



SIMPLEX CASTINGS LIMITED

ANNUAL REPORT
2018-19



Engineering Your Concepts
Casting Your Needs



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 D Meena

CHIEF FINANCIAL OFFICER

Mr J Suryam

STATUTORY AUDITORS

M/s O P Singhanian & Co

INTERNAL AUDITORS

M/s Srikant & Agrawal

COST AUDITOR

M/s Arindam & Associates

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.)

CONTENTS

Corporate Overview.....	1
Infrastructure Highlights.....	2
Message from Chairman and Managing Director.....	3
Board of Directors.....	4
Summarised financial Data.....	5
Notice	6
Director's Report	20
Corporate Governance Report	38
Management Discussion and Analysis Report	53
Standalone Financials	58
Consolidated Financials	96
Financial information of Subsidiary Companies, Associate and Joint Venture Companies.....	128
Proxy	131
Attendance Slip	133

Corporate overview

Background

Simplex Castings is one of the leading Indian manufacturers of different engineering products, castings and equipment's for all core industrial sectors. With more than 50 years of engineering experience, technical know-how coupled with modern design, manufacturing & NDT facilities.

Simplex Group was established in 1941 by a visionary entrepreneur Shri B M Shah. Simplex Castings was founded in 1970 as a Partnership Firm and further registered as a private limited company on January 30, 1980 and was converted into a public limited company in March 1993.

Sectors Served

Today Simplex Castings offers a wide spectrum of products for the core sector industries.

- Steel Plants
- Power Plants
- Railways
- Mining & Earthmoving
- Cement
- Oil & Gas
- Ship Building
- Defence
- Material Handling
- Machine Tools
- Pumps & Valves
- Process Industries, and
- Non Ferrous Plants etc.

Presence

The company has emerged as a one stop solution provider with diversified capabilities in Casting of Grey Iron /Ductile Iron, High Precision Machining, Equipment Fabrication and Turnkey EPC Projects. The company possess well equipped with the manufacturing facilities at it's 2 units and Project Division.

- Foundry Division ,located at Bhilai
- Fabrication Division, located at Rajnandgaon
- Project Division

suitable for any type of equipment manufacturing, equipment fabrication, assembly facility along with modern conventional and CNC machining facilities. The production capacity exceeds 25000 MT per year.



Design wing facilitated with modern facilities is capable of delivering cutting edge technology solutions. Simplex castings Limited is a one stop shop for all engineering component manufacturing, through casting, fabrication, machining, assembly etc processes. The EPC division is capable to take up Turn key Projects. The company believes in developing new products in line with the requirement of the customers. With customer satisfaction as key to success, each employee is committed to Quality adherence. The company registers it's presence in India, South East Asia, Middle East, Australia, Africa, Europe, USA and Latin America.

Achievements/ Certifications:

The company's products are accepted by inspection agencies such as Lloyds, SGS, Bureau Veritas and other such international inspection agencies.

The company is ISO-9001-2015 certified along with various other certifications required to different customer. Our Fabrication Division is certified by ASME for U- Stamp for manufacturing of Pressure Vessels.

Pioneer

The company has pioneered the manufacturing of several critical import substitute products to help the core sector industries adopt technologies on par with global standards.

- First Indian Company to develop Coco Bogies for Indian Railways;
- First to commission an indigenously built Slag Granulation Plant for SAIL (Bhilai Steel Plant);
- First to develop emission-free, zero leakage Coke Oven Doors, based on Japanese technology;
- First to develop critical castings of S G Iron Pallets for Sinter Plants;
- First to develop Ballistic grade Castings for the Turret of Patton Tanks for Indian Defence etc.



INFRASTRUCTURE HIGHLIGHTS

FOUNDRY DIVISION



- o Spread over an area of 12 acres.
- o Large scale foundry with a capacity of 15000 MT/Annum.
- o This Foundry is located in Bhilai Industrial Estate specialises for producing various grades heavy grey iron/Ductile iron castings upto 60 ton single piece equipped with Cupola and Induction Furnace.
- o Having in house Laboratory Testing Facility for Physical, Chemical and NDT, Heat Treatment Furnace ,Pattern Shop, Heavy Machine Shop and as well as Engineering Fabrication Shop.
- o The plant is equipped with automatic sand moulding machine which provides consistent quality of moulds.
- o Adjoining the plant is a Machine shop equipped with array of the state of art CNC Machine, Milling Machines, Radial Drilling Machines and Plano Millers Machines and various other machines for finish machining. Along with this, the plant also has assembly bay for integrating equipment and component into factory assembled units.

Primary Products

- Coke Oven Doors, Frames & Flash Plates
- Reversing Valves and Waste Gas Valve Assembly for Coke Oven
- Checker Supporting System for Hot Blast Stove
- Stave Coolers & Throat Armours for Blast Furnace
- Slag Pot, Ingot Mould, Base Plate, Trumpet
- Bed Plate, Angle Plate, Marking Table & T Rails
- SG Iron Sinter Car Assembly
- Heavy Valve & Pump Castings
- Coal Burner Body & Nozzle Tips
- Movable & Stationary platens
- Gear Housing
- Fly Wheel
- Straightening Grid, Apron Roller
- CI Counter Weight etc.

FABRICATION DIVISION



- o Spread over an area of 14 acres.
- o Fabrication Division with a capacity of 9600 MT/ Annum.
- o Modern heavy equipment fabrication with quality metal fabricator of heavy engineering plant & technological equipment upto 70 MT as single Piece.
- o This plant is a complete spectrum of welding capabilities suitable for handling multiple metallurgies with special enclosure with welding of stainless steel and array of CNC horizontal boring machines and drilling machines to ensure precision machining of components. The shop has all testing facilities, large stress Relieving furnace and Quality accredited with API & ASME for U- Stamping.
- o Other facilities include a large furnace for heat treatment and a dedicated enclosure for Grit Blasting to prevent air pollution and a painting Booth to ensure consistent quality of painting.

Primary Products

- Sucker Rod Pumping Unit for Oil Well
- Hot Metal Ladle & Teeming Ladle
- Hot Metal & Slag Pot Transfer Cars
- Torpedo Ladle Cars to Carry Liquid Hot Metal
- Coke Oven Machines
- Pressure Vessels & Air Receivers
- EAF Furnace Covers, Shell Bottom & Rocker Frames
- Fabricated Bogies for Locos
- Ducts, Auto Weld, Column
- Coal Bunkers, Dust Bin Hoppers
- Tundish Beam Suspension
- Separator Body & Stator Frame
- Sinter Cooler Assembly
- Capable to manufacture Drilling Rigs for Oil Exploration.

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 2018-19.

FINANCIAL AND OPERATIONAL PERFORMANCE

The Financial Year 2018-19 was an extremely challenging year in view of US-China trade dispute leading slowing international market and liquidity crunch in Indian economy. The business sentiments and demand also had an impact during year under review in view of State and Central Government elections leading to slow down in the consumption and lower GDP growth. The steel prices remained volatile during the year. With the same Government being elected for its second term, we expect further push to be provided in building the infrastructure of the economy and a better year ahead.

During the year ended 31 March, 2019, the Company had registered a revenue from operations of Rs 18297.82 Lacs as against Rs 22442.04 Lacs during the year 2017-18. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2018-19 were Rs (2494.16) Lacs and Rs (1582.18) Lacs respectively, as against Rs 327.97 Lacs and Rs 335.47 respectively during the previous year ended 31 March, 2018.

On a Consolidated basis, the total revenue from operations for the year 2018-19, was Rs 21313.00 Lacs. The PBT and PAT for the year 2018-19 were Rs (2503.34) Lacs and Rs (1591.36) Lacs.

It was Challenging year for the Company. As a result during the year Revenue from operations have decreased by 18.47 % amounting to Rs. 4144.22 Lacs, despite the increase in the Sale of products amounting to Rs. 1004.21 Lacs.

In the year 2018-19 the volatility in the prices of major raw material and inputs was historical. The rising trend of the Raw material and components prices has pushed up the value of consumption by 20%. The estimated profits in the Orders have ended up in negative.

SALE OF MANUFACTURING UNIT

To reduce the debt burden of the Company, the Board of Directors at its meeting held on 26th April, 2019 approved to sell 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. In this relation, the Company has entered into a Business Transfer Agreement with Texmaco Rail and Engineering Limited on 26th April, 2019. The net proceeds from the sale of the Steel Castings Foundry has been utilized to repay the

existing loans and reduce interest burden, and enhancement of working capital of the Company for general business purposes.

INCORPORATION OF WHOLLY OWNED SUBSIDIARY COMPANY

Your Company has clientele from around 21 Countries across 5 Continents. It is poised well to make the most of this shift therefore your Company has incorporated one Wholly owned Subsidiary Company named Simplex Castings International Pte Limited in Singapore on 12th September, 2018 and we are focused on growth by internationalizing our establishments and verticals.

NABL ACCREDITATION

During the year, your Company has received NABL Accreditation to our Chemical and Mechanical Lab.

THE ROAD AHEAD

The Company has strategies for business development to cope 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.

During the year the Company has manufactured and supplied Coal Grinding Rings and other items for Coal Pulverizer for Thermal as well as Wind Power Plants. There are lots of opportunity in power sector therefore our marketing team is focusing to make it as product line.

We have already developed components of Vertical Roller Mill for Customers and making the efforts to get the order of the same or relevant product from other Cement/Gypsum manufacturer from all over the world.

Recently the Company has bagged an order of Unmachined casting of transmission gear unit for Tanks from Machine Tools Prototype Factory, Ambarnath. Your Company is on the path to drive operational improvement. For that purpose the Company may invest in Special Purpose Machine so that the same product can be developed and supplied in finished machine condition. We are constantly in touch with various ordinance factories for the components which are in our manufacturing range.

Since our machine shop is equipped with various type of machine tools so we are approaching various OEMs for Constant load of Machining work.

Your Company is on the verge of getting orders of coke oven doors for atleast two batteries in a year from Indian and Overseas Market. We have already tapped Customers in India for Casting of Pallet and Sinter Car and now we are focusing on foreign customers to increase the business presence.

Your company is looking for technical tie-ups and collaboration for Castings and developing of Railway Equipment's. We have already set up technical team who are responsible for designing and reverse engineering of products / Equipment in Steel & Power Sector.

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



BOARD OF DIRECTORS



Ketan M Shah

Chairman And Executive Director



Sangeeta K Shah

Managing Director



Om Prakash Patel

Executive Director



Champak K Dedhia

Independent Director



Ushma Nitin Khabaria

Independent Director



S M Swathi

Independent Director

SUMMERISED FINANCIAL DATA

Rs.In Lacs(Except Other Financial Data)

PARTICULARS	2018-19	2017-18	2016-17	2015-16	2014-15
PROFIT & LOSS ACCOUNT					
Revenue from operations	18297.82	22442.04	23676.33	20426.87	16986.71
Other income	375.91	145.11	177.71	722.72	82.14
TOTAL INCOME	18673.73	22587.15	23854.04	21149.59	17068.85
(-) Cost of raw material and Component consumed	9384.13	7767.5	11248.58	8972.8	8700.19
(-) Employee benefit expenses	1793.23	1727.35	1830.89	1613.85	1624.66
(-) Purchase of Traded Goods	2384.73	7429.86	0.00	0.00	0.00
(-) Finance Costs	1371.93	1163.14	1128.61	1157.31	1499.08
(-) Depreciation & Amortisation Expense	1518.34	1244.58	782.37	684.99	779.96
(-) Other expenses	4715.53	2926.74	8493.01	8187.53	4357.55
PROFIT BEFORE TAX	(2494.16)	327.97	370.57	533.11	107.41
(-) Current Tax	(22.19)	28.05	147.84	151.00	21.48
(-) Deferred Tax	(889.78)	(35.55)	(0.78)	26.33	(33.41)
PROFIT FOR THE YEAR	(1582.18)	335.47	223.51	355.78	119.34
TOTAL COMPREHENSIVE INCOME	(1526.25)	232.40	266.44		
EARNING PER SHARE (Rs)					
Basic EPS	(25.81)	5.61	3.73	5.95	1.99
Diluted EPS	(19.83)	5.59	3.73	5.95	1.99
EXTRACTS FROM BALANCE SHEET					
Share Capital	613.12	598.42	598.42	598.42	598.42
Equity Share Warrants	738.68	797.48	0.00	0.00	0.00
Reserve & Surplus/Other Equity	6142.59	7484.36	7287.98	7482.48	7108.8
Fixed Assets	10288.72	11450.32	7681.73	7423.85	7941.63
Inventories	7636.35	8643.43	5544.23	5210.21	7246.78
Trade Receivables	8768.85	6059.93	6489.33	5137.95	3431.27
OTHER FINANCIAL DATA					
TURNOVER (Rs.in Cr)	182.98	224.42	236.76	204.26	169.86
BOOK VALUE PER SHARE (Rs)	122.00	148.00	132.00	135.00	129.00
NET WORTH (Rs.in Cr)	74.94	88.80	78.86	80.81	77.07
DIVIDEND PER SHARE (Rs.)	0.00	0.50	0.50	0.50	0.00



NOTICE

Notice is hereby given that the Thirty-Ninth Annual General Meeting (AGM) of the members of Simplex Castings Limited will be held on Thursday, 26th September, 2019 at 3:00 pm, at Babasaheb Dhaanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12K Dubhash Marg, Fort, Mumbai-400 001 to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements comprising of Balance Sheet as on 31st March, 2019 and Profit and Loss Account of the Company for the year ended 31st March, 2019 along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr Ketan Shah (DIN: 00312343) who retires by rotation and being eligible offer himself for re-appointment.

SPECIAL BUSINESS:

3. 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 2019-20 as recommended by the Board of the Directors, be and is hereby ratified.”

4. Appointment of Mrs Sannovanda Machaiah Swathi (DIN-06952954) as an Independent Director

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

“**RESOLVED THAT** Mrs Sannovanda Machaiah Swathi (DIN-06952954) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 9th February, 2019 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“the Act”) and the Articles of Association of the Company and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company and who has been recommended for appointment by Nomination and Remuneration Committee of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Mrs Sannovanda Machaiah Swathi (DIN-06952954), who meets the criteria for independence as provided in Section 149(6) of the Act alongwith the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years upto 8th February , 2024.”

5. Approval of Appointment and Remuneration of Mr Om Prakash Patel (DIN: 08301041) as Whole Time Director of the Company

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 Sections 160, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the 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), Mr. Om Prakash Patel (DIN: 08301041), who was appointed as an Additional Director and designated as Executive Director of the Company by the Board of Directors with effect from 14th December, 2018, to hold office until the date of this annual general meeting, and in respect of whom the Company has received a Notice from a Member in writing under Section 160 of the Act proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Whole-time Director designated as Executive Director of the Company, liable to retire by rotation, for a period of 5 (Five) years with effect from 14th December, 2018 on the terms and conditions of the appointment including remuneration as set out in the Statement annexed to the Notice with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment including the remuneration as it may deem fit and as is acceptable to Mr. Om Prakash Patel.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as it deem necessary and authorize executives of the Company for the purpose

of giving effect to this resolution and to settle any questions, difficulties and/or doubts that may arise in this regard.”

6. Reappointment of Mrs Ushma Khabaria (DIN: 06791342) as an Independent Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter to be referred as ‘the Act’) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 and any other Rules framed thereunder and pursuant to Regulation 16 (1)(b) and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs Ushma Khabaria (DIN 06791342) who holds office of Independent Director up to 30th September, 2019 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying her intention to propose the candidature of Mrs Ushma Khabaria for the office of Director, be and is hereby re-appointed as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from 1st October, 2019 to 30th September, 2024, and who shall not be liable to retire by rotation.”

7. Re-appointment of Mrs Sangeeta Ketan Shah (DIN : 05322039) as Managing Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Members be and is hereby accorded to the re-appointment and terms of remuneration of Mrs Sangeeta K Shah (DIN : 05322039) as Managing Director of the Company for a period of five years, with effect from 1st October, 2019 to 30th September, 2024, not liable to retire by rotation, upon the terms and conditions set out in the 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 during her said tenure within the overall limits of Section 197

of the Act, as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and Managing Director .

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

8. Approve the Remuneration to be paid to Mr Ketan M Shah, Whole Time Director and Mrs Sangeeta Ketan Shah, Managing Director

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013, and subject to such approval(s), consent(s) or permission(s), as may be required, the consent of the members of the Company be and is hereby accorded to pay the remuneration as set out in the statement annexed hereto, to Mr Ketan M Shah (DIN:00312343), Whole Time Director and Mrs Sangeeta Ketan Shah (DIN: 05322039), Managing Director of the Company, for the financial year 2019-20 and for further two consecutive years in case of absence or inadequate profits.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

9. Approve the Remuneration to be paid to Promoter Executive Directors

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

“**RESOLVED 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 and subject to Section 197 and other applicable provisions of the Companies Act, 2013 (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 the Executive Directors who are Promoters or members of Promoter Group as under:

- (a) annual remuneration to an Executive Director who is a Promoter or member of Promoter Group, exceeding Rs 5 Crores or 2.5 per cent (2.5%) of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 (“Net Profit”), whichever is higher; or
- (b) aggregate annual remuneration to all Executive Directors who are Promoters or members of



Promoter Group, where there is more than one such Executive Director, exceeding 5 per cent (5%) of the Net Profit;

RESOLVED FURTHER THAT the approval hereinabove granted for payment of remuneration to Executive Directors who are Promoters or members of Promoter Group (“such Executive Directors”) shall be effective for the Financial Year commencing from April 1, 2019 and for subsequent years till the expiry of respective term of such Executive Directors,

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to the above Resolution.”

10. Approve the reclassification of Mr Piyush P Shah and Mr G Gopalswamy from Promoter & Promoter Group to Public

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

“**RESOLVED THAT** pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws and regulations from time to time (including any statutory modifications or re-enactments thereof for the time being in force), and other applicable provisions; subject to necessary approvals from the Stock Exchanges and other statutory authorities, as may be necessary; the approval of the Members, be and is hereby accorded to reclassify the following persons/entities (hereinafter individually & jointly referred to as the “Applicants”) and currently forming part of the “Promoter and Promoter Group” holding 4486 Equity Shares aggregating to 0.07% of the paid up capital of the Company, from “Promoter & Promoter Group” shareholding of the Company to the “Public” shareholding of the Company:

Name of Entity/ Person	Total No. of Equity Shares	% of total Equity Share Capital
G Gopalswamy	0	0.00
Piyush P Shah	4486	0.07

RESOLVED FURTHER THAT on approval of the Stock Exchange(s) upon application for reclassification of the aforementioned applicants, the Company shall effect such re-classification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and shall also comply with other applicable Regulations/provisions, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchanges and other concerned authorities.”

By Order of the Board
Simplex Castings Limited

D Meena
Company Secretary

Date:12.08.2019

Place : Raipur

Reg Off: 601/602A,Fairlink Center,

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

NOTES:

- a) 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 Special Business under Item No. 3 to 10 of the accompanying Notice is annexed hereto.
- b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.

Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the registered office of the company not later than 48 hours before the commencement of the Annual General Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- c) Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on their behalf at the AGM.

- d) The Register of Members and Share Transfer Books of the Company will be closed from 20th September, 2019 to 26th September, 2019 (both days inclusive) for the purpose of the Annual General Meeting for the year ended 31st March, 2019.
- e) Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
- f) Electronic copy of the Annual Report for F.Y. 2018-19 along with Notice of the 39th Annual General Meeting of the Company, Attendance Slip and Proxy Form is being sent to all the members whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for F.Y. 2018-19 along with Notice of the 39th Annual General Meeting of the Company, Attendance Slip and Proxy Form is being sent in the permitted mode.
- Members may also note that Annual Report for F.Y. 2018-19 will also be available on the Company's website www.simplexcastings.com for download.
- g) Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate Attendance Slip or copies of the Report and Accounts will not be made available at the AGM venue.
- h) The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, 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 RTA of the Company/Company.
- i) SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
- j) A Route Map for easy location to reach the venue of Annual General Meeting is attached as **Annexure-I** with the notice of Annual General Meeting.
- k) The cut-off date for the purpose of remote e- voting and voting at the AGM shall be 19th September, 2019. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.
- l) A brief resume of each of the Directors proposed to be appointed/ re-appointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership/ chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in **Annexure II**.
- m) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the Company has transferred on due dates, all unclaimed dividends up to the Financial Year 2010-11 to Investor Education and Protection Fund ("said Fund") established by Central Government. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded the details of the unpaid and unclaimed amounts lying with the Company on the website of the Company (www.simplexcastings.com), and also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Unclaimed dividend for the FY 2011-12 will fall due for transfer to the said Fund on or before 2nd November 2019. Those Members, who have not encashed their dividends for the FY 2011-12, are requested to claim it from the RTA of the Company immediately. Those Members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or the RTA of the Company.
- n) Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more on 24th October, 2019 shall be transferred by the Company to Investor Education and Protection Fund ("IEPF"). The Company has also written to the concerned Shareholders intimating them their particulars of the equity shares due for transfer. These details are also available on the Company's website www.simplexcastings.com. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. Upon transfer, the Shareholders will be able to claim these equity shares



only from the IEPF Authority by making an online application, the details of which are available at www.iepf.gov.in. All correspondence should be addressed to the RTA of the Company viz. Link Intime India Private Limited (UNIT: Simplex Castings Limited), C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083, Tel:022-49186000, e-mail: mt.helpdesk@linkintime.co.in.

- o) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 am to 05:00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

p) Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 39th Annual General Meeting. The business may be transacted through e-voting services rendered by Link Intime India Private Limited (LI IPL).

The Instruction for e-voting as under:

- i. Log-in to e-Voting website of LI IPL.
- ii. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- iii. Click on "Login" tab, available under 'Shareholders' section.
- iv. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- v. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.
- vi. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (v-c).

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically.

- vii. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
- viii. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/ Against’.
- ix. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- x. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- xi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- xii. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.
- xiii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- xiv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2019.
- xv. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote evoting as well as voting at the AGM through ballot paper.

- xvi. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- xvii. Persons who have acquired shares and became Members of the Company after the dispatch of the Notice of the AGM (i.e. cut-off date for dispatch 23rd August, 2019) but before the cut-off date of 19th September, 2019 may obtain their user ID and password for e-voting by sending a request to our registrar and transfer agent at rnt.helpdesk@linkintime.co.in.
- xviii. The e-voting period commences on 23rd September, 2019 (09:00 am) and ends on 25th September, 2019 (05:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- xix. 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.
- xx. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xxi. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizers Report shall be placed on the Company’s website www.simplexcastings.com and on the website of LIPL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited (BSE).

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: [https:// instavote.linkintime.co.in](https://instavote.linkintime.co.in) and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.



- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please click here or you may refer the Frequently Asked Questions (“FAQs”) and Insta vote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

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 10 mentioned in the accompanying Notice.

ITEM NO. 3

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 2019-20.

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 2019-20 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. 3 of the Notice for approval by the members.

ITEM NO. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors (“Board”), appointed Mrs Sannovanda Machaiah Swathi as an Additional (Independent) Director of the Company, not liable to retire by rotation, with effect from 9th February, 2019. Pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, Mrs Sannovanda Machaiah Swathi will hold office up to the date of the ensuing Annual General Meeting (‘AGM’) and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing from a Member proposing the candidature of Mrs Sannovanda Machaiah Swathi for the office of Director.

The Company has received from Mrs Sannovanda Machaiah Swathi (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies

(Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and (iv) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mrs Sannovanda Machaiah Swathi as an Independent Director of the Company for a period commencing 9th February, 2019 up to 8th February, 2024 . Mrs Sannovanda Machaiah Swathi , once appointed, will not be liable to retire by rotation. In the opinion of the Board, Mrs Sannovanda Machaiah Swathi fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the Management of the Company.

The profile and specific areas of expertise of Mrs Sannovanda Machaiah Swathi are provided as an annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mrs Sannovanda Machaiah Swathi , to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

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

Mr Om Prakash Patel has joined Simplex Castings Limited in year 1983 and got promoted in several positions time to time. He was headed the Marketing department and designated as Assistant Vice President (Marketing). Mr Om Prakash Patel has made significant contribution in areas of Production , Design ,Maintenance and Marketing.

In order to optimize the composition of the Board with right mix of domain expertise given the vision of the company, at the recommendation of Nomination and Remuneration Committee, Mr. Om Prakash Patel was appointed by the Board of Directors as an Additional Director in the category of Executive Director for a tenure of 5 years w.e.f 14th December 2018 subject to approval by shareholders of the Company.

The Brief profile of Mr. Om Prakash Patel, the nature of his expertise, the names of listed entities in which he holds directorships/ memberships of Committees of Board, and details of his shareholding in the Company and other information is annexed to the Explanatory Statement.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member proposing the appointment of Mr. Om Prakash Patel for the office of Director of the company.

Mr Om Prakash Patel will receive the salary of Rs 1,58,333/- per month as recommended by the Nomination and Remuneration and the same approved by the Board subject to approval of Members.

Pursuant to the provisions of Sections 196 and all other applicable provisions of the Companies Act, 2013 ("the Act"), terms and conditions of appointment and the remuneration payable to Mr. Om Prakash Patel as an Executive Director (from December 14, 2018 to December 13, 2023) is now being placed before the members in the 39th Annual General Meeting for their approval by way of a Special Resolution.

Mr. Om Prakash Patel is interested in the resolution set out at Item No. 5 of the Notice.

None of the other Directors/ Key Managerial Personnel of the company and their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary resolution(s) set out at Item No. 5 of the Notice for approval of the Member.

ITEM NO: 6

The Members of the Company in its 34th Annual General Meeting of the Company held on 29th September, 2014 appointed Mrs Ushma Khabaria (DIN 06791342) as an Independent Director of the Company for a period of five years commencing from 1st October , 2014 upto 30th September, 2019. As per Section 149(10) of the Companies Act, 2013 ('the Act') an Independent Director shall be eligible for re-appointment for the second term of upto five consecutive years with approval of the Members obtained by way of passing a special resolution.

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 12th August ,2019 had re-appointed Mrs Ushma Khabaria for second term of five consecutive years with effect from 1st October, 2019 upto 30th September, 2024, subject to approval of Members.

The Company has received from Mrs Ushma Khabaria (i) declaration confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and (ii) declaration in terms of Regulation 25(8) of the Listing Regulations that she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact her ability to discharge his duties with an objective independent judgment and without any external influence. In the opinion of the Board, Mrs Ushma Khabaria fulfills the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations. She is independent of the management.

Details of Mrs Ushma Khabaria are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and, (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The Company has received notice in writing under the provisions of Section 160 of the Act from a Member proposing the candidature of Mrs Ushma Khabaria for the office of Director.

The Board of Directors based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that her continued association as an Independent Director of the Company would be of immense benefit to the Company. It is in the interest of the Company to continue to avail the benefits of her knowledge, expertise and vast experience.

A copy of the draft letter of re-appointment of Mrs Ushma Khabaria as an Independent Director setting out the terms and conditions is available for inspection at the registered office of the Company.

Except Mrs Ushma Khabaria , none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

The Board of Directors recommend the Special Resolution as set out at item No. 6 of the Notice for approval by the members.

ITEM NO: 7

Mrs Sangeeta Ketan Shah joined the Company as Whole Time Director effective from 1st October,2014 upto 30th September 2019. The Members had approved the Change of Designation from Whole Time Director to Managing Director of the Company with effect from 10th February,2018 till the end of the tenure of her appointment viz 30th September,2019 on 24th March ,2018 through postal ballot.

Based on the recommendation of the Nomination and Remuneration Committee, the Board on 12th August,2019, re-appointed Mrs Sangeeta K Shah as Managing Director of the Company, not liable to retire by rotation, for a further period of five years effective 1st October,2019 to 30th September , 2024, subject to approval of the Shareholders.

The Board, while re-appointing Mrs Sangeeta K Shah as Managing Director of the Company, considered her background, experience and contributions to the Company.

Nomination and Remuneration Committee and the Board of Directors is of the opinion that the vast knowledge and experience of Mrs Sangeeta K Shah, who has been associated with the Company for more than one decade, is of great value to the Company.

The Company is being immensely benefited from her expertise. She successfully lead the Company during difficult phase for Steel sector. Mrs Sangeeta K Shah is a solid professional and excellent team leader with deep and intrinsic understanding and knowledge of the Company's business. It is in the interest of the Company to continue to avail her services as a Managing Director of the Company for a further period of 5 years with effect from 1st October, 2019 upto 30th September, 2024.



Brief terms and conditions including remuneration as Managing Director are as follows:

Salary: Rs 3,00,000/- per Month as basic salary

Commission/Royalty: Commission at 0.25% (point two five percent)of the net profits calculated in accordance with Section 196, 197, 203 and Schedule V of the Companies Act , 2013 subject to ceiling of Rs 5,00,000/- per annum.

Perquisites :

Perquisites listed under Part “A” below will be restricted to the annual salary as above or such higher limit as the Companies Act , 2013 may permit.

Part A:-

- i) Housing including gas, electricity, water and furnishings (non-interchangeable)
 - a) The expenditure by the Company for hiring accommodation, if necessary, will be Subject to 50% of Salary over and above 10% payable by the Director himself.
 - b) The expenditure incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income Tax Rules, 1962. This will however be subject to a ceiling of 10% of the Salary of the Director.
 - c) Where accommodation is owned by the Company: Smt Sangeeta K Shah shall pay to the Company by way of rent 10% of salary. Whenever, Company does not provide accommodation, House Rent Allowance may be paid in accordance with (a) above.
- ii) Medical Benefits: For self and family, reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed one month's salary in a year or three months salary in a block of three years.
- iii) Leave Travel Concession: For self and family once a year in accordance with the rules of the Company.
- iv) Club Fees: Subject to a maximum of two clubs provided that no life membership or admission fee is paid.
- v) Personal Accident Insurance: An amount, the annual premium of which does not exceed Rs. 50000/- per annum.

Part B:-

Item (vi), (vii) and (viii) listed below will not be considered or included for the computation of ceiling or perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

- vi) Company's contribution towards Provident Fund subject to a ceiling of 12% of the Salary or such other percentage that may be prescribed by Government from time to time.
- vii) Company's contribution towards Pension/ Superannuation Fund subject to an overall ceiling for (vi) &(vii) of 25% of the salary as laid down in the Income Tax Rules, 1962 (The overall ceiling referred to above will be non inter- changeable).

- viii) Gratuity is payable in accordance with an approved Fund which does not exceed one half month's salary for each complete year of service subject to ceiling of Rs.20,00,000/-.

Part C:-

- ix) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephones and use of car for private purpose shall be billed to the Director.
- x) Earned / Privileged leave of full pay and allowances will be as per rules of the Company but not more than one month's leave for every eleven months of service. However, Leave accumulated but not availed of will not be allowed to be uncashed.
- xi) The Director and the Company shall have the right to terminate the agreement by giving the other party six months clear notice in writing.
- xii) If the tenure of her Office is determined by any reason whatsoever before the expiration of the agreement, she shall be entitled to compensation for loss of Office for the unexpired residue of her term or for three years whichever is shorter calculated on the basis of average remuneration actually earned by him during the three years or lesser period as above, immediately preceding the date on which he ceases to hold Office.

Valuation of Perquisites: Perquisites/allowances shall be valued as Income Tax Rules, wherever applicable, and in the absence of any such rules, shall be valued at actual cost.

Minimum remuneration: In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the Managing Director shall, subject to the approval of the Central Government, if required, be paid remuneration by way of salary and perquisites as set out above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Companies Act, 2013.

Computation of ceiling: The contribution to provident and superannuation funds; gratuity payable & encashment of leave shall not be included in the computation of perquisites for the purposes of the ceiling.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors/Nomination and Remuneration Committee as it may in its discretion, deem fit within the maximum amounts payable to Managing Directors in accordance with schedule V of the Companies Act, 2013 or any other amendments made hereafter in this Regard.

The profile and specific areas of expertise of Mrs Sangeeta K Shah are provided as annexure to this Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the Nomination and Remuneration Committee, approval of the Members is

sought for the re-appointment and terms of remuneration of Mrs Sangeeta K Shah as Managing Director as set out above.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mrs Sangeeta K Shah and Mr Ketan M Shah are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 7 for the approval of Members.

ITEM NO :8

Mr Ketan Moolchand Shah:

The Members of the Company at the Annual General Meeting held on 23rd September 2015 had approved the reappointment of Mr Ketan Moolchand Shah as Managing Director of the Company for further period of five years and remuneration payable to Mr Ketan Moolchand Shah, Managing Director of the Company and the Board of Directors were authorized to revise the same within the overall limits prescribed in this regard.

Further the members has approved the change of designation of Mr Ketan M Shah from Managing Director to Whole Time Director with effect from 10th February,2018.

Due to inadequate profit, Mr Ketan Moolchand Shah shall paid minimum remuneration of Rs 3,75,000/- per month plus perquisites accordance with Section II (A) of Part II of Schedule V of the Companies Act, 2013.

He has contributed a lot towards the growth of Company. He has been drawing minimum remuneration since 2010 due to inadequate profit.

Further, Mr Ketan Moolchand Shah is Promoter as envisaged in clause 2(1)(za) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended from time to time.

Mrs Sangeeta Ketan Shah:

The Members of the Company at the Annual General Meeting held on 29th September 2014 had approved the appointment of Mrs Sangeeta Ketan Shah as Whole Time Director of the Company for period of five years and remuneration payable to Mrs Sangeeta Ketan Shah, Whole Time Director of the Company and the Board of Directors were authorized to revise the same within the overall limits prescribed in this regard.

Further the members has approved the change of designation of Mrs Sangeeta K Shah from Whole Time Director to Managing Director with effect from 10th February, 2018.

Due to inadequate profit, Mrs Sangeeta Ketan Shah shall paid minimum remuneration of Rs 3,00,000/- per month plus perquisites accordance with Section II (A) of Part II of Schedule V of the Companies Act, 2013.

Mrs Sangeeta Ketan Shah has contributed a lot towards the growth of Company. She has been drawing minimum remuneration from the date of her appointment due to inadequate profit.

Further, Mrs Sangeeta Ketan Shah is part of Promoter Group as envisaged in clause 2(1)(zb) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended from time to time.

The information as required under Section II of Part II of Schedule V of the Companies Act, 2013:

I. General Information:-

1. Nature of Industry: Castings Industry
2. Date or expected date of commencement of commercial production:
Simplex Castings Limited was incorporated as a private company on 30th January, 1980. Subsequently, the Company got converted to Public Company in 1993.
3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial Performance based on given indicators-

Particulars	2018-19	2017-18
Turnover	18297.82	22442.04
Total Revenue	18673.73	22587.15
Profit before tax	(2494.16)	327.97
Profit after tax	(1582.18)	335.47

5. Foreign investments or collaborations, if any: The Company has incorporated wholly owned subsidiary company in Singapore named Simplex Castings International Pte Ltd.

II. Information about the Appointee:

1. Background Details:

Mr Ketan Moolchand Shah:

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.

Mrs Sangeeta Ketan Shah:

Mrs Sangeeta Ketan Shah holds Master degree in Business Administration. She is an experienced and dynamic women entrepreneur. She is an active member of Industrial Association, Confederation of Indian Industry, Institute of Indian Foundry, Chhattisgarh Skills Development, and also holds membership in various committees and associations.



2. Past Remuneration:
Mr Ketan Moolchand Shah: Rs 3,75,000 P.M Plus perquisites
Mrs Sangeeta Ketan Shah: Rs 3,00,000 P.M Plus perquisites
3. Recognition or awards:NA
4. Job Profile and his suitability:
Mr Ketan Moolchand Shah has played an important role as a Leader in developing our Company business. He has a vast and varied experience in Marketing and Production function.
Mrs Sangeeta Ketan Shah has played an important role in handling the administration functions. She is also a perfect personality to handle all major commercial and financial aspects of the Company.
5. Remuneration Proposed:
Mr Ketan Moolchand Shah- Rs 3,75,000 P.M Plus perquisites
Mrs Sangeeta Ketan Shah- Rs 3,00,000 P.M Plus perquisites
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:
Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr Ketan Moolchand Shah and Mrs Sangeeta Ketan Shah, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other Companies.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:
Beside their proposed remuneration and except the transactions as mentioned under the heading 'Related Party Transaction' in the Notes to the Accounts, the appointees do not have any pecuniary relation with the managerial persons.

III. Other information:

- (1) Reasons of loss or inadequate Profits:
Due to lack of demand of steel products in the infrastructure, railway and power sector the major sectors where company sells its products. Because of lack of development and liquidity crunch in these sectors there has been a low demand of company's products.
- (2) Steps taken or proposed to be taken for improvement and Expected increase in Productivity and Profits in measurable terms:
As long as these sectors continue to underperform, the prospects of the Company to achieve a higher level of production and growth will remain unattained. However the company is forecasting a good demand in its products in the second quarter

of current financial year in the market which will eventually help increasing the production level of the company thereby increasing profits.

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report under the heading "Details of remuneration paid to the Directors of the Company" for the year ended March 31, 2019.

The Resolution at Item No. 8 is recommended by the Board for approval by the Members by passing Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Mr Ketan Moolchand Shah, Mrs Sangeeta Ketan Shah and their relatives is concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

ITEM NO : 9

As per newly introduced Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- (i) the annual remuneration payable to such executive director exceeds Rs 5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

Mr. Ketan M Shah, Chairman and Mrs Sangeeta K Shah, Managing Director, are the promoters of the Company and their aggregate annual remuneration exceeds 5% of the net profits of the Company.

In order to comply with the requirement of Regulation 17(6)(e) of the listing regulations and on recommendation of Nomination and Remuneration Committee, Board of Directors is seeking to take members' approval by way of Special Resolution for paying remuneration at the same levels as paid during the financial year 2018-2019, to both Executive Directors for the remaining part of their current term to each of the Executive Director, namely, Mr Ketan M Shah, Chairman and Mrs Sangeeta K Shah, Managing Director, commencing from 1st April 2019.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

The Board of Directors commends passing of this special resolution as set out at item no. 9 of this Notice.

Except Mrs Sangeeta Ketan Shah and Mr Ketan M Shah, none of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

ITEM NO : 10

The Company had received letter from the following entity / person(s) falling under the category of Promoter/ Promoter Group of the Company requesting to the Company for reclassification of their Shareholding from the category of “Promoter/Promoter Group” to “Public category”:

Name of Entity/ Person	Total No. of Equity Shares	% of total Equity Share Capital
G Gopalswamy	0	0.00
Piyush P Shah	4486	0.07

Mr Piyush P Shah and Mr G Gopalswamy were resigned from the Company from the position of Executive director with effect from 14th December,2018 and 16th October,2018.

The aforesaid entity/person(s) together are holding very insignificant shareholding, which constitutes only 0.07% of the total paid up equity capital of the Company.

The aforesaid entity/person(s) do not exercise any control over the Company and are not involved in the management of the Company presently. Pursuant to clause (b) sub-regulation 3 of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018, the aforesaid entity/person(s) seeking re-classification have confirmed that:

- i) they are not holding more than ten percent of the total voting rights in the Company.
- ii) they do not exercise control over the affairs of the Company directly or indirectly.
- iii) they have no special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements.
- iv) they are not represented on the board of directors (including not having a nominee director) of the Company.
- v) they do not act as Key managerial person in the Company.
- vi) they are not ‘wilful defaulter’ as per the Reserve Bank of India Guidelines.
- vii) they are not fugitive economic offender.

And they have also confirmed that at all times from the date of such reclassification, they shall continue to comply sub-clauses (i), (ii) and (iii) of aforesaid Clause (b) of Sub-regulations (3) of Regulation 31A and shall also comply with conditions mentioned at sub-clause (iv) and (v) of clause (b) of sub-regulation (3) of Regulation 31A of SEBI (LODR) (Sixth Amendment) Regulations, 2018 for period of not less than three years from the date of reclassification, failing which they shall automatically be reclassified as promoter/ persons belonging to Promoter Group as applicable. Based on the letter received from the above Promoter entity/ Person(s) and in view of the provisions of Regulation 31A of SEBI (LODR) (Sixth Amendment) Regulations, 2018 and on satisfaction of the conditions (i) to (vii) specified in clause (b) of sub- regulation (3) and compliance of sub-regulation (4) of Regulation 31A of SEBI (LODR) (Sixth Amendment) Regulations, 2018.

The members of the Board of Directors at their meeting held on 29th May,2019 considered and approved the application for reclassification of Mr G Gopalswamy and Mr Piyush P Shah from Promoter/Promoter group to Public subject to approval of the Members of the Company at the Annual general meeting and also subject to the approval of the Stock Exchanges.

The Board, recommends the Special Resolution of Item no. 10 of the accompanying notice for the approval of the members of the Company.

None of your Directors or key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special resolution as per item no.10 of the notice.

By Order of the Board
Simplex Castings Limited

D Meena
Company Secretary

Date:12.08.2019

Place : Raipur

Reg Off: 601/602A,Fairlink Center,

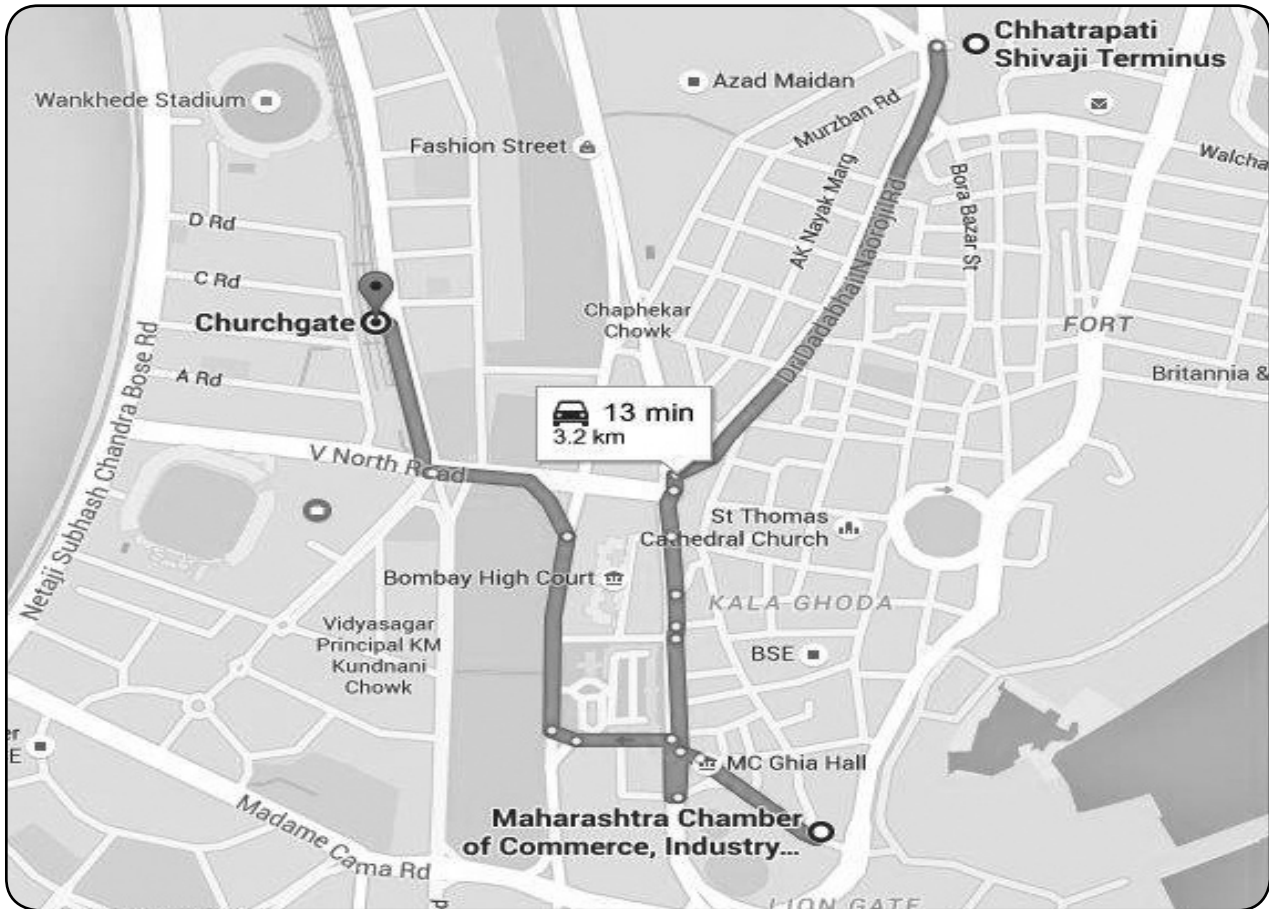
Off Andheri Link Road,

Andheri (W), Mumbai-400 053.



Annexure - I

**ROUTE MAP TO THE VENUE OF THE 39TH AGM OF SIMPLEX CASTINGS LIMITED
TO BE HELD ON 26th SEPTEMBER, 2019.**



Babasaheb Dhaanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture,
Oricon House, 6th Floor, 12K Dubhash Marg, Fort, Mumbai - 400 001.

Annexure - II

Brief Profile of Appointee:

Name of Director:	Sangeeta Ketan Shah	Ushma Nitin Khabaria	Om Prakash Patel	S.M Swathi	Ketan M Shah
Date of Birth :	14/11/1977	02/12/1990	17/06/1955	24/07/1957	02/12/1965
Date of First Appointment on Board:	01/10/2014	01/10/2014	14/12/2018	09/02/2019	12/03/1993
Qualifications	Master Degree in Business Administration	Bachelor Degree in Management Studies and Master Degree in Business Administration	Engineering degree in Mechanical and bachelor degree in science	MSc, MBA(Finance) and CAHB	Bachelor degree in Mechanical Engineering and postgraduate degree in Business Management

Name of Director:	Sangeeta Ketan Shah	Ushma Nitin Khabaria	Om Prakash Patel	S.M Swathi	Ketan M Shah
Experience/Expertise in specific functional area/ Brief resume of the Director:	Mrs Sangeeta K Shah is an experienced and dynamic women entrepreneur. She is an active member of Industrial Association, CII, IIF, Chhattisgarh Skills Development, and also holds membership in various other associations. She worked in different capacities in Simplex Castings Limited and joined Board of the company as a Executive Director from 1 October, 2014. She is also director in other six Companies.	Mrs Ushma Khabaria joined Board of Company as an Independent Director on 1 October, 2014. She is also director in Coco Ginger Technologies Private Limited and founder member of TaskMitra.	Mr Om Prakash Patel has 39 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.	Mrs S M Swathi has 37 years of Banking Experience in different Public Sector Banks serving in various capacities in field, administrative and Board level such as Executive Director in Bharatiya Mahila Bank, Advisor in SBI and Circle General Manager, Branch Head in Corporation Bank.	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 2018-19)				
Number of Board Meetings attended during FY 2018-19:	7/7	4/7	3/3	-	5/7
Other Directorship held:	1. Hem Holdings and Trading Limited 2. Sim Prabha Estates and Trading Company Pvt Ltd. 3. Ssquare Iromax Pvt Ltd. 4. Prabha Plantations Pvt Ltd. 5. SEFW Projects Pvt Ltd. 6. Simplex Castings International Pte Ltd	1. Coco Ginger Technologies Pvt Ltd.	-	1. P C Jewellers Limited.	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 st March, 2019)	6297 Nos. (0.10%)	0	100 (0.00%)	0	31,04,415 (50.63%)
Relationship with other Directors and KMPs of the Company	Mrs Sangeeta K Shah and Mr Ketan M Shah are related to each other.	None	None	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 39th Annual Report on the business & operations of the Company together with the Standalone and Consolidated Audited Financial Statement for the year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

Financial results are presented in the table below:

(Rs in Lacs)

Particulars	Standalone		Consolidated
	31 st March, 2019	31 st March, 2018	31 st March, 2019
Revenue from Operations (Gross)	18297.82	22442.04	21313.00
Other Income	375.91	145.11	375.91
Earnings Before Interest, Taxes, Depreciation and Amortization	396.11	2735.70	387.05
Less: Finance Costs	1371.93	1163.14	1372.05
Less: Depreciation and amortization expenses	1518.34	1244.58	1518.34
Profit Before Tax	(2494.16)	327.97	(2503.34)
Less: Tax Expense	(911.98)	(7.50)	(911.98)
Profit After Tax	(1582.18)	335.47	(1591.36)
Other Comprehensive Income	55.93	(103.08)	55.93
Total Comprehensive Income	(1526.25)	232.40	(1535.43)

PERFORMANCE OF THE COMPANY

The Financial Year 2018-19 was yet another challenging year in view of US-China trade dispute and slowing international prices. The business sentiments and demand also had an impact during year under review in view of State and Central Government elections leading to slow down in the consumption and lower GDP growth. The steel prices remained volatile during the year.

During the year ended 31 March, 2019, the Company had registered a revenue from operations of Rs 18297.82 Lacs as against Rs 22442.04 Lacs during the year 2017-18. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2018-19 were Rs (2494.16) Lacs and Rs (1582.18) Lacs respectively, as against Rs 327.97 Lacs and Rs 335.47 respectively during the previous year ended 31 March, 2018.

On a Consolidated basis, the total revenue from operations for the year 2018-19, was Rs 21313.00 Lacs . The PBT and PAT for the year 2018-19 were Rs (2503.34) Lacs and Rs (1591.36) Lacs.

DIVIDEND

The Directors do not recommend any dividend on Equity shares on account of loss incurred during the financial year ended 31st March , 2019.

TRANSFER TO RESERVES

There is no amount proposed to be transferred to reserves.

SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATE COMPANIES

The Company has incorporated one Wholly owned Subsidiary Company named Simplex Castings International Pte Limited in Singapore on 12th September, 2018. The Company does not have any associate or joint venture company.

Your Company does not have any 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.

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 is given in Form AOC-1 which forms an integral part of this Report.

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

The Board of Directors of the Company, at its meeting held on 26th 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 26th April, 2019.

The Company is in significant debt and the objective of the sale of the Steel Castings Foundry would be 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.

The Consent of the Members have been received through Extra Ordinary General Meeting held on 29th May, 2019.

CREDIT RATINGS

The Company's financial discipline and Prudence is reflected in the strong credit ratings ascribed rating agencies as given below:

Instrument	Rating Agency	Rating	Outlook
Long Term	SMERA	BBB-	Stable
Short Term	SMERA	A3	Stable

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, 2019.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Cessation of Directorships

During the year due to Health issue, Mr. Kisan Ratilal Choksey(DIN: 00190931) and Mr Rajendra A Shah (DIN: 00266630) , Independent Directors of the Company, have resigned from the position of Board & from the position of Independent Director of the Company with effect from 4th October, 2018 and 9th February,2019. The Board appreciated the valuable services rendered by them during their tenure.

During the year, Mr. G Gopalswamy (DIN: 02101651) and Mr Piyush P Shah (DIN: 00199205) , Executive Directors of the Company, have resigned from the position of Board with

effect from 16th October, 2018 and 31st December ,2018. The Board appreciated the valuable services rendered by them during their tenure.

Retirement of director by rotation

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr Ketan M Shah (DIN:00312343), 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 Ketan M Shah has been given in the Notice convening the Annual General Meeting.

Appointment of Directors

During the year under review, on the recommendation of Nomination and Remuneration Committee the Board of Directors in their meeting held on 9th February,2019 has appointed Mrs S M Swathi as an Additional Independent Director of the Company. The said appointment is till the ensuing Annual General Meeting. The Directors has proposed to appoint Mrs S M Swathi as Independent Director the Company for a term of 5 (five) consecutive years which is subject to approval of Shareholders of the Company.

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee reappointed Mrs Ushma Khabaria as an Independent Director on the Board of Directors of the Company in accordance with Section 149(4) of the Act, with effect from 1st October, 2019 to hold office for a second term of 5 (five) consecutive years subject to approval of members at the ensuing 39th Annual General Meeting.

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee reappointed Mrs Sangeeta K Shah as Managing Director of the Company for a further period of five years with effect from October 1, 2019, subject to approval of members at the ensuing 39th Annual General Meeting.

During the year under review, the Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr Om Prakash Patel as Additional Director of the Company with effect from 14th December, 2018. The said appointment is till the ensuing Annual General Meeting. The Directors has proposed to appoint Mr Om Prakash Patel as Whole Time Director of the Company for a term of 5 (five) consecutive years which is subject to approval of Shareholders of the Company.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

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



During the year, Mr Avinash Hariharo has resigned from the position of Chief Financial Officer and in his place, the Board has approved the appointment of Mr J Suryam as Chief Financial officer of the Company with effect from 2nd November, 2018.

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 9th February, 2019. 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/2018-19/Familiarisation-Programme-held-on-9th Feb, 2019.pdf](http://www.simplexcastings.com/investors/notice_announcements/docs/notices/2018-19/Familiarisation-Programme-held-on-9th-Feb-2019.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-I** 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 are available for inspection at the Registered Office of the Company during business hours on any working day of the Company up to the date of 39th AGM.

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 31st March, 2019, 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 31st March, 2019 and of the profit and loss of the Company for the financial year ended 31st March, 2019;
- 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 2018-19 are given in the Corporate Governance Report which forms a part of Annual Report.

STATUTORY AUDITORS AND THEIR REPORT

M/s O P Singhania & Co, Chartered Accountants (Firm Registration No. 002172C), were reappointed as the Statutory Auditors of the Company for a period of 5 years in 38th Annual General Meeting on 21st September, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on 21st September, 2018. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

Emphasis of Matter

During the year, the Company has started implementing the new accounting software i.e SAP but due to technical issues in the software and first year of implementation, the reconciliation of Bank Accounts was pending in SAP, however the management has ensured that there would not be any material impact on the balances after reconciliation.

Management Reply:

The Company has implemented SAP-Hana, a leading ERP solution with effect from 1st April, 2018 by switching over from existing customer ERP system. Posting of Reconciliation of Accounts in system were in progress as on 31st March, 2019 due to first year of implementation and certain technical issue. Subsequently all the reconciliation were posted in the system and no material impact have been ascertain therein.

Observations and matters other than above made by the Statutory Auditors in their report for the Financial year ended 31st March, 2019 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 May 29, 2019, 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. 2019-20 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 29th May, 2019 has reappointed Satish Batra & Associates, Practising Company Secretary (Certificate of Practice No. 2875), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as **Annexure II** 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

The extract of Annual Return as on March 31, 2019 in the prescribed Form No. MGT-9, pursuant to Section 92 of the Companies Act, 2013 is appended as **Annexure-III** to this Annual Report.

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

During the Financial Year ended 31st March, 2019, no Loans and Guarantees under section 186 of the Companies Act, 2013 was made by the Company. Details of Loan, Guarantees and Investments are given in the notes to the financial statements.

SHARE CAPITAL

The Company has allotted 1,47,000 Equity Shares to non promoters on 28th January, 2019 subsequent to conversion of Convertible warrants issued on preferential basis on 28th March, 2018. The paid up Equity Share Capital as on 31st March, 2019 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, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

LISTING OF SHARES

Presently the Company's shares are listed on Bombay Stock Exchange. The listing and Trading approval of 1,47,000 Equity shares has been received from Bombay Stock exchange on 11th April, 2019 and 29th May, 2019 respectively.

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 31st March, 2019 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 brief outline of the Corporate Social Responsibility (CSR) Policy of the company and the initiatives undertaken by the company on CSR 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.

The Policy is available on the website of the Company i.e www.simplexcastings.com.

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.

TRANSFER OF UNPAID OR UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, dividend amounting to Rs 4.73 lacs that had not been claimed by the shareholders for the year ended 31st March, 2011, was transferred to the credit of Investor Education and Protection Fund as required under Act. As on 31st March, 2019, dividend amounting to Rs 14.37 lacs has not been claimed by shareholders of the Company. Shareholders are required to lodge their claims with the Registrar, Link Intime India Pvt Ltd., for unclaimed dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 21st September, 2018 (date of the last Annual

General Meeting) on the website of the Company, www.simplexcastings.com.

The list of equity shareholders whose shares are transferred to IEPF can be accessed on the website of the Company at below mentioned link:

<http://www.simplexcastings.com/investors/shareholders-information>.

The Company has sent notices to respective shareholders who have not claimed dividend for 7 (seven) consecutive years and whose shares are liable to be transferred to IEPF. During the financial year 2019-20. The newspaper advertisement stating the same has also been published in the newspapers. The list of equity shareholders whose shares are liable to be transferred to IEPF can be accessed on the website of the Company at below mentioned link:

<http://www.simplexcastings.com/investors/shareholders-information>.

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 : Raipur
Date : 12.08.2019



Annexure-I

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 2018-19 :

Sl No	Name of Executive Directors	Ratio
1	Mr Ketan M Shah, Chairman and Whole Time Director	40.73:1
2	Mrs Sangeeta Ketan Shah , Managing Director	39.11:1
3	Mr G Gopalswamy, Executive Director(2)	11.68:1
4	Mr Piyush P Shah, Executive Director(3)	Nil
5	Mr Om Prakash Patel, Executive Director(4)	5.06:1

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.
 2. Mr G Gopalswamy, Executive Director resigned from the Board of Company with effect from 16th October, 2018.
 3. Mr Piyush P Shah hasn't drawn any remuneration during FY 2018-19 and resigned from the Board of Company with effect from 31st December, 2018.
 4. Mr Om Prakash Patel appointed as Additional and Executive Director of the Company with effect from 14th December, 2018.
- b) The percentage increase in Remuneration of Managing Director, Executive Director, Chief Financial Officer & Company Secretary in the FY 2018-19 is Nil.
- c) During FY 2018-19, the percentage increase in the median remuneration of employees as compared to previous year is (31.44).
- d) The Company has 846 permanent employees on the rolls of Company as on March 31, 2019.
- e) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY19 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-II
FORM NO MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2019

[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 (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 2019 ('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 2019 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 Obligations 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 Board of Directors has approved the Conversion of 1,47,000 Warrants into Equity Shares on 28th January , 2019.
- (b) The Company has incorporated one wholly owned subsidiary in Singapore, namely, Simplex Castings International Pte Limited.

For, Satish Batra & Associates
Company Secretaries

(Satish Kumar Batra)

FCS No: 1316

C P No.: 2875

Place: Raipur

Date:08.07.2019

Annexure-III
FORM NO. MGT -9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[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	32.49
2	Steel, SG Iron & Special Alloy Castings	2431	40.91
3	Fabricated Equipments	2511	12.89

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S I . 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 2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	31,55,520	600	31,56,120	52.74	31,57,957	-	31,57,957	51.51	(1.23)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,93,600	-	2,93,600	4.91	2,93,600	-	2,93,600	4.79	(0.12)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	34,49,120	600	34,49,720	57.65	34,51,557	-	34,51,557	56.29	(1.35)



Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April 2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign							-		
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	34,49,120	600	34,49,720	57.65	34,51,557	-	34,51,557	56.29	(1.35)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	1,600	1,600	0.03	-	-	0	0.00	(0.03)
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	1,600	1,600	0.03	-	-	0	0.00	(0.03)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6,15,160	20,100	6,35,260	10.62	6,11,699	16,100	6,27,799	10.24	(0.38)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	10,15,579	1,98,306	12,13,885	20.28	8,84,189	1,36,606	10,20,795	16.65	(3.64)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2,60,930	-	2,60,930	4.36	5,66,393	-	5,66,393	9.24	4.88
c) Others (specify)	3,15,005	1,07,800	4,22,805	7.07	3,67,056	97,600	4,64,656	7.58	0.51
Non Resident Indians	1,51,312	1,07,800	2,59,112	4.33	1,48,906	97,600	2,46,506	4.02	(0.31)
Clearing Members	39,042	-	39,042	0.65	11,094	-	11,094	0.18	(0.47)
Hindu Undivided Family	1,24,651	-	1,24,651	2.08	1,36,362	-	1,36,362	2.22	0.14
IEPF	-	-	-	0.00	70,694	-	70,694	1.15	1.15
Sub-total (B)(2):-	22,06,674	3,26,206	25,32,880	42.33	24,29,337	2,50,306	26,79,643	43.71	1.38
Total Public (B)	22,06,674	3,27,806	25,34,480	42.35	24,29,337	2,50,306	26,79,643	43.71	1.35
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	56,55,794	3,28,406	59,84,200	100.00	58,80,894	2,50,306	61,31,200	100	0.00

(ii) Shareholding of Promoter

SI No	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April 2018)			Shareholding at the end of the year (As on 31st March 2019)			% change in shareholding 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	51.88	0.00	31,04,415	50.63	0.00	(1.24)
2	M/s Sim Prabha Estates & Trading Co Pvt Ltd	2,37,500	3.97	0.00	2,37,500	3.87	0.00	(0.10)
3	M/s Hem Holdings & Trading Limited	48,700	0.81	0.00	48,700	0.79	0.00	(0.02)
4	Mrs Jayshree Sanjiv Haria	38,300	0.64	0.00	38,300	0.62	0.00	(0.02)
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	3,825	0.06	0.00	6,297	0.10	0.00	0.04
8	Mr G Gopalswamy	200	0.00	0.00	0	0.00	0.00	0.00
9	Mr Piyush P Shah	4,486	0.07	0.00	4,486	0.07	0.00	0.00
10	Mrs Usha Piyush Shah	1,394	0.02	0.00	959	0.02	0.00	(0.01)
	Total	34,49,720	57.65	0.00	34,51,557	56.29	0.00	(1.35)

*The reason for decrease in percentage of total shares held by promoter is due to increase in paid-up share capital of the company on account of allotment of 1,47,000 equity shares to non promoters respect to conversion of Warrants on 28th January, 2019.

(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(01-04-2018)/At the end of the year (31-03-2019)		Date	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No of shares	% of total shares				No of Shares	% of total shares
1	Mr Ketan M Shah							
	At the beginning of the year/At the end of the year	31,04,415	50.63			No Change		
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(01-04-2018)/At the end of the year (31-03-2019)		Date	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No of shares	% of total shares				No of Shares	% of total shares
7	Mrs Sangeeta K Shah							
	At the beginning of the year	3,825	0.06	01.04.2018			3,825	0.06
				27.07.2018	Purchase	672	4,497	0.07
				12.10.2018	Purchase	1,000	5,497	0.09
				19.10.2018	Purchase	200	5,697	0.09
				22.03.2019	Purchase	400	6,097	0.10
				29.03.2019	Purchase	200	6,297	0.10
	At the end of the year	6,297	0.10	31.03.2019			6,297	0.10
8	Mr G Gopalswamy							
	At the beginning of the year	200	0.00	01.04.2018			200	0.00
				29.03.2019	Sale	200	0	0.00
	At the end of the year	0	0.00	31.03.2019			0	0.00
9	Mr Piyush P Shah							
	At the beginning of the year/At the end of the year	4,486	0.07	No Change				
10	Mrs Usha P Shah							
	At the beginning of the year	1,394	0.02	01.04.2018			1,394	0.02
				13.04.2018	Sale	35	1,359	0.02
				28.12.2018	Sale	400	959	0.02
	At the end of the year	959	0.02	31.03.2019			959	0.02

(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 2018)		Shareholding at the end of the year (As on 31st March 2019)	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Yashkumar Poonamchand Golechha*	0	0.00	200000	3.26
2	Aequitas Investment Consultancy Private Ltd	1,15,024	1.92	1,15,024	1.88
3	Moneybee Securities Pvt Ltd	50,000	0.84	92,348	1.51
4	Amritrashi Suppliers Pvt Ltd*	0	0.00	75,000	1.22
5	Glorious Holdings Pvt Ltd*	0	0.00	72,000	1.17
6	Sharda Maheshwari	50,395	0.84	50,395	0.82
7	Kanchan Sunil Singhania	50,332	0.84	50,332	0.82
8	Rajesh Maneklal Rughani	45,900	0.76	45,900	0.75
9	Sobhagyachand Vidharamji Shah	44,800	0.74	44,800	0.73
10	Vinod Ramnivas Garg	44,056	0.74	44,056	0.72
11	Chandan Estates Trading Co(P)Ltd	42,859	0.72	41,734	0.68
12	Ghanshyam Das Gupta	42,090	0.70	42,090	0.69
13	Dhiren Shevantilal Shah**	25,000	0.41	5000	0.08
14	Mohur Investment and Consultancy Pvt Ltd**	1,80,000	3.01	0	0.00

*Not in the list of Top 10 shareholders as on 1 April, 2018 but was one of the Top 10 shareholders as on 31 March, 2019.

**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, 2018.

(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(01-04-2018)/At the end of the year (31-03-2019)		Date	Reason	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No of shares	% of total shares				No of Shares	% of total shares
1	Mr Ketan M Shah							
	At the beginning of the year/ At the end of the year	3104415	50.63			No Change		
2	Mr Kisan Ratilal Choksey**							
	At the beginning of the year/ At the end of the year	3,500	0.06			No Change		
3	Mrs Sangeeta K Shah							
	At the beginning of the year	3,825	0.06	01.04.2018			3,825	0.06
				27.07.2018	Purchase	672	4,497	0.07
				12.10.2018	Purchase	1,000	5,497	0.09
				19.10.2018	Purchase	200	5,697	0.09
				22.03.2019	Purchase	400	6,097	0.10
				29.03.2019	Purchase	200	6,297	0.10
	At the end of the year	6,297	0.10	31.03.2019			6,297	0.10
4	Mr G Gopalswamy***							
	At the beginning of the year	200	0.00	01.04.2018			200	0.00
				29.03.2019	Sale	200	0	0.00
	At the end of the year	0	0.00	31.03.2019			0	0.00
5	Mr Piyush P Shah****							
	At the beginning of the year/ At the end of the year	4486	0.07			No Change		
6	Mr Om Prakash Patel*****							
	At the beginning of the year/ At the end of the year	100	0.00			No Change		
7	Mrs D Meena (CS)							
	At the beginning of the year	1	0.00	01.04.2018			1	0.00
				19.07.2018	Purchase	50	51	0.00
				03.08.2018	Sale	51	0	0.00
				05.10.2018	Purchase	100	100	0.00
				05.11.2018	Sale	100	0	0.00
	At the end of the year	0	0.00	31.03.2019			0	0.00

* The Following Directors/Key Managerial Personnel(KMP) did not hold any shares during fiscal year 2019:

- (a) Mrs Ushma Khabaria
- (b) Mr Champak K Dedhia
- (c) Mrs S M Swathi
- (d) Mr J Suryam(CFO)

** Mr Kisan Ratilal Choksey, Independent Director resigned from the Board of Company with effect from 4th October, 2018.

*** Mr Goverdhan Gopal Swamy, Executive Director resigned from the Board of Company with effect from 16th October, 2018.

**** Mr Piyush P Shah, Executive Director resigned from the Board of Company with effect from 31st December, 2018.

*****Mr Om Prakash Patel appointed as Additional and Executive Director of the Company with effect from 14th December, 2018.



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
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,962.75	1,940.74	0	8,903.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,962.75	1,940.74	0	8,903.49
Change in Indebtedness during the financial year				-
* Addition	1,539.26	390.93		1,930.19
* Reduction	-	-	0	-
Net Change				-
Indebtedness at the end of the financial year				-
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	-	-	-	-
Total (i+ii+iii)	8,502.01	2,331.67	0	10,833.68

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	Mr Goverdhana Gopalswamy (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	5.42	12.50	100.72
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.18	0.45	0.00	0.00	2.63
	(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	-	-	-	-	-
	Total (A)	43.58	41.85	5.42	12.50	103.35

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs/Lac)
		Mr Rajendra Amratlal Shah	Mr.Champak Kalyanji Dedhia	Mr. Kisan Ratilal Choksey	Ms Ushma Nitin Khabaria	
1	Independent Directors					
	Fee for attending board committee meetings	0.45	0.95	0.30	0.95	2.65
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	0.45	0.95	0.30	0.95	2.65
2	Other Non-Executive Directors				-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.45	0.95	0.30	0.95	2.65

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)*	Mr Avinash Hariharno (CFO)*	Ms D Meena (CS)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.50	4.60	8.48	18.58
	(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	-	-	-	-
	Total C	5.50	4.60	8.48	18.58

*During the year , Mr Avinash Hariharno has resigned from the position of Chief Financial Officer and in his place, the Board has approved the appointment of Mr J Suryam as Chief Financial officer of the Company with effect from 2nd November,2018.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties,punishment or compounding of offences during the year ended 31st March, 2019.



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 www.simplexcastings.com and the weblink http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Corporate_Social_Responsibility_Policy.pdf
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 382.50 Lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs 7.65 Lacs
5.	Amount unspent carried forward of the Financial Year 2017-18	Rs 1.72 Lacs
6.	Total CSR Budget for Financial year 2018-19	Rs 9.37 Lacs
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	Rs 9.37 Lacs 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
Providing Industrial or Vocation Training to unemployed youth	Employment enhancing Vocational Training	Chhattisgarh	7.13	7.13	7.13	Direct
Tree Plantation and Water Conservation	Ensuring Environment Sustainability	Chhattisgarh	0.69	0.69	0.69	Direct
Promoting healthcare in rural and tribal areas; providing medical assistance in eye care, dental care, family welfare and medical facility.	Rural and Village Development	All India	1.10	1.10	1.10	Direct
	Administrative Expenses		0.45	0.45	0.45	
Total			9.37	9.37	9.37	

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 0.50 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- Rs 1.57 Lacs

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned during the year:

(Rs in lacs)

Particulars	2018-19	2017-18
Foreign Exchange earned	986.81	1098.41
Foreign Exchange used	2.78	50.31



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company’s Report on Corporate Governance for the year ended 31st March, 2019, 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

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 31st March, 2019, 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, 2019 are given below:

Directorship / Committee Membership as on March 31, 2019

Sl. No	Name of the Director	Category	Attendance at meeting during 2018-19		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)	5/7	Yes	Hem Holdings and Trading Limited (Non-Executive Director)	2
2.	Mr. Goverdhana Gopalswamy (DIN: 02101651) (d)	Executive Director	0/2	No	Nil	Nil
3.	Mrs. Sangeeta Ketan Shah (DIN: 05322039)	Managing Director (Promoter)	7/7	Yes	Hem Holdings and Trading Limited (Managing Director)	1

Sl. No	Name of the Director	Category	Attendance at meeting during 2018-19		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		
4.	Mr. Kisan Ratilal Choksey (DIN: 00190931)(e)	Independent Director	1 / 2	Yes	1. Ruttonsha International Rectifier Limited (Independent Director) 2. Krchoksey Insurance Advisors Limited (Director)	1
5.	Mr. Champak Kalyanji Dedhia (DIN: 00044969)	Independent Director	4/7	Yes	Nil	Nil
6.	Mr. Rajendra Amratlal Shah (DIN: 00266630)(f)	Independent Director	2/6	Yes	Nil	Nil
7.	Ms. Ushma Nitin Khabaria (DIN: 06791342)	Independent Director	4/7	Yes	Nil	Nil
8.	Mr.Piyush Pravinchandra Shah (DIN: 00199205)(g)	Executive Director	0/4	No	Nil	Nil
9.	Mr.Om Prakash Patel (DIN: 08301041)(h)	Executive Director	3/3	-	Nil	Nil
10.	Mrs S M Swathi (DIN: 06952954)(i)	Independent Director	0/0	-	PC Jewellers Limited (Independent Director)	Nil

Notes:

- (a) Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
- (b) Mr Ketan Moolchand Shah and Mrs Sangeeta Ketan Shah are related to each other.
- (c) Chairman/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than Simplex Castings Limited.
- (d) Mr Goverdhan Gopal Swamy, Executive Director resigned from the Board of Company with effect from 16th October, 2018.
- (e) Mr Kisan Ratilal Choksey, Independent Director resigned from the Board of Company with effect from 4th October, 2018.
- (f) Mr Rajendra A Shah, Independent Director resigned from the Board of Company with effect from 9th February, 2019.
- (g) Mr Piyush P Shah, Executive Director resigned from the Board of Company with effect from 31st December, 2018.
- (h) Mr Om Prakash Patel appointed as Additional and Executive Director of the Company with effect from 14th December, 2018.
- (i) Mrs S M Swathi appointed as Additional Independent Director of the Company with effect from 9th February , 2019. No Board Meeting was held during the year subsequent to her appointment on the Board.

- (j) 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:

- i) 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.
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making.
- iv) Financial and Management skills.
- v) 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.

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.

Resignation of Independent Directors

Mr Kisan Ratilal Choksey aged 80 years had been on the Board of the Company from 22nd March,1993 and was regularized as Independent Directors by the Members at the 34th Annual General Meeting held on 29th September, 2014 for a term of 5 (five) consecutive years commencing from 1st October, 2014 to 30th September, 2019, not liable to retire by rotation. Due to Health issue , he has resigned from the Board with effect from 4th October, 2018. The Board appreciated the valuable services rendered by him during his tenure.

Mr Rajendra A Shah aged 72 years had been on the Board of the Company from 31st July,2014 and was regularized as Independent Directors by the Members at the 34th Annual General Meeting held on 29th September, 2014 for a term of 5 (five) consecutive years commencing from 1st October, 2014 to 30th September, 2019, not liable to retire by rotation. Due to Health issue , he has resigned from the Board with effect from 9th February, 2019. The Board appreciated the valuable services rendered by him during his tenure.

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 Seven meetings of the Board of Directors were held in the financial year 2018-19. 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	26.05.2018	4
2	11.08.2018	5
3	02.11.2018	4
4	14.12.2018	2
5	31.12.2018	3

SI No	Date of Meetings	No of Directors Presents
6	28.01.2019	3
7	09.02.2019	5

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 09th February, 2019, 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. 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 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.

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 and weblink for the same is <http://www.simplexcastings.com/investors/board-committees/>.

The Board currently has the following Committees:

- A) Audit Committee,
- B) Nomination and Remuneration Committee,
- C) Stakeholders' Relationship Committee, and
- D) 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 2018-19, the Audit Committee met four times on 26/05/2018, 11/08/2018, 02/11/2018 and 09/02/2019.

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 31st March, 2019 is detailed below:

Name of the Member(s)	Category	No of Meeting attended
Mr. Champak Kalyanji Dedhia (Chairman)****	Independent Director	4/4
Mr. Kisan Ratilal Choksey*	Independent Director	1/2
Ms. Ushma Nitin Khabaria	Independent Director	4/4
Mr. Rajendra Amratlal Shah**	Independent Director	2/3
Mrs S M Swathi***	Independent Director	0/0

* Consequent upon his resignation as Director of the Company effective from 4th October, 2018, Mr. Kisan Ratilal Choksey ceased to be a Chairman and member of the Committee.

** Consequent upon his resignation as Director of the Company effective from 9th February, 2019, Mr. Rajendra Amratlal Shah ceased to be a Chairman and member of the Committee.

*** Appointed as member of the Committee effective from 9th February, 2019. No Committee Meeting was held during the year subsequent to her appointment on the committee.

**** Appointed as Chairman of the Committee effective from 9th February, 2019.

The Chairman of the Audit Committee was present at the Last Annual General Meeting held on 21st September, 2018.

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 09th February, 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 2018-19 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	0/0
Mr Rajendra A Shah**	Independent Director	0/0
Mr Kisan Ratilal Choksey***	Independent Director	0/0

* Inducted as Member of the Committee wef 9th February, 2019.

** Consequent upon his resignation as Director of the Company effective from 9th February, 2019, Mr.Rajendra Amratlal Shah ceased to be a Chairman and member of the Committee.

*** Consequent upon his resignation as Director of the Company effective from 4th October, 2018, Mr. Kisan Ratilal Choksey ceased to be a Chairman and member of the Committee.

**** Appointed as member of the Committee wef 2nd November,2018 and Chairman of the Committee wef 9th February,2019.

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 21st September, 2018.

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.
4. Devising a policy on Board Diversity; and
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.

Details of Remuneration paid to Directors for the year ended 31st March, 2019

(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 31st March, 2019:

(Rs in Lacs)

Name of Director	Sitting Fees
Mr .Kisan Ratilal Choksey	Rs 0.30
Mr. Champak Kalyanji Dedhia	Rs 0.95
Mr. Rajendra Amratlal Shah	Rs 0.45
Mrs. Ushma Nitin Khabaria	Rs 0.95
Total	Rs 2.65

(b) Executive Directors

Details of remuneration paid to the Executive Directors of the Company for the financial year 2018-19 are as follows:

(Rs in Lacs)

Name of Director	Basic Salary	Perquisites	Total
Mr. Ketan Moolchand Shah	Rs 41.40	Rs 2.18	Rs 43.58
Mrs. Sangeeta Ketan Shah	Rs 41.40	Rs 0.45	Rs 41.85
Mr Om Prakash Patel	Rs 5.42	-	Rs 5.42
Mr. Goverdhana Gopalswamy	Rs 12.50	-	Rs12.50
Mr Piyush P Shah	Nil	Nil	Nil

Notes-

- (a) 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.
- (b) 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.

(c) The remuneration paid to Mr G Gopalswamy and Mr Om Prakash Patel who were functioning in the professional capacity, is in line with Clause B of Section II of Part II of Schedule V of Companies Act, 2013.

(d) Mr Piyush P Shah hasn't drawn any remuneration from the Company.

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.

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.

The Committee did not met during the year 2018-19.

As on 31st March, 2019, the Stakeholders' Relationship Committee consists of the following members:

Name of the Member	Category	Status
Mr.Champak K Dedhia (Chairman)*	Independent Director	Chairman
Mrs. S.M Swathi**	Independent Director	Member
Mrs. Ushma Khabaria*	Independent Director	Member

* Appointed as Member of the Committee on 2nd November,2018. Mr Champak K Dedhia inducted as Chairman of the Committee wef 9th February,2019.

** Appointed as Member of the Committee on 9th February, 2019

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 52 Correspondences were received from investors during FY 2018-19, of which 4 cases were reported as Complaints.

Status of Investors Complaints as on 31st March, 2019 and reported under Regulation 13(3) of the Listing Regulations, is as under:

No of Complaints received	4
Resolved	4
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 11th August, 2018.The Table below provides the attendance of the CSR Committee members:

Name of the Member(s)	Category	No of Meeting Attended
Mr. Champak K Dedhia (Chairman)*	Independent Director	0/0
Mrs. Sangeeta Ketan Shah	Managing Director	1/1
Mr. Ketan Moolchand Shah	Executive Director	1/1
Mr Kisan Ratilal Choksey**	Independent Director	1/1

* Mr Champak K Dedhia was appointed as Chairman and Member of the CSR Committee on 9th February ,2019.

** Kisan R Choksey resigned from the Board and ceased to be Chairman and Members of the Committee wef 4th October,2018.

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:

- a. 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;
- b. Recommend the amount of expenditure to be incurred on the activities as above;
- c. Monitor the CSR Policy of the Company from time to time; and
- d. 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-ofconduct/docs/policies/Corporate_Social_Responsibility_Policy.pdf

SUBSIDIARY COMPANIES

During the year, the Company has incorporated one Wholly owned Subsidiary Company in Singapore named Simplex Castings International Pte Ltd on 12/09/2018.

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.

The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations.

AFFIRMATIONS AND DISCLOSURES

Related Party Transactions

The Company has formulated a Policy on materialty 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 at weblink 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.

Details of non compliance by the Company

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 at weblink

http://www.simplexcastings.com/investors/code-of-conduct/docs/policies/Vigil_Mechanism_Whistle_Blower_Policy.pdf

Code of Conduct on prohibition of Insider Trading

Vide notification No.EBI/LAD-NRO/GN/2018/59 SEBI has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 with effect from April 01, 2019. The Company has accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The above code has been displayed on the Company website at www.simplexcastings.com at weblink 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 2018-19

- i) Statutory Audit Fees – Rs 7.00 Lacs
- ii) Tax Audit Fees – Rs 0.50 Lacs

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

During the financial year 2017-18, the Company had received Rs 797.48 Lacs by way of allotment of 19,93,700 Convertible Warrants to non promoters on preferential basis. The said amount has been utilized towards procurement of raw material and components alongwith routine expenses of working capital requirement of the Company.

The Company has also received a sum of Rs Rs 176.40 Lacs during the FY 2018-19 respect to conversion of 1,47,000 Warrants into Equity Shares . The said amount has been utilized for procurement of Raw Material and Components along with routine expenses of Working Capital Requirement of the Company.

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 2018-19. 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, 2018 and during the year the Company has not received any complaints and no complaints were pending as on 31st March, 2019.

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 12th August, 2019, with regard to the financial statements and other matters specified in the said regulation, for the financial year 2018-19.

Certificate on Corporate Governance:

The Company has obtained a certificate from M/s O P Singhania & Co Auditors of the Company 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, 6th 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
38 th	2017-18	21.09.2018 at 10.30 A.M	Nil
37 th	2016-17	14.09.2017 at 3.00 P.M	Yes-2
36 th	2015-16	29.09.2016 at 3.00 p.m	Yes-1

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

14th 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.

29th September, 2016

- Reclassification of shareholding of Mrs Tarulata H Shah from Promoter and Promoter Group to Pubic Shareholding.

Extraordinary General Meeting (EGM)

No Extraordinary General Meeting held during the year.

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 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.

c. Reminder to Investors:

Reminders to shareholders for unclaimed dividend are dispatched during the Financial Year 2018-19.

d. 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.

e. 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

39th Annual General Meeting	
Date	26 th September, 2019
Time	3.00 P.M
Venue	Babasaheb Dhaanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon house, 6 th Floor, 12 K Dubhash Marg, Fort Mumbai- 400 001
Financial Calender	
Financial year	1 st April 2018 to 31 st March 2019
Tentative Schedule for declaration of results during the Financial Year 2019-20	
Unaudited First Quarter Results	On or before 14 th August, 2019
Unaudited second Quarter Results	On or before 14 th November, 2019
Unaudited Third Quarter Results	On or before 14 th February , 2020
Unaudited Fourth Quarterly Results	On or before 30 th May, 2020

Date of Book Closure	20 th September ,2019 to 26 th September, 2019 (both days inclusive)
Dividend Payment Date	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.
Listing	Bombay Stock Exchange
Stock code	513472
Trading Symbol	SIMPLEXCAS
ISIN Number	INE 658 D01011
CIN	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 2019-20.

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.	2008-09	2.00
2.	2009-10	2.25
3.	2010-11	2.50
4.	2011-12	2.50
5.	2012-13	1.00
6.	2013-14	0.50
7.	2014-15	-
8.	2015-16	0.50
9.	2016-17	0.50
10.	2017-18	0.50

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
2011-12	27/09/2012	4.99	02/11/2019
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

*The Company hasn't declared dividend during the FY 2014-15.

During the year under review, the Company has transferred Unclaimed Dividend of Rs 4.73 lacs to Investor Education and Protection Fund which was declared in FY 2010-11.

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
Total	70694

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 & Exchange Board of India (SEBI) has notified vide Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/P/73 dated 20th April, 2018 and No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/115 dated 16th July, 2018 that except in case of transmission or transposition of securities, requests for effecting the transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Essentially, the shares in physical mode cannot be transferred after 5th December 2018. SEBI has extended the said dead line upto 31st March 2019 vide its Press Release No.49/2018 dated 3rd December 2018. However, the shareholders shall hold shares in physical form but shall not be allowed to transfer the shares. In view of this regulatory amendment it is advisable to the shareholders, to dematerialize their securities as early as possible with ISIN INE658D01011 of the Company.

The Company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants. The Company's shares are compulsorily traded in the demat mode at BSE.

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which SEBI has directed all the Listed Companies to mandatorily record the PAN and Bank Account details of all their shareholders holding shares in physical mode. In these connections, the company has sent letters to the shareholders, who are holding shares in physical mode. The shareholders are once again requested to update their aforesaid details with Link Intime India Private Limited, Mumbai, if details are not yet updated.

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 31st March, 2019, 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. There was increase of Rs 14,70,000 in the paid up share capital of the Company during the year due to conversion of 1,47,000 Convertible Warrants issued on Preferential basis in F.Y 2017-18 into Equity shares on 28th January , 2019.

Outstanding GDRs/ADRs/WARRANTS

The Company has allotted 19,93,700 Warrants (11,37,900 Warrants Dated 28/03/2018 , 7,01,500 Warrants Dated 31/03/2018 and 1,54,300 Warrants Dated 3rd April,2018) of Rs. 10/- each at a premium of Rs.150/- to non promoters on preferential basis , in pursuance of the approval of the shareholder accorded through Postal Ballot on 24th March, 2018. Out of which 1,47,000 warrants has been converted into Equity during the Financial year on 28th January ,2019.

The Company has 18,46,700 Warrants Outstanding as on 31st March,2019.

The Company has not issued any GDRs/ADRs during the financial year ended 31st March, 2019.

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

95.92% of our equity shares representing 58,80,894 equity shares have been dematerialized as on 31st March, 2019.

Particulars	No of Shares	% of Shares
Physical	2,50,306	4.08
Demat	58,80,894	95.92
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 31st March, 2019 are as under:

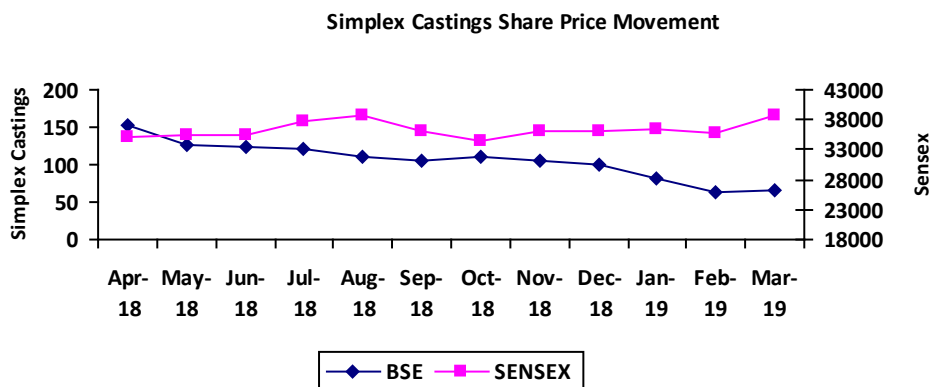
Month(s)	Highest	Lowest	No of Shares	No of Trades
April 2018	168.40	137.10	80265	576
May 2018	151.00	121.05	16651	216
June 2018	132.90	111.50	230864	423
July 2018	131.20	100.50	25957	177
August 2018	135.00	106.10	27725	187
September 2018	128.50	103.00	23334	190
October 2018	121.00	77.05	32781	248
November 2018	118.00	95.10	6388	197
December 2018	112.65	81.25	15721	226
January 2019	100.00	82.10	4733	120
February 2019	91.00	60.00	33804	113
March 2019	81.00	55.85	30732	362

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

Particulars	BSE
Closing share price as on March 31, 2019	Rs 65.90
Market Capitalization as on March 31, 2019	Rs 4040.46 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 2018-19 (based on month end closing)





Distribution of Shareholding as on 31.03.2019

Slab	Total No. of Shareholders	(%)	Number of shares	% of Total Share Capital
1 - 500	2828	86.99	356720	5.82
501 - 1000	168	5.17	136053	2.22
1001- 2000	90	2.77	138408	2.26
2001- 3000	51	1.57	131806	2.15
3001- 4000	14	0.43	48468	0.79
4001- 5000	16	0.49	76329	1.24
5001- 10000	33	1.01	241747	3.94
10001- above	51	1.57	5001669	81.58
Total	3251	100.00	6131200	100.00

Shareholding Pattern as on 31.03.2019:

Sr. No	Category	No of Shares	% Shareholding
1	Promoter & Promoter group:		
(I)	Individual / HUF	31,57,957	51.51
(II)	Bodies Corporate	2,93,600	4.79
	Total:	34,51,557	56.29
2	Public Shareholding:		
	Institutions		
(I)	Mutual Fund/UTI	0	0.00
	Non-Institutions		
(I)	Bodies Corporate	6,27,799	10.24
(II)	HUF	1,36,362	2.22
(III)	Individuals	15,87,188	25.89
(a)	Individual shareholders holding nominal share capital upto Rs 2 Lakh	10,20,795	16.65
(b)	Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	5,66,393	9.24
(IV)	Non-Resident Individuals	2,46,506	4.02
(V)	Clearing Members	11,094	0.18
(VI)	IEPF	70694	1.15
	Total:	26,79,643	43.71
	Total	61,31,200	100.00

Address for Correspondence:

Registrar and Share Transfer Agents: 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	Registered office : 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	Compliance Officer: D Meena 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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Plant Location:

Unit-I	Unit-II*	Unit-III
5, Industrial Estate, Bhilai, (C.G.) 490 026 Tel No-0788 4015273 Fax No- 0788-4034188	750, Ring Road no-2, Urla Industrial Estate, Raipur (C.G)-493221 Tel No-0771-6537383 Fax No-0771-2323805	223/2 & 224, Industrial Estate, Tedesara, Rajnandgaon- 491443 (C. G.) Tel No-9203910587 Fax No-07744-220972

*Unit-II named Steel Castings Foundry has been acquired by Texmaco Rail & Engineering Ltd, a company having its registered office at Belgharia, Kolkata – 700056 in terms of a Business Transfer Agreement executed by and between Simplex Castings and Texmaco Rail on April 26, 2019.

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, 2019.

For Simplex Castings Limited

Place : Raipur
Date : 12.08.2019

Sd/-
Sangeeta K Shah
Managing Director

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE REGARDING DISQUALIFICATION OF DIRECTORS
CERTIFICATE UNDER SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015**

To
The Members
Simplex Castings Limited

To the best of our information, according to explanations given, documents and confirmation provided by the Company we hereby Certify that as on March 31, 2019, None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI, MCA or any such Statutory Authority.

For, Satish Batra & Associates
Company Secretaries

(Satish Kumar Batra)

Place :Raipur
Date :12.08.2019

FCS No: 1316
C P No.: 2875

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Simplex Castings Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 21st September, 2018.
2. We have examined the compliance of conditions of corporate governance by Simplex Castings Limited ('the Company') for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March ,2019.

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

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

(Sanjay Singhania)

Partner

M.No.076961

Raipur

12th August, 2019

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, 2019 and that to the best of our knowledge and belief, we state that:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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:
- Significant changes, if any, in internal control over financial reporting during the year;
 - 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
 - No significant fraud witnessed during the year.

(Ketan M Shah)
Chief Executive officer

(J. Suryam)
Chief Financial Officer

Date: 12.08.2019

Place: Raipur

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 Foundry Division, and Fabrication Division. 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 field 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 Cums. 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

Following an upswing in the last two years, global growth declined to 3.6% in 2018, owing to various factors such as increase in trade tensions and tariff hikes between the United States and China, decline in business confidence, tightening of financial conditions, and higher policy uncertainty across many economies. While the first half of 2018 witnessed strong growth at 3.8%, the second half saw a deceleration in global economic activity, in light of the various factors affecting major economies. Growth in China was at 6.6%, its slowest pace since 1990, due to necessary domestic regulatory tightening, slower domestic

investment, and tariff hikes and trade tensions with the United States. The United States witnessed a growth of 2.9%, the highest since 2015, with major contribution coming from personal spending, fixed investment, public expenditure and inventories. Growth in the Euro area economy slowed to 1.8% in 2018, owing to weakening consumer and business sentiments, disruptions in car production in Germany due to delay in introduction of new fuel emission standards, fiscal policy uncertainty, elevated sovereign spreads, and declining investment in Italy, and drop in external demand, especially from emerging Asia. Growing concerns about a no-deal Brexit also probably weighed on investment spending within the euro area. Activity in Japan weakened mainly due to natural disasters.

3.6%

WORLD ECONOMIC GROWTH IN CY 2018

INDIAN ECONOMY

Factors such as continued domestic consumption and investment trends have positioned India as the sixth largest economy and one of the fastest growing countries in the world. The growth in the domestic consumption demand is catalysed and strengthened by factors such as harmonised of Goods and Services Tax (GST) and recapitalised bank. Indian economy grew by 6.8% in 2018-19 as compared to that of 6.7% in 2017-18. Agriculture and manufacturing are the two key industry sectors that are expected to contribute to this growth graph. Few factors shaping the nation's economic growth are:

- Increased ease of doing business through changed processes such as a uniform Goods and Services Tax across India since mid-2017 and relaxed norms of opening, obtaining licences and investing in new businesses.
- Domestic consumption driven economy: Nearly 60% of India's GDP is driven by domestic private consumption as compared to that of 40% in China. Hence, the economy is protected to a great extent from external shocks and cycles of low or high public investment.
- Policy reforms such as increased FDI limits in most sectors, including retail, manufacturing and telecom are driving increased participation of foreign investors and improved investment norms for non-resident Indians.
- Large-scale infrastructure development projects such as smart cities, industrial corridors, road, rail and shipping hubs, and power projects.

During the year, the financial services industry went through a turbulent phase. NBFCs in particular, experienced a liquidity crisis owing to asset-liability issues, the fallout of which was evident in pessimistic investor sentiment and an overall constrained access to capital.

The liquidity tightness promoted the RBI to cut the repo rate by 25 bps to 6%, the second cut in three months, making



India the only economy in Asia to have had implemented two consecutive policy rate cuts. The combined 50 bps cut also reflected the RBI's intent of infusing liquidity to kickstart the economy which is experiencing a soft patch.

India's forex reserves remained buoyant, at \$411 billion during the last week of March 2019. Merchandise exports grew by 8.75% y-o-y to \$331.06 billion and services exports raising 17% y-o-y to \$204.7 billion (Source: Ministry of Commerce and DGFT).

India GDP Growth (%)

2015-16	2016-17	2017-18	2018-19
7.6	7.1	6.7	6.8

Source: Central Statistics Office (CSO)

OUTLOOK

GLOBAL

According to the International Monetary Fund ('IMF'), global economic growth is expected to further decline to 3.3% in 2019 but return to 3.6% in 2020. While the slow paced growth in the second half of 2018 is likely to continue in the first half of 2019, growth in the second half of 2019 is expected to gain momentum, owing to an ongoing build-up of policy stimulus in China, improvements in global financial market sentiment, waning of some temporary drags on growth in the euro area, and a gradual stabilisation of conditions in stressed emerging market economies. Improved momentum for emerging market and developing economies is projected to continue into 2020, primarily reflecting developments in economies currently experiencing macroeconomic distress.

Growth in advanced economies is expected to slow down from 2.2% in 2018 to 1.8% in 2019 to 1.7% in 2020. The United States is expected to grow at a slower pace of 2.3% in 2019, down to a further 1.9% in 2020 as the impact of the fiscal stimulus fades. Growth in the Euro area is expected to decline to 1.3% in 2019 as the effect of the weakness in 2018 is likely to carry forward to the first half of 2019. China's economic growth is expected to be at 6.3% in 2019 due to lingering impact of trade tensions with the US.

REGION-WISE GROWTH OUTLOOK ESTIMATES(%)

Country/Region	2017	2018	2019	2020 (E)
World	3.8	3.6	3.3	3.6
AMEs	2.4	2.2	1.8	1.7
EMEs	4.8	4.5	4.4	4.8
ASEAN	5.4	5.2	5.1	5.2
United States	2.2	2.9	2.3	1.9
EU-28	2.7	2.1	1.6	1.7
China	6.8	6.6	6.3	6.1
Japan	1.9	0.8	1.0	0.5
Russia	1.6	2.3	1.6	1.7
India	7.2	7.1	7.3	7.5

Source: International Monetary fund(IMF)

INDIA

The Indian economy is expected to grow at about 7.3% in 2019 and further by 7.5% in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Resolution of Non-Performing Assets ('NPA') and other recoveries over the past year have been efficacious. Large NPA accounts should continue to see resolution in 2019. The projected increase in growth rate can also be attributed to sustained rise in consumption, gradual revival in investments, and greater focus on infrastructure development.

7.5%

India's Expected growth rate in CY 2020

INDUSTRY STRUCTURE & DEVELOPMENT

India was the world's second largest steel producer, as of 2018. The country is slated to surpass USA to become the world's second largest steel consumer in 2019.

In FY19, India produced 131.72 million tonnes (MT) and 106.56 MT of gross finished steel and crude steel, respectively. India's steel production is expected to increase from 106.56 MT in FY19 to 128.6 MT by 2021.

The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. Between April 2000 and December 2018, inflow of US\$ 11.18 billion has been witnessed in the metallurgical industries as Foreign Direct Investment (FDI).

India's per capita consumption of steel grew to 68.9 kgs, during 2017-18. National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. (Source: www.ibef.org)

Steel Performance FY 2018-19

Crude Steel production (Million Tonnes)

Particulars	FY15	FY16	FY17	FY18	FY19
Total	88.98	89.79	97.95	103.13	106.56

Steel Consumption in India (MT)

Particulars	FY15	FY16	FY17	FY18	FY19
Public Sector	76.99	81.52	84.04	90.71	97.52

Source : Joint Plant Committee

Performance Highlights- Indian Steel Industry

(Source: Joint Plant Committee Report, March 2019)

- Steel demand growth at 7.5% y-o-y (to 97.5 MnT) outpaced production growth at 3.3% y-o-y (to 106.6 MnT) in FY 2018-19.
- Total finished steel imports rose 4.6% to 8.8 MnT, displacing 15% of flat steel demand, 9% of total Indian steel demand.
- Indian exports plummeted 26% to 8.5 MnT in FY 2018-19 due to increased protectionism across the world.

- Per capita steel consumption rose from 69 kg to 73 kg; demand for flat products grew 4.2% while that for long products grew 10.4%. The share of flat and long products remained unchanged at 46% and 54%.

Top 10 steel-producing countries:

RANK	COUNTRY	2018 (MnT)	2017 (MnT)	% CHANGE
1	China	928.3	870.90	6.6
2	India	106.5	101.5	4.9
3	Japan	104.3	104.7	-0.3
4	United States	86.7	81.6	6.2
5	South Korea	72.5	71.0	2.0
6	Russia	71.7	71.5	0.3
7	Germany	42.4	43.3	-2.0
8	Turkey	37.3	37.5	-0.6
9	Brazil	34.7	34.4	1.1
10	Iran	25.0	21.2	17.7

POLICY SUPPORT AIDING GROWTH IN THE STEEL SECTOR

New National Steel Policy

New National Steel Policy has been formulated by the Ministry of Steel in 2016, which will retain the objectives included in National Steel Policy (NSP) 2005. It aims at covering broader aspects of steel sector across the country including environment and facilitation of new steel projects, growth of steel demand in India and raw materials.

Under the policy, the central government stated that all the government tenders will give preference to domestically manufactured steel and iron products. Moreover, Indian steel makers importing intermediate products or raw materials can claim benefits of domestic procurement provision by adding minimum of 15 per cent value to the product.

The New steel policy, 2017 aspires to achieve 300MT of steel making capacity by 2030. This would translate into additional investment of Rs 10 lakh Crore (US\$ 156.08 billion) by 2030-31.

New Steel Policy seeks to increase per capita steel consumption to the level of 160 kgs by 2030 from existing level of around 60 kg.

R & D and Innovation

The scheme for the promotion of R&D in the iron and steel sector has been continued under the 14th Finance Commission (2019-20). Under the scheme, 26 projects have been approved with financial assistance of Rs 161 crore (US\$ 24.98 million) from Ministry of Steel.

The Ministry of Steel is also actively participating in the Impacting Research Innovation & Technology (IMPRINT) & Uchchar Avishkar Yojana (UAY) Schemes launched by Ministry of Human Resource Development. IMPRINT scheme aims to solve major engineering and technology

challenges and UAY is promoting industry sponsored, outcome-oriented research projects.

Ministry of Steel is setting up an industry driven institutional mechanism - Steel Research & Technology Mission of India (SRTMI) – with an initial corpus of US\$ 30.89 million. The institute will facilitate joint collaborative research projects in the sector.

Foreign Direct Investment

100 per cent FDI through the automatic route is allowed in the Indian steel sector

OPPORTUNITIES & THREATS

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. In FY19, passenger traffic at Indian airports stood at 280.25 million and number of operational airports stood at 103 in February 2018. 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 bcf, respectively, by 2040. This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity to the steel industry.

CORPORATE SOCIAL RESPONSIBILITY

During FY 2018-19, your Company contributed Rs 9.37 Lacs towards Corporate Social Responsibility (CSR).



OPERATIONAL AND FINANCIAL PERFORMANCE

During the year ended 31 March, 2019, the Company had registered a revenue from operations of Rs 18297.82 Lacs as against Rs 22442.04 Lacs during the year 2017-18. The Profit Before Tax (PBT) and Profit After Tax (PAT) for the year 2018-19 were Rs (2494.16) Lacs and Rs (1582.18) Lacs respectively, as against Rs 327.97 Lacs and Rs 335.47 respectively during the previous year ended 31 March, 2018.

a) Revenue from operations (Rs in Lakhs)

Particulars	FY 2018-19	FY 2017-18
Sale of Products	15784.58	14780.37
Sale of Traded Goods	2388.58	7483.14
Job Contract Receipts	98.05	89.24
Work Contract Receipts	-	43.04
Other Operating Revenue	26.62	46.25
Total Revenue from Operations (Gross)	18297.82	22442.04

During the year Revenue from operations have decreased by 18.47 % amounting to Rs. 4144.22 Lacs, despite the increase in the Sale of products amounting to Rs. 1004.21 Lacs.

(b) Consumption of Raw Material & Components:

During the year consumption of Raw Material is Rs 9384.13 Lacs as compared to Rs 7767.50 Lacs in previous year.

In the year 2018-19 the volatility in the prices of major raw material and inputs was historical. The rising trend of the Raw material and components prices has pushed up the value of consumption by 20%. The estimated profits in the Orders have ended up with negative.

(c) Employees Benefits Expenses (Rs in Lakhs)

Particulars	FY 2018-19	FY 2017-18	Change %
Employees benefits Expenses	1793.23	1727.35	3.81

Handmade Castings is a state of art technology and Simplex is known for expertise in it. The industry requires a huge skilled and experienced work force for execution of such customized products. Due to the very nature of the industry, retention of such work force is compulsory, despite of low production the man power remains constant.

(d) Finance Costs (Rs in Lakhs)

Particulars	FY 2018-19	FY 2017-18	Change %
Finance Costs	1371.93	1163.14	17.95

The company has experienced higher prices of inputs and slower and lower realisation from customers during the year which has led to full utilisation of credit facilities and impacted into increase in the finance cost by 17.95% .

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:

Particulars	2018-19	2017-18	Change in %
Debtors turnover ratio(No of Days)	176	99	77.77%
Inventory Turnover Ratio (No of Days)	152	143	6.29%
Interest Service coverage ratio	0.29	2.35	(87.66)%
Current Ratio	1	1.10	(9.09)%
Debt Equity Ratio	0.44	0.40	10.00%
EBIDTA to net sales (%)	2.17%	12.35%	(82.43)%
Net Profit Margin (%)	(8.65)%	1.52%	(669.08)%
Return on Net Worth	(21.11)%	3.78%	(658.47)%

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, the total revenue from operations for the year 2018-19, was Rs 21313.00 Lacs . The PBT and PAT for the year 2018-19 were Rs (2503.34) Lacs and Rs (1591.36) Lacs.

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 2019, the company had 846 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 Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **Simplex Castings Limited** ('the Company'), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

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

Emphasis of Matter

During the year the company has started implementing the new accounting software i.e. SAP but due to technical issues in the software and first year of implementation, the reconciliation of bank accounts was pending in SAP, however, the management has ensured that there would not be any material impact on the balances after reconciliation (Refer note 32 to the financial statement).

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with 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 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 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 Ind AS financial statements comply with the Accounting Standards 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 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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";
 - (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, 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 Ind AS financial statements – Refer Note 31 to the standalone Ind AS 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
Raipur, 29th May, 2019

Annexure - A to the 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 2019, 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 notice.
- (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 companies Act, 2013, therefore, the provisions of clause 3 (iii) of the Companies (Auditor's Report) Order, 2016 are 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 Companies Act, 2013 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 Companies Act, 2013.
- (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 Companies Act and rules framed thereunder; therefore the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are 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 Companies Act, 2013, 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 2019 for a period of more than six months from the date they became payable except provident fund Rs.13.67 lacs and TDS Rs.6.44 lacs.
- (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

- (viii) The Company has defaulted in repayment of Rs.1516.86 lacs in respect of cash credit limits availed from the following banks. The default occurred from the month of January'2019 and was not cleared until 31st March, 2019.

Name of the Bank	Amount (RS. In lacs)	Period of default
State Bank of India	550.08	From February'2019
Bank of Baroda	963.33	From January'2019
Union Bank of India	3.45	As on 31.03.2019

- (ix) During the year the Company has raised moneys by way of issue of equity shares on conversion of equity share warrants into equity shares. According to the information and explanations given to us, and in our opinion, the company has utilized the money received for the purpose for which the money was raised. Further, during the year the term loans have been applied progressively for the purpose for which the loans were obtained.



- (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 Companies (Auditor's Report) Order, 2016 are 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 Companies Act, 2013.
- (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 Companies (Auditor's Report) Order, 2016 are 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 Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year the company has made preferential allotment i.e. private placement of equity share warrants and conversion of equity share warrants into equity shares with due compliance of Section 42 of the Act and relevant SEBI Regulations except one day delay filing of listing with stock exchange for which the company has paid penalty for regularization of the same.
- (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 Companies (Auditor's Report) Order, 2016 are 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 Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For **OPSinghania & Co.**

(ICAI Firm Regn. No.002172C)

Chartered Accountants

per Sanjay Singhania

Partner

Membership No.076961

Raipur, 29th May, 2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 2019 in conjunction with our audit of the standalone Ind AS 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 Institute of Chartered Accountants of India. 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 Ind AS 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 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, 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 2019, 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.

For **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

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

Raipur, 29th May, 2019



BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in lakhs)

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) <i>Non-current assets</i>			
(a) Property, Plant and Equipment	4	9,889.11	9,547.08
(b) Capital work-in-progress		11.68	1,607.32
(c) Investment Properties	5	289.22	289.22
(d) Other intangible assets	6	98.70	6.70
(e) Financial assets			
(i) Investments	7	19.29	17.47
(ii) Other financial assets	8	-	355.00
(f) Deferred tax assets (net)	9	112.46	-
(g) Non-Current tax assets (net)		-	2.18
(h) Other non-current assets	10	366.50	361.15
(2) <i>Current-assets</i>			
(a) Inventories	11	7,636.35	8,643.44
(b) Financial assets			
(i) Trade Receivables	12	8,768.86	6,059.93
(ii) Bank, Cash and cash equivalents	13	69.12	124.94
(iii) Bank balances other than (ii) above	13	562.44	162.97
(c) Other current assets	10	3,390.11	2,586.23
Total Assets		31,213.84	29,763.65
EQUITY AND LIABILITIES			
<i>Equity</i>			
(a) Equity share capital	14	613.12	598.42
(b) Other equity		6,142.59	7,484.36
(c) Equity Share Warrant		738.68	797.48
<i>Liabilities</i>			
(1) <i>Non-current liabilities</i>			
(a) Financial Liabilities			
(i) Borrowings	15	2,625.46	2,901.68
(b) Provisions	16	263.90	262.38
(c) Deferred tax Liabilities (Net)	9	-	750.04
(d) Other non-current liabilities	17	646.75	641.56
(2) <i>Current liabilities</i>			
(a) Financial Liabilities			
(i) Borrowings	18	7,409.70	5,262.59
(ii) Trade Payables	19		
- Outstanding dues to micro and small enterprises		182.63	-
- Outstanding dues of creditors other than micro and small enterprises		9,283.35	8,195.76
(iii) Other Financial Liabilities	20	2,072.64	1,258.23
(b) Other current liabilities	21	1,195.77	1,513.65
(c) Provisions	15	39.24	77.60
(d) Current tax liabilities (Net)		-	19.91
Total Equity and Liabilities		31,213.84	29,763.65
Summary of significant accounting policies	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 : 29.05.2019

D. Meena
Company Secretary

J Suryam
CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR
ENDED 31ST MARCH, 2019

		(₹ in lakhs)	
	Notes	31.03.2019	31.03.2018
Revenue from operations (Gross)	22	18,297.82	22,442.04
Other Income	23	375.91	145.11
	TOTAL REVENUE (I)	18,673.73	22,587.15
Cost of raw material and component consumed	24	9,384.13	7,767.50
Purchase of Traded Goods		2,384.73	7,429.86
(Increase)/decrease in inventories of finished goods work-in-progress and traded goods	25	618.36	(2,330.78)
Excise Duty on sales		-	249.03
Employees benefits expenses	26	1,793.23	1,727.35
Finance costs	27	1,371.93	1,163.14
Depreciation and amortization expenses	28	1,518.34	1,244.58
Other Expenses	29	4,097.17	5,008.49
	TOTAL EXPENDITURE (II)	21,167.89	22,259.18
Profit/(loss) before tax		(2,494.16)	327.97
Tax expenses			
Current tax		(22.19)	28.05
Deferred Tax		(889.78)	(35.55)
Total tax expenses		(911.98)	(7.50)
Profit/(loss) for the year from continuing operations		(1,582.18)	335.47
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Actuarial gain or loss on defined benefit plans, net of taxes		54.46	(102.07)
A (i) Items that will be reclassified to profit or loss			
Fair valuation of investments, net of taxes		1.47	(1.01)
Total Comprehensive Income for the period Comprising Profit/(Loss) and Other Comprehensive Income for the period		(1,526.25)	232.40
Earnings per equity share [nominal value of share @ ₹ 10/- (31st March, 2018 @ ₹ 10)]	30		
Basic		(25.81)	5.61
Diluted		(19.83)	5.59
Summary of significant accounting policies	2 & 3		

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

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 29.05.2019

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

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

Sangeeta K Shah
Managing Director
(DIN: 05322039)

D. Meena
Company Secretary

J Suryam
CFO



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

	2019	2018
Cash Flow from operating activities		
Profit/(loss) before tax	(2,494.16)	327.97
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	1,518.34	1,244.58
Loss/(profit) on sale of fixed assets	-	0.60
Provision for employee benefits	48.41	73.39
Provision/Allowances for credit loss on debtors	112.31	84.01
Provision for warranty & guarantee	(0.55)	(5.91)
Finance Cost	1,371.93	1,163.14
Interest Income	(302.82)	(87.03)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	253.46	2,800.76
Movements in working capital :		
Increase/(decrease) in trade payables	1,270.22	3,999.29
Increase/(decrease) in other financial liabilities	759.77	(821.54)
Increase/(decrease) in other current liabilities	(317.88)	959.75
Increase/(decrease) in Other non-current liabilities	5.20	555.57
Decrease/(increase) in trade receivables	(2,821.24)	345.39
Decrease/(increase) in inventories	1,007.08	(3,099.20)
Decrease/(increase) in other non current assets	(5.35)	(8.75)
Decrease/(increase) in other current assets	(803.88)	(1,297.69)
Cash generated from/(used in) operations	(652.61)	3,433.59
Direct taxes paid (net of refunds)	4.46	(11.68)
Net Cash flow from/(used in) operating activities	A (648.14)	3,421.92
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP & Capital Advances	(356.72)	(3,367.05)
Proceeds from sale/scraping of fixed assets	-	11.52
Investments in subsidiary company	(3.29)	-
Investment in bank deposits (having original maturity of more than three months)	(49.12)	(71.90)
Interest received	302.82	87.03
Net cash flow from/(used in) investing activities	B (106.31)	(3,340.41)
Cash flows from financing activities		
Proceeds from issue of share warrant and application money	-	797.48
Proceeds from Share capital issued	176.40	-
Proceeds/(Repayment) of long-term borrowings	(216.93)	(27.14)
Proceeds from short-term borrowings	2,147.10	438.99
Interest paid	(1,371.93)	(1,163.14)
Dividends paid on equity shares	(29.92)	(29.92)
Tax on equity dividend paid	(6.09)	(6.09)
Net cash flow from/(used in) financing activities	C 698.63	10.17
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(55.83)	91.68
Cash and Cash Equivalents at the beginning of the year	124.94	33.26
Cash and Cash Equivalents at the end of the year	69.12	124.94
Components of cash and cash equivalents		
Cash in hand	2.58	1.89
With banks- on current account	52.13	123.05
- on deposit account	14.40	-
	69.12	124.94

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 : 29.05.2019

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

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

Sangeeta K Shah
Managing Director
(DIN: 05322039)

D. Meena
Company Secretary

J Suryam
CFO

Statement of Changes in Equity for the year ended 31.03.2018

Equity Share Capital

(₹ in lakhs)

Balance as at 01.04.2017	Changes in the equity share capital during the year	Balance as at 31.03.2018
598.42	0	598.42

Other Equity

	Reserves and Surplus			Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/loss on employee benefit) (Net of Tax)	Total
	Securities Premium	General Reserve	Retained Earnings			
Restated balance at the beginning of the reporting period 01.04.2017	511.12	5,700.00	1,033.74	4.53	38.58	7,287.98
Actuarial Gain/loss on employee benefit) (Net of Tax)					(102.07)	(102.07)
Equity Instruments through Other Comprehensive Income (Net of Tax)				(1.01)		(1.01)
Profit/(loss) for the year			335.47			335.47
Proposed Dividend & Tax			(36.01)			(36.01)
Balance at the end of the reporting period 31.03.2018	511.12	5,700.00	1,333.20	3.52	(63.48)	7,484.36

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 : 29.05.2019

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

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

Sangeeta K Shah
Managing Director
(DIN: 05322039)

D. Meena
Company Secretary

J Suryam
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
	Securities Premium	General Reserve	Retained Earnings			
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
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			(1,582.18)			(1,582.18)
Final Dividend & Tax Paid	-	-	(36.01)	-	-	(36.01)
Balance at the end of the reporting period 31.03.2019	731.62	5,700.00	(285.00)	5.00	(9.03)	6,142.59

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 : 29.05.2019

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

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

Sangeeta K Shah
Managing Director
(DIN: 05322039)

D. Meena
Company Secretary

J Suryam
CFO

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. CORPORATE INFORMATION

Simplex Castings Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. Its 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 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) 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.
- ii) 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.
- iii) 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.
- iv) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.
- v) 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.
- vi) 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.
- vii) 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

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- Leased assets

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has considered that recovery of excise duty flows to the company on its own account. Therefore it is a liability of the manufacturer and forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, Sales Tax/Value Added Tax (VAT) and Goods & Services Tax (GST) are not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

ii) Interest income

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

iii) Dividends

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



iv) **Rendering of services**

Revenue from the services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

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 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 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 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 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.

4. Property, Plant and Equipment

(₹ in lakhs)

	Freehold Land	Leasehold Land	Factory Shed & Building	Plant & Machinery	Mould Box & Pattern	Furniture & Fixtures	Vehicles	Total
Gross Block Carrying Value								
At 1 April 2017	-	124.17	2,089.53	4,765.32	519.46	22.13	111.85	7,632.46
Additions	408.71	-	-	2,317.02	1,214.88	1.05	-	3,941.67
Disposals	-	-	-	1.47	10.25	0.40	0.01	12.12
At 31 March, 2018	408.71	124.17	2,089.53	7,080.88	1,724.09	22.78	111.84	11,562.00
Additions				1,840.49				1,840.49
Disposals								
At 31st March, 2019	408.71	124.17	2,089.53	8,921.37	1,724.09	22.78	111.84	13,402.50
Depreciation								
At 1 April 2017	-	1.60	100.10	580.34	47.84	7.06	37.81	774.75
Charge for the year	-	1.60	178.43	776.85	264.04	1.74	17.51	1,240.17
Disposals/ (Adjustment)	-	-	-	-	-	-	-	-
At 31 March, 2018	-	3.20	278.52	1,357.19	311.88	8.80	55.32	2,014.92
Charge for the year	-	1.60	126.53	1,173.05	176.24	3.66	17.38	1,498.46
Disposals/ (Adjustment)	-	-	-	-	-	-	-	-
At 31st March, 2019	-	4.81	405.06	2,530.24	488.12	12.46	72.71	3,513.38
Net Block								
At 31 March, 2018	408.71	120.97	1,811.00	5,723.69	1,412.21	13.98	56.52	9,547.08
At 31st March, 2019	408.71	119.37	1,684.47	6,391.13	1,235.97	10.33	39.13	9,889.11

5. Investment Properties

(₹ in lakhs)

	Freehold Land	Total
Gross Block Carrying Value		
At 1 April 2017	289.22	289.22
Purchase/additions	-	-
At 31 March, 2018	289.22	289.22
Purchase/additions	-	-
At 31st March, 2019	289.22	289.22
Depreciation/Amortization		
At 1 April 2017	-	-
Charge for the year	-	-
At 31 March, 2018	-	-
Charge for the year	-	-
At 31st March, 2019	-	-
Net Block		
At 31 March, 2018	289.22	289.22
At 31st March, 2019	289.22	289.22



6. Other Intangible assets

(₹ in lakhs)

	Computer software	Total
Gross Block		
Carrying Value		
At 1 April 2017	18.53	18.53
Purchase/additions	-	-
At 31 March, 2018	18.53	18.53
Purchase/additions	111.88	111.88
At 31 March, 2019	130.41	130.41
Amortization		
At 1 April 2017	7.42	7.42
Charge for the year	4.41	4.41
At 31 March, 2018	11.83	11.83
Charge for the year	19.88	19.88
At 31 March, 2019	31.71	31.71
Net Block		
At 31 March, 2018	6.70	6.70
At 31 March, 2019	98.70	98.70

7. Investments

(₹ in lakhs)

	Face value per unit in	No. of Shares/ Units as at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Trade investments				
Valued at cost				
Investment in subsidiaries				
Investment in Ordinary Shares with no par value Simplex Castings International Pte Ltd	--	--	3.29	-
Non Trade investments				
Carried at Fair Value through OCI				
Investment in equity instruments, fully Paid up (unquoted) Quoted 7200 Equity Shares of Rs. 10/- each of Industrial Development Bank of India	10	7,200	3.21	5.20
Investment in mutual fund, fully Paid up Carried at Fair Value through OCI SBI Magnum Comma Fund	10	19,990	7.18	6.37
SBI PSU Fund	10	34,349	5.25	5.54
Investment in government securities				
Other Long term investments National Saving Certificates			0.36	0.36
			19.29	17.47
Aggregate amount of quoted investments and market value thereof			15.64	17.12
Aggregate amount of Unquoted investments			3.65	0.36
Investment in government securities carried at cost			0.36	0.36
Investment in subsidiaries carried at cost			3.29	-
Investment carried at fair value through OCI			15.64	17.12

8. Other financial assets

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good unless stated otherwise		
Balance with bank having maturity for more than 12 months (refer note-12)	-	355.00
	-	355.00

9. Deferred Tax (Assets)/Liabilities

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Deferred Tax (Assets)/Liabilities		
Temporary differences on account of PPE & Other intangible assets	891.28	982.55
Temporary differences on account of Employee Benefits	(108.44)	(47.32)
Temporary differences on index cost of inflation	(38.08)	(35.15)
MAT Credit Entitlement	(0.98)	(22.85)
Unabsorbed Depreciation and Business losses	(690.49)	-
Temporary differences on Provisions for receivables and warranties	(165.75)	(127.20)
Net deferred tax (assets)/ liabilities	(112.46)	750.04
RECONCILIATION OF DEFERRED TAX (ASSETS)/LIABILITIES (NET)		
Deferred Tax (Assets)/Liabilities		
Deferred tax liability / (assets) at the beginning of the year	750.04	789.11
Deferred tax liability / (assets) during the year on account of timing difference	(862)	(39.08)
DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR	(112)	750.04

10. Other assets (unsecured, considered good)

(₹ in lakhs)

	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Advances other than capital advances				
Advance to Vendors			2,642.78	1,619.04
Prepaid expenses			58.33	86.83
Balance with statutory/govt. authorities			433.56	775.42
Security deposit with govt. & others	366.50	361.15		
Others			255.45	104.95
Total	366.50	361.15	3,390.11	2,586.23

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

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Raw Materials, components and Stores & spares	2,681.96	3,070.69
Finished goods	1,327.88	2,267.82
Semi-finished goods	3,615.01	3,293.43
Stock of Scrapping of Assets	11.50	11.50
	7,636.35	8,643.44

12. Trade receivables

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Trade receivables considered good - Unsecured	8,768.86	6,059.93
Trade Receivables which have significant increase in Credit Risk	480.09	367.78
	9,248.95	6,427.71
Less: Provision for doubtful receivables	480.09	367.78
	8,768.86	6,059.93



13. Bank, Cash and cash equivalents

(₹ in lakhs)

	Non Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Cash and cash equivalents				
Balances with banks:				
On current accounts			52.13	123.05
Deposits with original maturity of less than three months			14.40	-
Cash on hand			2.58	1.89
			69.12	124.94
Other bank balances				
Unpaid dividend account			10.67	15.32
Deposits with original maturity for more than 12 months	-	355.00		
Deposits with original maturity for more than 3 months but less than 12 months			551.77	147.65
	-	355.00	562.44	162.97
Amount disclosed under other financial assets (note 8)	-	355.00		
	-	-	631.56	287.91

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

14. Equity Share capital

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Authorised 10000000 (31st March, 2018: 10000000) equity shares of Rs.10/- each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, Subscribed and fully paid-up 6131200 (31st March, 2018: 5984200) equity shares of Rs.10/- each fully paid-up		
	613.12	598.42

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

	As at 31.03.2019		As at 31.03.2018	
	No.	(₹ in lakhs)	No.	(₹ in lakhs)
At the beginning of the period	59,84,200	598.42	59,84,200	598.42
Issued during the period	1,47,000	14.70	-	-
Outstanding at the end of the period	61,31,200	613.12	59,84,200	598.42

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

	As at 31.03.2019		As at 31.03.2018	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of Rs.10/- each fully paid Ketan M Shah	3104315	50.63	3104315	51.88
	3104315	50.63	3104315	51.88

e. Terms of Issue of Equity Share Warrants

The Company has allotted 19,93,700 Warrants (11,37,900 Warrants Dated 28/03/2018 , 7,01,500 Warrants Dated 31/03/2018 and 1,54,300 Warrants Dated 3rd April,2019) of Rs. 10/- each at a premium of Rs.150/- to non promoters on preferential basis , in pursuance of the approval of the shareholder accorded through Postal Ballot on 24th March, 2018. Out of which 1,47,000 warrants has been converted into Equity during the Financial year 2018-19. There were 18,46,700 Warrants Outstanding as on 31st March, 2019.

15. Borrowings

(₹ in lakhs)

Particulars	Effective interest rate	Maturity	Non Current		Current maturities		
			As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018	
Secured							
Corporate loan from banks	13.50%	Sept.,2020	-	263.31	262.76	240.00	
Corporate loan from banks	14.25%	June, 2019	18	216.12	218.00	192.00	
Term loan from banks	14.40%	Sept.,2022	180	368.41	192.00	192.00	
Term loan from financial institutions	12.00%	March, 2023	168	172.19	36.96	32.74	
Other loans and advances							
Other loans from bank (secured)	11.65%	March, 2020 & June, 2021	6	11.15	6.49	6.70	
Other loans from financial institutions (secured)	13.00%	January, 2022	3	4.31	1.39	1.22	
Unsecured							
Loans & advances from Directors	0.00%	--	779	801.22	-	-	
Loans & advances from body corporates	0% to 4.75%	--	1,471.81	985.06	-	-	
Loan from financial institutions	17.75% to 18.00%	February, 2020	-	38.51	39.10	37.86	
Loan from financial institutions	18.00% to 19.00%	March, 2020	-	41.38	41.81	36.71	
			2,625.46	2,901.68	798.51	739.23	
The above amount includes							
Secured borrowings			374.71	1,035.50	717.60	739.23	
Unsecured borrowings			2,250.75	1,866.18	80.91	-	
Amount disclosed under the head "other current liabilities" (refer note 20)					(798.51)	(739.23)	
Net amount			2,625.46	2,901.68	-	-	

Security and terms & conditions for above loans:

- Corporate Loan from Banks (State Bank of India (SBI) and Bank of Baroda (BOB)) are secured by 1st Pari Passu charge on the entire Factory Leasehold land at Bhilai & Urla, built-up area including plant & machineries on entire fixed assets (existing & proposed) of the company by way of hypothecation/mortgage.
- Term Loan from State Bank of India (SBI) is secured by an exclusive charge on the Machinery to be purchased out from the said loan.



- c. Term Loan from financial institutions are secured by way of equitable mortgage on the freehold land at Kohka ward, Durg.
- d. The facilities from banks are further secured by exclusive charge (First Charge) by way of equitable mortgage on the residential properties of the company at Vaishali Nagar- Bhilai, Kabeer Nagar - Raipur & the residential properties of the directors at Surya Vihar colony (phase I & II), Junwani, Bhilai, 2nd Pari Passu charge on the entire Factory Leasehold land at Bhilai, built-up area including plant & machineries on entire fixed assets (existing & proposed) of the company by way of hypothecation/mortgage and also guaranteed by two directors of the Company.
- e. Other loans and advances from Banks and financial institutions are secured by Hypothecation of respective vehicles purchased under the loan.
- f. Other loans bearing interest @9% from directors and body corporates are repayable after more than one year.
- g. Unsecured loan from financial institutions are secured by personal guarantee of two directors of the company.

16. Provisions

(₹ in lakhs)

	Long-Term		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits	247.51	245.44	39.24	77.60
Provision for warranty and guarantees	16.39	16.94	-	-
	263.90	262.38	39.24	77.60

17. Other non-current liabilities

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Retention money/Security Deposit payable	646.75	641.56
	646.75	641.56

18. Borrowings

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Cash Credit facility from banks (secured)	4,262.57	2,457.25
Working capital demand loan (secured)	3,147.13	2,805.35
The above amount includes	7,409.70	5,262.59
Secured borrowings	7,409.70	5,262.59

Terms & Conditions of Secured Loans

1. 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.
2. The above credit facilities are also secured by personal guarantee of promoter directors of the Company.
3. 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'2019 was in excess of cash credit limit by Rs.1516.86 lacs.

19. Trade Payable

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Trade payables - dues for micro and small enterprises	182.63	-
Trade payables other than micro and small enterprises	9,283.35	8,195.76
	9,465.98	8,195.76

20. Other Financial Liabilities

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Current maturities of long-term borrowings (secured) (refer note-14)	798.51	739.23
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid dividend	10.67	15.32
Liabilities for expenses	1,263.45	503.69
	2,072.64	1,258.23

21. Other Current Liabilities

(₹ in lakhs)

	As at 31.03.2019	As at 31.03.2018
Other Payable		
Duties & Taxes Payable	8.46	3.47
TDS payable	66.21	43.99
Advances from Customer	1,121.09	1,466.18
	1,195.77	1,513.65

22. Revenue from operations

(₹ in lakhs)

	31.03.2019	31.03.2018
Revenue from operations		
Sale of products	15,784.58	14,780.37
Job Contract Receipts	98.05	89.24
Work Contract Receipts	-	43.04
Other operating revenue		
Sale of traded goods	2,388.58	7,483.14
Sale of MEIS Scripts/export incentives	26.62	46.25
Revenue from operations (gross)	18,297.82	22,442.04

23. Other Income

(₹ in lakhs)

	31.03.2019	31.03.2018
Interest Income on		
Bank Deposits & others	302.82	87.03
Exchange fluctuation gain	-	8.37
Other non-operating income (net of expenses directly attributable to such income)	73.09	49.71
	375.91	145.11

24. Cost of material and components consumed

(₹ in lakhs)

	31.03.2019	31.03.2018
Inventory at the beginning of the year	3,070.69	2,313.77
Add: purchases	8,995.40	8,524.43
	12,066.09	10,838.20
Less : Inventory at the end of the year	2,681.96	3,070.69
Cost of raw material and components consumed	9,384.13	7,767.50



25. (Increase)/Decrease in Inventories

(₹ in lakhs)

	31.03.2019	31.03.2018	(Increase)/ Decrease
			31.03.2019
Inventories at the end of the year			
Finished goods	1,327.88	2,267.82	939.94
Semi-Finished goods	3,615.01	3,293.43	(321.58)
	4,942.89	5,561.25	618.36
Inventories at the beginning of the year			31.03.2018
Finished goods	2,267.82	2,030.91	(236.91)
Semi-Finished goods	3,293.43	1,199.56	(2,093.87)
	5,561.25	3,230.47	(2,330.78)
Net (increase)/decrease in inventories	618.36	(2,330.78)	

26. Employee benefits expenses

(₹ in lakhs)

	31.03.2019	31.03.2018
Salaries, wages and bonus	1,515.28	1,386.04
Directors' remuneration	85.43	86.76
Contribution to provident and other fund	107.08	82.38
Gratuity Expense	50.41	49.97
Workmen and staff welfare expenses	35.03	122.20
	1,793.23	1,727.35

27. Finance Costs

(₹ in lakhs)

	31.03.2019	31.03.2018
Interest		
- on corporate/term loans	90.37	110.17
- on working capital	858.57	502.36
- on others	223.55	352.87
Bank charges	199.44	197.73
	1,371.93	1,163.14

28. Depreciation and amortization expenses

(₹ in lakhs)

	31.03.2019	31.03.2018
Depreciation on tangible assets	1,498.46	1,240.17
Amortization of intangible assets	19.88	4.41
	1,518.34	1,244.58

29. Other Expenses

(₹ in lakhs)

	31.03.2019	31.03.2018
Testing/Laboratory charges	25.17	48.86
Off loading/Job contract charges	1,504.20	1,589.47
Power & Fuel	1,253.52	1,550.85
Freight and forwarding charges	392.13	682.83
(Increase)/decrease of excise duty on inventory	-	(154.70)
Rent	24.91	50.96
Rates and taxes		
- Sales tax & work contract tax	0.07	15.29
- Excise duty	-	27.29
- Terminal tax	-	0.28
- Others	11.40	8.79

	31.03.2019	31.03.2018
Insurance	26.81	8.36
Repairs and maintenance		
- Plant and machinery	23.66	179.42
- Buildings	4.31	62.94
- Others	44.08	122.07
Liquidated damages	1.80	9.91
Commission		
- Other than Sole selling agents	67.71	104.03
Provision for doubtful debtors	112.31	84.01
Provision for Warranty & Guarantee	(0.55)	(5.91)
Travelling and conveyance	177.24	189.20
Communication expenses	15.36	21.90
Printing and stationery	9.45	17.24
Legal and professional fees	112.51	143.74
Directors' sitting fees	2.45	3.55
Research & Development	1.57	50.35
Payment to Auditor (Refer details below)	7.50	7.50
Loss on sale/scraping of fixed assets	-	0.60
Advertisement/Sales Promotion expenses	21.29	63.00
Donation	1.34	2.84
Forward contract premium	190.79	76.66
Corporate Social Responsibility	9.37	10.18
Miscellaneous expenses	56.76	36.98
	4,097.17	5,008.49

Payment to Auditor	31.03.2019	31.03.2018
As auditor :		
Audit fee	7.00	7.00
Tax Audit fee	0.50	0.50
	7.50	7.50

30. Earnings per share (EPS)

(₹ in lakhs)

	31.03.2019	31.03.2018
Net profit/(loss) as per statement of profit and loss	(1,582.18)	335.47
Net profit/(loss) attributable to Equity Shareholders	(1,582.18)	335.47
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of equity shares in calculating Basic EPS	61.31	59.84
Weighted average number of equity shares in calculating Diluted EPS	79.78	59.99
Basic & Diluted EPS		
- Basic earning per share	(25.81)	5.61
- Diluted earning per share	(19.83)	5.59

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. 1629.91 lacs (Previous Year Rs. 2234.01 lacs.)
- ii) Disputed liability of Rs. 977.34 lacs (Previous Year Rs.Nil) on account of Income Tax 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) Pursuant to the judgement of the State Industrial Court, Raipur, on the labour case relating to strike declared in the year 1990, the company has been directed to pay compensation to the retrenched workers amounting to Rs. 82.80 lacs in total, for which the company has obtained a stay against the said order from the High Court, Bilaspur vide



(₹ in lakhs)

order dated 28.11.2001, on account of a petition contending the order which is yet to be heard. The petition has since been heard by the Honourable High Court, Bilaspur and vide their order of April, 2016 the company is liable to pay a final compensation of Rs. 14.00 lacs. No provision has been made in the accounts for the said liability of Rs. 14.00 lacs.

- 32. During the year the company has started implementing the new accounting software i.e. SAP but due to technical issues in the software and first year of implementation, the reconciliation of bank accounts was pending in SAP. According to the management of the company, there would not be any material impact on the balances after reconciliation.
- 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/diposed 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.

34. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:

a. Defined Contribution Plan:

Amount of Rs.107.08 lacs (P.Y. Rs.82.38 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no 26).

Benefit (Contribution to):	2018-19	2017-18
Provident Fund & Employee state insurnace scheme	107.08	82.38
Total	107.08	82.38

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.

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
	(Funded)	(Funded)	(Non Funded)	(Non Funded)
I Change in Present value of defined benefit obligation during the year:				
Present value of defined benefit obligation at the beginning of the year	514.82	422.79	114.78	94.97
Interest Cost	36.91	47.88	8.16	6.81
Current Service Cost	38.28	29.95	6.82	16.61
Past Service Cost				
Benefit paid directly by employer	(71.01)	(72.69)	(17.70)	(14.26)
Actuarial Changes arising from changes in financial assumption	3.17	(7.40)	0.34	(2.45)
Actuarial Changes arising from changes in expirience assumption	(61.30)	94.29	(28.06)	13.11
Present value of defined benefit obligation at the end of the year	460.87	514.82	84.34	114.78
II Change in fair value of plan assets during the year:				
Fair value of plan assets at the beginning of the year	-	-	-	-
Contribution paid by the employer	71.01	72.69	17.70	14.26
Benefit paid from the fund	(71.01)	(72.69)	(17.70)	(14.26)
Fair value of plan assets at the end of the year	-	-	-	-

Particulars	Gratuity		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
	(Funded)	(Funded)	(Non Funded)	(Non Funded)
III Net asset / (liability) recognised in the balance sheet:				
Present Valur of defined benefit obiligation at the end of the year	460.87	606.86	84.34	134.60
Fair value of plan assets at the end of the year	-	-	-	-
Amount recognised in the balance sheet	-	-	-	-
Net asset / (liability) - Current	32.73	66.19	6.50	11.40
Net asset / (liability) - Non Current	428.13	448.63	77.83	103.38
IV Expenses recognized in the statement of profit and loss for the year:				
Current Service Cost	38.28	29.95	6.82	16.61
Interest Cost on benefit obiligation (Net)	36.91	47.88	8.16	6.81
Total expenses included in employee benefits exxpenses	75.18	77.83	14.98	23.42
V Recognized in other comprehensive income for the year:				
Actuarial Changes arising from changes in financial assumption	3.17	(7.40)	0.34	-2.45
Actuarial Changes arising from changes in expirience assumption	(61.30)	94.29	(28.06)	13.11
Recognized in other comprehensive income for the year:	(58.13)	86.90	(27.73)	10.66
VI Maturity profile of defined benefit obligation:				
Within the next 12 months (next annual reporting period)	32.73	21.97	6.50	5.66
Between 2 and 5 years	207.05	209.69	32.40	39.75
Between 6 and 10 years	229.75	266.74	44.14	56.73
VII Quantitative Sensitivity analysis for significant assumption is as below:				
1 1% point increase in discount rate	428.34	478.90	77.97	105.71
1% point decrease in discount rate	497.83	555.71	91.64	125.26
1% point increase rate of salary Increase	495.53	553.00	91.91	125.58
1% point decrease rate of salary Increase	429.34	480.36	77.62	105.29
1% point increase rate of employee turnover rate	460.87	514.73	84.20	114.61
1% point decrease rate of employee turnover rate	460.83	514.87	84.49	114.98
2 Sensitivity Analysis Method:	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	
	2018-19	2017-18	2018-19	2017-18
	Non Funded	Non Funded	Non Funded	Non Funded
1 Discount rate	7.70%	7.75%	7.70%	7.75%
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%

Notes:

- (i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2019. 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 lacs)

	31-Mar-19	31-Mar-18
Trade receivables	8,768.86	6,059.93
Bank, Cash and cash equivalents	631.56	287.91

Impairment losses

	31-Mar-19	31-Mar-18
Trade receivables (measured under life time excepted credit loss model)		
Opening balance	367.78	283.77
Provided during the year	112.31	84.01
Reversal of provision	-	-
Closing balance	480.09	367.78

Ageing analysis

	31-Mar-19	31-Mar-18
Upto 3 months	4,777.71	4,732.04
3-6 months	917.74	591.30
More than 6 months	3,073.41	736.59
	8,768.86	6,059.93

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.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

(Amount ₹ in lacs)

	31-Mar-19	31-Mar-18
Term Loan	-	150.00
Cash Credit facilities	-	237.41

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31 March 2019	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	8,208.21	2,625.46	-	10,833.67
Trade payables	9,465.98	-	-	9,465.98
Other financial liabilities	1,274.13	-	-	1,274.13
	18,948.32	2,625.46	-	21,573.78

As at 31 March 2018	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	6,001.82	2,901.68	-	8,903.50
Trade payables	8,195.76	-	-	8,195.76
Other financial liabilities	519.00	-	-	519.00
	14,716.59	2,901.68	-	17,618.27

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, Commercial Paper Program. 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-19	31-Mar-18
Variable rate borrowings	8,292.93	6,752.29
Fixed rate borrowings	2,540.74	2,151.22

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-19	31-Mar-18
Interest rates - increase by 70 basis points	58.05	47.27
Interest rates - decrease by 70 basis points	(58.05)	(47.27)

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	2018-19	2017-18
Borrowings	USD	41.77	65.25
Trade Receivables	USD	1.05	1.96
Trade Receivables	EURO	1.74	0.57

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

(Amount ₹ in lacs)

	Impact on profit after tax	
	2018-19	2017-18
Foreign exchange rates - increase by 1%	22.11	30.66
Foreign exchange rates - decrease by 1%	(22.11)	(30.66)

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.0.31 lacs (2017-18: Rs.0.34 lacs); an equal change in the opposite direction would have decreased profit and loss.

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 lacs)

	31-Mar-19	31-Mar-18
Total liabilities (long term debt)	3,423.98	3,640.91
Less : Bank, Cash and cash equivalent	631.56	287.91
Net debt	2,792.42	3,353.00
Total equity	6,755.71	8,082.78
Net debt to equity ratio	0.41	0.41

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'2019 was in excess of cash credit limit by Rs.1516.86 lacs.

(₹ in lakhs)

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

(₹ in lakhs)

	Carrying amount	Level 1	Level 2	Level 3
	As at 31.03.2019			
Financial assets at amortised cost:				
Trade receivables	8768.86	-	-	-
Other financial assets	0.00			
Bank, Cash and bank balances	631.56	-	-	-
	9400.41	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	19.29	15.64	-	3.65
Total	19.29	15.64	-	3.65
Financial liabilities at amortised cost:				
Long term borrowings	2625.46	-	-	-
Short term borrowings	7409.70	-	-	-
Trade payables	9465.98	-	-	-
Other financial liabilities	2072.64	-	-	-
Total	21573.78	-	-	-



(₹ in lakhs)

	Carrying amount			
	As at 31.03.2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Trade receivables	6059.93	-	-	-
Other financial assets	355.00			
Bank, Cash and bank balances	287.91	-	-	-
	6702.84	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	17.47	17.12	-	0.36
Total	17.47	17.12	-	0.36
Financial liabilities at amortised cost:				
Long term borrowings	2901.68	-	-	-
Short term borrowings	5262.59	-	-	-
Trade payables	8195.76	-	-	-
Other financial liabilities	1258.23	-	-	-
Total	17618.27	-	-	-

During the reporting period ending 31st March, 2019 and 31st March, 2018, 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.

c) Key Management Personnel

- | | |
|--|---|
| - Shri Ketan M. Shah,
Chairman and Whole time Director | - Shri K.R. Choksey,
Independent Director (Upto 04.10.2018) |
| - Smt. Sangeeta K. Shah,
Managing Director | - Shri Rajendra A. Shah,
Independent Director(Upto 09.02.2019) |
| - Shri Piyush P. Shah,
Executive Director (Upto 31.12.2018) | - Shri Champak K. Dedhia,
Independent Director |
| - Shri G Gopalswamy,
Executive Director (Upto 16.10.2018) | - Mrs. Ushma N Khabaria,
Independent Director |
| - Shri O P Patel,
Executive Director (w.e.f. 14.12.2018) | - Mrs S M Swathi ,
Independent Director (w.e.f. 09.02.2019) |
| - Smt. D Meena, Company Secratery | |
| - Shri Avinash Hariharno, CFO (Upto 02.11.2018) | |
| - Shri J Suryam ,CFO (w.e.f. 02.11.2018) | |

d) Relatives of Key Management Personnell

- Shri Praveen Goverdhan (son of Shri G Gopalswamy)(upto 16.10.2018)

ii) Transaction with Related Parties in the ordinary course of business

(₹ in lakhs)

		2018-19	2017-18	
a)	Subsidiaries	Capital Contribution	3.29	-
b)	Other Related Parties where significant influence exist	Commission paid	79.06	90.26
		Interest Paid	15.40	87.41
		Unsecured Loan received	610.00	66.27
		Unsecured Loan repaid	0.00	119.57
		Job work receipts	2.75	0.00
		Outstandings		
		Payables	1,611.01	992.71
c)	Key Management Personnel	Remuneration/salary Paid	109.43	110.76
		Interest Paid	0.00	63.73
		Rent Paid	14.20	14.40
		Consultancy Charges Paid	0.00	1.00
		Sitting Fees	2.65	3.40
		Unsecured Loan received	76.95	110.83
		Unsecured Loan repaid	6.00	46.00
		Outstandings		
		Payables	872.17	801.22
d)	Relatives of Key Management Personnel	Rent Paid	2.60	4.80
		Outstandings		
		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

(₹ in lakhs)

a)	Commission paid:	2018-19	2017-18
	SEFW Projects Pvt. Ltd.	79.06	90.26
b)	Job work receipts	2018-19	2017-18
	Ssquare Iromax Pvt. Ltd.	2.75	-
c)	Interest Paid:	2018-19	2017-18
	SEFW Projects Pvt. Ltd.	-	34.48
	Prabha Plantation Pvt. Ltd.	15.40	27.22
	Shri Ketan M Shah	-	63.73
	SIM Prabha Estate & Trading Co. Pvt. Ltd	-	18.93
d)	Rent Paid:	2018-19	2017-18
	Shri Ketan M Shah	14.20	14.40
	Shri Praveen Goverdhan	2.60	2.00
	Smt.Vinoda Gopalswamy	-	2.80
e)	Consultancy Charges Paid:	2018-19	2017-18
	Shri Champak K. Dedhia	-	1.00
f)	Remuneration/Salary Paid	2018-19	2017-18
	Shri Ketan M Shah	43.58	44.03
	Smt. Sangeeta K Shah	41.85	42.73
	Shri G Gopalswamy	-	24.00



g) Sitting Fees Paid	2018-19	2017-18
Shri K.R. Choksey	0.30	0.75
Shri Rajendra A. Shah	0.45	1.00
Shri Champak K. Dedhia	0.95	0.95
Mrs. Usmā N Khabaria	0.95	0.70
h) Unsecured Loans Received:	2018-19	2017-18
SEFW Projects Pvt. Ltd.	-	25.96
Prabha Plantation Pvt. Ltd.	610.00	20.86
Shri Ketan M Shah	76.95	110.83
SIM Prabha Estate & Trading Co. Pvt. Ltd	-	14.13
Ssquare Iromax Pvt. Ltd.	-	5.32
i) Repayment of Unsecured Loans:	2018-19	2017-18
Prabha Plantation Pvt. Ltd.	-	63.57
Shri Ketan M Shah	6.00	46.00
Ssquare Iromax Pvt. Ltd.	-	56.00
j) Payables:	2018-19	2017-18
SEFW Projects Pvt. Ltd.	413.39	413.39
Prabha Plantation Pvt. Ltd.	909.00	283.61
Shri Ketan M Shah	872.17	801.22
SIM Prabha Estate & Trading Co. Pvt. Ltd	225.18	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:

Movement in provision for warranty and guarantee:	2018-19	2017-18
Opening Balance	16.94	22.85
Less: Amount reversed during the year	0.55	5.91
Closing Balance	16.39	16.94

40. During the year the company has incurred Rs.9.37 lac on account of Corporate Social Responsibility Activities according to the provisions of section 135 of the Companies Act,2013. 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	9.37	0.00	9.37

- 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,2019:

		2018-19	2017-18
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March,2019		
	Principal Amount	182.63	0.00
	Interest	32.39	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,2019	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,2019	32.39	0.00
v)	The amount of further interest remaining due and payable for the earlier years.	0.00	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 financial year 2017-18, the Company had received Rs 797.48 Lacs by way of allotment of 19,93,700 Convertible Warrants to non promoters on preferential basis. The said amount has been utilized towards procurement of raw material and components alongwith routine expenses of working capital requirement of the Company.

The Company has also received a sum of Rs 176.40 Lacs during the FY 2018-19 respect to conversion of 1,47,000 Warrants into Equity Shares .The said amount has been utilized for procurement of raw material and components alongwith routine expenses of working capital requirement of the Company.

- 43.** 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 : 29.05.2019

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)

J Suryam
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, 2019, and the consolidated statement of Profit and Loss, 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2019, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. 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 ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 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 that there are no key audit matters to be communicated in our report.

Emphasis of Matter

During the year the company has started implementing the new accounting software i.e. SAP but due to technical issues in the software and first year of implementation, the reconciliation of bank accounts was pending in SAP, however, the management has ensured that there would not be any material impact on the balances after reconciliation (Refer note 31 to the financial statement).

Our opinion is not modified in respect of the above matters.

Information Other than the 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 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 in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group 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 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 are responsible for assessing the ability of the Group 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 are responsible for overseeing the financial reporting process of the Group.

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 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 subsidiary, whose financial statements reflect total assets of Rs.1727.49 lacs as at 31st March, 2019, total revenues of Rs.3015.17 lacs, and net cash flows amounting to Rs.6.10 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, 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 such unaudited financial statements / financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements / financial information certified by the Management.

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, 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, 2019 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A.
- (g) with respect to the other matters to be included in the 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 30 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 OP Singhania & Co.

(ICAI Firm Regn. No.002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership number: 076961

Raipur, 29th May, 2019

Annexure - A to the Auditors' Report
Report on the Internal Financial Controls 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 Ind AS financial statements of the Company as of and for the year ended 31 March 2019, 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 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") issued by ICAI 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 issued by the Institute of Chartered Accountants of India. 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 Ind AS 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 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, 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 2019, 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 OP Singhania & Co.
(ICAI Firm Regn. No.002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership number: 076961
Raipur, 29th May, 2019

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

(₹ in lakhs)

Particulars	Note No	As at 31.03.2019
ASSETS		
(1) <i>Non-current assets</i>		
(a) Property, Plant and Equipment	4	9,889.11
(b) Capital work-in-progress		11.68
(c) Investment Properties	5	289.22
(d) Other intangible assets	6	98.70
(e) Financial assets		
(i) Investments	7	16.00
(f) Deferred tax assets (net)	8	112.46
(h) Other non-current assets	9	366.50
(2) <i>Current-assets</i>		
(a) Inventories	10	7,636.35
(b) Financial assets		
(i) Trade Receivables	11	10,490.25
(ii) Bank, Cash and cash equivalents	12	75.21
(iii) Bank balances other than (ii) above	12	562.44
(c) Other current assets	9	3,390.11
Total Assets		32,938.04
EQUITY AND LIABILITIES		
<i>Equity</i>		
(a) Equity share capital	13	613.12
(b) Other equity		6,133.01
(c) Equity Share Warrant		738.68
<i>Liabilities</i>		
(1) <i>Non-current liabilities</i>		
(a) Financial Liabilities		
(i) Borrowings	14	2,625.46
(b) Provisions	15	263.90
(c) Other non-current liabilities	16	646.75
(2) <i>Current liabilities</i>		
(a) Financial Liabilities		
(i) Borrowings	17	7,409.70
(ii) Trade Payables	18	
- Outstanding dues to micro and small enterprises		182.63
- Outstanding dues of creditors other than micro and small enterprises		11,017.14
(iii) Other Financial Liabilities	19	2,072.64
(b) Other current liabilities	20	1,195.77
(c) Provisions	15	39.24
Total Equity and Liabilities		32,938.04
Summary of significant accounting policies	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.

Simplex Castings Limited

(ICAI Firm Reg. No.002172C)

Chartered Accountants

per Sanjay Singhania

Ketan M Shah

Sangeeta K Shah

Partner

Chairman & Whole time Director

Managing Director

Membership No.076961

(DIN: 00312343)

(DIN: 05322039)

Place : Raipur

D. Meena

J Suryam

Date : 29.05.2019

Company Secretary

CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

	Notes	31.03.2019
INCOME		
Revenue from operations (Gross)	21	21,313.00
Other Income	22	375.91
TOTAL REVENUE (I)		21,688.91
EXPENDITURE		
Cost of raw material and component consumed	23	9,384.13
Purchase of Traded Goods		5,389.70
(Increase)/decrease in inventories of finished goods work-in-progress and traded goods	24	618.36
Employees benefits expenses	25	1,793.23
Finance costs	26	1,372.05
Depreciation and amortization expenses	27	1,518.34
Other Expenses	28	4,116.44
TOTAL EXPENDITURE (II)		24,192.25
Profit/(loss) before tax		(2,503.34)
Tax expenses		
Current tax		(22.19)
Deferred Tax		(889.78)
Total tax expenses		(911.98)
Profit/(loss) for the year from continuing operations		(1,591.37)
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss		
Actuarial gain or loss on defined benefit plans, net of taxes		54.46
A (i) Items that will be reclassified to profit or loss		
Fair valuation of investments, net of taxes		1.47
Total Comprehensive Income for the period Comprising Profit/(Loss) and Other Comprehensive Income for the period		(1,535.44)
Profit/(loss) attributable to:		
Equity holders of the parents		(1,591.37)
Non-controlling interests		-
		(1,591.37)
Total Comprehensive Income attributable to:		
Equity holders of the parents		(1,535.45)
Non-controlling interests		-
		(1,535.45)
Earnings per equity share [nominal value of share @ R 10/-	29	
Basic		(25.96)
Diluted		(19.95)
Summary of significant accounting policies	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 : 29.05.2019

D. Meena
Company Secretary

J Suryam
CFO



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

	2019
Cash Flow from operating activities	
Profit/(loss) before tax	(2,503.34)
Non-cash adjustment to reconcile profit before tax to net cash flows	
Depreciation/amortization	1,518.34
Provision for employee benefits	44.68
Provision/Allowances for credit loss on debtors	112.31
Provision for warranty & guarantee	(0.55)
Finance Cost	1,372.05
Interest Income	(302.82)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	240.67
Movements in working capital :	
Increase/(decrease) in trade payables	3,007.34
Increase/(decrease) in other financial liabilities	759.77
Increase/(decrease) in other current liabilities	(317.88)
Increase/(decrease) in Other non-current liabilities	5.20
Decrease/(increase) in trade receivables	(4,542.63)
Decrease/(increase) in inventories	1,007.08
Decrease/(increase) in other non current assets	(5.35)
Decrease/(increase) in other current assets	(803.88)
Cash generated from/(used in) operations	(649.67)
Direct taxes paid (net of refunds)	4.46
Net Cash flow from/(used in) operating activities	A (645.21)
Cash flows from investing activities	
Purchase of fixed assets, including intangible assets, CWIP & Capital Advances	(356.72)
Investment in bank deposits (having original maturity of more than three months)	(49.12)
Interest received	302.82
Net cash flow from/(used in) investing activities	B (103.02)
Cash flows from financing activities	
Proceeds from Share capital issued	176.40
Proceeds/(Repayment) of long-term borrowings	(216.93)
Proceeds from short-term borrowings	2,147.10
Interest paid	(1,372.05)
Dividends paid on equity shares	(29.92)
Tax on equity dividend paid	(6.09)
Net cash flow from/(used in) financing activities	C 698.51
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(49.73)
Cash and Cash Equivalents at the beginning of the year	124.94
Cash and Cash Equivalents at the end of the year	75.21
Components of cash and cash equivalents	
Cash in hand	2.58
With banks- on current account	58.23
on deposit account	14.40
	75.21

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 : 29.05.2019

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)

J Suryam
CFO

Consolidated Statement of Changes in Equity for the year ended 31.03.2019

Equity Share Capital

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 items of Other Comprehensive Income (Gain/ loss on employee benefit) (Net of Tax)	Foreign Currency translation reserve	Total
	Securities Premium	General Reserve	Retained Earnings				
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
During the year	220.50					(0.40)	220.10
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			(1,591.37)				(1,591.37)
Final Dividend & Tax Paid	-	-	(36.01)	-	-		(36.01)
Balance at the end of the reporting period 31.03.2019	731.62	5,700.00	(294.18)	5.00	(9.03)	(0.40)	6,133.01

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 : 29.05.2019

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

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

Sangeeta K Shah
Managing Director
(DIN: 05322039)

D. Meena
Company Secretary

J Suryam
CFO



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

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, therefore, the consolidated financial statements have been prepared for the year 2018-19 only.

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 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) 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.
- ii) 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.



- iii) 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.
- iv) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.
- v) 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.
- vi) 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.
- vii) 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

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- Leased assets

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has considered that recovery of excise duty flows to the Group on its own account. Therefore it is a liability of the manufacturer and forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, Sales Tax/Value Added Tax (VAT) and Goods & Services Tax (GST) are not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

ii) Interest income

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

iii) Dividends

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

iv) Rendering of services

Revenue from the services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

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 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.

4. Property, Plant and Equipment

	Freehold Land	Leasehold Land	Factory Shed & Building	Plant & Machinery	Mould Box & Pattern	Furniture & Fixtures	Vehicles	Total
Gross Block Carrying Value								
At 1 April 2018	408.71	124.17	2,089.53	7,080.88	1,724.09	22.78	111.84	11,562.00
Additions				1,840.49				1,840.49
Disposals								-
At 31st March, 2019	408.71	124.17	2,089.53	8,921.37	1,724.09	22.78	111.84	13,402.50
Depreciation								
At 1 April 2018	-	3.20	278.52	1,357.19	311.88	8.80	55.32	2,014.92
Charge for the year	-	1.60	126.53	1,173.05	176.24	3.66	17.38	1,498.46
Disposals	-	-	-	-	-	-	-	-
At 31st March, 2019	-	4.81	405.06	2,530.24	488.12	12.46	72.71	3,513.38
Net Block								
At 31st March, 2019	408.71	119.37	1,684.47	6,391.13	1,235.97	10.33	39.13	9,889.11

5. Investment Properties

	Freehold Land	Total
Gross Block Carrying Value		
At 1 April 2018	289.22	289.22
Purchase/additions	-	-
At 31st March, 2019	289.22	289.22
Depreciation/Amortization		
At 1 April 2018	-	-
Charge for the year	-	-
At 31st March, 2019	-	-
Net Block		
At 31st March, 2019	289.22	289.22

6. Other Intangible assets

	Computer software	Total
Gross Block Carrying Value		
At 1 April 2018	18.53	18.53
Purchase/additions	111.88	111.88
At 31 March, 2019	130.41	130.41
Amortization		
At 1 April 2018	11.83	11.83
Charge for the year	19.88	19.88
At 31 March, 2019	31.71	31.71
Net Block		
At 31 March, 2019	98.70	98.70



7. Investments

	Face value per unit in	No. of Shares/ Units as at 31.03.2019	As at 31.03.2019
Non Trade investments			
Carried at Fair Value through OCI			
Investment in equity instruments, fully Paid up (unquoted)			
Quoted			
7200 Equity Shares of Rs. 10/- each of Industrial Development Bank of India	10	7,200	3.21
Investment in mutual fund, fully Paid up			
Carried at Fair Value through OCI			
SBI Magnum Comma Fund	10	19,990	7.18
SBI PSU Fund	10	34,349	5.25
Investment in government securities			
Other Long term investments			
National Saving Certificates			0.36
			16.00
Aggregate amount of quoted investments and market value thereof			15.64
Aggregate amount of Unquoted investments			0.36
Investment in government securities carried at cost			0.36
Investment carried at fair value through OCI			15.64

8. Deferred Tax (Assets)/Liabilities

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

9. Other assets (unsecured, considered good)

	Non-Current	Current
	As at 31.03.2019	As at 31.03.2019
Advances other than capital advances		
Advance to Vendors		2,642.78
Prepaid expenses		58.33
Balance with statutory/govt. authorities		433.56
Security deposit with govt. & others	366.50	
Others		255.45
Total	366.50	3,390.11

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

	As at 31.03.2019
Raw Materials, components and Stores & spares	2,681.96
Finished goods	1,327.88
Semi-finished goods	3,615.01
Stock of Scrapping of Assets	11.50
	7,636.35

11. Trade receivables

	As at 31.03.2019
Trade receivables considered good - Unsecured	10,490.25
Trade Receivables which have significant increase in Credit Risk	480.09
	10,970.34
Less: Provision for doubtful receivables	480.09
	10,490.25

12. Bank, Cash and cash equivalents

	As at 31.03.2019
Cash and cash equivalents	
Balances with banks:	
On current accounts	58.23
Deposits with original maturity of less than three months	14.40
Cash on hand	2.58
	75.21
Other bank balances	
Unpaid dividend account	10.67
Deposits with original maturity for more than 3 months but less than 12 months	551.77
	562.44
	637.66

13. Equity Share capital

	As at 31.03.2019
Authorised 10000000 equity shares of Rs.10/- each	1,000.00
	1,000.00
Issued, Subscribed and fully paid-up 6131200 equity shares of Rs.10/- each fully paid-up	
	613.12

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

	As at 31.03.2019	
	No.	(In Rupees)
At the beginning of the period	59,84,200	598.42
Issued during the period	1,47,000	14.70
Outstanding at the end of the period	61,31,200	613.12



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

	As at 31.03.2019	
	No.	% of holding in the class
Equity shares of Rs.10/- each fully paid Ketan M Shah	31,04,315	50.63
	31,04,315	50.63

e. Terms of Issue of Equity Share Warrants

The Company has allotted 19,93,700 Warrants (11,37,900 Warrants Dated 28/03/2018 , 7,01,500 Warrants Dated 31/03/2018 and 1,54,300 Warrants Dated 3rd April,2019) of Rs. 10/- each at a premium of Rs.150/- to non promoters on preferential basis , in pursuance of the approval of the shareholder accorded through Postal Ballot on 24th March, 2018. Out of which 1,47,000 warrants has been converted into Equity during the Financial year 2018-19. There were 18,46,700 Warrants Outstanding as on 31st March, 2019.

14. Borrowings

Particulars	Effective interest rate	Maturity	Non Current	Current maturities
			As at 31.03.2019	As at 31.03.2019
Secured				
Corporate loan from banks	13.50%	Sept.,2020	-	262.76
Corporate loan from banks	14.25%	June, 2019	18.21	218.00
Term loan from banks	14.40%	Sept.,2022	180.21	192.00
Term loan from financial institutions	12.00%	March, 2023	167.81	36.96
Other loans and advances				
Other loans from bank (secured)	11.65%	March, 2020 & June, 2021	5.57	6.49
Other loans from financial institutions (secured)	13.00%	January, 2022	2.92	1.39
Unsecured				
Loans & advances from Directors	0.00%	--	778.95	-
Loans & advances from body corporates	0% to 4.75%	--	1,471.81	-
Loan from financial institutions	17.75% to 18.00%	February, 2020	-	39.10
Loan from financial institutions	18.00% to 19.00%	March, 2020	-	41.81
			2,625.46	798.51
The above amount includes				
Secured borrowings			374.71	717.60
Unsecured borrowings			2,250.75	80.91
Amount disclosed under the head "other current liabilities" (refer note 19)				(798.51)
Net amount			2,625.46	-

15. Provisions

	Long-term	Short term
	As at 31.03.2019	As at 31.03.2019
Provision for Employee Benefits	247.51	39.24
Provision for warrenty and gurantees	16.39	-
	263.90	39.24

16. Other non-current liabilities

	As at 31.03.2019
Retention money/Security Deposit payable	646.75
	646.75

17. Borrowings

	As at 31.03.2019
Cash Credit facility from banks (secured)	4,262.57
Working capital demand loan (secured)	3,147.13
The above amount includes	7,409.70
Secured borrowings	7,409.70

18. Trade Payable

	As at 31.03.2019
Trade payables - dues for micro and small enterprises	182.63
Trade payables otherthan micro and small enterprises	11,017.14
	11,199.77

19. Other Financial Liabilities

	As at 31.03.2019
Current maturities of long-term borrowings (secured) (refer note-14)	798.51
Investor Education and Protection Fund will be credited by following amounts (as and when due)	
Unpaid dividend	10.67
Liabilities for expenses	1,263.45
	2,072.64

20. Other Current Liabilities

	As at 31.03.2019
Other Payable	
Duties & Taxes Payable	8.46
TDS payable	66.21
Advances from Customer	1,121.09
	1,195.77

21. Revenue from operations

	31.03.2019
Revenue from operations	
Sale of products	15,784.58
Job Contract Receipts	98.05
Other operating revenue	
Sale of traded goods	5,403.75
Sale of MEIS Scripts/export incentives	26.62
Revenue from operations (gross)	21,313.00



22. Other Income

	31.03.2019
Interest Income on	
Bank Deposits & others	302.82
Other non-operating income (net of expenses directly attributable to such income)	73.09
	375.91

23. Cost of material and components consumed

	31.03.2019
Inventory at the beginning of the year	3,070.69
Add: purchases	8,995.40
	12,066.09
Less : Inventory at the end of the year	2,681.96
Cost of raw material and components consumed	9,384.13

24. (Increase)/Decrease in Inventories

	31.03.2019
Inventories at the end of the year	
Finished goods	1,327.88
Semi-Finished goods	3,615.01
	4,942.89
Inventories at the beginning of the year	
Finished goods	2,267.82
Semi-Finished goods	3,293.43
	5,561.25
Net (increase)/decrease in inventories	618.36

25. Employee benefits expenses

	31.03.2019
Salaries, wages and bonus	1,515.28
Directors' remuneration	85.43
Contribution to provident and other fund	107.08
Gratuity Expense	50.41
Workmen and staff welfare expenses	35.03
	1,793.23

26. Finance Costs

	31.03.2019
Interest	
- on corporate/term loans	90.37
- on working capital	858.57
- on others	223.55
Bank charges	199.56
	1,372.05

27. Depreciation and amortization expenses

	31.03.2019
Depreciation on tangible assets	1,498.46
Amortization of intangible assets	19.88
	1,518.34

28. Other Expenses

	31.03.2019
Testing/Laboratory charges	25.17
Off loading/Job contract charges	1,504.20
Power & Fuel	1,253.52
Frieght and forwarding charges	392.13
Rent	24.91
Rates and taxes	
- Sales tax & work contract tax	0.07
- Others	11.40
Insurance	26.81
Repairs and maintenance	
- Plant and machinery	23.66
- Buildings	4.31
- Others	44.08
Liquidated damages	1.80
Commission	
- Other than Sole selling agents	67.71
Provision for doubtful debtors	112.31
Provision for Warranty & Guarantee	(0.55)
Travelling and conveyance	177.24
Communication expenses	15.36
Printing and stationery	9.45
Legal and professional fees	131.35
Directors' sitting fees	2.45
Research & Development	1.57
Payment to Auditor (Refer details below)	7.50
Advertisement/Sales Promotion expenses	21.29
Donation	1.34
Forward contract premium	190.80
Corporate Social Responsibility	9.37
Miscellaneous expenses	57.18
	4,116.44

Payment to Auditor	31.03.2019
As auditor :	
Audit fee	7.00
Tax Audit fee	0.50
	7.50

29. Earnings per share (EPS)

	31.03.2019
Net profit/(loss) as per statement of profit and loss	(1,591.37)
Net profit/(loss) attributable to Equity Shareholders	(1,591.37)
Nominal Value of Equity Shares (₹)	10.00
Weighted average number of equity shares in calculating Basic EPS	61,31,200
Weighted average number of equity shares in calculating Diluted EPS	79,77,900
Basic & Diluted EPS	
- Basic earning per share	(25.96)
- Diluted earning per share	(19.95)



30. 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. 1629.91 lacs (Previous Year Rs. 2234.01 lacs.)
- ii) Disputed liability of Rs. 977.34 lacs (Previous Year Rs.Nil) on account of Income Tax 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) Pursuant to the judgement of the State Industrial Court, Raipur, on the labour case relating to strike declared in the year 1990, the company has been directed to pay compensation to the retrenched workers amounting to Rs. 82.80 lacs in total, for which the company has obtained a stay against the said order from the High Court, Bilaspur vide order dated 28.11.2001, on account of a petition contending the order which is yet to be heard. The petition has since been heard by the Honourable High Court, Bilaspur and vide their order of April, 2016 the company is liable to pay a final compensation of Rs. 14.00 lacs. No provision has been made in the accounts for the said liability of Rs. 14.00 lacs.

31. During the year the company has started implementing the new accounting software i.e. SAP but due to technical issues in the software and first year of implementation, the reconciliation of bank accounts was pending in SAP. According to the management of the company, there would not be any material impact on the balances after reconciliation.

32. Due to debt reduction 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.

33. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:

a. Defined Contribution Plan:

Amount of 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 25).

Benefit (Contribution to):	2018-19
Provident Fund & Employee state insurance scheme	107.08
Total	107.08

b. Defined benefit plan:

Gratuity:

The Company provides for gratuity, a defined benefit 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.

Particulars	Gratuity	Leave Encashment
	2018-19	2018-19
	(Funded)	(Non Funded)
I Change in Present value of defined benefit obligation during the year:		
Present value of defined benefit obligation at the beginning of the year	514.82	114.78
Interest Cost	36.91	8.16
Current Service Cost	38.28	6.82
Past Service Cost		
Benefit paid directly by employer	(71.01)	(17.70)
Actuarial Changes arising from changes in financial assumption	3.17	0.34
Actuarial Changes arising from changes in experience assumption	(61.30)	(28.06)
Present value of defined benefit obligation at the end of the year	460.87	84.34

Particulars		Gratuity	Leave Encashment
		2018-19	2018-19
		(Funded)	(Non Funded)
II	Change in fair value of plan assets during the year:		
	Fair value of plan assets at the beginning of the year	-	-
	Contribution paid by the employer	71.01	17.70
	Benefit paid from the fund	(71.01)	(17.70)
	Fair value of plan assets at the end of the year	-	-
III	Net asset / (liability) recognised in the balance sheet:		
	Present Value of defined benefit obligation at the end of the year	460.87	84.34
	Fair value of plan assets at the end of the year	-	-
	Amount recognised in the balance sheet	-	-
	Net asset / (liability) - Current	32.73	6.50
	Net asset / (liability) - Non Current	428.13	77.83
IV	Expenses recognized in the statement of profit and loss for the year:		
	Current Service Cost	38.28	6.82
	Interest Cost on benefit obligation (Net)	36.91	8.16
	Total expenses included in employee benefits expenses	75.18	14.98
V	Recognized in other comprehensive income for the year:		
	Actuarial Changes arising from changes in financial assumption	3.17	0.34
	Actuarial Changes arising from changes in experience assumption	(61.30)	(28.06)
	Recognized in other comprehensive income for the year:	(58.13)	(27.73)
VI	Maturity profile of defined benefit obligation:		
	Within the next 12 months (next annual reporting period)	32.73	6.50
	Between 2 and 5 years	207.05	32.40
	Between 6 and 10 years	229.75	44.14
VII	Quantitative Sensitivity analysis for significant assumption is as below:		
1	1% point increase in discount rate	428.34	77.97
	1% point decrease in discount rate	497.83	91.64
	1% point increase rate of salary Increase	495.53	91.91
	1% point decrease rate of salary Increase	429.34	77.62
	1% point increase rate of employee turnover rate	460.87	84.20
	1% point decrease rate of employee turnover rate	460.83	84.49
2	Sensitivity Analysis Method:		
	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
		2018-19	2018-19
		Non Funded	Non Funded
1	Discount rate	7.70%	7.70%
2	Salary escalation	8.00%	8.00%
3	Mortality rate during employment	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)
5	Rate of Employee Turnover	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, 2019. 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.

34. 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:

	31-Mar-19
Trade receivables	10,490.25
Bank, Cash and cash equivalents	637.66

Impairment losses

	31-Mar-19
Trade receivables (measured under life time excepted credit loss model)	
Opening balance	367.78
Provided during the year	112.31
Reversal of provision	-
Closing balance	480.09

Ageing analysis

	31-Mar-19
Upto 3 months	4,777.71
3-6 months	917.74
More than 6 months	3,073.41
	8,768.86

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:

As at 31 March 2019	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	8,208.21	2,625.46	-	10,833.67
Trade payables	11,199.77	-	-	11,199.77
Other financial liabilities	1,274.13	-	-	1,274.13
	20,682.10	2,625.46	-	23,307.57

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, Commercial Paper Program. 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

	31-Mar-19
Variable rate borrowings	8,292.93
Fixed rate borrowings	2,540.74

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-19
Interest rates - increase by 70 basis points	58.05
Interest rates - decrease by 70 basis points	(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.



Currency in Lacs

PARTICULARS	Currency	2018-19
Borrowings	USD	41.77
Trade Receivables	USD	1.05
Trade Receivables	EURO	1.74

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

Impact on profit after tax

	2018-19
Foreign exchange rates - increase by 1%	22.11
Foreign exchange rates - decrease by 1%	(22.11)

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.0.31 lacs (2017-18: Rs.0.34 lacs); an equal change in the opposite direction would have decreased profit and loss.

35. 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.

	31-Mar-19
Total liabilities (long term debt)	3,423.98
Less : Bank, Cash and cash equivalent	637.66
Net debt	2,786.32
Total equity	6,746.13
Net debt to equity ratio	0.41

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’2019 was in excess of cash credit limit by Rs.1516.86 lacs.

36. 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

Amount in INR Lacs

	Carrying amount	Level 1	Level 2	Level 3
	As at 31.03.2019			
Financial assets at amortised cost:				
Trade receivables	10490.25	-	-	-
Bank, Cash and bank balances	637.66	-	-	-
	11127.91	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	16.00	15.64	-	-
Total	16.00	15.64	-	-
Financial liabilities at amortised cost:				
Long term borrowings	2625.46	-	-	-
Short term borrowings	7409.70	-	-	-
Trade payables	11199.77	-	-	-
Other financial liabilities	2072.64	-	-	-
Total	23307.57	-	-	-

During the reporting period ending 31st March, 2019, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

37. 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.



c) Key Management Personnel

- Shri Ketan M. Shah,
Chairman and Whole time Director
- Smt. Sangeeta K. Shah,
Managing Director
- Shri Piyush P. Shah,
Executive Director (Upto 31.12.2018)
- Shri G Gopalswamy,
Executive Director (Upto 16.10.2018)
- Shri O P Patel,
Executive Director (w.e.f. 14.12.2018)
- Smt. D Meena, Company Secretary
- Shri Avinash Hariharo, CFO (Upto 02.11.2018)
- Shri J Suryam ,CFO (w.e.f. 02.11.2018)
- Shri K.R. Choksey,
Independent Director (Upto 04.10.2018)
- Shri Rajendra A. Shah,
Independent Director(Upto 09.02.2019)
- Shri Champak K. Dedhia,
Independent Director
- Mrs. Ushma N Khabaria,
Independent Director
- Mrs S M Swathi,
Independent Director (w.e.f. 09.02.2019)

d) Relatives of Key Management Personnel

- Shri Praveen Goverdhan (son of Shri G Gopalswamy)(upto 16.10.2018)

ii) Transaction with Related Parties in the ordinary course of business (Rs.in lacs)

			2018-19
a)	Other Related Parties where significant influence exist	Commission paid	79.06
		Interest Paid	15.40
		Unsecured Loan received	610.00
		Job work receipts	2.75
		Outstandings	
		Payables	1,611.01
b)	Key Management Personnel	Remuneration/salary Paid	109.43
		Rent Paid	14.20
		Sitting Fees	2.65
		Unsecured Loan received	76.95
		Unsecured Loan repaid	6.00
		Outstandings	
		Payables	872.17
c)	Relatives of Key Management Personnel	Rent Paid	2.60
		Outstandings	
		Payables	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

a)	2018-19
Commission paid: SEFW Projects Pvt. Ltd.	79.06
b) Job work receipts Ssquare Iromax Pvt. Ltd.	2018-19 2.75
c) Interest Paid: Prabha Plantation Pvt. Ltd.	2018-19 15.40
d) Rent Paid: Shri Ketan M Shah Shri Praveen Goverdhan	2018-19 14.20 2.60

f)	Remuneration/Salary Paid	2018-19
	Shri Ketan M Shah	43.58
	Smt. Sangeeta K Shah	41.85
g)	Sitting Fees Paid	2018-19
	Shri K.R. Choksey	0.30
	Shri Rajendra A. Shah	0.45
	Shri Champak K. Dedhia	0.95
	Mrs. Ushma N Khabaria	0.95
h)	Unsecured Loans Received:	2018-19
	Prabha Plantation Pvt. Ltd.	610.00
	Shri Ketan M Shah	76.95
i)	Repayment of Unsecured Loans:	2018-19
	Shri Ketan M Shah	6.00
j)	Payables:	2018-19
	SEFW Projects Pvt. Ltd.	413.39
	Prabha Plantation Pvt. Ltd.	909.00
	Shri Ketan M Shah	872.17
	SIM Prabha Estate & Trading Co. Pvt. Ltd	225.18

- 38.** 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:

Movement in provision for warranty and guarantee:	2018-19
Opening Balance	16.94
Less: Amount reversed during the year	0.55
Closing Balance	16.39

- 39.** As the subsidiary company has incorporated on 12th September,2018, therefore, the previous year figures have not been applicable.

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 : 29.05.2019

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

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

Sangeeta K Shah
Managing Director
(DIN: 05322039)

D. Meena
Company Secretary

J Suryam
CFO



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	N.A.
3.	Reporting currency	USD
4.	Exchange Rate as on 31.03.2019	Rs. 69.55
5.	Share capital	Rs. 3.29
6.	Reserves & surplus	Rs. (9.18)
7.	Total assets	Rs. 1727.49
8.	Total Liabilities	Rs. 1733.38
9.	Investments	Rs. 0.00
10.	Turnover	Rs. 3015.17
11.	Profit before taxation	Rs. (9.18)
12.	Provision for taxation	Rs. 0.00
13.	Profit after taxation	Rs.(9.18)
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.

As per our report of even date

For O P Singhanian & Co.

(ICAI Firm Reg. No.002172C)

Chartered Accountants

per Sanjay Singhanian

Partner

Membership No.076961

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

Ketan M Shah

Chairman & Whole time Director
(DIN: 00312343)

Sangeeta K Shah

Managing Director
(DIN: 05322039)

Place : Raipur

Date : 29.05.2019

D. Meena

Company Secretary

J Suryam

CFO

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SIMPLEX CASTINGS LIMITED

CIN:L27320MH1980PLC067459

Regd office: 601/602A, Fairlink Center, Off Andheri Link Road, Andheri (West), Mumbai-53.

PROXY FORM (Form No.MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)(Sole /first Shareholder)	
Name of Joint Holder, if any	
Registered Address:	
Email Id:	
Folio No. / Client Id:	
DP ID:	
No. of Shares held	

I / We, being the member(s) of _____ shares of the above named Company, hereby appoint:

- Name: _____ Email Id: _____
Address: _____
Signature: _____, or failing him / her
- Name: _____ Email Id: _____
Address: _____
Signature: _____, or failing him / her
- Name: _____ Email Id: _____
Address: _____
Signature: _____

as my/our Proxy to attend and vote for me /us and on my / our behalf at the 39th Annual General Meeting of the Company, to be held on Thursday, 26th September, 2019 at 3.00 P.M. at Baba Saheb Dhaanukar hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th floor, 12, K Dubhash Road, Fort, Mumbai-400001, and at any adjournment thereof in respect of such resolutions as are indicated below:

S No.		Vote (See Note 3)	
		For	Against
Ordinary Business			
1	Consider and adopt: Audited Standalone and Consolidated Financial Statements, Reports of the Board of Directors and Auditors thereon		
2	Appoint a Director in place of Mr. Ketan M Shah(DIN:00312343) who retires by rotation and being eligible offer himself for re-appointment.		
Special Business			
3	Ratify the remuneration of Cost Auditor.		
4	Appointment of Mrs Sannovanda Machaiah Swathi (DIN-06952954) as an Independent Director.		
5	Approval of Appointment and Remuneration of Mr Om Prakash Patel (DIN: 08301041) as Whole Time Director of the Company.		
6	Re appointment of Mrs Ushma Khabaria (DIN 06791342) as an Independent Director.		
7	Re-appointment of Mrs Sangeeta Ketan Shah(DIN :05322039) as Managing Director.		
8	Approve the Remuneration to be paid to Mr Ketan M Shah, Whole Time Director and Mrs Sangeeta Ketan Shah, Managing Director.		
9	Approve the Remuneration to be paid to Promoter Executive Directors.		

Signed this..... day of.....2019.

Signature of Shareholder

Signature of Proxy holder(s)

Please affix Re.1/- revenue stamp

TEAR HERE

NOTE:

1. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy and such person cannot act as a proxy for any other person or shareholder.
3. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
4. A Proxy need not be a member of the Company.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



SIMPLEX CASTINGS LIMITED

CIN:L27320MH1980PLC067459

Regd office: 601/602A, Fairlink Center, Off Andheri Link Road, Andheri (West), Mumbai-53.

ATTENDANCE SLIP FOR 39th ANNUAL GENERAL MEETING

Registered Folio No / DP ID & Client ID	
No. of Shares	
Name and Address of the Shareholder(s):	
Joint Holder(s):	

I/we hereby record my/our presence at the 39th Annual General Meeting of the Company held at "Baba Saheb Dhaanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th floor, 12, K Dubhash Marg, Fort, Mumbai-400001" on Thursday, September 26, 2019 at 3.00 p.m.

If Shareholder(s), please sign here	If Proxy, please mention name and sign here	
	Name of the Proxy	Signature

Note: Please sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.

TEAR HERE

----- ✂ ----- TEAR HERE ----- ✂ -----

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	User ID	*Default PAN
190207		

*** Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the PAN field.**

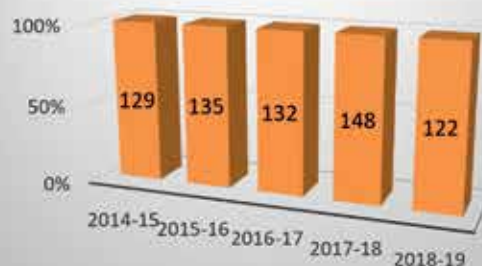
Note: Please read the instructions for e-voting given along with notice of the 39th Annual General Meeting. The Voting period starts from Monday, September 23, 2019 (9.00 a.m.) and ends on Wednesday, September 25, 2019 (5.00 p.m.). The voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

FINANCIAL HIGHLIGHTS

Turnover(Million)



Book Value per share (in Rs)



Profit After Tax (Million)



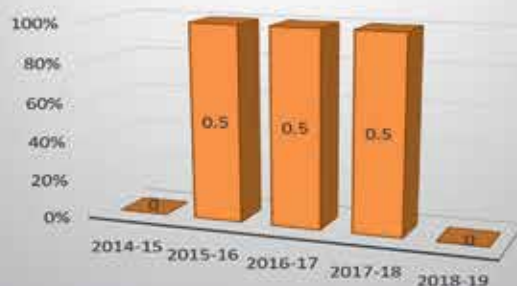
Basic Earning per Share (in Rs)



Net Worth (Million)



Dividend Per Share (in Rs)



Sectors Served



Steel



Railway



Power & Energy



Pump & Valves



Mining



Sugar



Ship Building



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