitting Fees Paid</b>	<b>2019-20</b>	<b>2018-19</b>
Mrs. S M Swathi	0.95	-
Shri Champak K. Dedhia	1.05	0.95
Mrs. Usma N Khabaria	0.75	0.95
<b>j) Unsecured Loans Received:</b>	<b>2019-20</b>	<b>2018-19</b>
Prabha Plantation Pvt. Ltd.	121.61	610.00
Shri Ketan M Shah	2.00	76.95
Hem Holdings & Trading Limited	103.00	-
Ssquare Iromax Pvt. Ltd.	295.73	-
<b>k) Repayment of Unsecured Loans:</b>	<b>2019-20</b>	<b>2018-19</b>
Prabha Plantation Pvt. Ltd.	108.66	-
Shri Ketan M Shah	31.00	6.00
Sim Prabha Estates & Trading Co Pvt Ltd	130.00	-
SEFW Projects Pvt. Ltd.	153.47	-
Ssquare Corporate Consultants Pvt. Ltd.	341.00	-
<b>l) Payables:</b>	<b>2019-20</b>	<b>2018-19</b>
SEFW Projects Pvt. Ltd.	259.92	413.39
Prabha Plantation Pvt. Ltd.	938.83	909.00
Shri Ketan M Shah	843.17	778.95
SIM Prabha Estate & Trading Co. Pvt. Ltd	95.18	225.18

39. The Company gives warranty and guarantee on certain products in the nature of repairs / replacement, which fail to perform satisfactorily during the warranties period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification/replacement. The timing of outflow is expected to be within two years. The movement of provision for warranties are as follows:

(₹ in lakhs)

<b>Movement in provision for warranty and guarantee:</b>	<b>2019-20</b>	<b>2018-19</b>
Opening Balance	16.39	16.94
Add: Provision during the year	7.16	-
Less: Amount reversed during the year	-	0.55
Closing Balance	<b>23.56</b>	<b>16.39</b>

40. During the year the company has incurred Rs.0.80 lac on account of Corporate Social Responsibility Activities. According to provisions of section 135 of the Companies Act,2013 the company is not required to spent any amount, due to losses incurred in the previous year. The break-up of amount spent during the year are as follows:

Particulars	In Cash	Yet to be paid in cash	Total
Constructions/acquisition of any assets	0.00	0.00	0.00
On purpose other than above	0.80	0.00	0.80

41. The Company has identified the amount due to Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act) as at 31st March,2020:

(₹ in lakhs)

		2019-20	2018-19
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March,2020		
	Principal Amount	296.06	182.63
	Interest	40.90	0.00
ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March,2020	0.00	0.00
iii)	The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	0.00	0.00
iv)	The amount of interest accrued and remaining unpaid for the year ending 31st March,2020	8.51	32.39
v)	The amount of further interest remaining due and payable for the earlier years.	32.39	0.00

Note : The information has been given in respect of such suppliers to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

42. During the year the management of the Company has made detailed analysis and reconciliation of debtors and creditors balances which have been written off by Rs.577.54 Lacs on account of debtors and Rs.777.89 Lacs on account of creditors respectively, which has been subsequently approved by the board of directors of the company.
43. During the previous year depreciation was charged on SLM basis instead of written down value method on other assets other than plant & machinery and factory shed & building, which has been rectified during the year. As there is no material impact on the same, therefore, no restatement of the same has been done in Other Equity.
44. During the year, the Company has made an exercise and consumed those stock of finished goods and semi-finished as scrap which were lying in the stock and not in dispatchable in nature due to cancellation of orders. The effect of the same has been shown as exceptional items.
45. The Company had allotted 19,93,700 Warrants ( 11,37,900 on 28th March,2018, 701500 on 31st March ,2018 and 1,54,300 on 3rd April,2018) of Rs 10/- each at a premium of Rs 150/- to non-promoters in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009. Each of the said Warrant carried an option to subscribe to equivalent number of Equity shares of the Company of Rs 10.00 each not exceeding 18 months from the date of said Warrants. In this connection we would like to inform you that holders of 18,46,700 Warrants have not exercised their option to convert Warrants held by them into Equity Shares of the Company till its maturity date ( 9,90,900 on 27th September,2019, 7,01,500 on 30th September,2019 and 1,54,300 on 2nd October,2019). Accordingly , the said Warrants stands cancelled and the entire subscription money received from them for subscription of Warrants stand forfeited and credited to capital reserve account.
46. Previous year figures have been regrouped or rearranged wherever necessary.

As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 30.07.2020

**For and on behalf of the Board of Directors of**  
**Simplex Castings Limited**

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**D. Meena**  
Company Secretary

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

**Deb Mukherjee**  
CFO



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Simplex Castings Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of **Simplex Castings Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Holding Company as at March 31, 2020, of consolidated loss (including total comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

we have determined the matters described below to be the key audit matters to be communicated in our report.

<b>SI No.</b>	<b>Key Audit Matters</b>	<b>How our audit addressed the Key Audit Matter</b>
1.	<b>Contingent Liabilities</b> As at 31 <sup>st</sup> March, 2020 Group having contingent liabilities in respect of Income tax and claim before NCLT by one party. The determination of the contingences and the level of disclosure required involve a high degree of judgement resulting in contingent liabilities being considered as a key audit matter (Refer Note - 31).	Discussed significant matters and their probability with Management. Reviewing the assessment and appeal letter alongwith paper related to NCLT as presented by management before us. Review the letters and correspondence with vendors as presented by management before us.
2.	As at 31 <sup>st</sup> March, 2020 one of the vendor has filed case under NCLT for their dues amounting to Rs.13.52 lacs and also received notices from MSME Vendors in respect of their dues to the tune of Rs.156.45 lacs (Refer Note – 32).	We assessed the appropriateness of the related disclosures and considered it to be reasonable.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include consolidated financial statements and our auditors report thereon.

Our opinion on the consolidated 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 consolidated 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. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial



position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial controls 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 Group has in place an adequate internal financial controls system over financial reporting 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore key audit matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

We did not audit the financial statements of one foreign subsidiaries, whose financial statements reflect total assets of Rs.626.95 Lacs as at 31st March, 2020, total revenues of Rs.2363.34 lacs, and net cash flows amounting to Rs.1.12 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) on the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in with accordance with the provisions of Section 197 of the Act; 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

**For OPSinghania & Co.**

(ICAI Firm Regn. No.002172C)

Chartered Accountants

**Sanjay Singhania**

Partner

Membership number: 076961

Raipur, 30<sup>th</sup> July, 2020

UDIN: 20076961AAAACJ9588

**Annexure –‘A’ to the Independent Auditors’ Report****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of **Simplex Castings Limited** (“the Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

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

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **OPSinghania & Co.**

(ICAI Firm Regn. No.002172C)

Chartered Accountants

**Sanjay Singhania**

Partner

Membership number: 076961

Raipur, 30<sup>th</sup> July, 2020

UDIN: 20076961AAAACJ9588



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in lakhs)

Particulars	Note No	As at 31.03.2020	As at 31.03.2019
<b>ASSETS</b>			
(1) Non-current assets			
(a) Property, plant and equipment	4	4,914.26	5,181.58
(b) Capital work-in-progress		114.15	11.68
(c) Investment properties	5	281.42	316.66
(d) Other intangible assets	6	58.54	98.40
(e) Financial assets			
(i) Investments	7	10.86	16.00
(ii) Other financial assets	8	153.00	-
(f) Deferred tax assets (net)	9	1,344.19	112.46
(g) Other non-current assets	10	209.80	191.18
(2) Current-assets			
(a) Inventories	11	4,754.87	5,240.63
(b) Financial assets			
(i) Trade Receivables	12	2,701.03	10,490.25
(ii) Bank, Cash and cash equivalents	13	118.81	75.21
(iii) Bank balances other than (ii) above	13	377.23	562.44
(c) Other current assets	10	1,791.57	3,381.65
(3) Assets classified as discontinued operations		497.84	7,259.90
<b>Total Assets</b>		<b>17,327.56</b>	<b>32,938.04</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
(a) Equity share capital	14	613.12	613.12
(b) Other equity		3,775.28	6,133.01
(c) Equity Share Warrant		-	738.68
<i>Liabilities</i>			
(1) <i>Non-current liabilities</i>			
(a) Financial liabilities			
- Borrowings	15	2,323.95	2,427.05
(b) Provisions	16	560.99	263.90
(c) Other non-current liabilities	17	21.35	646.75
(2) <i>Current liabilities</i>			
(a) Financial liabilities			
(i) Borrowings	18	4,384.83	5,409.70
(ii) Trade payables	19		
- total outstanding dues of micro enterprises and small enterprises		296.06	182.63
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,796.21	11,017.14
(iii) Other financial liabilities	20	736.49	1,399.88
(b) Other current liabilities	21	759.30	1,195.77
(c) Provisions	16	59.98	39.24
(3) Liabilities classified as discontinued operations		-	2,871.17
<b>Total Equity and Liabilities</b>		<b>17,327.56</b>	<b>32,938.04</b>
<b>Summary of significant accounting policies</b>	<b>2 &amp; 3</b>		

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

**For O P Singhania & Co.**

(ICAI Firm Reg. No.002172C)

Chartered Accountants

**Simplex Castings Limited**

**per Sanjay Singhania**

**Partner**

Membership No.076961

**Ketan M Shah**

Chairman & Whole time Director

(DIN: 00312343)

**Sangeeta K Shah**

Managing Director

(DIN: 05322039)

Place : Raipur

Date : 30.07.2020

**D. Meena**

Company Secretary

**Deb Mukherjee**

CFO

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

		Notes	31.03.2020	31.03.2019
(₹ in lakhs)				
<b>INCOME</b>				
Revenue from operations	22		7,804.62	13,727.93
Other Income	23		222.21	232.80
<b>TOTAL REVENUE (I)</b>			<b>8,026.83</b>	<b>13,960.73</b>
<b>EXPENDITURE</b>				
Cost of raw material and component consumed	24		3,323.68	4,900.50
Purchase of traded goods			2,354.55	5,389.70
Job work contract			329.94	
Changes in inventories of work-in-progress, stock-in-trade and finished goods	25		925.46	(351.42)
Employee benefit expense	26		1,520.51	1,141.47
Finance costs	27		966.45	849.62
Depreciation and amortization expense	28		714.15	640.19
Other expenses	29		3,411.54	2,384.43
<b>TOTAL EXPENDITURE (II)</b>			<b>13,546.29</b>	<b>14,954.49</b>
<b>Profit/(Loss) before exceptional items and tax from continuing operations</b>			<b>(5,519.46)</b>	<b>(993.77)</b>
Exceptional items	43		159.89	-
<b>Profit/(Loss) before tax from continuing operations</b>			<b>(5,679.35)</b>	<b>(993.77)</b>
<b>Tax expenses</b>				
Current tax			-	(22.19)
Deferred Tax			(1,141.66)	(390.67)
<b>Total tax expenses</b>			<b>(1,141.66)</b>	<b>(412.86)</b>
<b>Profit/(loss) for the year from continuing operations</b>			<b>(4,537.69)</b>	<b>(580.90)</b>
Profit/(loss) before tax from discontinuing operations			1,680.17	(1,509.58)
Tax expense of discontinued operations			-	(499.11)
<b>Profit/(loss) for the year from discontinuing operations</b>			<b>1,680.17</b>	<b>(1,010.47)</b>
<b>Profit/(loss) for the year</b>			<b>(2,857.52)</b>	<b>(1,591.37)</b>
<b>Other Comprehensive Income</b>				
<b>A (i) Items that will not be reclassified to profit or loss</b>				
Actuarial gain or loss on defined benefit plans, net of taxes			(323.76)	81.75
Income tax relating to items that will not be reclassified to profit or loss			90.07	(27.29)
<b>A (i) Items that will be reclassified to profit or loss</b>				
Fair valuation of investments			(4.84)	1.47
<b>Total Comprehensive Income for the period Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>			<b>(3,096.05)</b>	<b>(1,535.44)</b>
<b>Comprehensive Income for the period)</b>				
<b>Profit/(loss) attributable to:</b>				
Equity holders of the parents			(2,857.52)	(1,591.37)
Non-controlling interests			-	-
			<b>(2,857.52)</b>	<b>(1,591.37)</b>
<b>Total Comprehensive Income attributable to:</b>				
Equity holders of the parents			(3,096.05)	(1,535.44)
Non-controlling interests			-	-
			<b>(3,096.05)</b>	<b>(1,535.44)</b>
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2019" ₹ 10) for continuing operations</b>				
Basic			(74.01)	(9.47)
Diluted			(74.01)	(7.28)
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2019" ₹ 10) for discontinuing operations</b>				
Basic			27.40	(16.48)
Diluted			27.40	(12.67)
<b>Earnings per equity share [nominal value of share @ ₹ 10/- (31st March,2019" ₹ 10) for continuing &amp; discontinuing operations</b>				
Basic			(46.61)	(25.96)
Diluted			(46.61)	(19.95)
<b>Summary of significant accounting policies</b>			2 & 3	

The accompanying notes are integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**Simplex Castings Limited**

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

Place : Raipur  
Date : 30.07.2020

**D. Meena**  
Company Secretary

**Deb Mukherjee**  
CFO





**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ in lakhs)

	2020	2019
<b>Cash Flow from operating activities</b>		
Profit/(loss) before tax from continuing operations	(5,679.35)	(993.77)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	714.15	640.19
Profit from sale of investment properties	(30.08)	-
Provision/Allowances for credit loss on debtors	772.10	50.54
Provision for warranty & guarantee	7.16	(0.55)
Finance Cost	966.45	849.62
Interest Income	(144.41)	(159.71)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(3,393.96)</b>	<b>386.33</b>
Movements in working capital :		
Increase/(decrease) in trade payables	(7,107.50)	3,007.34
Increase/(decrease) in other financial liabilities	(641.54)	759.77
Increase/(decrease) in other current liabilities	(539.47)	(317.88)
Increase/(decrease) in Other non-current liabilities	(625.40)	5.20
Decrease/(increase) in trade receivables	7,017.12	(4,542.63)
Decrease/(increase) in inventories	485.76	(855.23)
Decrease/(increase) in other non current assets	(18.62)	(5.35)
Decrease/(increase) in provisions	258.37	32.39
Decrease/(increase) in other current assets	1,624.15	(809.44)
<b>Cash generated from/(used in ) operations</b>	<b>(2,941.08)</b>	<b>(2,339.51)</b>
Direct taxes paid (net of refunds)	(34.07)	4.46
<b>Net Cash flow from/(used in) operating activities continuing operation</b>	<b>(2,975.16)</b>	<b>(2,335.05)</b>
<b>Net Cash flow from/(used in) operating activities discontinuing operation</b>	<b>(260.38)</b>	<b>1,689.84</b>
<b>Net Cash flow from/(used in) operating activities</b>	<b>(3,235.54)</b>	<b>(645.21)</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE, including intangible assets, CWIP & net of capital creditors	(406.95)	(45.93)
Proceeds from sale of investment properties	64.80	-
Changes in investments	0.30	-
Investment in bank deposits (having original maturity of more than three months)	27.21	(49.12)
Interest received	144.41	159.71
<b>Net cash flow from/(used in) investing activities continuing operations</b>	<b>(170.24)</b>	<b>64.66</b>
<b>Net cash flow from/(used in) investing activities discontinuing operations</b>	<b>8,432.16</b>	<b>(167.68)</b>
<b>Net cash flow from/(used in) investing activities</b>	<b>8,261.93</b>	<b>(103.02)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Share capital issued	-	176.40
Proceeds/(Repayment) of long-term borrowings	(179.98)	383.74
Proceeds from short-term borrowings	(1,024.86)	2,147.10
Interest paid	(906.77)	(849.62)
Dividends paid on equity shares	-	(29.92)
Tax on equity dividend paid	-	(6.09)
<b>Net cash flow from/(used in) financing activities continuing operations</b>	<b>(2,111.62)</b>	<b>1,821.61</b>
<b>Net cash flow from/(used in) financing activities discontinuing operations</b>	<b>(2,871.17)</b>	<b>(1,123.10)</b>
<b>Net cash flow from/(used in) financing activities</b>	<b>(4,982.79)</b>	<b>698.51</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>43.60</b>	<b>(49.73)</b>
Cash and Cash Equivalents at the beginning of the year	75.21	124.94
<b>Cash and Cash Equivalents at the end of the year</b>	<b>118.81</b>	<b>75.21</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	1.39	2.58
With banks- on current account	117.42	58.23
With banks- on deposit account	-	14.40
	<b>118.81</b>	<b>75.21</b>

The Statement of Cash Flow has been prepared using Indirect method as per Ind AS 7.

As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 30.07.2020

**For and on behalf of the Board of Directors of**  
**Simplex Castings Limited**

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**D. Meena**  
Company Secretary

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

**Deb Mukherjee**  
CFO



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**

**Equity Share Capital**

(₹ in lakhs)

Balance as at 01.04.2018	Changes in the equity share capital during the year	Balance as at 31.03.2019
598.42	14.70	613.12

**Other Equity**

	Reserves and Surplus				Equity Instruments through Other Comprehensive Income (Net of Tax)	Other itmes of Other Comprehensive Income (Gain/loss on employee benefit) (Net of Tax)	Foreign currency translation reserve	Total
	Capital Reserve	Securities Premium*	General Reserve**	Retained Earnings				
Restated balance at the beginning of the reporting period 01.04.2018	-	511.12	5,700.00	1,333.20	3.52	(63.48)	-	7,484.36
Addition During the year	-	220.50	-	-	-	-	-	220.50
For the year	-	-	-	-	-	-	(0.40)	(0.40)
Acturial Gain/loss on employee benefit) (Net of Tax)	-	-	-	-	-	54.46	-	54.46
Equity Instruments through Other Comprehensive Income (Net of Tax)	-	-	-	-	1.47	-	-	1.47
Profit/(loss) for the year	-	-	-	(1,591.37)	-	-	-	(1,591.37)
Proposed Dividend & Tax	-	-	-	(36.01)	-	-	-	(36.01)
<b>Balance at the end of the reporting period 31.03.2019</b>	-	<b>731.62</b>	<b>5,700.00</b>	<b>(294.18)</b>	<b>5.00</b>	<b>(9.03)</b>	<b>(0.40)</b>	<b>6,133.01</b>

\* Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of Companies Act, 2013.

\*\* General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 30.07.2020

**For and on behalf of the Board of Directors of**  
**Simplex Castings Limited**

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**D. Meena**  
Company Secretary

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

**Deb Mukherjee**  
CFO



## Consolidated Statement of Changes in Equity for the year ended 31.03.2020

Equity Share Capital

(₹ in lakhs)

Balance as at 01.04.2019	Changes in the equity share capital during the year	Balance as at 31.03.2020
613	-	613

### Other Equity

	Reserves and Surplus				Equity Instruments through Other Comprehensive Income (Net of Tax)	Other itmes of Other Comprehensive Income (Gain/ loss on employee benefit) (Net of Tax)	Foreign currency translation reserve	Total
	Capital Reserve*	Securities Premium**	General Reserve***	Retained Earnings				
Balance at the beginning of the reporting period 01.04.2019	-	731.62	5,700.00	(294.18)	5.00	(9.03)	(0.40)	6,133.01
Addition During the year (refer note -42)	738.68	-	-	-	-	-	-	738.68
For the year	-	-	-	-	-	-	(0.36)	(0.36)
Acturial Gain/ loss on employee benefit) (Net of Tax)	-	-	-	-	-	(233.69)	-	(233.69)
Equity Instruments through Other Comprehensive Income (Net of Tax)	-	-	-	-	(4.84)	-	-	(4.84)
Profit/(loss) for the year	-	-	-	(2,857.52)	-	-	-	(2,857.52)
Balance at the end of the reporting period 31.03.2020	738.68	731.62	5,700.00	(3,151.70)	0.15	(242.72)	(0.75)	3,775.28

\* Due to non exercise of option to convert Warrants held by Warrantholders, into Equity Shares till its maturity date, the forfeiture of same is treated as capital reserve.

\*\* Securities premium is used to record the premium received on issue of shares. It is to be utilised in accordance with the provisions of Companies Act, 2013.

\*\*\* General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

As per our report of even date

**For O P Singhania & Co.**  
(ICAI Firm Reg. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Place : Raipur  
Date : 30.07.2020

**For and on behalf of the Board of Directors of**  
**Simplex Castings Limited**

**Ketan M Shah**  
Chairman & Whole time Director  
(DIN: 00312343)

**D. Meena**  
Company Secretary

**Sangeeta K Shah**  
Managing Director  
(DIN: 05322039)

**Deb Mukherjee**  
CFO

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 1. CORPORATE INFORMATION

The Company, its subsidiaries (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

#### Subsidiaries

Name of the Company	Country of incorporation	Proportion (%) of equity interest
Simplex Castings International PTE Limited	Singapore	100%

During the year the aforesaid subsidiary company has incorporated in Singapore on 12th September, 2018.

### 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION AND PRESENTATION

- i) These Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI).
- ii) The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
  - Certain financial assets and liabilities and
  - Defined benefit plans - plan assets
- iii) Subsidiaries are entities where the company exercise or controls more than one-half of its total share capital. The net assets results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the company obtains control. The results of disposed businesses are included in the consolidated financial statements upto their date of disposal, being the date of control ceases.
- iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.
- v) The excess of cost to the company of its investment in subsidiaries, on the acquisition dates over and above the company's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.
- vi) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.
- vii) Non-controlling interests in the net assets of consolidated subsidiaries consists of:
  - a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
  - b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.
- viii) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.
- ix) Group's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

#### 2.2 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19)

Due to outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the plant was closed down on account of nation wise lockdown since 24th March, 2020 and as a result of lockdown the volume for the month of March, 2020 have been impacted to some extent. Subsequently, in view of classification of iron & steel Industry as essential commodity, the Group has resumed operations in phased manner from May 2020 after obtaining necessary approval



from the appropriate Government agencies. The Company is taking full measure to protect the health & safety of the employees. Further the Group has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments and has concluded that there are no material adjustments required in the financial statements. Barring unforeseen circumstances, the management believes that the impact of the Covid-19 outbreak on the business and financial position of the Group is not likely be significant at this stage, unless the corona impacted cases further increase in the area of operations of the Group. The Group is monitoring the situation closely and will take appropriate measures depending on the evolving situation.

### 2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

#### b) Fair Value Measurement

Fair value 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. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Group determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is 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
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorisation at the end of each reporting period.

#### c) Property, Plant and Equipment (PPE)

- i) On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

- ii) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.
- iii) The cost of an item of property, plant and equipment is measured at :
  - its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
  - any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
  - the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- iv) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- v) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.
- vi) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as “stores & spares” forming part of the inventory.
- vii) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.
- viii) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

**d) Capital Work in Progress**

- i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under “Capital works in progress” and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- iii) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under “Capital work in progress” and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the “attributability” and the “Unit of Measure” concepts in Ind AS 16- “Property, Plant & Equipment”. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

**e) Intangible Assets**

- i) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
- ii) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.



- iii) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**f) Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified 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 Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**g) Revenue recognition**

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

- i) Revenue from sales of goods is recognised on output basis measured by units delivered, number of transactions etc.
- ii) Revenue from sales of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the company's right to receive payment is established, which is generally when shareholders approve the dividend.

Rendering of services

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

**h) Depreciation on Property, Plant & Equipment and Amortization of Intangible Assets**

- i) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on plant & machinery and factory shed & building. In case of other assets, it is provided on written down value method as per the estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013 with the exception of the following:
  - spares classified as plant and equipment are depreciated over 2 to 15 years based on the technical evaluation of useful life done by the management.
  - assets costing 5,000 or less are fully depreciated in the year of purchase.
- ii) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.
- iii) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.
- iv) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.



- v) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.
- vi) Leasehold land is amortised annually on the basis of tenure of lease period. Freehold land is not depreciated.
- vii) Other Intangible assets are amortized over technically useful life of the assets.

**i) Inventories :**

- i) Inventories are valued at lower of cost and net realizable value, after providing for obsolescences, if any.
- ii) Cost of Raw Materials, Stores & Spares, Work in Progress, Finished Goods and Stock-in-Trade are computed on Moving Average basis.
- iii) Cost of Work in Progress and Finished Goods includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.
- iv) The cost is determined using moving average cost formula and net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

**j) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**k) Income Taxes**

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In which case the tax is also recognised directly in equity or in other comprehensive income.

**i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

**ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**l) Foreign Currency Transactions**

- i) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.
- ii) Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in the Statement of Profit and loss.

**m) Employee Benefits Expense**

**Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**Post-Employment Benefits**

**Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Contributory Pension Fund. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.



### **Defined Benefits Plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and future pension increases. 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 Group has recognized the gratuity payable to the employees as per the Payment of Gratuity Act, 1972 and Leave Encashment Benefits as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### **n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and 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. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

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 recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

### **o) Impairment of non-financial assets - property, plant and equipment and intangible assets**

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### **p) Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

### **q) Financial Instruments**

#### **i) Financial Assets**

##### **A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement**

Financial assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Equity Investments**

All equity investments are measured at fair value through Other Comprehensive Income with value changes recognised therein.

**D. Impairment of financial assets**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through OCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

**ii) Financial Liabilities**

**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) Derivative financial instruments**

The Group uses derivative financial instruments such as interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently 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 Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.



Hedges that meet the criteria for hedge accounting are accounted for as follows:

**A. Cash flow hedge**

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

**B. Fair Value Hedge**

The Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and foreign exchange rates.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity.

**iv) Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**r) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

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) Dividend Distribution**

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

**t) Statement of Cash Flows**

**i) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are classified within borrowings in current liabilities.

**ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.**

**u) Warranty provisions**

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the Group's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the acGrouping disclosures. 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.

**a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

**c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**d) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e) Measurement of defined benefit obligations**

The measurement of defined benefit and other post-employment benefits obligations 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, mortality rates and future pension increases. 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.

**3.1 NEW AND AMENDED STANDARDS**

During the year Ind AS 116 made effective from 01.04.2019 and several other amendments apply for the first time for the year ended 31.03.2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

**3.2 RECENT ACCOUNTING DEVELOPMENTS**

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



**4. Property, Plant and Equipment**

(₹ in lakhs)

	Freehold Land	Leasehold Land	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
<b>Gross Block Carrying Value</b>							
At 1 April 2018	408.71	124.17	2,060.54	8,804.96	22.78	111.84	11,533.02
Additions	-	-	-	1,840.49	-	-	1,840.49
Disposals	-	-	-	-	-	-	-
Reclassified as discontinued operations	-	47.44	676.88	5,682.51	3.04	21.24	6,431.11
<b>At 31 March, 2019</b>	<b>408.71</b>	<b>76.74</b>	<b>1,383.66</b>	<b>4,962.95</b>	<b>19.74</b>	<b>90.60</b>	<b>6,942.40</b>
Additions	-	-	-	407.48	-	-	407.48
Disposals	-	-	-	-	-	-	-
Reclassified as discontinued operations	-	-	-	-	-	-	-
<b>At 31st March, 2020</b>	<b>408.71</b>	<b>76.74</b>	<b>1,383.66</b>	<b>5,370.43</b>	<b>19.74</b>	<b>90.60</b>	<b>7,349.88</b>
<b>Depreciation</b>							
At 1 April 2018	-	3.20	277.49	1,669.07	8.80	55.32	2,013.89
Charge for the year on continuing operations	-	0.91	60.61	540.77	3.14	14.67	620.10
Reclassified as discontinued operations	-	0.69	65.41	808.52	0.52	2.71	877.85
Transfers/adjustments	-	2.07	136.69	1,599.75	1.64	10.86	1,751.01
<b>At 31 March, 2019</b>	<b>-</b>	<b>2.73</b>	<b>266.82</b>	<b>1,418.61</b>	<b>10.82</b>	<b>61.85</b>	<b>1,760.82</b>
Charge for the year on continuing operations	-	0.07	60.32	602.13	1.98	8.44	672.95
Reclassified as discontinued operations	-	0.06	2.77	56.70	0.02	0.17	59.71
Transfers/adjustments	-	(1.85)	2.77	56.76	0.02	0.17	57.86
<b>At 31st March, 2020</b>	<b>-</b>	<b>4.72</b>	<b>327.14</b>	<b>2,020.67</b>	<b>12.80</b>	<b>70.29</b>	<b>2,435.62</b>
<b>Net Block</b>							
At 31 March, 2019	408.71	74.00	1,116.84	3,544.35	8.92	28.75	5,181.58
At 31st March, 2020	408.71	72.02	1,056.52	3,349.75	6.94	20.31	4,914.26

**5. Investment Properties**

(₹ in lakhs)

	Freehold Land	Building	Total
<b>Gross Block Carrying Value</b>			
At 1 April 2018	289.22	28.98	318.21
Purchase/additions	-	-	-
<b>At 31 March, 2019</b>	<b>289.22</b>	<b>28.98</b>	<b>318.21</b>
Purchase/additions	-	-	-
Disposals	34.72	-	34.72
<b>At 31st March, 2020</b>	<b>254.50</b>	<b>28.98</b>	<b>283.49</b>
<b>Depreciation/Amortization</b>			
At 1 April 2018	-	1.03	1.03
Charge for the year	-	0.52	0.52
<b>At 31 March, 2019</b>	<b>-</b>	<b>1.55</b>	<b>1.55</b>
Charge for the year	-	0.52	0.52
<b>At 31st March, 2020</b>	<b>-</b>	<b>2.06</b>	<b>2.06</b>
<b>Net Block</b>			
At 31 March, 2019	289.22	27.44	316.66
At 31st March, 2020	254.50	26.92	281.42



**6. Other Intangible assets**

(₹ in lakhs)

	Computer software	Total
<b>Gross Block</b>		
<b>Carrying Value</b>		
At 1 April 2018	18.53	18.53
Purchase/additions	111.88	111.88
Reclassified as discontinued operations	1.21	1.21
<b>At 31 March, 2019</b>	<b>129.20</b>	<b>129.20</b>
Purchase/additions	-	-
Reclassified as discontinued operations	-	-
<b>At 31 March, 2020</b>	<b>129.20</b>	<b>129.20</b>
<b>Amortization</b>		
At 1 April 2018	11.83	11.83
Charge for the year on continuing operations	19.57	19.57
Reclassified as discontinued operations	0.30	0.30
Transfers/adjustments	0.91	0.91
<b>At 31 March, 2019</b>	<b>30.80</b>	<b>30.80</b>
Charge for the year on continuing operations	40.71	40.71
Reclassified as discontinued operations	0.02	0.02
Transfers/adjustments	0.87	0.87
<b>At 31 March, 2020</b>	<b>70.66</b>	<b>70.66</b>
<b>Net Block</b>		
<b>At 31 March, 2019</b>	<b>98.40</b>	<b>98.40</b>
<b>At 31 March, 2020</b>	<b>58.54</b>	<b>58.54</b>

**7. Investments**

(₹ in lakhs)

	No. of Shares/ Units as at 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>Trade investments</b>			
<b>Valued at cost</b>			
<b>Non Trade investments</b>			
<b>Carried at Fair Value through OCI</b>			
Investment in equity instruments, fully Paid up			
Quoted			
Equity Shares of Rs. 10/- each of Industrial Development Bank of India	7,200	1.39	3.21
Investment in mutual fund, fully Paid up			
<b>Carried at Fair Value through OCI</b>			
SBI Magnum Comma Fund	19,990	5.61	7.18
SBI PSU Fund	34,349	3.81	5.25
Investment in government securities			
<b>Other Long term investments</b>			
National Saving Certificates		0.06	0.36
		<b>10.86</b>	<b>16.00</b>
Aggregate amount of quoted investments and market value thereof		10.80	15.64
Aggregate amount of Unquoted investments		0.06	0.36
Investment in government securities carried at cost		0.06	0.36
Investment carried at fair value through OCI		10.80	15.64



**8. Other financial assets**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
<b>Unsecured, considered good unless stated otherwise</b>		
Balance with bank having maturity for more than 12 months (refer note-13)	153	-
	<b>153</b>	<b>-</b>

**9. Deferred Tax (Assets)/Liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax (Assets)/Liabilities</b>		
Temporary differences on account of PPE & Other intangible assets	463.71	891.28
Temporary differences on account of Employee Benefits	(166.20)	(108.44)
Temporary differences on index cost of inflation	(15.26)	(38.08)
MAT Credit Entitlement	(0.98)	(0.98)
Unabsorbed Depreciation and Business losses	(1,268.19)	(690.49)
Temporary differences on Provisions for receivables and warranties	(357.26)	(165.75)
<b>Net deferred tax (assets)/ liabilities</b>	<b>(1,344.19)</b>	<b>(112.46)</b>
<b>RECONCILIATION OF DEFERRED TAX (ASSETS)/LIABILITIES (NET)</b>		
<b>Deferred Tax (Assets)/Liabilities</b>		
Deferred tax liability / (assets) at the beginning of the year	(112.46)	750.04
Deferred tax liability / (assets) during the year on account of timing difference	(1,231.73)	(862.49)
<b>DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR</b>	<b>(1,344.19)</b>	<b>(112.46)</b>

**10. Other assets (unsecured, considered good)**

(₹ in lakhs)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Advances other than capital advances</b>				
Advance to Vendors			1,285.64	2,642.78
Prepaid expenses			54.57	54.14
Balance with statutory/govt. authorities			390.74	433.56
Security deposit with govt. & others	209.80	191.18		
Others			60.62	251.17
<b>Total</b>	<b>209.80</b>	<b>191.18</b>	<b>1,791.57</b>	<b>3,381.65</b>

**11. Inventories (valued at lower of cost and net realizable value)**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Raw Materials, components and Stores & spares	2,910.93	2,477.49
Finished goods	356.45	551.12
Semi-finished goods	1,475.99	2,206.78
Stock of Scrapping of Assets	11.50	5.25
	<b>4,754.87</b>	<b>5,240.63</b>

**12. Trade receivables**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Trade receivables considered good - Unsecured	2,701.03	10,490.25
Trade Receivables which have significant increase in Credit Risk	1,252.19	480.09
	3,953.22	10,970.34
Less: Provision for doubtful receivables	1,252.19	480.09
	<b>2,701.03</b>	<b>10,490.25</b>

**13. Bank, Cash and cash equivalents**

(₹ in lakhs)

	Non-Current		Current	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts			117.42	58.23
Deposits with original maturity of less than three months			-	14.40
Cash on hand			1.39	2.58
			<b>118.81</b>	<b>75.21</b>
<b>Other bank balances</b>				
Unpaid dividend account			5.67	10.67
Deposits with original maturity for more than 12 months	153.00	-		
Deposits with original maturity for more than 3 months but less than 12 months			371.56	551.77
	<b>153.00</b>	<b>-</b>	<b>377.23</b>	<b>562.44</b>
Amount disclosed under other financial assets (note 8)	<b>153.00</b>	<b>-</b>		
	<b>-</b>	<b>-</b>	<b>496.04</b>	<b>637.66</b>

**14. Equity Share capital**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Authorised		
10000000 (31st March, 2019: 10000000) equity shares of Rs.10/- each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
Issued, Subscribed and fully paid-up		
6131200 (31st March, 2019: 6131200) equity shares of Rs.10/- each fully paid-up	613.12	613.12
	<b>613.12</b>	<b>613.12</b>

**a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period**

	As at 31.03.2020		As at 31.03.2019	
	No.	₹ in Lacs	No.	₹ in Lacs
At the beginning of the period	61,31,200	613.12	59,84,200	598.42
Issued during the period	-	-	1,47,000	14.70
Outstanding at the end of the period	<b>61,31,200</b>	<b>613.12</b>	<b>61,31,200</b>	<b>613.12</b>

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

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the 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 shareholders.

**c. There is no holding/ultimate holding company of the Company.**

**d. In the period of five years immediately preceding 31st March, 2020, the company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash.**



**e. Details of shareholders holding more than 5% shares in the company:**

	As at 31.03.2020		As at 31.03.2019	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of Rs.10/- each fully paid				
Shri Ketan M Shah	2354415	38.40	3104315	50.63
Smt. Sangeeta Ketan Shah	773697	12.62	6297	0.10
	<b>3128112</b>	<b>51.02</b>	<b>3110612</b>	<b>50.73</b>

**f. Terms of Issue of Equity Share Warrants**

The Company had allotted 19,93,700 Warrants ( 11,37,900 on 28th March, 2018, 701500 on 31st March ,2018 and 1,54,300 on 3rd April,2018) of Rs 10/- each at a premium of Rs 150/- to non-promoters in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009. Each of the said Warrant carried an option to subscribe to equivalent number of Equity shares of the Company of Rs 10.00 each not exceeding 18 months from the date of said Warrants. In this connection we would like to inform you that holders of 18,46,700 Warrants have not exercised their option to convert Warrants held by them into Equity Shares of the Company till its maturity date ( 9,90,900 on 27th September,2019, 7,01,500 on 30th September,2019 and 1,54,300 on 2nd October,2019). Accordingly , the said Warrants stands cancelled and the entire subscription money received from them for subscription of Warrants stand forfeited.

**15. Borrowings**

(₹ in lakhs)

Particulars	Effective interest rate	Maturity	Non-current		Current maturities	
			As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
<b><u>Secured</u></b>						
Term loan from financial institutions	12.00%	March, 2023	102.50	167.81	35.26	36.96
Term loan from financial institutions	13.00%	Sept', 2027	32.05	-	3.22	-
<b><u>Other loans and advances</u></b>						
Other loans from bank (secured)	11.65%	March, 2020 & June, 2021	-	5.57	5.30	6.49
Other loans from financial institutions (secured)	13.00%	January, 2022	1.28	2.92	1.58	1.39
<b><u>Unsecured</u></b>						
Loans & advances from Directors	0.00%	--	843.17	778.95	-	-
Loans & advances from body corporates	0% to 4.75%	--	1,344.95	1,471.81	-	-
Loan from financial institutions	17.75% to 18.00%	February, 2020	-	-	1.45	39.10
Loan from financial institutions	18.00% to 19.00%	March, 2020	-	-	2.05	41.81
			<b>2,323.95</b>	<b>2,427.05</b>	<b>48.86</b>	<b>125.75</b>
<b><u>The above amount includes</u></b>						
Secured borrowings			135.83	176.30	45.36	125.75
Unsecured borrowings			2,188.12	2,250.75	3.50	-
Amount disclosed under the head "other current liabilities" (refer note 20)					(48.86)	(125.75)
<b>Net amount</b>			<b>2,323.95</b>	<b>2,427.05</b>	<b>-</b>	<b>-</b>

**16. Provisions**

(₹ in lakhs)

	Long Term		Short Term	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits	549.94	247.51	47.48	39.24
Provision for warrenty and gurantees	11.06	16.39	12.50	-
	<b>560.99</b>	<b>263.90</b>	<b>59.98</b>	<b>39.24</b>

**17. Other non-current liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Retention money/Security Deposit payable	21.35	646.75
	<b>21.35</b>	<b>646.75</b>

**18. Borrowings**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Cash Credit facility from banks (secured)	4,384.83	4,262.57
Working capital demand loan (secured)	-	1,147.13
<b>The above amount includes</b>	<b>4,384.83</b>	<b>5,409.70</b>
Secured borrowings	<b>4,384.83</b>	<b>5,409.70</b>

**19. Trade Payable**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Trade payables - dues for micro and small enterprises	296.06	182.63
Trade payables other than micro and small enterprises	3,796.21	11,017.14
	<b>4,092.27</b>	<b>11,199.77</b>

**20. Other Financial Liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Current maturities of long-term borrowings (secured) (refer note-15)	48.86	125.75
Interest accrued but not due on borrowings	56.62	-
Interest accrued and due on borrowings	3.43	-
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	5.67	10.67
Liabilities for expenses	621.91	1,263.45
	<b>736.49</b>	<b>1,399.88</b>

**21. Other Current Liabilities**

(₹ in lakhs)

	As at 31.03.2020	As at 31.03.2019
Other Payable		
Duties & Taxes Payable	83.65	8.46
TDS payable	31.48	66.21
Capital creditors	103.00	-
Advances from Customer	541.18	1,121.09
	<b>759.30</b>	<b>1,195.77</b>



**22. Revenue from operations**

(₹ in lakhs)

	2019-20	2018-19
Sale of products	5,021.51	8,199.51
Job Contract Receipts	63.87	98.05
Work Contract Receipts	351.51	-
<b>Other operating revenue</b>		
Sale of traded goods	2,362.11	5,403.75
Sale of MEIS Scripts/export incentives	5.62	26.62
<b>Revenue from operations</b>	<b>7,804.62</b>	<b>13,727.93</b>

**23. Other Income**

(₹ in lakhs)

	2019-20	2018-19
<b>Interest Income on</b>		
Bank Deposits & others	144.41	159.71
Exchange fluctuation gain	4.35	-
Profit on sale of investment properties	30.08	-
Other non-operating income (net of expenses directly attributable to such income)	43.38	73.09
	<b>222.21</b>	<b>232.80</b>

**24. Cost of material and components consumed**

(₹ in lakhs)

	2019-20	2018-19
Inventory at the beginning of the year	2,477.49	1,973.68
Add: purchases	3,757.12	5,404.31
	6,234.61	7,377.99
Less : Inventory at the end of the year	2,910.93	2,477.49
<b>Cost of raw material and components consumed</b>	<b>3,323.68</b>	<b>4,900.50</b>

\*Tools & Dies lying in the stock are considered as part of Property ,Plant & Equipments in account with Ind As-16.

**25. Changes in inventories of work-in-progress, stock-in-trade and finished goods**

(₹ in lakhs)

	2019-20	2018-19	(Increase)/ Decrease
			<b>2019-20</b>
<b>Inventories at the end of the year</b>			
Finished goods	356.45	551.12	194.67
Semi-Finished goods	1,475.99	2,206.78	730.79
	<b>1,832.44</b>	<b>2,757.90</b>	<b>925.46</b>
<b>Inventories at the beginning of the year</b>			<b>2018-19</b>
Finished goods	551.12	1,044.09	492.97
Semi-Finished goods	2,206.78	1,362.39	(844.39)
	<b>2,757.90</b>	<b>2,406.47</b>	<b>(351.42)</b>
<b>Net (increase)/decrease in inventories</b>	<b>925.46</b>	<b>(351.42)</b>	

**26. Employees benefit expense**

(₹ in lakhs)

	2019-20	2018-19
Salaries, wages and other benefits	1,305.78	946.78
Directors' remuneration	84.73	67.94
Contribution to provident and other funds	88.82	66.98
Gratuity expense	18.05	38.12
Workmen and staff welfare expense	23.14	21.65
	<b>1,520.51</b>	<b>1,141.47</b>



**27. Finance Costs**

(₹ in lakhs)

	2019-20	2018-19
Interest		
- on working capital	489.80	571.58
- on others	355.45	129.38
Bank charges	121.21	148.67
	<b>966.45</b>	<b>849.62</b>

**28. Depreciation and amortization expense**

(₹ in lakhs)

	2019-20	2018-19
Depreciation on property, plant & equipment	672.95	620.10
Depreciation on investment properties	0.52	0.52
Amortization of intangible assets	40.69	19.57
	<b>714.15</b>	<b>640.19</b>

**29. Other Expenses**

(₹ in lakhs)

	2019-20	2018-19
Testing/Laboratory charges	9.65	9.38
Off loading/Job contract charges	103.54	997.45
Power & Fuel	460.64	563.37
Frieght and forwarding charges	99.87	291.10
Rent	12.14	14.37
Rates and taxes		
- Sales tax & work contract tax	-	0.07
- Others	7.94	6.21
Insurance	23.86	24.68
Repairs and maintenance		
- Plant and machinery	14.25	13.01
- Buildings	5.48	2.67
- Others	48.66	36.80
Liquidated damages	195.08	1.80
Commission		
- Other than Sole selling agents	22.84	30.47
Provision for doubtful debtors	772.10	50.54
Provision for Warranty & Guarantee	7.16	(0.55)
Travelling and conveyance	92.81	115.97
Communication expense	9.07	10.27
Printing and stationery	5.99	6.19
Legal and professional fees	96.18	92.38
Directors' sitting fees	2.21	2.45
Research & Development	-	1.57
Payment to Auditors	12.78	7.50
Advertisement/Sales Promotion expense	8.80	13.09
Donation	1.41	0.76
Forward contract premium	13.89	45.97
Corporate Social Responsibility	0.80	9.37
Balances written off	777.89	-
Bad Debts written off	577.54	-
Miscellaneous expenses	28.97	37.55
	<b>3,411.54</b>	<b>2,384.43</b>


**30. Earnings per share (EPS)**

(₹ in lakhs)

	2019-20	2018-19
Profit/ (Loss) after tax for the year from continuing operations	(4,537.69)	(580.90)
Profit/ (Loss) after tax for the year from discontinued operations	1,680.17	(1,010.47)
Profit/ (Loss) after tax for the year from continuing & discontinued operations	(2,857.52)	(1,591.37)
Nominal Value of Equity Shares ( )	10	10
Weighted average number of equity shares in calculating Basic EPS	61,31,200	61,31,200
Weighted average number of equity shares in calculating Diluted EPS	61,31,200	79,77,900
Basic & Diluted EPS		
- Basic earning per share (Continuing operations)	(74.01)	(9.47)
- Diluted earning per share (Continuing operations)	(74.01)	(7.28)
- Basic earning per share (discontinuing operations)	27.40	(16.48)
- Diluted earning per share (discontinuing operations)	27.40	(12.67)
- Basic earning per share (continuing & discontinuing operations)	(46.61)	(25.96)
- Diluted earning per share (continuing & discontinuing operations)	(46.61)	(19.95)

**31. Contingent Liabilities and Capital Commitments are not provided for in respect of :-**

- Counter Guarantees given to banks against Bank guarantees issued by the Group Banker aggregate to Rs.1549.27 lacs (Previous Year Rs.1629.91 lacs.)
- Disputed liability of Rs.977.34 lacs (Previous Year Rs.977.34 lacs) on account of Income Tax for the A.Y. 2010-11 where the department has filed an appeal with Hon'ble High Court, Mumbai as against the order of Appellate Tribunal in favour of the Group.
- Disputed liability aggregating to Rs.7.01 lacs (Previous Year - Nil) appearing online portal of Income Tax website for the different assessment years for which rectification petition are to be filed.
- During the year the Cimmco Ltd. has filed an application before NCLT, Mumbai for demanding Rs.831.01 lacs for non-supply of Bogie which is on account of loss of profit, goodwill, harassment, LD, Interest etc. from the Group whereas the Group is having receivable of Rs.91.01 lacs against supply of Bogie to Cimmco Ltd. The Group has also filed an application before NCLT, Kolkata for demanding Rs.91.01 lacs but due COVID-19, the hearing was adjourned. The Group has not provided for the liability towards the amount of claims raised by Cimmco against the Group, in view of strong defence of the Group, the management believes ultimate outcome of the proceedings is expected to be in Group's favour.
- Claim against the Group not acknowledged as debt Rs.18.56 Lacs (Previous year : Rs. Nil)

- 32.** During the year one of the vendor has filed case under NCLT for their dues amounting to Rs.13.52 lacs and the Group is in the process of settlement the case with the party. Further, the Group has also received notices from MSME in respect of their dues to the tune of Rs.156.45 lacs for which necessary replies has been submitted.

(₹ in lakhs)

- 33.** In order to reduce the debt burden of the Group, the board of directors of the company, in its meeting held on 26th April, 2019 approved to sell/disposed off its Steel Castings Foundry Unit situated at Urla, Industrial Estate, Raipur (Chhattisgarh)-493221, on a slump sale basis as a going concern and the same has also been approved by the shareholders in the Extra Ordinary General Meeting held on 29th May, 2019. As at 31st March 2019, the carrying amount of such assets and liabilities of discontinuing operations which were not disposed off for previous year was Rs.7259.90 lacs and Rs.2871.17 lacs respectively. The following statement shows the revenue and expenses of continuing and discontinuing operations:

SI No.	Particulars	Discontinuing Operations	
		31.03.2020	31.03.2019
<b>I</b>	<b>Revenue</b>		
	Revenue from operations	138.03	7,585.07
	Other Income*	1,940.56	143.11
	<b>TOTAL REVENUE (I)</b>	<b>2,078.59</b>	<b>7,728.18</b>
<b>II</b>	<b>Expenditure</b>		
	Cost of raw material and component consumed (net of disposal)	(26.73)	4,483.63
	(Increase)/decrease in inventories of finished goods & work-in-progress	-	969.78
	Employees benefits expense	90.90	651.75
	Finance costs	22.98	522.43
	Depreciation and amortization expense	59.73	878.15
	Other Expenses	251.54	1,732.01
	<b>TOTAL EXPENDITURE (II)</b>	<b>398.41</b>	<b>9,237.75</b>
<b>III</b>	<b>Profit before tax (I - II)</b>	<b>1,680.17</b>	<b>(1,509.58)</b>
<b>IV</b>	<b>Tax Expense</b>		
	Current Tax	-	-
	Deferred Tax	-	(499.11)
<b>V</b>	<b>Profit after tax (III - IV)</b>	<b>1,680.17</b>	<b>(1,010.47)</b>
<b>VI</b>	Other Comprehensive Income	-	-
<b>VII</b>	<b>Total Comprehensive income for the year (V+VI)</b>	<b>1,680.17</b>	<b>(1,010.47)</b>

\* Other Income for the year 2019-20 for Rs.1940.56 lacs was on account of gain on business transfer after making final reconciliation and as per revised agreement.

**34. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:**

**a. Defined Contribution Plan:**

Amount of Rs.92.16 lacs (P.Y. Rs.107.08 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no 26).

(₹ in lakhs)

Benefit (Contribution to):	2018-19	2017-18
Provident Fund & Employee state insurnace scheme	92.16	107.08
Total	<b>92.16</b>	<b>107.08</b>

**b. Defined benefit plan:**

**Gratuity:**

The Group provides for gratuity, a defined banefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 to 30 days salary for each completed year of service subject to a maximum of Rs.20 Lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.



The Group makes annual contributions to LIC Group Gratuity Fund, which is funded defined benefit plan for qualifying employees.

(₹ in lakhs)

Particulars	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
	(Funded)	(Funded)	(Non Funded)	(Non Funded)
<b>I Change in Present value of defined benefit obligation during the year:</b>				
Present value of defined benefit obligation at the beginning of the year	460.87	514.82	84.34	114.78
Interest Cost	6.54	36.91	3.68	8.16
Current Service Cost	11.51	38.28	8.83	6.82
Past Service Cost				
Benefit paid directly by employer	(193.92)	(71.01)	(63.40)	(17.70)
Actuarial Changes arising from changes in financial assumption	46.65	3.17	2.70	0.34
Actuarial Changes arising from changes in experience assumption	258.29	(61.30)	17.12	(28.06)
Present value of defined benefit obligation at the end of the year	589.93	460.87	53.27	84.34
<b>II Change in fair value of plan assets during the year:</b>				
Fair value of plan assets at the beginning of the year	-	-	-	-
Contribution paid by the employer	193.92	71.01	63.40	17.70
Benefit paid from the fund	(193.92)	(71.01)	(63.40)	(17.70)
Fair value of plan assets at the end of the year	-	-	-	-
<b>III Net asset / (liability) recognised in the balance sheet:</b>				
Present Value of defined benefit obligation at the end of the year	589.93	460.87	53.27	84.34
Fair value of plan assets at the end of the year	-	-	-	-
Amount recognised in the balance sheet	-	-	-	-
Net asset / (liability) - Current	44.19	32.73	3.30	6.50
Net asset / (liability) - Non Current	545.74	428.13	49.97	77.83
<b>IV Expenses recognized in the statement of profit and loss for the year:</b>				
Current Service Cost	11.51	38.28	8.83	6.82
Interest Cost on benefit obligation (Net)	6.54	36.91	3.68	8.16
Total expenses included in employee benefits expenses	18.05	75.18	12.51	14.98
<b>V Recognized in other comprehensive income for the year:</b>				
Actuarial Changes arising from changes in financial assumption	46.65	3.17	2.70	0.34
Actuarial Changes arising from changes in experience assumption	258.29	(61.30)	17.12	(28.06)
Recognized in other comprehensive income for the year:	304.93	(58.13)	19.82	(27.73)
<b>VI Maturity profile of defined benefit obligation:</b>				
Within the next 12 months (next annual reporting period)	44.19	32.73	3.30	6.50
Between 2 and 5 years	1,005.52	207.05	28.57	32.40
Between 6 and 10 years	296.92	229.75	20.70	44.14
<b>VII Quantitative Sensitivity analysis for significant assumption is as below:</b>				
<b>1</b>				
1% point increase in discount rate	511.21	428.34	77.97	77.97
1% point decrease in discount rate	580.91	497.83	91.64	91.64
1% point increase rate of salary Increase	578.94	495.53	91.91	91.91
1% point decrease rate of salary Increase	512.10	429.34	77.62	77.62
1% point increase rate of employee turnover rate	543.29	460.87	84.20	84.20
1% point decrease rate of employee turnover rate	545.10	460.83	84.49	84.49
<b>2 Sensitivity Analysis Method:</b>				
Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.				

**VIII Actuarial assumptions:**

Particulars		Gratuity		Leave Encashment	
		2019-20	2018-19	2019-20	2018-19
		Non Funded	Non Funded	Non Funded	Non Funded
1	Discount rate	7.00%	7.70%	7.00%	7.70%
2	Salary escalation	8.00%	8.00%	8.00%	8.00%
3	Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
5	Rate of Employee Turnover	1% to 8%	1% to 8%	1% to 8%	1% to 8%

**Expected contribution to the defined plan for the next reporting period:**

**Notes:**

- (i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2020. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected Unit Credit Method.

**35. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Group's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, other financial assets, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Price risk

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

**Credit Risk**

The Group is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Group's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Group monitors and limits its exposure to credit risk on a continuous basis. The Group's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Group periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

**Trade receivables**

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

**Bank, Cash and cash equivalents**

Bank, Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.



The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

*Amount in INR Lacs*

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Trade receivables	2,701.03	10,490.25
Bank, Cash and cash equivalents	496.04	637.66

**Impairment losses**

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Trade receivables (measured under life time excepted credit loss model)		
Opening balance	480.09	367.78
Provided during the year	772.10	112.31
Reversal of provision	-	-
Closing balance	<b>1,252.19</b>	<b>480.09</b>

**Ageing analysis**

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Upto 3 months	726.00	4,777.71
3-6 months	377.81	917.74
More than 6 months	1,597.22	3,073.41
	<b>2,701.03</b>	<b>8,768.86</b>

No significant changes in estimation techniques or assumptions were made during the reporting period

**Liquidity risk**

The Group is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Group monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Group has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Group's liquidity risk, the Group's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Group's reputation.

**Maturities of financial liabilities**

The contractual undiscounted cash flows of financial liabilities are as follows:

<b>As at 31 March 2020</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	4,433.70	2,307.64	16.32	<b>6,757.65</b>
Trade payables	4,092.27	-	-	<b>4,092.27</b>
Other financial liabilities	687.63	-	-	<b>687.63</b>
	<b>9,213.59</b>	<b>2,307.64</b>	<b>16.32</b>	<b>11,537.55</b>

<b>As at 31 March 2019</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	5,535.45	2,427.05	-	<b>7,962.50</b>
Trade payables	9,465.98	-	-	<b>9,465.98</b>
Other financial liabilities	1,274.13	-	-	<b>1,274.13</b>
	<b>16,275.56</b>	<b>2,427.05</b>	-	<b>18,702.61</b>

**Interest rate risk**

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the Group. The Group is exposed to long term and short-term borrowings. The Group manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.



The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

**a) Interest rate risk exposure**

	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Variable rate borrowings	4,384.83	5,409.70
Fixed rate borrowings	2,372.82	2,552.80

**b) Sensitivity analysis**

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

	<b>Impact on profit after tax</b>	
	<b>31-Mar-20</b>	<b>31-Mar-19</b>
Interest rates - increase by 70 basis points	(30.69)	(58.05)
Interest rates - decrease by 70 basis points	30.69	58.05

**FOREX EXPOSURE RISK**

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly foreign currency cash flows.

The Group does not have any long term borrowings in foreign currency. However, short term borrowings have been hedged by the Group including interest.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the hedge most of its currency exposure.

		<b>Currency in Lacs</b>	
<b>PARTICULARS</b>	<b>Currency</b>	<b>2019-20</b>	<b>2018-19</b>
Borrowings	USD	-	41.77
Trade Receivables	USD	1.16	1.05
Trade Receivables	EURO	0.84	1.74

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

*Amount in INR%acs*

	<b>Impact on profit after tax</b>	
	<b>2019-20</b>	<b>2018-19</b>
Foreign exchange rates - increase by 1%	1.57	29.01
Foreign exchange rates - decrease by 1%	(1.57)	(29.01)

**PRICE RISK:**

The entity is exposed to equity price risk, which arised out from FVTOCI quoted equity shares and mutual funds. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

**Sensitivity Analysis for Price Risk:**

Equity Investments carried at FVTOCI are listed on the stock exchange and in case of mutual funds NAV is available. For equity investments and mutual funds classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of Rs.0.22 lacs (2018-19: Rs.0.31 lacs); an equal change in the opposite direction would have decreased profit and loss.



### 36. CAPITAL MANAGEMENT

The Group's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
  - ensure compliance with covenants related to its credit facilities; and
  - minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
  - safeguard its ability to continue as a going concern
  - to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Group's capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Group manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of bank, cash and cash equivalents) divided by total equity

*Amount in INR Lacs*

	31-Mar-20	31-Mar-19
Total liabilities (long term debt)	2,372.82	2,552.80
Less : Bank, Cash and cash equivalent	496.04	637.66
<b>Net debt</b>	<b>1,876.78</b>	<b>1,915.15</b>
Total equity	4,388.40	6,746.13
<b>Net debt to equity ratio</b>	<b>0.43</b>	<b>0.28</b>

The Group has complied with the covenants of the terms of the major borrowing facilities through out the reporting period however, due to adverse business cycle faced by the Group, the letter of credits issued by the bank have been devolved and the outstanding as on 31st March'2020 was in excess of cash credit limit by Rs.470.85 lacs (Previous Year Rs.1516.86 lacs).

Apart from this there was default in repayment of instalments to financial institutions during the year amounting to Rs.3.50 lacs (Previous Year - Nil).

### 37. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

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

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Carrying amount			
	As at 31.03.2020	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
Trade receivables	2701.03	-	-	-
Other financial assets	153.00			
Bank, Cash and bank balances	496.04	-	-	-
	<b>3350.07</b>	-	-	-
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments	10.80	10.80	-	-
<b>Total</b>	<b>10.80</b>	<b>10.80</b>	-	-
<b>Financial liabilities at amortised cost:</b>				
Long term borrowings	2323.95	-	-	-
Short term borrowings	4384.83	-	-	-
Trade payables	4092.27	-	-	-
Other financial liabilities	736.49	-	-	-
<b>Total</b>	<b>11537.55</b>	-	-	-

	Carrying amount			
	As at 31.03.2019	Level 1	Level 2	Level 3
<b>Financial assets at amortised cost:</b>				
Trade receivables	10490.25	-	-	-
Other financial assets	0.00			
Bank, Cash and bank balances	637.66	-	-	-
	<b>11127.91</b>	-	-	-
<b>Financial assets at fair value through other comprehensive income:</b>				
Investments	15.64	15.64	-	-
<b>Total</b>	<b>15.64</b>	<b>15.64</b>	-	-
<b>Financial liabilities at amortised cost:</b>				
Long term borrowings	2427.05	-	-	-
Short term borrowings	5409.70	-	-	-
Trade payables	11199.77	-	-	-
Other financial liabilities	1399.88	-	-	-
<b>Total</b>	<b>20436.39</b>	-	-	-

During the reporting period ending 31st March, 2020 and 31st March, 2019, there were no transfers between Level 1, Level2 and Level 3 fair value measurements.

**38. Information on Related Party Disclosures are given below :**

**i) Related Parties**

**a) Subsidiaries**

- Simplex Castings International Pte Ltd.

**b) Other Related Parties where significant influence exist**

- Prabha Plantations Pvt. Ltd.
- Sim Prabha Estates & Trading Co. Pvt. Ltd.
- SEFW Projects Pvt. Ltd.
- Ssquare Iromax Pvt. Ltd.
- Hem Holdings & Trading Limited



**c) Key Management Personnel**

- Shri Ketan M. Shah, Chairman and Whole time Director	- Shri Champak K. Dedhia, Independent Director
- Smt. Sangeeta K. Shah, Managing Director	- Smt. Ushma N Khabaria, Independent Director
- Shri O P Patel, Executive Director	- Smt. S M Swathi ,Independent Director
- Smt. D Meena, Group Secratery	
- Shri J Suryam ,CFO	

**d) Relatives of Key Management Personnel**

- Shri Santanu Ghosh (Brother of KMP)

**ii) Transaction with Related Parties in the ordinary course of business**

(₹ in lakhs)

			<b>2019-20</b>	<b>2018-19</b>
<b>a) Other Related Parties where significant influence exist</b>	Commission paid		15.00	79.06
	Interest Paid		18.74	15.40
	Unsecured Loan received		520.34	610.00
	Unsecured Loan repaid		803.13	0.00
	Job work receipts		84.54	2.75
	Rent received		0.25	0.00
	<b>Outstandings</b>			
	Payables		1,345.10	1611.01
<b>b) Key Management Personnel</b>	Remuneration/salary Paid		124.38	109.43
	Rent Paid		12.00	14.20
	Consultancy Charges Paid		1.00	0.00
	Sitting Fees		2.75	2.65
	Unsecured Loan received		2.00	76.95
	Unsecured Loan repaid		31.00	6.00
	<b>Outstandings</b>			
	Payables		843.17	778.95
<b>c) Relatives of Key Management Personnel</b>	Salary paid		4.00	-
	<b>Outstandings</b>			
	Payables		0.00	0.00

**iii) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year**

<b>a) Commission paid:</b>		<b>2019-20</b>	<b>2018-19</b>
SEFW Projects Pvt. Ltd.		15.00	79.06
<b>b) Job work receipts</b>		<b>2019-20</b>	<b>2018-19</b>
Ssquare Iromax Pvt. Ltd.		84.54	2.75
<b>c) Interest Paid:</b>		<b>2019-20</b>	<b>2018-19</b>
Prabha Plantation Pvt. Ltd.		18.74	15.40
<b>d) Rent Paid:</b>		<b>2019-20</b>	<b>2018-19</b>
Shri Ketan M Shah		12.00	14.20
<b>e) Consultancy Charges Paid:</b>		<b>2019-20</b>	<b>2018-19</b>
Shri Champak K. Dedhia		1.00	-

<b>f)</b>	<b>Rent Received:</b>	<b>2019-20</b>	<b>2018-19</b>
	Ssquare Iromax Pvt. Ltd.	0.25	-
<b>g)</b>	<b>Advances given:</b>	<b>2019-20</b>	<b>2018-19</b>
	Simplex Castings International Pte Ltd.	1.96	-
<b>h)</b>	<b>Remuneration/Salary Paid</b>	<b>2019-20</b>	<b>2018-19</b>
	Shri Ketan M Shah	43.33	43.58
	Smt. Sangeeta K Shah	41.40	41.85
	Shri OP Patel	19.00	5.42
<b>i)</b>	<b>Sitting Fees Paid</b>	<b>2019-20</b>	<b>2018-19</b>
	Mrs. S M Swathi	0.95	-
	Shri Champak K. Dedhia	1.05	0.95
	Mrs. Usma N Khabaria	0.75	0.95
<b>j)</b>	<b>Unsecured Loans Received:</b>	<b>2019-20</b>	<b>2018-19</b>
	Prabha Plantation Pvt. Ltd.	121.61	610.00
	Shri Ketan M Shah	2.00	76.95
	Hem Holdings & Trading Limited	103.00	-
	Ssquare Iromax Pvt. Ltd.	295.73	-
<b>k)</b>	<b>Repayment of Unsecured Loans:</b>	<b>2019-20</b>	<b>2018-19</b>
	Prabha Plantation Pvt. Ltd.	108.66	-
	Shri Ketan M Shah	31.00	6.00
	Sim Prabha Estates & Trading Co Pvt Ltd	130.00	-
	SEFW Projects Pvt. Ltd.	153.47	-
	Ssquare Corporate Consultants Pvt. Ltd.	341.00	-
<b>l)</b>	<b>Payables:</b>	<b>2019-20</b>	<b>2018-19</b>
	SEFW Projects Pvt. Ltd.	259.92	413.39
	Prabha Plantation Pvt. Ltd.	938.83	909.00
	Shri Ketan M Shah	843.17	778.95
	SIM Prabha Estate & Trading Co. Pvt. Ltd	95.18	225.18

- 39.** The Group gives warranty and guarantee on certain products in the nature of repairs / replacement, which fail to perform satisfactorily during the warranties period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification/replacement. The timing of outflow is expected to be within two years. The movement of provision for warranties are as follows:

	(₹ in lakhs)	
<b>Movement in provision for warranty and guarantee:</b>	<b>2019-20</b>	<b>2018-19</b>
Opening Balance	16.39	16.94
Add: Provision during the year	7.16	-
Less: Amount reversed during the year	-	0.55
Closing Balance	<b>23.56</b>	<b>16.39</b>

- 40.** During the year the management of the Group has made detailed analysis and reconciliation of debtors and creditors balances which have been written off by Rs.577.54 Lacs on account of debtors and Rs.777.89 Lacs on account of creditors respectively, which has been subsequently approved by the board of directors of the company.
- 41.** During the previous year depreciation was charged on SLM basis instead of written down value method on other assets other than plant & machinery and factory shed & building, which has been rectified during the year. As there is no material impact on the same, therefore, no restatement of the same has been done in Other Equity.



- 42.** The Group had allotted 19,93,700 Warrants (11,37,900 on 28th March,2018, 701500 on 31st March ,2018 and 1,54,300 on 3rd April,2018) of Rs 10/- each at a premium of Rs 150/- to non-promoters in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009. Each of the said Warrant carried an option to subscribe to equivalent number of Equity shares of the Company of Rs 10.00 each not exceeding 18 months from the date of said Warrants. In this connection we would like to inform you that holders of 18,46,700 Warrants have not exercised their option to convert Warrants held by them into Equity Shares of the Group till its maturity date (9,90,900 on 27th September,2019, 7,01,500 on 30th September, 2019 and 1,54,300 on 2nd October, 2019). Accordingly , the said Warrants stands cancelled and the entire subscription money received from them for subscription of Warrants stand forfeited and credited to capital reserve account.
- 43.** During the year, the Group has made an exercise and consumed those stock of finished goods and semi -finished as scrap which were lying in the stock and not in dispatchable in nature due to cancellation of orders. The effect of the same has been shown as exceptional items.
- 44.** Previous year figures have been regrouped or rearranged wherever necessary.

As per our report of even date

**For O P Singhania & Co.**

(ICAI Firm Reg. No.002172C)

Chartered Accountants

**For and on behalf of the Board of Directors of**

**Simplex Castings Limited**

**per Sanjay Singhania**

**Partner**

Membership No.076961

**Ketan M Shah**

Chairman & Whole time Director

(DIN: 00312343)

**Sangeeta K Shah**

Managing Director

(DIN: 05322039)

Place : Raipur

Date : 30.07.2020

**D. Meena**

Company Secretary

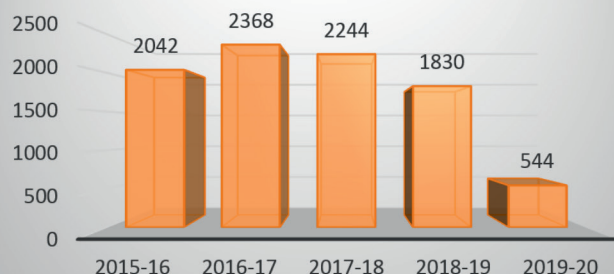
**Deb Mukherjee**

CFO

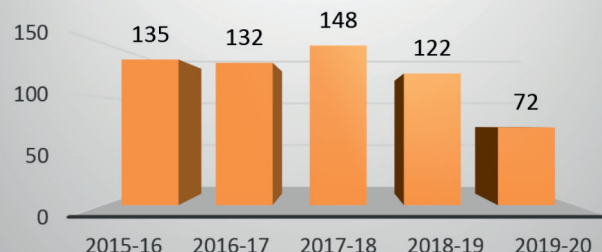


## FINANCIAL HIGHLIGHTS

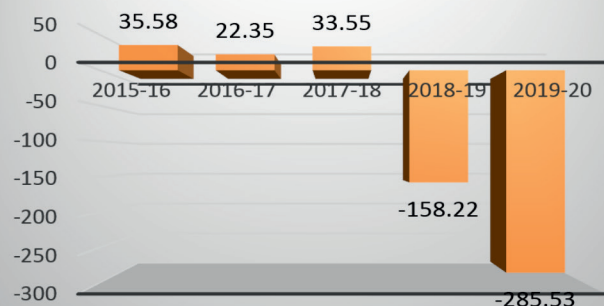
### Turnover(Million)



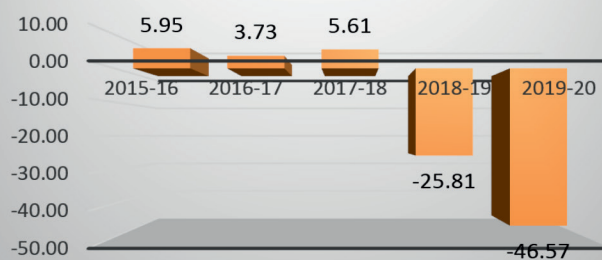
### Book Value per share (in Rs)



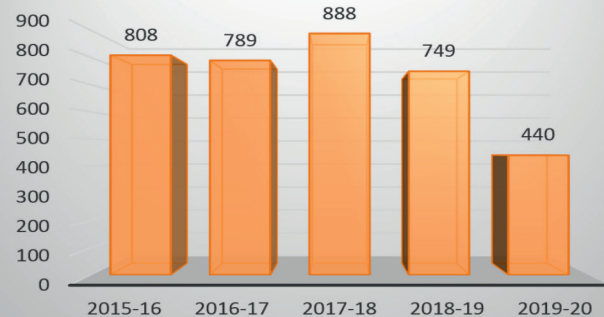
### Profit After Tax (Million)



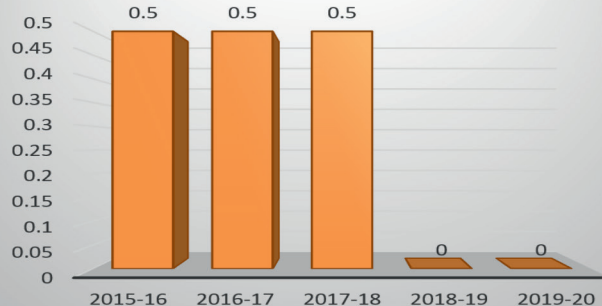
### Basic Earning per Share (in Rs)



### Net Worth (Million)



### Dividend Per Share (in Rs)



## Sectors Served



Steel



Railway



Power & Energy



Pump & Valves



Mining



Sugar



Ship Building



Earth Moving



Machine Tools



Defence



Oil & Gas



Material Handling



Cement



Chemical

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## SIMPLEX CASTINGS LIMITED

**If undelivered, please return to:**

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