

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

DIRECTORS

Mr. A. KRISHNAMOORTHY
Chairman & Managing Director

Mr. N.VENKATARAMANI
Director (upto 31.07.2020)

Mr. P.S. RAJAMANI
Whole-time Director

Dr. R. MAHADEVAN
Director

Mr. P.M.VENKATASUBRAMANIAN
(Additional Director upto 27.09.2019)

Mrs. VASUNDHARA DANTU KRISHNAMURTHY
(Additional Director upto 27.09.2019)

Mr. R. VIJAYARAGHAVAN
Independent Director

Dr. SANDHYA SHEKHAR
Independent Director

AUDITORS

MESSRS. R.G.N. PRICE & CO.
CHARTERED ACCOUNTANTS

BANKERS

CENTRAL BANK OF INDIA

REGISTRAR & TRANSFER AGENTS

MESSRS. GNSA INFOTECH (P) LTD.
"NELSON CHAMBERS", "F"-BLOCK, STA DEPARTMENT
4TH FLOOR, NO. 115, NELSON MANICKAM ROAD,
AMINTHAKARAI, CHENNAI – 600 029

REGISTERED OFFICE

861/862, ANNA SALAI, CHENNAI – 600 002
Telephone : 9144-2858 4918 Fax : 9144-2858 5392

SIMPSON & COMPANY LIMITED

CIN: U65991 TN1925PLC002345

NOTICE TO THE SHAREHOLDERS FOR THE NINETY FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety fifth Annual General Meeting of the Company will be held on the Monday, the 28th December, 2020 at 4.00 P.M through video conferencing ("VC")/ other audio visual means ("OAVM), to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements (including Consolidated Financial Statements) for the year ended 31st March, 2020 and the Reports of the Directors and the Auditors thereon and if thought fit, to pass the following resolution as Ordinary resolution.

"RESOLVED THAT the Audited Financial Statements of the Company (including Consolidated Financial Statements) for the year ended 31st March, 2020 and the Reports of the Directors and the Auditors thereon be and are hereby received and adopted."

2. To declare dividend for the financial year ended 31st March, 2020 and if thought fit, to pass with or without modification(s) the following resolution as Ordinary resolution.

"RESOLVED THAT the total Dividend of Rs. 45.00 per equity share (450%) (including interim dividend of Rs. 32.50 per equity share (325%) already declared and paid) on the Equity Shares be declared for the financial year ended 31st March 2020."

3. To appoint a Director in place of Dr. R. Mahadevan (DIN: 00001690), who retires by rotation and eligible for re-appointment pursuant to Section 152 of the Companies Act, 2013 and if thought fit, to pass the following resolution as Ordinary resolution.

"RESOLVED THAT Dr. R. Mahadevan (DIN: 00001690), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director."

Special Business:

4. To ratify the remuneration of the Cost auditors for the financial year 2020-21 and 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 of the Companies Act, 2013, the remuneration is fixed at ₹.3,00,000/- (Rupees Three lakhs only) to M/s. A.N. Raman & Associates., Cost Accountants (Firm Registration Number 102111) who has been appointed as Cost Auditors by the Board of Directors for the Financial year 2020-2021 as recommended by the Audit Committee be and is hereby ratified".

By Order of the Board

S. SRINIVASARAGHAVAN
Chief Financial Officer &
Company Secretary

Place : CHENNAI - 600 002
Date : 02nd November, 2020

NOTES:

1. In view of the global outbreak and continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA), the Government of India, has vide its General Circular No. 14/ 2020 dated 8th April, 2020, General Circular No.17/ 2020 dated 13th April, 2020 and General Circular No. 20/ 2020 dated 5th May, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("ACT") and MCA Circulars, the AGM of the Company is being held through VC/OAVM. **Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Registrars/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.simpsons.in.**
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to participate in the Annual General Meeting through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to kannan.lalitha@gmail.com and sta@gnsaindia.com with copy marked to the Company at secretarial@simpson.co.in not later than four days before the date of the meeting, i.e., on or before 4.00 p.m. on 24th December, 2020.
3. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item No.4 is annexed hereto.
4. The Register of Members and the Share Transfer Book of the Company will remain closed between Saturday, the 19th December, 2020 to Monday, the 28th December, 2020 both days inclusive for the purpose of Annual General Meeting.
5. If the Final Dividend, as recommended by the Board of Directors, is approved at the Annual General Meeting, payment of such dividend will be made after 28th December, 2020. In respect of Shares held in Physical form, dividend will be paid to beneficial owners of the Shares, whose name shall appear in the Register of Members of the Company, at the end of business hours on 18th December, 2020. In case of Electronic form, dividend will be paid to the Beneficial Owners, as per the details furnished by Central Depository Services (India) Limited (CDSL), as at the close of business hours on 18th December, 2020.
6. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders with effect from April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company / Registrar and Share Transfer Agent (in case of shares held in Physical mode) and Depository Participant (in case of shares held in Dematerialized mode).

A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form 15G/ H, to avail the benefit of non-deduction of tax at source by email to sta@gnsaindia.com. Shareholders are requested to note that, in case their PAN is not registered, tax will be deducted at a higher rate of 20%. The aforesaid declarations and documents should reach the said e-mail address from the Shareholders on or before 18th December, 2020.
7. Members holding Shares in dematerialized form are requested to intimate all changes pertaining to their Bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail-id, address, contact numbers, etc., to their Depository Participant (DP) ONLY. Members holding Shares in physical form are requested to intimate such changes to M/s. GNSA Infotech Private Limited. "NELSON CHAMBERS", "F"-BLOCK, STA DEPARTMENT, 4TH FLOOR, NO:-115, NELSON MANICKAM ROAD, AMINTHAKARAI, CHENNAI – 600 029.
8. Members holding Shares in electronic form are requested to submit their Permanent Account Number (PAN) to their Depository Participants, with whom they maintain their demat accounts. Members holding Shares in physical form should submit their PAN to the Company.
9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. Members who have not registered their e-mail address are requested to forward their e-mail addresses to the Registrar and Share Transfer Agent sta@gnsaindia.com with copy to secretarial@simpson.co.in to receive the Annual Report & other communication.
11. All Beneficial Owners whose names are recorded in the Register of Members of the Company, as on the cut-off date, i.e.18th December, 2020 are eligible to cast their vote, by availing the facility of remote e-voting.

12. In compliance with the provisions of Section 108 of the Companies Act, 2013, to be read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions, the company is pleased to provide remote e-voting through Central Depository Services (India) Limited (CDSL), in respect of agenda items for all shareholders of the Company to enable them to cast their votes electronically on the resolutions mentioned in the notice of 95th Annual General Meeting of the company dated 02nd November, 2020. The Company has appointed M/s. L.K & Associates, Practicing Company Secretaries, Chennai, who have consented to act as Scrutinizer to conduct and scrutinize the remote e-voting process as well as the e-voting process on the date of the AGM in a fair and transparent manner.

13. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

The Electronic Voting Sequence Number (EVSN) is 201128003

- **The voting period begins on 25th December, 2020 at 10.00 A.M and ends on 27th December, 2020 till 5 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e 18th December, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on “Shareholders” module.
- Now enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID
 - (b) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and 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) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the default number < ABCDE1234F>in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- Click on the EVSN for the relevant Simpson and Company Limited on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

13A PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical Shareholders-Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to sta@gnsaindia.com.
2. For Demat shareholders-Please provide Demat account details (CDSL-16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to sta@gnsaindia.com.

13B INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. **Shareholders who would like to register themselves as speakers may send their request from their registered e-mail address mentioning their name, DP ID and Client ID / Folio number, PAN, email id, and mobile number to sta@gnsaindia.com and secretarial@simpson.co.in. on or before 5.00 p.m. on Monday, the 21st December, 2020. Those shareholders who have registered themselves as speakers will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.**

13C. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians:-

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinize at kannan.lalitha@gmail.com and to the Company at the email address viz; secretarial@simpson.co.in and sta@gnsaindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

14. M/s. L.K & Associates has been appointed by the Board of Directors as the Scrutinizer for voting at 95th Annual General Meeting to scrutinize both e-voting during AGM and remote e-voting process pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 for conducting the remote e-voting process and e-voting on the day of the AGM, in accordance with the law and in a fair and transparent manner.
15. The Scrutinizers shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any. The consolidated report will be submitted to the Chairman/Company Secretary not later than three days of the conclusion of the meeting.
16. The Chairman/Company Secretary will declare the results of voting forthwith upon receipt of report from Scrutinizer and the same shall be immediately placed on the Company’s website www.simpsons.in.
17. Any documents referred to in this Notice of Annual General Meeting and the Statement of Material Facts shall be open for inspection by electronic mode only upto the date of the 95th Annual General Meeting of the Company.

By Order of the Board
S. SRINIVASARAGHAVAN
Chief Financial Officer &
Company Secretary

Place : Chennai
Date : 02nd November, 2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT 2013:

ITEM NO.4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the Financial year 2020 - 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, the consent of the members as set out at Item No. 4 of the Notice is required for the remuneration payable to the Cost Auditors for the Financial year 2020 - 2021.

None of the Directors of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in the Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out in the Item No. 4 of the Notice for approval by the Shareholders.

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

REPORT OF THE DIRECTORS to be presented to the Shareholders at the Ninety Fifth Annual General Meeting

Your Directors have pleasure in presenting herewith the Annual Report together with the audited Financial Statements of the Company and Auditors' Report thereon for the Financial Year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS (STANDALONE)	31.03.2020	31.03.2019
	(₹ Crores)	(₹ Crores)
Profit before Finance charges, Depreciation and Tax	208.50	256.03
Less: Finance Charges	3.28	3.24
Depreciation	23.37	21.58
Profit Before tax	181.84	231.22
Less: Tax (including deferred tax & net of adjustments)	23.67	54.92
Profit After tax	158.18	176.29
Other Comprehensive Income / (Loss)	(0.99)	0.32
Total Comprehensive Income	157.19	176.61

DIVIDEND & TRANSFER TO RESERVES

The Board had declared and paid an interim dividend of 325% (₹.32.50 per share) during the year 2019-20. Subject to approval by shareholders, the Board recommends a Final Dividend of 125% (₹.12.50 per share) making the total dividend of 450% (₹. 45/-per share) for the year ended 31st March 2020 and recommends a sum of ₹.125 crores be transferred to General Reserve.

OPERATIONS

The Company recorded a production of 1,47,108 engines during the year with operational revenue of ₹.1,297.02 crores compared to 1,78,592 engines with revenue of ₹.1,534.19 crores in 2018-19. The performance was impacted by the downtrend in the economy affecting our customers' offtake as also to an extent the lockdown in the end of the year.

OUTLOOK

The trend of a lower offtake continued in the 1st quarter of the current year; however, the requirements from the Tractor and Industrial segments are improving and is expected to continue for the rest of the year.

The Company is taking all efforts to meet the requirements of our esteemed customers.

The development of new products meeting emission norms under regulatory requirements will continue.

The engine spare parts division and paints division operations are expected to further improve, as compared to last year.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are annexed with this Report as Annexure I.

BOARD OF DIRECTORS

The term of office of Shri P. M. Venkatasubramanian and Smt. Vasundhara Dantu Krishnamurthy, additional directors ended on 94th Annual General Meeting held on 27th September 2019. The Board wishes to acknowledge their guidance & support to the Company during their tenure.

Mr. N. Venkataramani, Director of the Company passed away on 01st August, 2020. The Board places on record his contribution to the Amalgamations Group in various capacities, including as managing director of India Pistons Ltd. The Board of Directors expressed their appreciation of the valuable services rendered by Mr. N. Venkataramani during his tenure.

Dr. R. Mahadevan, Director (DIN: 00001690) retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

CONSOLIDATION OF SHARES

The Company's proposal for consolidation of the Equity Shares was approved by a special Resolution passed at the Extra-ordinary General Meeting on 7th November 2019. The Company has filed petitions, under Section 61(1)(b) of Companies Act, 2013 for consolidation of equity shares and Section 66 for consequential reduction of share capital, with National Company Law Tribunal, for their approval. The matter is pending before the Hon'ble National Company Law Tribunal.

DISCLOSURE UNDER SECTION 197 OF THE COMPANIES ACT

The disclosure in relation to remuneration paid by the Company to its Chairman & Managing Director (CMD), has been furnished in Form No. MGT-9 available in the website of the Company. The subsidiary companies, M/s. Addison & Co. Ltd and M/s. T. Stanes & Co. Ltd have provided for payment of commission of ₹. 11 lakhs and ₹. 2.80 lakhs respectively for the year ended 31.03.2020 to the CMD, who is on their Board as a non-executive director. Particulars of employees in receipt of remuneration attracting the provision of Section 197 (12) during the year are annexed as Annexure II.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 in the preparation of financial statements for the year ended 31st March, 2020 and state that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had 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 at the end of the financial year as on 31st March, 2020 and of the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care 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 Directors had prepared the annual accounts on a going concern basis; and
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Company has put in place proper internal financial controls with reference to the Financial Statements as required u/s 134(3) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules 2014.

MEETINGS OF THE BOARD AND COMMITTEES

During the year 2019-20, Seven Board meetings were held on the following days, Viz. 23rd July, 2019 (two meetings), 03rd September, 2019, 25th September, 2019, 11th October, 2019, 03rd February, 2020 and 18th March, 2020.

The attendance by the Directors at Board meetings:

Name of the Director	No of Meetings
Mr. A. Krishnamoorthy, Chairman & Managing Director	7
Mr. P. S. Rajamani, Whole-time Director	7
Mr. N. Venkataramani, Director	7
Dr. R. Mahadevan, Director	7
Mr. P. M. Venkatasubramanian, Additional Director (up to 27 th September, 2019)	4
Mrs. Vasundhara Dantu Krishnamurthy, Additional Director (up to 27 th September, 2019)	-
Mr. R. Vijayaraghavan, Independent Director	5
Dr. Sandhya Shekhar, Independent Director	3

Two Audit Committee Meetings were held during the year 2019-20, on 23rd July, 2019 and 03rd February, 2020. The attendance of the same is given below:

Name of the Director	No. of meetings
Mr. A. Krishnamoorthy, Chairperson of the Committee	2
Mr. R. Vijayaraghavan, Member	1
Dr. Sandhya Shekhar, Member	2

Two N & R Committee Meetings were held on 23rd July, 2019 and 11th October, 2019. The attendance of the same is given below:

Name of the Director	No. of meetings
Dr. R. Mahadevan, Chairperson of the Committee	2
Mr. R. Vijayaraghavan, Member	2
Dr. Sandhya Shekhar, Member	1

One CSR Committee Meeting was held on 18th March, 2020 and all the members of the Committee Viz. Mr. A. Krishnamoorthy, Mr. N. Venkataramani and Mr. R. Vijayaraghavan attended the meeting.

CORPORATE SOCIAL RESPONSIBILITY

Annual report on CSR Activities undertaken by the Company for the Financial Year 2019-20 is annexed with this Report as Annexure III.

EXTRACT OF ANNUAL RETURN

As required under Section 92(3) read with Section 134(3) of the Companies Act, 2013 and Rule 12 of the companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form No. MGT-9 is available in the website of the Company www.simpsons.in.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186(4)

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RISK MANAGEMENT

The Company has framed and adopted a Risk Management Policy for its operations and accordingly the operations are reviewed by the management. The Risk Management is overseen by the Audit Committee of the Company. The major risks identified by the Company are systematically addressed through mitigating actions on a continuous basis.

AUDITORS

The Members of the Company in their Ninety Second Annual General meeting have reappointed M/s. R.G.N Price & Co, Chartered Accountants, as Statutory Auditors of the Company, to hold office for a term of 5 consecutive financial years from the conclusion of 92nd Annual General meeting until the conclusion of the 97th Annual General meeting of the Company subject to ratification at every Annual General Meeting. Pursuant to the Companies (Amendment) Act, 2017 and notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs, the ratification of appointment of Statutory Auditors at every Annual General Meeting by the members has been dispensed with. Accordingly, this subject is not placed before the members in the ensuing 95th Annual General Meeting.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 and as recommended by the Audit Committee, the Board of Directors had appointed M/s A.N. Raman & Associates, practicing Cost Accountants as Cost Auditors of the Company for the year 2020-21. The remuneration payable to them is subject to ratification by the members in the Annual General Meeting as set out in the agenda. The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s. L.K. & Associates, Practicing Company Secretaries firm to conduct the Secretarial Audit of the Company for the financial year ended 31st March 2020. The Secretarial Audit Report dated 16th July, 2020 is annexed with this Report as Annexure IV.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Indian Accounting Standards IND AS-110 on Consolidated Financial Statements read with IND AS-28 on Accounting for investments in Associates & Joint Venture and IND AS-31 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statements are furnished with this Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries', Associates' and Joint Ventures (in Form AOC-1) is attached to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Transactions with Related Parties entered into by the Company are considered inapplicable under the proviso to Section 188 (1) of the Companies Act, 2013, as these are in the Company's ordinary course of business and are on arm's length basis and duly approved by the Audit Committee. Such parties and nature of transactions are given in Form AOC-2 as Annexure V.

The Board and the Audit Committee, in relation to the provisions of the Companies Act 2013 pertaining to related party contracts, reviewed the transactions of the Company during the year with the Holding, Subsidiary and Associated Companies, which are being complied with the applicable regulations in the ordinary course of business at arm's length basis for several years. The Audit committee and the Board of Directors found that there were no materially significant transactions with related parties which were in conflict with the interest of the Company.

OTHER DISCLOSURE:

The Company has duly complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaints were reported during the year.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the support and co-operation extended by all employees of the Company.

Chennai
02nd November 2020

For and on behalf of the Board
A. KRISHNAMOORTHY
Chairman and Managing Director
DIN: 00001778

ANNEXURE – I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2020.

1. CONSERVATION OF ENERGY:

- (a) Energy conservation measures undertaken:
- Power Factor Management.
 - Monitoring and analysing consumption of electricity.
 - Operation of high power consuming machines in batch mode.
 - Implementation of energy audit recommendations.
- (b) Additional Investment and proposals, if any, being implemented for the reduction of consumption of energy:
- Supplementing with solar power sources for support services
- (c) Impact of measures taken for conservation of energy has resulted in exercising control over total energy consumption.

2. TECHNOLOGY ABSORPTION :

A. RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D carried out by the Company
Development of engines for tractor, power generation and industrial applications meeting future emission norms for both domestic and export markets.
2. Benefits derived as a result of the above R&D
Availability of engines to customers meeting the market requirements giving the following advantages:
 - (i) New emission compliant products, including Tier 4 Final certified to EPA & CARB norms.
 - (ii) New Market opportunity
 - (iii) Access to export markets
3. Future plan of action
To keep in line with the market and emission requirements
4. Expenditure on R & D ₹

(a) Capital	11,34,58,000
(b) Revenue	24,14,42,424
(c) Total	35,49,00,424
(d) Total (as a percentage of turnover)	2.74%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|-------------------------------|-------------------|
| (i) Foreign Exchange Earnings | ₹. 15,62,83,715/- |
| (ii) Foreign Exchange Outgo | ₹. 15,87,62,087/- |

SIMPSON & COMPANY LIMITED

Annexure II

Information as required under Rule 5(2) & 5(3) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014
read with Sec 134(3) & 197(12) of the Companies Act, 2013 forming part to the Directors' Report for the year ended 31st March 2020.

S.No.	Name	Designation	Age	Remuneration (Gross) ₹	Qualifications	Last employment	Total Experience (Years)	Date of joining
	Employed Throughout the Year							
1	Mr. P S Rajamani	Whole-time Director	70	1,61,60,000	B.Tech.(Met), PGD in SQC & OR M.B.A	Metallurgist Shardlow India Ltd.	48	23/09/1977
2.	Mr. S Srinivasaraghavan	Chief Financial Officer and Company Secretary	69	1,02,00,000	B.Sc., A.C.A, A.C.S., A.C.M.A	Executive Director Amalgamations Repco Ltd.	46	02/02/1996

- 14 Notes:
1. Gross remuneration includes salary, allowances, value of perquisites
 2. Nature of employment of the above employees is contractual.
 3. None of the above are related to any Director of the Company.

ANNEXURE – III TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31st MARCH, 2020.

Annual Report on Corporate Social Responsibility (CSR) Activities

1.	A brief outline of the company's CSR Policy		The company has framed the CSR policy which among other things covers Education, Health, Poverty alleviation and Rural development.				
2.	Composition of CSR Committee		Sri. A. Krishnamoorthy – Chairperson of the Committee Sri. N. Venkataramani – Member Sri. R. Vijayaraghavan – Member				
3.	Average Net profit of the Company for last three financial years:		₹ 169.01 crores				
4.	Prescribed CSR expenditure (Two percent of the amount as in item 3 given above)		₹ 3.39 crores				
5.	Details of CSR spent during the financial year Total amount to be spent for the Financial year Amount unspent, if any Manner in which the amount spent during the Financial year:		₹ 3.49 crores Nil The manner in which the amount spent is given below.				
S. No	Projects/Activities Donations to Institutions (under Section 136 of the Companies Act, read with Schedule VII)	Sector in which the project is covered	Location	Amount outlay (₹ Lacs)	Amount spent (₹ Lacs)	Cumulative Expenditure up to the reporting period (₹ Lacs)	Amount spent: Direct or through implementing agency
1	7(1) (ii) Promotion of education	Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differentlyabled and livelihood enhancement projects	Tirunelveli, Chennai, Tamilnadu	349.00	349.00	349.00	Direct

The Company has fully spent the two percent of the average net profit of the last three financial years.

The CSR Committee of the Board of Directors acknowledges the responsibility for the implementation and monitoring of CSR Policy and accordingly state that the same is in compliance with CSR objectives and Policy of the company and the company has complied with all the requirements in this regard.

A. Krishnamoorthy
DIN: 00001778
Chairperson
(CSR Committee)
Chennai
2nd November, 2020

R. Vijayaraghavan
DIN: 00026763
Member
(CSR Committee)

ANNEXURE - IV TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2020.

Secretarial Audit Report

(For the Financial year ended on March 31, 2020)

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Simpson and Company Limited
861/862, Anna Salai,
Chennai – 600 002.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Simpson and Company 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 our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Simpson and Company Limited ("**The Company**") for the financial year ended on March 31, 2020 according to the provisions of:
 - I. The Companies Act, 2013 and the Rules made thereunder to the extent notified by Ministry of Corporate Affairs
 - II. Foreign Exchange Management Act, 1999 ('**FEMA**') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. 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 Acts, Rules, Regulations, Guidelines, Standards, etc mentioned above, to the extent applicable.
2. We further report that based on the information received and records maintained there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws and also all other applicable laws, rules, regulations and guidelines.
 - (a) Factories Act, 1948
 - (b) Payment of Wages Act, 1936, and rules made thereunder,
 - (c) The Minimum Wages Act, 1948, and rules made thereunder,
 - (d) Employees' State Insurance Act, 1948, and rules made thereunder,
 - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - (f) The Payment of Bonus Act, 1965, and rules made thereunder,
 - (g) Payment of Gratuity Act, 1972, and rules made thereunder,
 - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - (i) *Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013*
3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder to the extent they were notified by the Ministry of Corporate Affairs with regard to:
 - (a) maintenance of various statutory registers and documents and making necessary entries therein;

- (b) closure of the Register of Members.
- (c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- (e) issuing notice of Board meetings and Committee meetings of Directors;
- (f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the conduct of the 94th Annual General Meeting held on 27th September 2019
- (h) maintenance of minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- (l) appointment and remuneration of statutory Auditors and Cost Auditors;
- (m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- (n) declaration and payment of dividends;
- (o) investment of the Company's funds including investments and loans to others;
- (p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
- (q) Directors' report to the shareholders;
- (r) contracts, common seal, registered office and publication of name of the Company;
- (s) Alteration of Articles of Association of the Company
- (t) Consolidation of shares into larger denomination; and
- (u) Generally, all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder to the extent notified by the Ministry of Corporate Affairs.

4. 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.
- Notice of all the Board meetings was given to all the Directors, alongwith agenda and detailed notes on agenda atleast seven days in advance and a proper system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting to enable meaningful participation at the meeting.
- Majority decisions were carried through and a proper system exists for capturing and recording the dissenting members' views as part of the minutes.
- There were no borrowings or satisfaction of loans during the period under report requiring registration, modification and satisfaction of charges;
- The Company has obtained all necessary approvals under the various provisions of the Companies Act, 2013 to the extent applicable; and
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013, Foreign Exchange Management Act, 1999 and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility for appointment, their independence, wherever applicable and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

5. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board, General Meetings and Dividend, as applicable.
6. During the financial year ended 31.03.2020 the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act were not applicable to the Company since the securities are not listed in any Stock Exchange.
7. We further report that, during the financial year ended 31.03.2020, the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder were complied by the company.
8. Compliance with the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings did not arise since there is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the period under report.
9. We further report that, during the financial year ended 31.03.2020, the provisions of the Securities Exchange Board of India Act, 1992 and the various guidelines framed thereunder were not applicable to the Company since the Company's securities are not listed in any Stock Exchange.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For L K & Associates
Company Secretaries

LALITHA KANNAN
C.P. 1894

UDIN: A008304B000448205

Place : Chennai
Date : 16-07-2020

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE 'A'

To

The Members
Simpson and Company Limited
861/862, Anna Salai,
Chennai – 600 002.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Due to the current Covid 19 situation, part of the audit was completed by taking representations from Management wherever possible and also by verifying scanned copies of documents which was sent via mail by the Company.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For L K & Associates
Company Secretaries

LALITHA KANNAN
C.P. 1894

UDIN: A008304B000448205

Place : Chennai
Date : 16-07-2020

ANNEXURE – V

FORM NO. AOC -2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014].

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis.

SI. No.	Particulars	Details
1.	Names of the related party & nature of relationship	Transactions are ongoing. Date of approval by Board: 23 rd July, 2019. For other particulars, please refer to Annexure 1 of Explanatory notes to the Financial Statement No.52.
2.	Nature of contracts/arrangements/transaction	
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Date of approval by the Board	
6.	Amount paid as advances, if any (as on 31.03.2020)	

Chennai
2nd November, 2020

For and on behalf of the Board
A. KRISHNAMOORTHY
DIN: 00001778
Chairman & Managing Director

R.G.N. PRICE & CO.,

CHARTERED ACCOUNTANTS

Phone : 28413633 & 28583494
E-Mail : price@rgnprice.com
Offices at : Mumbai, Bengaluru, New Delhi,
Kochi, Kollam & Kozhikode

Simpson's Buildings,
861, Anna Salai,
CHENNAI - 600 002

29th July 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Simpson & Company Limited

Report on the Audit of the Ind AS Standalone Financial Statements

Opinion

We have audited the Ind AS Standalone Financial Statements of **Simpson & Company Limited** ("the Company") which comprises of balance sheet as at March 31, 2020, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Ind AS Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 on the Ind AS Standalone Financial Statements.

Emphasis of Matter

Impact of COVID-19 pandemic

We draw attention to Note 50 of the standalone Ind AS financial statements which explains the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation and that the eventual outcome in the subsequent periods may be different than that estimated due to the uncertainties involved.

Our opinion is not modified in respect of this matter.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure, but does not include the Ind AS Standalone and Consolidated Financial Statements and our auditor's reports thereon. The said other information is expected to be made available to us after the date of this auditor's report at the time of adoption of the Consolidated Financial Statements.

Our opinion on the Ind AS Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

Management's Responsibility for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Standalone 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 Ind AS Standalone Financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Standalone Financial Statements, the Board of Directors 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 Responsibility for the Audit of Ind AS Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Standalone Financial Statements, including the disclosures and whether the Ind AS Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of Section 143 of the Act, 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 purpose 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 account including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with in this report are in agreement with the books of account.
 - (d) In our opinion, the Ind AS Standalone 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 as on March 31, 2020 taken on records by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director under section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 read with Schedule-V to the Act.
 - (h) With respect to 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 gives to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Standalone Financial Statements in Note 46 (B) (1.1) (a) to (d) to the Ind AS Standalone Financial Statements.
 - (ii) The Company has long term contracts for which there were no material foreseeable losses. Company does not have any long term derivative contracts.
 - (iii) There has been no delay in transferring amounts that were required to be transferred, to the Investors Education and Protection Fund by the Company.

Other Matter

Due to prevailing lockdown conditions and travel restrictions due to COVID-19, we were unable to participate in the physical verification of Inventory as at 31st March 2020. Consequently, we have adopted alternative audit procedures as per the guidance note issued by the ICAI on physical Inventory verification – Key audit consideration amid COVID-19 and SA 501- Audit evidence – Specific Considerations for selected items and have obtained sufficient and appropriate audit evidence to issue our unmodified audit opinion in respect of the above on these financial statements.

Our opinion is not modified in respect of this matter

Chennai
29th July, 2020

For R. G. N. PRICE & CO.,
Chartered Accountants
FR No. 002785S
MAHESH KRISHNAN
Partner
Membership No. 206520
UDIN : 20206520AAAAC8345

Annexure – “A” referred to in paragraph 1 of ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Ind AS standalone financial statements of Simpson & Company Limited (“the Company”) for the year ended 31st March, 2020

- (i) (a) The Company has maintained proper records for its property, plant and equipment showing full particulars including quantitative details and situation of those assets.
- (b) Property, plant and equipment have been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and its business. There was no material discrepancies noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company. In respect of land amounting to Rs. 64.32 Crores purchased from a wholly owned subsidiary company and registered in March 2020, we were unable to sight the title deeds as the same is yet to be collected from the sub-registrar office due to travel restrictions arising out of the Pandemic.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the Management and discrepancies noticed were not material and have been properly dealt in the books of account.
- (iii) The Company has granted unsecured loans covered in the register maintained under section 189 of the Companies Act, 2013 during the year.
- (a) The terms and conditions for granting the loans are not prejudicial to the interest of the Company.
- (b) The payment of interest and principal is regular as stipulated.
- (c) There were no overdue amounts in respect of the above loans.
- (iv) The Company has complied with the provisions of section 185 and section 186 of Companies Act, 2013 in respect of loans, investments, guarantees and security wherever applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company under section 148(1) of the Companies Act, 2013 and the Company’s (Cost Records and Audit) Rules 2014. We are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, customs duty, cess and other statutory dues applicable to it with the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of income tax, goods and service tax, customs duty and cess which have not been deposited on account of any dispute as at 31st March 2020, except as under:

Name of Statute	Nature of dues	Amount (₹ in lakhs)	Period to which relates (Assessment Year)	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax	1.24	1999-00	Appellate Deputy Commissioner(CT) – Mumbai
		3.73	2000-01	
		1.95	2001-02	
		3.11	2013-14	Sales Tax Appellate Tribunal, Chennai
Bombay Sales Tax Act, 1959	Tax, Interest & Penalty	31.02	2002-03	Joint Commissioner of Sales Tax (Appellate), Mumbai
		1.36	2003-04	
		4.33	2004-05	

- (viii) The Company does not have any loans or borrowings from financial institutions, banks or Government. The Company has not issued any debentures.
- (ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) Managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) As the Company is not a Nidhi Company and hence, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with the related parties in compliance with Section 177 and Section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company
- (xv) The Company has not entered into any non- cash transactions with the Directors or persons connected with them. Accordingly, the provisions of Clause 3(xv) of the Order 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For R. G. N. PRICE & CO.,
Chartered Accountants
FR No. 002785S

MAHESH KRISHNAN
Partner

Membership No. 206520
UDIN : 20206520AAAAC8345

Chennai
29th July, 2020

Annexure – “B” referred to in Clause 2(f) of Paragraph on ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Ind AS standalone financial statements of the Company for the year ended 31st March, 2020

We have audited the internal financial controls over the financial reporting of **Simpson & Company Limited** (“the Company”) as at March 31,2020 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor’s 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 and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. The Guidance Note and those standards 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 controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial controls 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 authorizations of Management and Directors of the Company.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020 based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India.

For R. G. N. PRICE & CO.,
Chartered Accountants
FR No. 002785S

MAHESH KRISHNAN
Partner

Membership No. 206520
UDIN : 20206520AAAAC8345

Chennai
29th July, 2020

SIMPSON & COMPANY LIMITED

BALANCE SHEET AS AT

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31-03-2020	31-03-2019
A. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	1	19,264.36	19,003.28
(b) Capital Work-in-Progress		351.71	513.22
(c) Investment Property	2	9,012.91	2,582.43
(d) Intangible Assets	3	104.41	555.82
(e) Intangible assets under development		2,189.66	1,819.31
(f) Financial Assets			
(i) Investments	4	96,412.12	92,296.67
(ii) Loans	5	7,287.91	2,815.57
(iii) Others	6	-	1,350.00
(g) Other Non-Current Assets	7	991.58	2,783.12
Total Non-Current Assets		<u>135,614.66</u>	<u>123,719.41</u>
2. Current Assets			
(a) Inventories	8	8,935.15	7,357.70
(b) Financial Assets			
(i) Investments	9	9,328.63	212.86
(ii) Trade Receivables	10	31,265.90	34,899.27
(iii) Cash and Cash Equivalents	11 (i)	42.13	3,886.07
(iv) Bank balances other than (iii) above	11 (ii)	6,000.00	8,500.00
(v) Loans	12	5,250.00	2,012.50
(vi) Others	13	724.54	976.91
(c) Current Tax Assets (net)	14	(0.77)	165.78
(d) Other Current Assets	15	3,432.78	4,549.28
Total Current Assets		<u>64,978.36</u>	<u>62,560.37</u>
TOTAL ASSETS		<u>200,593.02</u>	<u>186,279.79</u>
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	16	737.75	737.75
(b) Other Equity	17	173,744.93	162,452.83
Total Equity		<u>174,482.68</u>	<u>163,190.58</u>
LIABILITIES			
2. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	671.29	666.85
(b) Provisions	19	465.10	471.55
(c) Deferred Tax Liabilities (Net)	20	2,407.97	2,791.20
Total Non-Current Liabilities		<u>3,544.36</u>	<u>3,929.60</u>
3. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	2,600.00	2,600.00
(ii) Trade Payables	22		
– Total outstanding dues of micro and small enterprises		565.44	302.22
– Total outstanding dues of creditors other than micro and small enterprises		13,842.14	12,370.24
(iii) Other Financial Liabilities	23	4,558.28	3,343.94
(b) Other Current Liabilities	24	554.02	258.06
(c) Provisions	25	446.09	285.15
Total Current Liabilities		<u>22,565.97</u>	<u>19,159.61</u>
TOTAL EQUITY AND LIABILITIES		<u>200,593.02</u>	<u>186,279.79</u>

The accompanying notes are an integral part of the financial statements

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

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner
Membership No. 206520

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 29th July, 2020

SIMPSON & COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31-03-2020	31-03-2019
Revenue from operations	26	129,702.28	153,419.10
Other income	27	11,107.94	11,784.25
Total Income		140,810.22	165,203.35
Expenses :			
(a) Cost of materials consumed	28	96,911.58	1,15,225.06
(b) Purchases of stock-In-trade	29	4,775.83	6,043.43
(c) Changes in inventories of finished goods, Stock-in-trade & WIP	30	(983.82)	(1,039.99)
(d) Employee Benefits Expense	31	9,234.95	9,050.35
(e) Finance Costs	32	328.44	323.85
(f) Depreciation and Amortization Expense	1	2,337.12	2,157.69
(g) Other Expenses	33	10,021.78	10,321.42
Total Expenses		122,625.88	142,081.81
Profit / (loss) before tax		18,184.34	23,121.54
Tax Expense:			
(a) Current tax		2,750.00	5,100.00
(b) Deferred tax		(383.23)	392.11
Profit/(loss) for the year		15,817.57	17,629.43
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss	34	(132.25)	49.94
(ii) Income tax relating to items that will not be reclassified to profit or loss		(33.28)	17.45
B. (i) Items that will be reclassified to profit or loss	35	-	4.07
(ii) Income tax relating to items that will be reclassified to profit or loss		-	4.67
Total Comprehensive Income for the Year		15,718.60	17,661.32
Earnings per equity share (face value – ₹.10 per share)			
Basic & Diluted [Profit/(loss) for the Year / No. of Equity Shares]	36	214.40	235.91

The accompanying notes are an integral part of the financial statements This is the Statement of Profit and Loss referred to in our report of even date.

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner
Membership No. 206520

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 29th July, 2020

SIMPSON & COMPANY LIMITED
Statement of Changes in Equity for the Year Ended March 31, 2020

(All amounts are in INR lakhs unless otherwise stated)

(a) Equity Share Capital	Balance at the beginning of the reporting period		Changes in Equity share capital during the year		Balance at the end of the reporting period	
2018-19	750.00	–	(12.25)	–	–	737.75
2019-20	737.75	–	–	–	–	737.75
(b) Other Equity	Reserves and Surplus			Effective Portion of Cash Flow Hedges	Actuarial Gains/Losses on Defined Benefit Plan for Employees Benefit	Total
	General Reserve	Capital Redemption Reserve	Retained Earnings			
Balance as at 1st April 2018	141,051.00	–	22,841.62	(1.33)	89.11	163,980.40
Adjustments	–	–	–	11.34	–	11.34
Total Comprehensive Income for the Year	–	–	17,629.43	(0.60)	32.49	17,661.32
Dividends (Interim & Final)	–	–	(3,353.56)	–	–	(3,353.56)
Tax on distributed income	–	–	(2,996.42)	–	–	(2,996.42)
Transfer to Retained Earnings / General Reserves	14,000.00	–	(14,000.00)	–	–	–
Buyback - Consideration (for amount in excess of Face value of shares)	(12,850.25)	–	–	–	–	(12,850.25)
Transfer to Capital Redemption Reserve	(12.25)	12.25	–	–	–	–
Balance as at 31st March 2019	142,188.50	12.25	20,121.07	9.40	121.60	162,452.83
Total Comprehensive Income for the Year	–	–	15,817.56	–	(98.96)	15,718.60
Dividends (Interim & Final)	–	–	(4,426.50)	–	–	(4,426.50)
Transfer to Retained Earnings / General Reserves	14,000.00	–	(14,000.00)	–	–	–
Balance as at 31st March 2020	156,188.50	12.25	17,512.13	9.41	22.64	173,744.93

Note: Any part of the reserves presented under Equity instruments through other Comprehensive Income which is realized in Cash shall be disclosed separately

The accompanying notes are an integral part of the financial statements

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

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner
Membership No. 206520

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 29th July, 2020

SIMPSON & COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2020		31-03-2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		18,184.33		23,121.54
Adjustments for:				
Fair valuation gain on investments	(3,124.62)		(4,024.86)	
Fair valuation gain on long term loans	(120.38)		(14.10)	
Depreciation	2,337.13		2,157.70	
Interest and Finance Charges	328.45		323.86	
Interest Income	(1,344.00)		(1,970.18)	
Dividend Income	(5,926.73)		(5,008.94)	
Profit on sale of investment	(307.09)		(588.12)	
(Profit)/Loss on sale of Property, Plant and Equipment	(4.49)		5.33	
Adjustment in OCI reserve	-		11.34	
Provision no longer required	(3.82)		(73.58)	
Provision for bad and doubtful debts	43.43		43.35	
Effective portion of cash flow hedges	-		4.07	
Actuarial Gain / Loss on Defined benefit obligation (Gratuity)	(132.25)		49.94	
Bad Debts	-		3.55	
		(8,254.36)		(9,080.66)
Adjustments for changes in working capital:				
(Increase)/ Decrease in Trade receivables	3,589.95		(277.42)	
(Increase)/Decrease in other receivables	4,510.41		(5,086.18)	
(Increase)/Decrease in Inventories	(1,577.46)		(1,550.84)	
Increase/ (Decrease) in Current liabilities & Provisions	3,405.59	9,928.49	(3,386.19)	(10,300.64)
Cash generated from operations		19,858.46		3,740.24
Direct Taxes paid	(2,550.17)	(2,550.17)	(5,242.15)	(5,242.15)
Net cash from operating activities (A)		17,308.29		(1,501.91)
B. CASH FLOW FROM INVESTMENT ACTIVITIES:				
Purchase of Property Plant and Equipment	(8,822.99)		(6,528.34)	
Proceeds from Sale of PPE	41.37		24.60	
Purchase of Investments	(20,284.08)		(21,889.21)	
Sale of Investments	10,484.57		25,728.26	
(Increase)/Decrease in Loans	(3,632.50)		717.50	
Interest Income	1,387.04		1,989.35	
Dividend Income	5,926.73		5,008.94	
(Increase)/Decrease in Inter corporate deposit	(4,000.00)		2,000.00	
(Increase)/Decrease in Term deposits	2,500.00		11,505.33	
Cash from investment activities (B)		(16,399.86)		18,556.41

SIMPSON & COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2020		31-03-2019	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest/Finance charges on borrowings	(325.88)		(319.88)	
Dividend paid	(4,426.50)		(3,353.56)	
Buy-back consideration paid (including taxes)	-		(15,858.92)	
Cash from financing activities (C)		(4,752.38)		(19,532.36)
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)		(3,843.94)		(2,477.86)
Cash and Cash Equivalents (Opening Balance)		3,886.07		6,363.93
Cash and Cash Equivalents (Closing Balance)		42.13		3,886.07
Cash and cash equivalents :				
Balances with banks :				
(a) in current accounts		8.71		374.56
(b) bank deposits with maturity of three months and below		-		3,500.00
Cheques in transit		30.00		8.11
Cash on hand		3.42		3.40
		42.13		3,886.07

The accompanying notes are an integral part of the financial statements

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

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner
Membership No. 206520

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 29th July, 2020

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01-04-2019	Additions	Disposals	As at 31-03-2020	As at 01-04-2019	For the year	Withdrawn	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
1. PROPERTY, PLANT AND EQUIPMENT:										
Land-Freehold	6,207.60	-	-	6,207.60	-	-	-	-	-	6,207.60
Buildings:										
on Freehold land	2,695.01	279.36	-	2,974.37	855.95	72.77	-	928.72	2,045.65	1,839.06
on leasehold land	49.95	-	-	49.95	49.20	0.05	-	49.25	0.70	0.75
Plant and Machinery	25,121.02	1,734.61	1,586.78	25,268.85	14,619.50	1,650.99	1,552.41	14,718.08	10,550.77	10,501.52
Electrical Installation	388.35	2.16	14.63	375.88	266.96	19.31	13.90	272.39	103.49	121.36
Furniture and Fixtures	352.02	25.22	0.76	376.48	209.96	21.59	0.75	230.80	145.68	142.06
Office Equipments	118.92	18.57	-	137.49	55.96	20.08	-	76.04	61.45	62.96
Vehicles	286.05	55.43	21.72	319.76	158.09	32.59	19.94	170.74	149.02	127.96
Total (A)	35,218.92	2,115.35	1,623.89	35,710.38	16,215.64	1,817.38	1,587.00	16,446.02	19,264.36	19,003.28
2. INVESTMENT PROPERTY :										
Land-Freehold	2,519.10	6,432.31	-	8,951.41	-	-	-	-	-	2,519.10
Buildings:										
on Freehold land	86.67	-	-	86.67	23.34	1.83	-	25.17	61.50	63.33
on leasehold land	4.94	-	-	4.94	4.94	-	-	4.94	-	-
Total (B)	2,610.71	6,432.31	-	9,043.02	28.28	1.83	-	30.11	9,012.91	2,582.43
3. OTHER INTANGIBLE ASSETS :										
Computer Software	581.62	66.49	-	648.11	482.38	61.32	-	543.70	104.41	99.24
New Product Development (Internally generated)	2,282.92	-	-	2,282.92	1,826.34	456.58	-	2,282.92	-	456.58
Total (C)	2,864.54	66.49	-	2,931.03	2,308.72	517.90	-	2,826.62	104.41	555.82
Total (A+B+C)	40,694.17	8,614.15	1,623.89	47,684.43	18,552.64	2,337.11	1,587.00	19,302.75	28,381.68	22,141.53
Previous Year - 31-03-2019	36,418.42	4,616.49	340.74	40,694.17	16,705.76	2,157.70	310.82	18,552.64	-	-

Refer Note No.50.1 Regarding charge created on Property, Plant and Equipment

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2020	As at 31-03-2019
4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS (SUMMARY)		
(A) Investments in Subsidiaries (At cost)		
Equity Shares (Quoted)	3,951.19	2,586.20
Equity Shares (Unquoted)	16,128.11	14,205.07
Fully Convertible Preference Shares (Unquoted)	2,250.00	1,500.00
(B) Investments in Associates (At cost)		
Equity Shares (Quoted)	6,896.10	6,896.10
Equity Shares (Unquoted)	2,866.38	2,866.38
Fully Convertible Preference Shares (Unquoted)	1,124.97	1,124.97
(C) Investments in Joint Ventures (At cost)		
Equity Shares (Unquoted)	750.00	750.00
Fully Convertible Preference Shares (Unquoted)	450.00	450.00
(D) Investments in Others		
Equity Shares (Quoted) (At Fair value)	51.92	120.95
Equity Shares (Unquoted) (At cost)	29.49	29.49
Total (i)	34,498.17	30,529.16
(E) Investments in Debt instruments (At Amortised cost)		
Bonds	872.59	872.59
Total (ii)	872.59	872.59
(F) Investments in Mutual funds (At Fair value)		
Debt Funds - Fixed Maturity Plans	50,302.69	54,398.99
Debt Funds - Open ended	6,671.66	3,149.33
Equity Funds	4,067.01	3,346.60
Total (iii)	61,041.36	60,894.91
Grand Total (i) + (ii) + (iii)	96,412.12	92,296.67

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of shares	Amount	No. of shares	Amount
(A) INVESTMENTS IN SUBSIDIARIES					
(i) In Equity Shares : (At Cost)					
Quoted, fully paid up					
I.P Rings Ltd.	10	37,67,000	3,951.19	25,01,712	2,586.20
			<u>3,951.19</u>		<u>2,586.20</u>
Unquoted, fully paid up					
Addison & Co. Ltd	100	5,40,000	28.00	5,40,000	28.00
Amalgamations Repco Ltd.	10	4,96,985	529.47	4,61,985	459.47
Amco Batteries Ltd.	100	2,80,500	12.75	2,80,500	12.75
George Oakes Ltd.	10	25,00,000	208.00	25,00,000	208.00
India Pistons Ltd.	10	2,50,00,000	12,220.89	1,65,00,000	11,370.89
IPL Green Power Limited	10	13,50,000	135.00	13,50,000	135.00
Shardlow India Ltd.	10	3,00,00,000	2,992.02	2,00,00,000	1,992.02
Simpson & General Finance Co. Ltd.	10	20,00,000	152.00	20,00,000	152.00
Sri Rama Vilas Service Ltd.	10	12,50,000	18.00	12,50,000	18.00
Stanes Amalgamated Estates Ltd	10	1,695	0.26	1,695	0.26
Tractors and Farm Equipment Ltd.	10	91,49,100	511.99	91,49,100	511.99
T.Stanes & Co. Ltd	10	13,72,795	233.00	13,72,035	229.96
Wheel & Precision Forgings India Ltd.	10	1,50,000	13.75	150,000	13.75
			<u>17,055.13</u>		<u>15,132.09</u>
Less : Impairment Provision					
Shardlow India Ltd.			(792.02)		(792.02)
IPL Green Power Limited			(135.00)		(135.00)
			<u>16,128.11</u>		<u>14,205.07</u>
(ii) In Fully Convertible Preference Shares : (At cost)					
Unquoted, fully paid up					
8% 5 year Fully convertible cumulative Preference shares of India Pistons Limited	10	75,00,000	750.00	-	-
8% 10 year Fully convertible cumulative Preference shares of Shardlow India Limited	10	60,00,000	600.00	60,00,000	600.00
7% 10 year Fully convertible cumulative Preference shares of Shardlow India Limited	10	90,00,000	900.00	90,00,000	900.00
			<u>2,250.00</u>		<u>1,500.00</u>
(B) INVESTMENTS IN ASSOCIATES					
(i) In Equity Shares : (At Cost)					
Quoted, fully paid up					
Bimetal Bearings Ltd.	10	18,74,136	6,886.87	18,74,136	6,886.87
United Nilgiri Tea Estates Company Ltd.	10	61,506	9.23	61,506	9.23
			<u>6,896.10</u>		<u>6,896.10</u>
Unquoted, fully paid up					
Amalgamations Valeo Clutch Private Ltd.	10	97,05,252	2,851.76	97,05,252	2,851.76
L.M Van Moppes Diamond Tools(India)Private Limited	10	1,98,450	14.62	1,98,450	14.62
			<u>2,866.38</u>		<u>2,866.38</u>
(ii) In Fully Convertible Preference Shares : (At cost)					
Unquoted, fully paid up					
8% Fully Convertible Cumulative Preference shares of Amalgamations Valeo Clutch Private Limited	10	1,12,49,719	1,124.97	1,12,49,719	1,124.97
			<u>1,124.97</u>		<u>1,124.97</u>

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of shares	Amount	No. of shares	Amount
(C) INVESTMENTS IN JOINT VENTURES					
(i) In Equity Shares : (At Cost)					
Unquoted, fully paid up					
BBL Daido Private Ltd.	10	39,00,000	750.00	39,00,000	750.00
			<u>750.00</u>		<u>750.00</u>
(ii) In Fully Convertible Preference Shares : (At cost)					
Unquoted, fully paid up					
8% Fully Convertible Cumulative Preference Shares of BBL Daido Private Ltd.	100	4,50,000	450.00	4,50,000	450.00
			<u>450.00</u>		<u>450.00</u>
(D) INVESTMENTS IN OTHERS					
(i) In Equity Shares : (At Fair Value)					
Quoted, fully paid up					
Cummins India Ltd.	2	10,500	34.18	10,500	78.23
Central Bank of India	10	4,266	0.52	4,266	1.56
Mahindra & Mahindra Ltd.	5	4,000	11.40	4,000	26.87
TATA Motors Ltd.	2	8,201	5.83	8,201	14.29
			<u>51.92</u>		<u>120.95</u>
In Equity Shares : (At Cost)					
Unquoted, fully paid up					
Arkey Energy (Rameswaram) Ltd.	10	1,75,000	17.50	1,75,000	17.50
Madras Enterprises Ltd. (formerly Madras Stock Exchange Ltd)	1	4,55,620	11.99	4,55,620	11.99
			<u>29.49</u>		<u>29.49</u>
Total			<u>34,498.17</u>		<u>30,529.16</u>
(E) INVESTMENTS IN DEBT INSTRUMENTS					
In Bonds : (At Amortised cost)					
Quoted, fully paid up					
8.00% Tranche - 1 Series I Tax Free Bonds 80th Series of Indian Railway Finance Corporation Ltd.	1000	4,350	43.50	4,350	43.50
8.20% Tranche - 1 Series I Tax Free Bonds of Power Finance Corporation Ltd.	1000	5,696	56.96	5,696	56.96
7.11% Tranche - 1 Series IA Tax Free Bonds of Power Finance Corporation Ltd.	1000	514	5.14	514	5.14
8.20% Tranche - 1 Series I Tax Free Bonds of National Highways Authority of India	1000	4,945	49.45	4,945	49.45
7.14% Tranche - 1 Series IA Tax Free Bonds of National Highways Authority of India	1000	5,714	57.14	5,714	57.14
8.51% Tranche - II Series I A Tax Free Bonds of Housing and Urban Development Corporation Limited	1000	20,000	200.00	20,000	200.00
8.23% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd.	1000	20,000	200.00	20,000	200.00
7.07% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd.	1000	6,040	60.40	6,040	60.40
8.41% Tranche - II Series I A Tax Free Bonds of India Infrastructure Finance Company Ltd.	1000	20,000	200.00	20,000	200.00
Total			<u>200.00</u>		<u>200.00</u>

872.59

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plans (Growth Scheme)					
Aditya Birla Sunlife					
Series NH - 1168 Days - Growth	10	-	-	20,00,000	255.36
Series NI - 1163 Days - Growth	10	-	-	20,00,000	255.56
Series OI - 1120 Days - Growth	10	20,00,000	247.79	20,00,000	230.50
Series OK - 1135 Days - Growth	10	20,00,000	246.69	20,00,000	228.94
Series OL - 1148 Days - Growth	10	20,00,000	246.38	20,00,000	229.54
Series OX - 1234 Days - Growth	10	40,00,000	474.74	40,00,000	436.80
Series OY - 1218 Days - Growth	10	20,00,000	237.45	20,00,000	218.25
Series OZ - 1187 Days - Growth	10	20,00,000	236.85	20,00,000	217.77
Series PA - 1177 Days - Growth	10	20,00,000	237.35	20,00,000	218.19
Series PB - 1190 Days - Growth	10	20,00,000	236.73	20,00,000	217.59
Series PC - 1169 Days - Growth	10	20,00,000	236.82	20,00,000	217.54
Series PD - 1177 Days - Growth	10	20,00,000	236.72	20,00,000	217.39
Series PE - 1159 Days - Growth	10	20,00,000	235.92	20,00,000	216.82
Series PF - 1148 Days - Growth	10	20,00,000	235.94	20,00,000	216.65
Series PG - 1148 Days - Growth	10	20,00,000	236.25	20,00,000	216.74
Series PH - 1143 Days - Growth	10	20,00,000	235.70	20,00,000	216.37
Series PI - 1140 Days - Growth	10	20,00,000	235.55	20,00,000	216.29
Series PJ - 1135 Days - Growth	10	20,00,000	235.35	20,00,000	216.02
Series PK - 1132 Days - Growth	10	20,00,000	234.79	20,00,000	215.64
Series PO - 1140 Days - Growth	10	20,00,000	234.83	20,00,000	215.72
Series PT - 1100 Days - Growth	10	20,00,000	234.64	20,00,000	216.36
Series PU - 1463 Days - Growth	10	20,00,000	239.65	20,00,000	218.25
Series PV - 1462 Days - Growth	10	20,00,000	239.92	20,00,000	218.51
Series PW - 1100 Days - Growth	10	20,00,000	236.72	20,00,000	217.44
Series PY - 1409 Days - Growth	10	20,00,000	238.85	20,00,000	217.58
Series QB - 1113 Days - Growth	10	20,00,000	236.00	20,00,000	216.93
Series QE - 1101 Days - Growth	10	20,00,000	234.15	20,00,000	215.73
Series QK - 1099 Days - Growth	10	20,00,000	233.05	20,00,000	214.70
Series QL - 1099 Days - Growth	10	20,00,000	232.99	20,00,000	214.55
Series SN - 1099 Days - Growth	10	20,00,000	219.49	-	-
Series SO - 1099 Days - Growth	10	20,00,000	215.93	-	-
Canara Robeco					
Series 8 Fund - Growth	10	10,00,000	115.24	10,00,000	105.76
DSP BlackRock					
Series 205 - 37M - Regular Growth	10	20,00,000	246.11	20,00,000	229.59
Series 209 - 37M - Regular Growth	10	50,00,000	612.79	50,00,000	571.55
Series 210 - 36M - Regular Growth	10	20,00,000	244.41	20,00,000	227.97
Series 211 - 38M - Regular Growth	10	20,00,000	244.22	20,00,000	227.75
Series 217 - 40M - Regular Growth	10	20,00,000	236.86	20,00,000	217.96
Series 218 - 40M - Regular Growth	10	20,00,000	236.25	20,00,000	217.91
Series 219 - 40M - Regular Growth	10	20,00,000	235.97	20,00,000	217.57
Series 220 - 40M - Regular Growth	10	20,00,000	236.01	20,00,000	216.95
Series 221 - 40M - Regular Growth	10	20,00,000	235.38	20,00,000	216.88
Series 224 - 39M - Regular Growth	10	20,00,000	234.46	20,00,000	215.60
Series 226 - 39M - Regular Growth	10	20,00,000	234.34	20,00,000	215.17
Series 232 - 36M - Regular Growth	10	20,00,000	234.86	20,00,000	215.97
Series 233 - 36M - Regular Growth	10	20,00,000	233.79	20,00,000	215.43
Series 236 - 36M - Regular Growth	10	20,00,000	232.99	20,00,000	214.11
Series 237 - 36M - Regular Growth	10	20,00,000	232.35	20,00,000	213.58

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plans (Growth Scheme)					
Franklin India					
Series 1 - Plan-A - 1108 days - Growth	10	20,00,000	246.10	20,00,000	228.92
Series 1 - Plan-B - 1104 days - Growth	10	20,00,000	244.17	20,00,000	227.14
Series 2 - Plan-A - 1224 days - Growth	10	20,00,000	236.48	20,00,000	216.92
Series 2 - Plan-B - 1224 days - Growth	10	20,00,000	237.00	20,00,000	217.40
Series 2 - Plan-C - 1205 days - Growth	10	20,00,000	236.74	20,00,000	217.29
Series 3 - Plan-A - 1157 days - Growth	10	20,00,000	235.90	20,00,000	216.18
Series 3 - Plan-B - 1139 days - Growth	10	20,00,000	235.63	20,00,000	215.77
Series 3 - Plan-C - 1132 days - Growth	10	20,00,000	234.19	20,00,000	214.44
Series 3 - Plan-D - 1132 days - Growth	10	20,00,000	233.71	20,00,000	214.05
Series 3 - Plan-E - 1104 days - Growth	10	20,00,000	235.04	20,00,000	215.44
Series 3 - Plan-F - 1098 days - Growth	10	20,00,000	234.00	20,00,000	214.34
Series 4 - Plan-A - 1098 days - Growth	10	20,00,000	232.24	20,00,000	212.80
 HDFC					
1107 Days March 2016 (1) - Series 36 - Regular - Growth	10	-	-	20,00,000	249.53
1114 Days March 2016 (1) - Series 35 - Regular - Growth	10	-	-	20,00,000	250.20
1120 Days March 2016 (1) - Series 36 - Regular - Growth	10	-	-	20,00,000	250.47
1132 Days February 2016 (1) - Series 35 - Regular - Growth	10	-	-	20,00,000	252.73
1148 Days February 2016 (1) - Series 35 - Regular - Growth	10	-	-	20,00,000	252.30
1155 Days February 2016 (1) - Series 35 - Regular - Growth	10	-	-	20,00,000	253.34
1167 Days January 2016 (1) - Series 35 - Regular - Growth	10	-	-	20,00,000	253.50
1176 Days January 2016 (1) - Series 35 - Regular - Growth	10	-	-	20,00,000	254.03
1112 Days June 2016 (1) - Series 36 - Regular - Growth	10	-	-	20,00,000	243.97
1127 Days June 2016 (1) - Series 36 - Regular - Growth	10	-	-	20,00,000	245.69
1099 Days June 2018 (1) - Regular - Growth	10	20,00,000	233.59	20,00,000	214.46
1113 Days June 2018 (1) - Regular - Growth	10	20,00,000	234.27	20,00,000	214.83
1119 Days June 2018 (1) - Regular - Growth	10	20,00,000	235.20	20,00,000	215.62
1122 Days July 2018 (1) - Regular - Growth	10	20,00,000	233.66	20,00,000	213.99
1134 Days May 2018 (1) - Regular - Growth	10	20,00,000	235.99	20,00,000	216.24
1143 Days March 2018 (1) - Growth	10	20,00,000	234.99	20,00,000	215.84
1145 Days March 2018 (1) - Growth	10	20,00,000	234.28	20,00,000	215.04
1147 Days March 2018 (1) - Growth	10	20,00,000	234.35	20,00,000	215.17
1150 Days Febuary 2017(1) - Regular - Growth - Series 37	10	20,00,000	248.15	20,00,000	231.09
1150 Days March 2018 (1) - Growth	10	40,00,000	471.43	40,00,000	433.31
1158 Days February 2018 (1) - Growth	10	20,00,000	236.99	20,00,000	217.50
1169 Days Febuary 2017 (1) - Regular - Growth - Series 37	10	20,00,000	245.85	20,00,000	229.73
1181 Days April 2018 (1) - Regular - Growth	10	20,00,000	235.55	20,00,000	216.19
1183 Days April 2018 (1) - Regular - Growth	10	20,00,000	233.22	20,00,000	214.05
1434 Days May 2018 (1) - Regular - Growth	10	20,00,000	237.78	20,00,000	217.16
 HSBC					
Series 131 - 1140 days - Direct - Growth	10	10,00,000	115.37	10,00,000	107.59
Series 134 - 1118 days - Regular - Growth	10	20,00,000	207.97	20,00,000	213.61
 ICI Prudential					
Series-78 - 1130 days - Plan T - Growth	10	-	-	20,00,000	252.36
Series-78 - 1190 days - Plan C - Growth	10	-	-	20,00,000	255.18
Series-78 - 1150 days - Plan N - Growth	10	-	-	20,00,000	254.82
Series-79 - 1120 days - Plan J - Growth	10	-	-	20,00,000	242.02
Series-78 - 1102 days - Plan Z - Growth	10	-	-	20,00,000	247.49
Series-79 - 1104 days - Plan P - Growth	10	-	-	20,00,000	239.01
Series-79 - 1118 days - Plan K - Growth	10	-	-	20,00,000	240.57

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plans (Growth Scheme)					
ICICI Prudential – (Contd.)					
Series-80 - 1216 days - Plan U - Growth	10	30,00,000	371.79	30,00,000	344.62
Series-80 - 1231 days - Plan P - Growth	10	20,00,000	249.42	20,00,000	231.12
Series-80 - 1253 days - Plan J - Growth	10	20,00,000	249.44	20,00,000	232.03
Series-81 - 1150 days - Plan K - Growth	10	40,00,000	484.12	40,00,000	449.09
Series-81 - 1154 days - Plan J - Growth	10	20,00,000	242.26	20,00,000	224.74
Series-81 - 1162 days - Plan P - Growth	10	40,00,000	483.07	40,00,000	446.89
Series-81 - 1178 days - Plan H - Growth	10	20,00,000	244.60	20,00,000	226.61
Series-81 - 1185 days - Plan G - Growth	10	20,00,000	245.20	20,00,000	226.84
Series-81 - 1190 days - Plan F - Growth	10	40,00,000	490.84	40,00,000	454.52
Series-81 - 1195 days - Plan D - Growth	10	20,00,000	245.56	20,00,000	227.54
Series-81 - 1211 days - Plan A - Growth	10	20,00,000	246.36	20,00,000	228.61
Series 82 - 1119 Days - Plan X - Growth	10	20,00,000	234.28	20,00,000	215.46
Series-82 - 1135 days - Plan U - Growth	10	20,00,000	235.06	20,00,000	215.76
Series 82 - 1141 Days - Plan Y - Growth	10	20,00,000	234.98	20,00,000	215.83
Series-82 - 1175 days - Plan I - Growth	10	20,00,000	237.27	20,00,000	217.67
Series-82 - 1185 days - Plan M - Growth	10	20,00,000	236.99	20,00,000	217.21
Series-82 - 1185 days - Plan N - Growth	10	20,00,000	235.79	20,00,000	216.49
Series-82 - 1199 days - Plan L - Growth	10	20,00,000	236.93	20,00,000	217.66
Series-82 - 1203 days - Plan K - Growth	10	20,00,000	237.26	20,00,000	217.88
Series-82 - 1215 days - Plan H - Growth	10	20,00,000	237.57	20,00,000	218.18
Series-82 - 1217 days - Plan C - Growth	10	20,00,000	237.76	20,00,000	218.67
Series-82 - 1219 days - Plan D - Growth	10	20,00,000	237.84	20,00,000	218.64
Series-82 - 1223 days - Plan E - Growth	10	40,00,000	474.89	40,00,000	436.70
Series-82 - 1223 days - Plan G - Growth	10	20,00,000	237.32	20,00,000	218.09
Series-82 - 1225 days - Plan B - Growth	10	40,00,000	476.13	40,00,000	437.75
Series-82 - 1236 days - Plan A - Growth	10	40,00,000	476.92	40,00,000	437.64
Series 83 - 1100 Days - Plan O - Growth	10	20,00,000	233.72	20,00,000	214.68
Series 83 - 1105 Days - Plan A - Growth	10	20,00,000	235.58	20,00,000	216.96
Series 83 - 1105 Days - Plan F - Growth	10	20,00,000	235.12	20,00,000	216.23
Series 83 - 1107 Days - Plan Q - Growth	10	20,00,000	233.19	20,00,000	214.08
Series 83 - 1108 Days - Plan H - Growth	10	20,00,000	235.89	20,00,000	216.59
Series 83 - 1111 Days - Plan Y - Growth	10	20,00,000	232.24	20,00,000	212.88
Series 86 - 1099 Days - Plan A - Growth	10	40,00,000	438.94	-	-
IDFC					
Series 140 - 1145 days - Regular Plan - Growth	10	20,00,000	235.25	20,00,000	216.18
Series 142 - 1139 days - Regular Plan - Growth	10	20,00,000	234.43	20,00,000	215.56
Series 144 - 1141 days - Regular Plan - Growth	10	20,00,000	233.94	20,00,000	214.94
Series 152 - 1452 days - Regular Plan - Growth	10	40,00,000	461.08	40,00,000	430.80
Series 154 - 1098 days - Regular Plan - Growth	10	20,00,000	233.98	20,00,000	214.84
Series 156 - 1103 days - Regular Plan - Growth	10	20,00,000	233.15	20,00,000	213.85
Series 160 - 1105 days - Regular Plan - Growth	10	20,00,000	232.05	20,00,000	212.85

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plants (Growth Scheme)					
Kotak					
Series 199 - Growth	10	20,00,000	246.19	20,00,000	230.07
Series 202 - Growth	10	20,00,000	245.10	20,00,000	228.60
Series 204 - Growth	10	20,00,000	244.62	20,00,000	227.09
Series 210 - Growth	10	20,00,000	237.55	20,00,000	219.80
Series 211 - Growth	10	20,00,000	236.80	20,00,000	219.21
Series 212 - Growth	10	20,00,000	236.77	20,00,000	217.70
Series 213 - Growth	10	20,00,000	236.86	20,00,000	217.87
Series 215 - Growth	10	20,00,000	238.00	20,00,000	218.19
Series 216 - Growth	10	20,00,000	237.98	20,00,000	217.37
Series 217 - Growth	10	20,00,000	237.80	20,00,000	217.71
Series 219 - Growth	10	10,00,000	117.84	10,00,000	108.31
Series 221 - Growth	10	20,00,000	234.36	20,00,000	215.35
Series 226 - Growth	10	20,00,000	239.49	20,00,000	217.96
Series 228 - Growth	10	20,00,000	236.47	20,00,000	216.76
Series 230 - Growth	10	20,00,000	235.70	20,00,000	216.00
L&T					
Series XVI - Plan A - 1223 days - Growth	10	20,00,000	237.33	20,00,000	218.32
Nippon India					
XXX - Series 5 - 1152 days - Growth	10	-	-	20,00,000	255.51
XXX - Series 6 - 1139 days - Growth	10	-	-	20,00,000	254.90
XXX - Series 10 - 1136 days - Growth	10	-	-	20,00,000	254.29
XXX - Series 12 - 1130 days - Growth	10	-	-	20,00,000	252.41
XXX - Series 13 - 1124 days - Growth	10	-	-	20,00,000	252.30
XXX - Series 17 - 1111 days - Growth	10	-	-	20,00,000	249.65
XXXIII - Series 10 - 1173 days - Growth	10	20,00,000	245.82	20,00,000	227.39
XXXIII - Series 8 - 1183 days - Growth	10	20,00,000	247.87	20,00,000	229.28
XXXIV - Series 2 - 1145 days - Growth	10	20,00,000	243.14	20,00,000	225.21
XXXIV - Series 3 - 1139 days - Growth	10	20,00,000	242.96	20,00,000	225.11
XXXIV - Series 4 - 1132 days - Growth	10	20,00,000	242.44	20,00,000	224.65
XXXIV - Series 7 - 1105 days - Growth	10	20,00,000	241.44	20,00,000	224.43
XXXIV - Series 9 - 1130 days - Growth	10	20,00,000	241.26	20,00,000	223.34
XXXV - Series 6 - 1263 days - Growth	10	20,00,000	238.86	20,00,000	218.97
XXXV - Series 7 - 1269 days - Growth	10	40,00,000	475.99	40,00,000	436.13
XXXV - Series 11 - 1242 days - Growth	10	40,00,000	476.71	40,00,000	436.78
XXXV - Series 12 - 1227 days - Growth	10	20,00,000	238.31	20,00,000	218.38
XXXV - Series 13 - 1221 days - Growth	10	20,00,000	237.72	20,00,000	217.90
XXXV - Series 14 - 1214 days - Growth	10	20,00,000	237.56	20,00,000	217.85
XXXVI - Series 3 - 1173 days - Growth	10	10,00,000	117.76	10,00,000	107.89
XXXVI - Series 7 - 1153 days - Growth	10	20,00,000	235.87	20,00,000	216.26
XXXVII - Series 10 - Growth	10	20,00,000	232.47	20,00,000	216.32
XXXVII - Series 12 - Growth	10	20,00,000	236.01	20,00,000	216.46
XXXVII - Series 15 - Growth	10	20,00,000	234.74	20,00,000	215.54
XXXVII - Series 6 - Growth	10	20,00,000	239.75	20,00,000	218.46
XXXVIII - Series 1 - Growth	10	20,00,000	234.35	20,00,000	215.06
XXXVIII - Series 3 - Growth	10	20,00,000	233.13	20,00,000	213.95
PGIM India					
Series AU - 1125 days - Growth	1000	10,000	105.57	10,000	98.81
Series AZ - 1105 days - Growth	1000	20,000	200.18	20,000	194.24
Series BA - 1442 days - Growth	1000	20,000	237.00	20,000	216.43

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plants (Growth Scheme)					
State Bank of India					
Series B 29 - 1200 days - Regular - Growth	10	-	-	20,00,000	254.62
Series B 31 - 1200 days - Regular - Growth	10	-	-	20,00,000	251.89
Series B 33 - 1131 days - Regular - Growth	10	-	-	20,00,000	250.68
Series B 34 - 1131 days - Regular - Growth	10	-	-	20,00,000	249.92
Series B 35 - 1131 days - Regular - Growth	10	-	-	20,00,000	249.75
Series B 41 - 1100 days - Regular - Growth	10	-	-	20,00,000	244.26
Series B 42 - 1100 days - Regular - Growth	10	-	-	20,00,000	241.25
Series B 46 - 1155 days - Regular - Growth	10	20,00,000	244.39	20,00,000	228.96
Series C 1 - 1100 days - Regular - Growth	10	40,00,000	442.14	40,00,000	446.24
Series C 2 - 1100 days - Regular - Growth	10	40,00,000	471.80	40,00,000	439.59
Series C 7 - 1190 days - Regular - Growth	10	20,00,000	235.02	20,00,000	216.72
Series C 8 - 1175 days - Regular - Growth	10	20,00,000	235.46	20,00,000	216.89
Series C 9 - 1150 days - Regular - Growth	10	20,00,000	235.16	20,00,000	216.46
Series C 10 - 1150 days - Regular - Growth	10	20,00,000	235.14	20,00,000	216.41
Series C 12 - 1122 days - Regular - Growth	10	20,00,000	229.68	20,00,000	214.64
Series C 14 - 1122 days - Regular - Growth	10	20,00,000	229.43	20,00,000	214.53
Series C 16 - 1100 Days - Regular- Growth	10	20,00,000	234.73	20,00,000	215.99
Series C 18 - 1100 Days - Regular- Growth	10	20,00,000	234.12	20,00,000	215.35
Series C 19 - 1100 Days - Regular- Growth	10	20,00,000	232.93	20,00,000	214.27
Series C 20 - 1100 Days - Regular- Growth	10	20,00,000	231.97	20,00,000	213.33
Series C 21 - 1100 Days - Regular- Growth	10	20,00,000	227.86	20,00,000	211.93
Series C 7 - 1175 Days - Regular- Growth	10	20,00,000	217.73	-	-
TATA					
Series 53 - Scheme A - Growth	10	20,00,000	234.89	20,00,000	215.46
Series 53 - Scheme B - Growth	10	20,00,000	234.30	20,00,000	214.99
Series 55 - Scheme A - Growth	10	20,00,000	235.27	20,00,000	215.71
Series 55 - Scheme D - Growth	10	20,00,000	229.80	20,00,000	212.68
UTI					
Series XXIV-XII - 1099 days - Growth	10	-	-	20,00,000	246.55
Series XXIV-XIII - 1097 days - Growth	10	-	-	20,00,000	244.11
Series XXV-II - 1097 days - Growth	10	-	-	20,00,000	242.24
Series XXV-III - 1100 days - Growth	10	-	-	20,00,000	241.35
Series XXVI-VI - 1146 days - Growth	10	20,00,000	248.00	20,00,000	230.57
Series XXVI-VIII - 1154 days - Growth	10	20,00,000	245.06	20,00,000	227.61
Series XXVII-I - 1113 days - Growth	10	60,00,000	723.41	60,00,000	669.02
Series XXVI-X - 1107 days - Growth	10	20,00,000	243.60	20,00,000	226.13
Series XXVI-XI - 1105 days - Growth	10	20,00,000	243.50	20,00,000	226.02
Series XXVI-XIV - 1105 days -Growth	10	20,00,000	241.98	20,00,000	224.22
Series XXVI-XV - 1097 days - Growth	10	20,00,000	241.56	20,00,000	223.95
Series XXVII-III - 1096 days - Growth	10	40,00,000	480.25	40,00,000	444.49
Series XXVII-VIII - 1117 days - Growth	10	20,00,000	236.75	20,00,000	219.26
Series XXVII-X - 1118 days - Growth	10	20,00,000	232.79	20,00,000	217.55
Series XXVIII-IV - 1204 days - Growth	10	20,00,000	237.83	20,00,000	218.19
Series XXVIII-VI - 1190 days - Growth	10	20,00,000	237.53	20,00,000	217.99
Series XXVIII-IX - 1168 days - Growth	10	20,00,000	237.20	20,00,000	217.49
Series XXVIII-XII - 1154 days - Growth	10	20,00,000	235.92	20,00,000	216.27
Series XXVIII-XI - 1161 days - Growth	10	20,00,000	236.78	20,00,000	217.07
Series XXVIII-XIV - 1147 days - Growth	10	20,00,000	235.19	20,00,000	215.76
Series XXIX - IV - 1422 Days - Growth	10	40,00,000	478.64	40,00,000	436.29
Series XXIX - VI - 1135 Days - Growth	10	20,00,000	236.22	20,00,000	216.65
Series XXIX - VII - 1135 Days - Growth	10	20,00,000	230.85	20,00,000	215.06
Series XXIX - VIII - 1127 Days - Growth	10	20,00,000	235.22	20,00,000	215.78
Series XXIX - XIV - 1131 Days - Growth	10	20,00,000	233.73	20,00,000	214.50
TOTAL(A)			50,302.69		54,398.99

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Open ended (Growth Scheme)					
Aditya Birla SunLife Corporate Bond - Growth	10	5,20,748	407.51	-	-
Axis Banking & PSU Debt Fund - Growth	10	10,689	204.31	-	-
HDFC Banking and PSU Debt - Growth	10	24,71,539	408.33	-	-
HDFC Corporate Bond - Growth	10	8,97,847	205.73	-	-
ICICI Prudential Corporate Bond - Growth	10	9,82,458	204.61	-	-
IDFC Banking & PSU Debt - Regular - Growth	10	34,43,215	610.93	-	-
IDFC Corporate Bond - Regular - Growth	10	2,62,16,795	3,613.02	2,47,34,929	3,149.33
L&T Banking and PSU Debt - Growth	10	22,66,771	407.67	-	-
Nippon India Banking & PSU Debt - Growth	10	13,74,674	204.50	-	-
Nippon India Floating Rate - Growth	10	12,74,746	405.06	-	-
TOTAL(B)			<u>6,671.66</u>		<u>3,149.33</u>
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Equity Funds (Growth Scheme)					
Aditya Birla Sunlife Equity Hybrid 95 Fund - Growth	10	47,168	270.30	47,168	358.68
DSP BlackRock Equity & Bond Fund - Regular Plan - Growth	10	1,74,408	232.37	1,74,408	264.41
DSP Equity Fund - Regular - Growth	10	4,01,566	130.21	4,01,566	157.08
Franklin India Equity Fund - Growth	10	71,126	295.63	-	-
Franklin India Focused Equity - Growth	10	10,07,373	294.46	-	-
HDFC Balanced Advantage Fund - Growth	10	-	-	31,580	63.50
HDFC Capital Builder Fund - Growth	10	-	-	67,951	205.62
HDFC Equity Fund - Growth	10	64,449	295.00	-	-
HDFC Equity Savings Fund - Growth	10	1,42,723	47.05	1,42,723	52.51
HDFC Hybrid Equity Fund	10	1,90,501	80.87	1,90,501	103.72
ICICI Prudential Balanced Advantage Fund - Growth	10	4,71,819	144.24	4,71,819	166.74
IIFL Capital Enhancer Fund - Series-1 - Growth	10	-	-	10,00,000	104.20
IDFC Hybrid Equity Fund - Regular - Growth	10	10,60,178	95.63	10,60,178	122.66
IDFC Core Equity Fund - Regular - Growth	10	4,42,832	141.40	4,42,832	201.40
Invesco India Contra Fund - Growth	10	3,98,485	145.33	-	-
Kotak Emerging Equity Fund - Growth	10	4,59,622	135.76	-	-
Kotak Standard Multicap Fund - Growth	10	5,23,492	141.40	-	-
L&T Hybrid Equity Fund - Growth	10	1,89,545	40.56	1,89,545	49.51
L&T India Value Fund - Growth	10	5,42,064	134.20	-	-
L&T Large and Midcap Fund - Growth	10	4,01,075	144.42	4,01,075	189.32
Mirae Asset Large Cap - Regular - Growth	10	7,50,813	291.57	-	-
Nippon India Vision Fund - Growth	10	10,165	38.97	27,329	143.35
Nippon India Equity Hybrid Fund - Growth	10	-	0.25	4,74,121	261.30
Nippon India Large Cap Fund - Growth	10	5,63,146	136.09	-	-
Nippon India Multicap Fund - Growth	10	1,06,058	68.63	1,06,058	105.69
SBI Equity Hybrid Fund - Regular - Growth	10	2,56,131	304.01	2,56,131	344.07
TATA Equity P/E Fund - Regular - Growth	10	1,45,320	142.81	1,45,320	196.66
TATA Multicap Fund - Growth	10	36,66,091	315.86	-	-
UTI Hybrid Equity Fund - Regular - Growth	10	-	-	1,50,717	256.18
TOTAL(C)			<u>4,067.01</u>		<u>3,346.60</u>
Total Non-Current Investments (A+B+C)			<u>61,041.36</u>		<u>60,894.91</u>
Aggregate amount of :					
Quoted Investments			11,771.80		10,475.84
Unquoted Investments			84,640.32		81,820.83
Market Value of Quoted Investments			6,179.10		12,754.88

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2020	As at 31-03-2019
5. FINANCIAL ASSETS - LONG TERM LOANS (Refer Note no.50.2)		
Secured, considered good		
Loan to related party (Refer Note no.52)	1,980.00	1,980.00
Add : Fair value adjustment	45.49	47.12
(Secured by second charge on Immovable properties situated at Sembiam, Chennai)	2,025.49	2,027.12
Loans receivable which have significant increase in credit risk		
Loan to related party (Refer Note no.52)	5,170.00	775.00
Add : Fair value adjustment	92.42	13.45
	5,262.42	788.45
	7,287.91	2,815.57
6. FINANCIAL ASSETS - OTHERS		
Advances to related parties for Shares	-	1,350.00
	-	1,350.00
7. OTHER NON-CURRENT ASSETS		
Security deposits	239.36	240.85
Duties/taxes and other amounts paid under protest	28.37	28.37
Capital advances :		
- Related parties	-	2,050.00
- Others	723.85	463.90
	991.58	2,783.12
8. INVENTORIES		
Raw materials and components	4,222.45	3,657.82
Intermediate components	647.14	582.12
Work-in-progress	964.27	1,269.22
Finished goods	2,001.30	966.51
Stock-in-trade	964.58	775.62
Stores and spares	124.65	94.98
Loose tools	10.76	11.43
	8,935.15	7,357.70
Goods in transit included in :		
- Raw materials and components	204.30	112.00
- Finished goods	18.43	55.02
Note : Obsolete inventory written off during the year – ₹.3,522,493 (PY : ₹.826,494)		

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

9. CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2020		As at 31-03-2019	
		No. of units	Amount	No. of units	Amount
INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt funds - Open ended (Growth Scheme)					
Canara Robeco Savings - Regular - Growth	10	19,54,856	613.61	-	-
HDFC Arbitrage Wholesale - Growth	10	8,71,992	202.80	-	-
HDFC Liquid - Growth	10	40,063	1,555.87	-	-
HDFC Ultra Short Term Fund - Regular - Growth	10	18,27,936	204.83	-	-
ICICI Prudential Equity Arbitrage - Growth	10	7,84,655	203.32	-	-
ICICI Prudential Liquid - Growth	10	4,21,222	1,232.07	-	-
ICICI Prudential Money Market - Growth	10	1,47,620	409.66	-	-
IDFC Arbitrage Regular - Growth	10	16,36,608	403.86	-	-
IDFC Ultra Short Term Fund - Regular - Growth	10	36,04,935	410.04	-	-
Kotak Equity Arbitrage - Regular - Growth	10	14,44,101	405.04	-	-
Kotak Liquid - Regular - Growth	10	10,453	418.16	-	-
L&T Liquid - Growth	10	23,179	628.32	-	-
Nippon India Arbitrage - Growth	10	20,11,892	404.66	-	-
Nippon India Liquid Fund-Treasury Plan - Growth	10	-	-	4,689	212.86
SBI Arbitrage Opportunities - Growth	10	7,96,239	203.33	-	-
SBI Liquid - Growth	10	52,366	1,620.02	-	-
SBI Magnum Ultra Short Duration - Regular - Growth	10	4,606	204.87	-	-
Tata Liquid - Regular - Growth	10	6,686	208.18	-	-
Total:			9,328.63		212.86

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2020	As at 31-03-2019
10. TRADE RECEIVABLES		
Considered good - Unsecured *	31,265.90	34,899.27
Credit impaired	230.15	186.72
	31,496.05	35,085.99
Less : Credit impaired	230.15	186.72
	31,265.90	34,899.27
<i>* includes related party transactions- Refer Note no.52</i>		
Note : There are no Trade receivables which have significant increase in credit risk		
11. (i) CASH AND CASH EQUIVALENTS		
Balances with banks :		
(a) in current accounts	8.71	374.56
(b) in deposits with original maturity of less than three months	-	3,500.00
Cheques in transit	30.00	8.11
Cash on hand	3.42	3.40
Total cash and cash equivalents	42.13	3,886.07
11. (ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
(a) Bank deposits with maturity of three months to twelve months	6,000.00	8,500.00
Total bank balances other than cash and cash equivalents	6,000.00	8,500.00
12. FINANCIAL ASSETS - SHORT TERM LOANS (Refer Note no.50.2)		
Unsecured and Considered Good		
Loans to related parties (Refer Note no.52)	400.00	-
Loans to Others	-	62.50
Inter-corporate deposit	4,000.00	-
Loans receivable which have significant increase in credit risk		
Loans to related parties (Refer Note no.52)	850.00	1,950.00
	5,250.00	2,012.50
13. FINANCIAL ASSETS – OTHERS		
Interest Receivable	378.60	533.56
Dividend Receivable	0.61	0.61
Non-trade receivables	281.82	350.56
Sales tax advances	53.85	67.21
Others	9.66	24.97
	724.54	976.91
14. CURRENT TAX ASSETS (NET)		
Prepayment of taxes	28,433.40	25,883.23
Less: Provision for taxes	28,434.17	25,717.45
	(0.77)	165.78
15. OTHER CURRENT ASSETS		
Balance with statutory/government authorities	555.15	1,616.38
Customs duty paid in advance	64.61	29.72
Advance to suppliers :		
– Related parties (Refer Note no.52)	2,125.00	2,410.00
– Others	106.66	182.05
Duty Drawback receivable	23.65	105.46
Prepaid expenses	319.56	194.53
Others *	238.15	11.14
<i>*(includes Property Tax & Water Tax refund receivable due to roll back of revision with retrospective amount)</i>		
	3,432.78	4,549.28

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2020	As at 31-03-2019
16. EQUITY SHARE CAPITAL		
Authorised		
1,10,00,000 equity shares of ₹. 10/- each	1,100.00	1,100.00
1,00,000 Redeemable Preference shares of ₹. 100/- each	100.00	100.00
Issued, subscribed and fully paid-up		
73,77,500 equity shares (PY : 73,77,500 equity shares) of ₹. 10/- each	737.75	737.75
	737.75	737.75
16.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :	No. of. Shares	No. of. Shares
Equity shares at the beginning of the year	73,77,500	75,00,000
Bought back during the year	-	(1,22,500)
Equity shares outstanding at the end of the period	73,77,500	73,77,500
16.2 Buy back of shares		
The Company bought back 1,22,500 Equity shares of Face value ₹. each during the year 2018-19		
16.3 Terms/rights attached to equity shares		
The company has only one class of equity share having par value of ₹.10 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013		
16.4 Shares held by holding company and its associate	As at 31-03-2020	As at 31-03-2019
Particulars		
(a) Amalgamations Private Limited, Holding Company 72,36,034 (31st March, 2019: 72,36,034) equity shares of ₹. 10/- each fully paid	723.60	723.60
(b) United Nilgiri Tea Estates Company Ltd, the Associate of the Holding Company 16,333 (31st March, 2019: 16,333) equity shares of ₹. 10/- each fully paid	1.63	1.63
16.5 The Details of shareholders holding more than 5% shares in the company	As at 31-03-2020	As at 31-03-2019
Equity shares of ₹. 10/- each fully paid		
Amalgamations Private Limited		
– Nos	72,36,034	72,36,034
– % of Holding	98.08	98.08

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2020	As at 31-03-2019
17. OTHER EQUITY		
General Reserve		
As per last balance sheet	142,188.50	141,051.00
Add: Transfer from Statement of profit and loss	14,000.00	14,000.00
Less: Buy-back Consideration (for amount in excess of Face value of shares)	-	12,850.25
Less: Transfer to Capital Redemption Reserve	-	12.25
	156,188.50	142,188.50
Capital Redemption Reserve		
Transfer from General Reserve	12.25	12.25
	12.25	12.25
Retained Earnings		
As per last balance sheet	20,121.07	22,841.62
Profit for the year	15,817.56	17,629.43
	35,938.63	40,471.05
Less: Appropriations		
Interim dividend paid @ 325% (PY – 175%)	2,397.69	1,291.06
Final dividend paid during the year @275% (PY – 275%)	2,028.81	2,062.50
Tax on distributed income	-	2,996.42
Transfer to General reserve	14,000.00	14,000.00
	17,512.13	20,121.07
Net Surplus in the Retained Earnings Account		
Effective Cash Flow Hedges reserve		
As per last balance sheet	9.41	(1.33)
Less: Adjustment on account of hedging	-	(11.34)
Add: Transfer from Other Comprehensive Income	-	(0.60)
	9.41	9.41
Actuarial Gains on Defined Benefit Plan reserve		
As per last balance sheet	121.60	89.11
Add: Transfer from Other Comprehensive Income	(98.96)	32.49
	22.64	121.60
Total Other Equity	173,744.93	162,452.83

Nature and Purpose of Reserves :

General Reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes.

As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Capital Redemption Reserve

Capital Redemption Reserve represents amount set aside on account of buy-back of equity shares.

Retained Earnings

Retained Earnings are the profits of the Company earned till date net of appropriations.

Effective Cash Flow Hedges reserve

Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of the hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated in this reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

Actuarial Gains on Defined Benefit Plan reserve

Actuarial Gains on Defined Benefit Plan reserve represents the changes in the present value of the defined benefit obligation.

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2020	As at 31-03-2019
18. LONG TERM BORROWINGS		
Unsecured		
Loan from related party (Refer Note No.52)	675.00	675.00
Less : Fair value adjustment	3.71	8.15
	671.29	666.85
19. LONG TERM PROVISIONS		
Provision for Employee benefits :		
Provision for Compensatory absences (Refer Note No.51)	465.10	471.55
	465.10	471.55
20. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities due to		
Accumulated Depreciation on R&D Assets	857.86	1,245.70
Accumulated Depreciation on Other Assets	463.98	705.57
Fair valuation gain on Investments	1,270.11	1,101.48
Fair valuation gain on long term loans	34.71	12.12
	2,626.66	3,073.87
Deferred Tax Assets arising out of		
Provision for Doubtful debts	57.92	65.25
Provision for Compensatory absences	125.62	178.05
Voluntary Retirement Scheme	2.61	7.37
Provision for impairment of investments	33.98	31.45
Fair valuation gain on Borrowings	1.28	2.82
Effective portion of cash flow hedges	(3.97)	(3.79)
Others	1.24	1.70
	218.68	282.67
Net Deferred Tax Liabilities	2,407.98	2,791.20
21. SHORT TERM BORROWINGS		
Inter-corporate deposit from holding company (Unsecured) - (Refer Note No.52)	2,600.00	2,600.00
	2,600.00	2,600.00
22. TRADE PAYABLES		
Micro and Small Enterprises	565.44	302.22
Trade Creditors *	13,842.14	12,370.24
	14,407.58	12,672.46
* includes related party transactions - Refer Note no.52		
22.1 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdues to parties on account of the principal amount. Consequently no interest is payable, and accordingly no additional disclosures are required.		

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2020	As at 31-03-2019
23. OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on borrowings	129.42	131.29
Other Payables		
– Managerial remuneration payable	1,716.69	2,189.25
– Accrued salaries & benefits	1,008.69	1,023.40
– Other dues Payable to Related party (Refer Note no. 52)	1,703.48	–
	4,558.28	3,343.94
24. OTHER CURRENT LIABILITIES		
Advance from customers *	68.82	12.95
Security deposit from customers	101.51	72.40
Statutory dues payable	375.85	166.96
Others	7.84	5.75
	554.02	258.06
* Advance from customers is towards Contract liabilities		
25. SHORT TERM PROVISIONS		
Provision for Employee benefits (Refer Note no.51)		
Provision for gratuity	256.05	65.18
Provision for Compensatory absences	34.04	37.97
	290.09	103.15
Other Provisions		
Provision for warranty	156.00	182.00
	156.00	182.00
	446.09	285.15
25.1 Movement of Product Warranty Provision		
Carrying amount at the beginning of the year	182.00	12.00
Provision made / charged to statement of profit and loss during the year	328.53	322.88
Amount incurred during the year	354.53	152.88
Carrying amount at the end of the year	156.00	182.00

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
26. REVENUE FROM OPERATIONS		
Sale of products	128,890.07	152,118.67
Sale of services	52.44	42.47
Other Operating Income		
Sale of scrap	710.47	1,004.66
Export Incentive	49.30	253.30
	129,702.28	153,419.10
27. OTHER INCOME		
Interest income		
– Deposits	796.09	1,405.10
– Tax free bonds	71.18	71.21
– Loans	476.73	493.88
Dividend income		
– Long-term investments	5,926.73	5,008.94
Profit on sale of investments (Net)		
– Current investments	307.03	556.28
– Long-term investments	0.06	31.84
Fair valuation gain on long term loans	120.38	14.10
Fair valuation gain on Investments	3,124.62	4,024.86
Exchange Gain (Net)	31.45	66.95
Other non-operating income	253.66	111.09
	11,107.93	11,784.25
27.1. Dividend received from subsidiary companies	5,282.33	4,507.38
28. COST OF MATERIALS CONSUMED		
Opening stock	3,657.82	3,140.87
Add : Purchases	97,476.22	115,742.01
Less : Closing stock	4,222.45	3,657.82
Cost of materials consumed	96,911.59	115,225.06
29. PURCHASES OF STOCK-IN-TRADE		
Engine spare parts & others	4,775.83	6,043.43
	4,775.83	6,043.43
30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock		
Intermediate components	582.12	550.98
Finished goods	966.51	393.37
Work-in-progress	1,269.22	1,067.66
Stock-in-trade	775.62	541.47
Total	3,593.47	2,553.48
	(a)	
Closing stock		
Intermediate components	647.14	582.12
Finished goods	2,001.30	966.51
Work-in-progress	964.27	1,269.22
Stock-in-trade	964.58	775.62
Total	4,577.29	3,593.47
	(b)	
Total	(983.82)	(1,039.99)
	(a-b)	

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
30.1 DETAILS OF INVENTORY	Closing Inventory	Closing Inventory
Intermediate components		
Diesel engine components	647.14	582.12
(a)	647.14	582.12
Finished goods		
Diesel engines	1,158.87	365.06
Engine parts - manufactured	24.88	26.27
Paints, Varnishes and allied products	817.54	575.18
(b)	2,001.29	966.51
Work-in-progress		
Engine components	904.24	1,211.35
Paints, Varnishes and allied products	60.03	57.87
(c)	964.27	1,269.22
Stock-in-trade		
Engine spare parts & others	964.58	775.62
(d)	964.58	775.62
(a)+(b)+(c)+(d)	4,577.28	3,593.47
31. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Managerial remuneration	8,879.13	8,646.01
Contribution to Provident and Other Funds	446.18	411.59
Staff welfare expenses	816.75	810.25
	10,142.06	9,867.86
Less: Recoveries for common service & employees seconded	907.13	817.51
	9,234.93	9,050.35
32. FINANCE COSTS		
Interest	289.81	280.14
Other borrowing costs	38.64	43.72
	328.45	323.86
33. OTHER EXPENSES		
Stores consumed	1,395.51	1,766.88
Packing and Forwarding	1,608.61	1,756.91
Power and Fuel	931.28	1,112.39
Repairs and Maintenance		
Buildings	395.14	512.29
Machinery	982.09	963.57
Others	150.75	159.87
Insurance	124.71	121.09
Rent	236.88	169.60
Rates and Taxes	94.68	201.05
Auditors' Remuneration		
Audit Fee	33.00	33.00
Tax Audit Fee	4.80	4.80
Other Services	7.84	7.93
Reimbursement of expenses	-	0.25
Product development expenses	501.99	296.85
Expenditure on Corporate Social Responsibility	349.09	344.00
Miscellaneous expenses	3,205.41	2,870.94
	10,021.78	10,321.42

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
34. OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Actuarial Gain / (Loss) on Defined Benefit Plan - Gratuity (Funded)	(132.25)	49.94
Total	(132.25)	49.94
35. OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss		
Effective Portion of Cash Flow Hedges	-	4.07
Total	-	4.07
36. Earnings Per Share		
(1) Profit after Tax as per Statement of Profit and Loss	15,817.56	17,629.43
(2) Weighted Average No. Equity Shares (Nos.)	73.78	74.73
(3) Nominal Value per Share	10.00	10.00
(4) Basic and diluted Earnings per Share	214.40	235.91

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

COMPANY OVERVIEW SIGNIFICANT ACCOUNTING POLICIES

37. COMPANY OVERVIEW:

General Information:

Simpson & Company Limited ("the Company") is a public company incorporated in India and its parent and ultimate holding company is Amalgamations Private Limited. The address of its registered office is disclosed in the first page of the Annual Report. The principal activities of the Company and its subsidiaries (hereinafter referred to as 'the Group') are described below.

Description of the Company

The Company head quartered in Chennai, India, is in the business of manufacturing Diesel Engines for Agricultural, Industrial and Power segments with plants at Chennai and Kumbakonam. It also has a division which is into manufacture of paints for domestic and industrial applications with depots at various locations. It has branches at Bengaluru, Hyderabad, Vishakapatnam and Udhagamandalam. The Company has customers spread all over the country and it also caters to the export market. The company has Subsidiaries, Associates and Joint Venture in the light engineering goods industry.

38. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, in the preparation of its financial statements.

The financial statements of the Company have been prepared on the historical cost basis, except for certain equity financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. 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, regardless of whether that price is directly absorbable or estimated using another valuation technique.

Company's Financial Statements are presented in Indian Rupees which is also its functional currency.

Use of estimates

The preparation of the financial statements requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses for the period reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, staff benefits and valuation of deferred tax assets and provisions and contingent liabilities.

Business Combinations

Acquisitions of businesses are accounted using the 'acquisition method'. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred and liabilities incurred by the acquirer to the former owners of the acquire and the equity interests issued by the acquirer in exchange of control of the acquire. Acquisition related costs are generally recognized in Statement of Profit and Loss as incurred.

Good will is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquire or the fair value of the acquirers previously held equity interest in the acquire, if any, over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of bargain purchase, before recognizing a gain in respect thereof, the group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. The company then reviews the procedures used to measure the amounts that Ind AS requires for the purpose of calculating the bargain purchase, if the gain remains after the reassessment and review, the company recognizes it in Other Comprehensive Income and accumulates the same in equity as capital reserve. Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Revenue recognition

Revenue from sale of products are recognized when all the following criteria are satisfied:

- (i) Purchase order/Contract with a customer exists which has commercial substance;
- (ii) It is probable we will collect the amount charged to the customer and
- (iii) We have completed our performance obligation whereby the customer has obtained control of the product.

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

Revenue from services are recognized when the services are rendered and collectability of the resulting receivables is reasonably assured.

Revenues from sale of goods and services are shown as net of applicable discounts and incentives to customers.

Revenues in excess of invoicing if any, are classified as contract assets (which we refer to as unbilled revenue) while advances received from customers for goods and services are reported as "contract liabilities" until all conditions for revenue recognition are met.

The company has chosen the Modified Retrospective approach for accounting transitional provisions in this regard.

Other Income:

Interest income is recognized based on effective interest rate method. Interest Income is recognized on time proportion basis in taking into account the amount outstanding and the rate applicable. Dividend income is recognized when the right to receive the dividend is established.

Product Warranty Expenses

Product warranty expenses are accounted based on the claims received and accepted during the year and estimated likely claims in accordance with the warranty policy of the company, having regard to the past trend of such claims.

Property, plant and equipment

Property, Plant and Equipment are stated at cost. Cost includes freight, duties (net of input credit), taxes and other incidental expenses relating to acquisition and installation. Property, plant and equipment which are constructed are stated at the cost of construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalized until the assets are ready to be put to use. Capital work-in-progress represents cost of Property, Plant and Equipment that are not yet ready for their intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. Property, plant and equipment purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase.

Gains or losses arising on derecognition of property plant & equipment is recognized in the statement of Profit & loss.

Investment Properties

Investment Properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction cost, subsequent to initial recognition investment properties are measured using cost model. An investment property is de-recognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit are expected from the disposal. Any gain or loss arising out of the derecognition of the property is included in the profit/ loss in the period in which the property is derecognized.

Intangible Assets

(i) *Product Research and development costs*

Product research and development cost, including technical assistance fees, incurred for development of products up to proto-type stage are expensed as incurred, except for development costs after proto-type stage which relate to the design and testing of new or improved materials, products or processes or for existing products in new territories which are recognized as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Internally generated intangible assets (New Products under development) are stated at cost that can be measured reliably during the development phase and capitalized when it is probable that future economic benefits that are attributable to the assets will flow to the Company.

(ii) *Computer software*

Costs incurred on computer software, which is not an integral part of the related hardware, resulting in future economic benefits, are capitalized as intangible assets.

Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided on straight line method. Depreciation has been charged in accordance with the estimated useful lives as stated in Part C of Schedule II to the Companies Act 2013.

- Buildings - 3 to 60 years.
- Plant & machinery – 8 to 15 years
- Electrical Installation – 10 years
- Furniture and Fixtures – 8 to 10 years
- Office Equipment – 5 years
- Vehicles – 8 years.

In respect of certain assets pertaining to Plant & Machinery, depreciation is provided over 1 to 12 years, being the economic useful life as determined by technical evaluation.

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The useful lives estimated by the management are given below:

- (i) 'Computer Software' is amortized over a period of three years.
- (ii) 'New Product Development' costs carried forward is amortized on a straight line basis over a period of expected future sales from the related project, not exceeding five years.

Depreciation is provided on a pro-rata basis from the date the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation is provided up to the date of sale or disposal of assets.

Impairment

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss. If at the balance sheet date there is any indication that the previously assessed impairment loss no longer exists, the asset is reassessed to reflect the recoverable amount subject to a maximum of depreciable historical cost. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Borrowing costs

Borrowing cost includes effective interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Lease Accounting

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings, machineries, vehicles and other office equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. ROU assets and liabilities include the options to extend or terminate the lease before the end of the lease term.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option or where there is a significant change in the interest rates.

ROU assets have been presented along with the same nature or character of assets. Lease liability has been presented in the Balance Sheet as Financial Liabilities. The portion of lease liability expected to be paid in the next 12 months is presented under Current Financial Liabilities as 'Liabilities expected to be paid within the next 12 months' and the remaining portion under Non-Current Financial Liabilities as 'Finance Lease Liabilities'.

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Investments in Subsidiaries, Jointly controlled entities and Associates are measured at cost less impairment and all other financial assets and liabilities, are initially measured at fair value/amortized cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortized cost

Financial assets are measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets 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.

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

Financial assets are measured at fair value through profit or loss (FVTPL) unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

(v) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(a) Cash flow hedge accounting

The Company has the following policy on 'Cash Flow Hedge Accounting'. The company would designate certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable 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 other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument 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 forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount in cash flow Hedging reserve is reclassified to net profit in the statement of profit and loss.

(vi) De-recognition 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. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

(vii) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date. The Company has chosen to value its investments in Subsidiaries, Associates and Joint Ventures at 'deemed cost' on the date of transition. The carrying values of such investments are considered as 'deemed cost'. There are very few unquoted equity investments in other companies which are considered at cost as they are of very insignificant value (materiality).

(viii) Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. The Company recognizes lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Fair value hierarchy:

The company's policy on Fair Valuation is stated below.

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Employee benefits

Defined Contribution Plans:

Contributions to defined contribution plans are recognized as an expense when employees have rendered services entitling them to contributions:

- (i) In respect of provident fund, when payments are due to the Regional Provident Fund Commissioner.
- (ii) Eligible employees, as per the company's super annuation scheme, are entitled to receive retirement benefits and contributions are made annually as per the rules of the scheme to the Life Insurance Corporation.
- (iii) In respect of eligible employees, contributions are remitted to the Employees State Insurance Corporation.

There are no obligations other than the above.

Defined benefit Plans:

- (i) Provision for gratuity is a defined benefit obligation and is provided for, on actuarial valuation under the Projected Unit Cost method at the end of each financial year. The obligations are measured at the present value of estimated future cash flows discounted at rates reflecting the prevailing market yields of government securities as at the balance sheet date.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in 'Other comprehensive income'. In accordance with Ind AS 19, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to profit or loss.

Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period they occur, directly in the Other Comprehensive Income. They are included in the statement of changes in equity and in the Balance Sheet. Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to Statement of Profit or loss in subsequent periods.

- (ii) Contributions in respect of gratuity are made to the Employees' Group Gratuity Cum Life Assurance Scheme of the Life Insurance Corporation of India for vested employees. The scheme provides for payment to vested employees at retirement, or death while in employment or on termination of service
- (iii) Equivalent to 15 days' last drawn salary for every completed year of service, subject to the maximum as per the Payment of Gratuity Act.

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

Other Long Term Employee Benefits:

Leave entitlements are recognized as a liability in the year of rendering of service as per the rules of the company. Being in the nature of long-term benefits, the liability is recognized on the basis of actuarial valuation under the Projected Unit Cost method at the end of each financial year. Leave encashment is paid to eligible employees upon death or retirement.

Actuarial Gains and losses through re-measurements of the liability are recognized in Profit and loss account.

Voluntary Retirement Scheme:

Settlements in respect of voluntary retirement of employees are charged to the Statement of Profit and Loss in the year in which the employee opts for voluntary retirement.

Foreign currencies

For financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains or losses are determined based on the amortized cost of the instrument and are recognized in Other Income. The fair value of the financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

For financial liabilities that are measured, as at Fair Value through P&L, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

(i) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date and applicable for the reporting period. The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

(ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Operating Leases

Leases in which a significant portion of risk and reward of ownership are retained by the lessor are classified as Operating leases. Payments made under operating leases are charged to the Statement of profit & loss over the period of lease.

Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. 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.

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

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Inventories

Inventories are valued at the lower of cost and net realizable value with the exception of tools, stores and spares & goods-in-transit, which are valued at cost. Cost is arrived at on the weighted average method.

The cost of finished goods and WIP comprises of raw material, direct labour, other direct cost and related production overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale. Inventories are written down for obsolete / slow-moving /non-moving items wherever necessary.

Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

Cash Dividend to Equity shareholder (Proposed/Interim):

Final dividends on shares as proposed by the Board of Directors are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

39. (a) DISCLOSURE OF CONTRACT ASSETS AND CONTRACT LIABILITIES

Particulars	As at 31-03-2020	As at 31-03-2019
Unbilled Revenue	–	–
Advances received from Customers for goods and services (pending supplies)	68.82	12.95

(b) DISCLOSURE OF DISAGGREGATED REVENUE INFORMATION

Particulars	FYE 31-03-2020	FYE 31-03-2019
Revenue by Manufacturing / Trading :		
Manufactured goods		
– Engines	118,291.25	142,851.55
– Parts	381.78	441.22
– DG Sets	9.67	27.60
– Paints, Varnishes and allied Products	2,648.65	1,991.53
Sub-Total	121,331.35	145,311.90
Trade goods		
– Engine Spare parts and others	7,558.72	6,806.77
Total	128,890.07	152,118.67

40. RECONCILIATION BETWEEN BOOK AND TAXABLE PROFITS

Particulars	FYE 31-03-2020	FYE 31-03-2019
Business Profits before Income Taxes	18,184.34	23,121.54
Less : Fair Value Gain on Investments / Loans / Borrowings (Unrealized)	(3,197.52)	(4,062.10)
Less : Tax benefits under IT Act	(1,634.00)	(1,971.07)
Less : Exempt Income	(5,997.90)	(5,080.15)
Add : Disallowed Expenses	1,665.59	1,229.03
Add : Income From Other Sources	1,272.04	1,273.76
Less : Other General Deductions under Chapter VI A	–	(210.13)
Total Taxable Income	10,292.55	14,300.88

SIMPSON & COMPANY LIMITED
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41. CALCULATION OF INCOME TAX AND TAX PAID DETAILS				
Details	FYE 31-03-2020	FYE 31-03-2020	FYE 31-03-2019	FYE 31-03-2019
Business Profits before Income Taxes		18,184.34		23,121.54
Income Tax @ 22% / 30%	2,264.36		4,270.56	
Surcharge @ 10% / 12% on Income tax and Educational cess @ 4% on IT & Surcharge	326.07		703.79	
Total tax including surcharge & Ed. cess		2,590.42		4,974.35
Interest on Income Tax		7.48		-
Tax Paid		2,597.90		4,974.35
Effective Tax Rate on PBT		14%		22%
42. MOVEMENT IN INCOME TAX PROVISION AND CURRENT TAXES PAID AS AT 31-03-2020				
Particulars	Tax Provision	Taxes Paid	Net Balance	
Opening Balance as on 1.4.2019	(25,717.45)	25,883.23	165.78	
Add: Provisions Created / Current Taxes Paid during the Year	(2,716.72)	2,628.10	(88.62)	
Less: Provisions / Advance Taxes adjusted on completion of Assessments / Refunds received	-	(77.93)	(77.93)	
Closing Balance as on 31.03.2020	(28,434.17)	28,433.40	(0.77)	
42(a). MOVEMENT OF DEFERRED TAX LIABILITY / ASSETS :				
Movement of Deferred Tax Liability :				
Particulars	R & D Assets	Other Property Plant & Equipment	Fair Valuation	Total
As at March 31, 2018	1,391.12	619.36	679.99	2,690.47
(Charged) / credited:				
To profit or loss	(145.42)	86.21	442.61	383.40
To Other Comprehensive income	-	-	-	-
As at 31 March 2019	1,245.70	705.57	1,122.60	3,073.87
(Charged) / credited:				
To profit or loss	(387.84)	(241.59)	182.22	(447.21)
To Other Comprehensive income	-	-	-	-
As at 31 March 2020	857.86	463.98	1,304.82	2,626.66
Movement of Deferred Tax Assets:				
Particulars	Expenses allowable for tax on payment basis & others	Fair Valuation	Employee benefits	Total
As at March 31, 2018	279.40	4.90	11.75	296.05
(Charged) / credited:				
To profit or loss	(2.95)	(1.37)	(4.38)	(8.70)
To Other Comprehensive income	-	(4.68)	-	(4.68)
As at 31 March 2019	276.45	(1.15)	7.37	282.67
(Charged) / credited:				
To profit or loss	(57.69)	(1.54)	(4.76)	(63.99)
To Other Comprehensive income	-	-	-	-
As at 31 March 2020	218.76	(2.69)	2.61	218.68

SIMPSON & COMPANY LIMITED
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43. INVESTMENT PROPERTY			
The gross carrying values, additions and disposals, depreciation for the year and accumulated depreciation and Net carrying values of the company's Investment Properties are presented below			
Particulars	Land	Buildings	Total
Carrying value as of April 1, 2018	1,184.24	82.73	1,266.97
Additions	1,334.86	8.88	1,343.74
Disposals	-	-	-
Gross carrying value as of March 31, 2019	2,519.10	91.61	2,610.71
Accumulated depreciation as of April 1, 2018	-	26.64	26.64
Depreciation charge during the year	-	1.64	1.64
Disposals	-	-	-
Accumulated depreciation as of March 31, 2019	-	28.28	28.28
Net carrying value as of March 31, 2019	2,519.10	63.33	2,582.43
Gross carrying value as of April 1, 2019	2,519.10	91.61	2,610.71
Additions	6,432.31	-	6,432.31
Disposals	-	-	-
Gross carrying value as of March 31, 2020	8,951.41	91.61	9,043.02
Accumulated depreciation as of April 1, 2019	-	28.28	28.28
Depreciation charge during the year	-	1.83	1.83
Disposals	-	-	-
Accumulated depreciation as of March 31, 2020	-	30.11	30.11
Net carrying value as of March 31, 2020	8,951.41	61.50	9,012.90
Details of operating income, expenses, depreciation and profits of the company's Investment Properties are presented below. The cumulative fair value of Investment properties held by the company is also disclosed.			
Particulars	FYE 31-03-2020	FYE 31-03-2019	
Rental income	39.24	24.54	
Direct operating expenses (including repairs and maintenance) that generated rental income	15.91	8.87	
Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.96	0.96	
Profit arising from investment properties before depreciation and indirect expenses	22.37	14.70	
Depreciation	1.55	1.55	
Depreciation for the year – Assets that did not generate rental income	0.28	0.08	
Profit arising from investment properties after depreciation and indirect expenses	20.54	13.06	
Fair value of Investment Properties	12,530.12	7,008.53	

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
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43. INVESTMENT PROPERTY – (Contd.)

Notes:

1. The company's Investment Properties consist of land and buildings let out to group companies and meant for investment purpose.
2. The company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
3. In respect of valuation of Investment Properties it has been reckoned as follows:
 - (a) In respect of Land, at Guideline Value on the date of authentication of accounts
 - (b) In respect of Buildings, at Book Value reflected as at 31.03.2020 and 31.03.2019

44. FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE

As required by Ind AS 28 read with Ind AS 112 :

The disclosures as required by Ind AS 28 read with Ind AS 112 on "Financial Reporting of Interests in Joint Ventures" are given below:

- | | | | |
|-----|---|---|---------------------------|
| (1) | Name of the Joint Venture | : | BBL Daido Private Limited |
| (2) | Principal Place of Business | : | Chennai |
| (3) | Country of Incorporation | : | India |
| (4) | Percentage of ownership interest in the Joint venture | : | 30% |
| (5) | Method used to account for the Investments | : | Equity Method |

45. DISCLOSURES ON AMOUNT SPENT FOR CSR ACTIVITIES DURING THE YEAR

As per Section 135 of the Act 2% of the Average net profit of the last three financial years is ₹ 339 lakhs (31st March, 2019 – ₹ 344 lakhs). Amount Spent towards CSR activities are monitored by CSR Committee.

Particulars	Amount		
(a) Gross amount required to be spent by the company during the year	339.00		
(b) Amount spent during the year on:	In Cash	Yet to be paid	Total
(i) Construction / acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	349.09	-	349.09
(c) Details of related Party Transactions	-	-	-
(d) Provisions created for CSR expenses not spent	-	-	-

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

46. COMMITMENTS AND CONTINGENT LIABILITIES :		
Particulars	As at 31-03-2020	As at 31-03-2019
A. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts not provided for in the accounts (net of advances)	762.22	1,083.42
B. Contingent Liabilities		
1.1 Claims against the company not acknowledged as debts		
(a) Sales Tax matters under appeal	24.28	24.28
(b) Demands raised by TNEB under appeal.	22.25	22.25
1.2 Other contingent liabilities		
(a) Letters of credit & bank guarantee	-	58.91
(b) Guarantees furnished by the company on behalf of subsidiary companies for facilities granted to them by bank and other financial institutions, to the extent availed.	18,973.89	17,478.08
(c) In respect of Land and Building leased to the Company by the Department of MSME, Government of Tamilnadu, the Government has issued GO.40 dated 15.10.2018, demanding arrears of rent of Rs. 79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of Rs. 75.33 lakhs already paid by the Company for that period. Aggrieved by the demand, the Company has filed a Writ petition before the Hon' Madras High Court challenging the above said GO regarding adoption of land value for fixation of rent as per GO.460 of 1998. However the Company had paid during the year, the admitted rent of Rs. 36.49 lakhs out of rent of Rs. 79.91 lakhs demanded in the said GO 40.		
47. RESEARCH & DEVELOPMENT EXPENDITURE		
Particulars	FYE 31-03-2020	FYE 31-03-2019
Capital	1,134.58	2,225.26
Sub-total	1,134.58	2,225.26
Revenue		
- Salaries & Wages	446.62	424.00
- Materials, Consumables and Spares	83.23	125.39
- Other Expenditure	1,884.57	1,665.51
Sub-total	2,414.42	2,214.90
Grand Total	3,549.00	4,470.16
Particulars	FYE 31-03-2020	FYE 31-03-2019
48. EARNINGS IN FOREIGN CURRENCY		
Exports on FOB Basis	1,562.84	5,010.01
SEZ Supplies	3,407.21	5,006.14
Total	4,970.05	10,016.15
49. VALUE OF IMPORTS ON CIF BASIS		
Component & Spares	988.73	2,132.98
Capital Goods	150.35	610.98
Total	1,139.08	2,743.96

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
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50. OTHER NOTES:

50.1 Working Capital Facilities from banks are secured by equitable mortgage of specific lands & buildings and hypothecation of other Property, Plant and Equipment, stocks, stores and book debts and guaranteed by the holding company.

50.2 Loans have been given to Subsidiaries (Ref Note 5 and 12) to strengthen their working capital needs which would support their ability to meet the customer commitments including in respect of their supply of components to Simpson & Co. Ltd. This disclosure is made in accordance with Sec 186 of Companies Act, 2013. Also refer Note no. 52 – Related Party Disclosure for detailed listing.

50.3 The Company has taken various commercial premises, computers under non-cancellable operating leases. The lease payments of Rs. 236.88 lakhs. (March 31, 2019 – Rs. 169.59 lakhs) are payable not later than one year.

50.4 Intangible assets under development include :

(i) Materials –Rs. 1.37 lakhs

(ii) Salary –Rs. 1.54 lakhs

50.5 COVID – 19 Impact

Globally, severe disruption to regular business operations resulted due to lockdowns to contain the spread of COVID 19. The management has assessed the recoverability of the carrying values of its current and non-current assets as at 31st March 2020 including property, plant and equipment, trade receivables and inventory and concluded that no material adjustments are required to be made in respect of such assets, liabilities or provisions. Management has considered its liquidity position as at 31st March, 2020 and based on its review of current indicators of future economic conditions has concluded that the Company will have adequate liquidity in the ordinary course of business.

The management has considered all possible impacts of known events, arising from COVID 19 pandemic in the preparation of the financial statements and therefore believes that the current pandemic is not likely to have material impact on the operations and financial position of the Company. The extent to which the coronavirus impacts our future operations depends on developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak and the actions that may be required to contain or treat its impact. The eventual outcome of impact of the global health pandemic may be different from that estimated as on the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

50.6 Ind AS 116 – Lease Accounting

Effective April 1, 2019, the company has adopted Ind AS 116 ‘Leases’ which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. The company has opted for modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 is “Nil” as all our leases are of short term and low value nature. There are no ROU (Right of Use) assets and Lease Liabilities as there are no qualifying assets. Short term lease assets are Rs. 191.30 Lakhs and low value lease assets are Rs. 45.58 Lakhs.

50.7 Adoption of Section 115BAA of Income Tax Act 1961

The Company has adopted section 115BAA of Income tax act 1961 as per the Taxation laws (amendment) Act, 2019. Accordingly deferred tax assets/liabilities have been recomputed and impact of this has been recognized in the year ended on 31st March 2020.

51. EMPLOYEE BENEFIT OBLIGATIONS

Compensated absences:

Compensated absences cover the Company’s liability for earned leave. The amount of provision of Rs. 465.10 lakhs (March 31, 2019 – Rs. 471.55 lakhs) is presented as Non-Current and provision of Rs. 34.03 lakhs (March 31, 2019 – Rs. 37.97 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any these obligations.

Defined contribution plan – Provident Fund & Superannuation Fund:

The Company also has two defined contribution plans i.e., provident fund and superannuation fund

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The Contributions are made to registered provident fund administered by the government. Contributions are made to superannuation fund in accordance with the Company’s scheme administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Amount recognized in statement of profit & loss account

Particulars	FYE 31-03-2020	FYE 31-03-2019
Provident Fund	300.56	272.53
Super Annuation Fund	11.83	13.94

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Defined Benefit Plan – Gratuity:		
As per Ind AS 19 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below :		
Defined Benefit Plans	FYE 31-03-2020	FYE 31-03-2019
Gratuity (Funded)		
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the Year	1,597.64	1,503.54
Interest Cost	117.35	112.73
Current Service Cost	115.40	117.89
Past Service Cost	–	–
Benefits Paid	(143.25)	(86.58)
Actuarial (Gain)/ Loss	132.25	(49.94)
Defined Benefit Obligation at the end of the Year	1,819.39	1,597.64
Changes in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the Year	1,532.46	1,472.18
Interest Income on Plan Assets	98.95	105.50
Contributions	75.18	41.36
Benefits Paid	(143.25)	(86.58)
Actuarial (Gain)/ Loss	–	–
Fair Value of Plan Assets at the end of the year	1,563.34	1,532.46
Amount recognized in the Balance sheet		
Defined Benefit Obligation at the end of the year	1,819.39	1,597.64
Fair Value of Plan Assets at the end of the year	1,563.34	1,532.46
Net Liability/(Asset) recognized in Balance Sheet	256.04	65.18
* included under short-term provisions (Note 25)		
Expenses recognized in the Statement of Profit and Loss and OCI		
Current Service Cost	115.40	117.89
Past Service Cost	–	–
Interest Cost	117.35	112.73
Interest Income on Plan Assets	(98.95)	(105.50)
Expenses Recognized in Statement of Profit & Loss (Note 31)	133.80	125.12
Re-measurement - Actuarial (Gain)/Loss recognised in OCI (Note 34)	132.25	(49.94)
Total Defined Benefit Cost recognized in Profit & Loss and OCI	266.05	75.18
* Included under Contribution to Provident & Other Funds (Note 25)		
Composition of Plan Assets		
Insurer Managed Funds	1,563.08	1,518.74
With Scheduled Bank	0.25	13.71
Actuarial Assumptions		
Discount rate	6.67%	7.69%
Interest Income on Plan Assets	7.80%	7.80%
Salary escalation	8.25%	9.00%
Sensitivity Analysis DBO end of Period		
Discount rate – 50 basis points	1,943.67	1,701.29
Discount rate + 50 basis points	1,706.16	1,503.31
Salary growth – 50 basis points	1,708.43	1,507.18
Salary growth + 50 basis points	1,939.55	1,695.08
Expected Cash Flows for following years		
Year – 1	27.18	28.67
Year – 2	121.03	157.09
Year – 3	92.56	118.40
Year – 4	103.33	87.32
Year – 5	78.49	85.92
Next 5 Years	475.81	438.35

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52. RELATED PARTY DISCLOSURES UNDER IND AS 24

Attached as Annexure 1

53. RISK MANAGEMENT DISCLOSURES UNDER IND AS 107 (FINANCIAL RISK MANAGEMENT)

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, bank balance other than cash & cash equivalents, Investments in equity instruments, Trade receivables.	Ageing analysis, Credit ratings	Diversification of bank deposits and review of credit ratings, credit limits and letters of credit.
Liquidity Risk	Trade payables, Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines
Market Risk - Foreign exchange	Export Trade receivables and Import Trade payables	Sensitivity analysis of exchange rates	Monitoring exchange rate movements Forward Foreign exchange contracts
Market Risk - Interest rate	Nil	Nil	Nil

(A) Credit Risk:

Credit risk arises from investments carried at amortized cost and deposits with banks and financial institutions, as well as credit exposures to customers in the form of outstanding receivables.

Credit Risk Management:

Credit risk is managed at the corporate level. For selecting banks and financial institutions, only high rated banks / institutions are accepted as per the Management's evaluation. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase on an ongoing basis throughout each reporting period. It considers available reasonable and supportive forward-looking information like the following.

- Management's evaluation which is based on actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the business's ability to meet its obligations
- Actual or expected significant changes in the operating results of the business.
- Significant increase in credit risk on other financial instruments of the same business.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behavior of the business, including changes in the payment status and changes in the operating results.
- Macroeconomic information such as regulatory changes, market interest rate or growth rate is considered.

Provision for expected credit losses:

The Company provides for expected credit loss based on the following:-

The Company recognizes expected credit loss provision based on 12 months expected credit loss in respect of loans, investments and other financial assets, where the counter-party has strong capacity to meet the obligations and where the risk of defaults is negligible or nil. The company recognizes expected credit loss provisions based on life time expected credit loss (simplified approach) in the case of trade receivables.

(a) Expected credit loss for loans, Investments and other Financial Assets

The estimated gross carrying amount at default is Nil (March 31, 2019: Nil) for Loans, Investments and other Financial Assets. Consequently, there are no expected credit loss recognized for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach:

Customer credit is managed by the Company based on the established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an internal credit rating system. Outstanding customer receivables are regularly monitored and assessed for its recoverability. An impairment analysis is made at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

SIMPSON & COMPANY LIMITED
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53. RISK MANAGEMENT DISCLOSURES UNDER IND AS 107 (FINANCIAL RISK MANAGEMENT) – (Contd.)						
Particulars	As at 31-03-2020			As at 31-03-2019		
Gross carrying amount	31,496.05			35,085.99		
Expected credit losses (Loss allowance provision)	230.15			186.72		
Loss allowance rate	0.73%			0.53%		
Carrying amount of trade receivables (net of impairment)	31,265.90			34,899.27		
Reconciliation of loss allowance provision – Trade receivables						
Loss allowance on April 1, 2018				158.93		
Changes in loss allowance				27.79		
Loss allowance on March 31, 2019				186.72		
Changes in loss allowance				43.43		
Loss allowance on March 31, 2020				230.15		
(B) Liquidity Risk:						
Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.						
Management monitors the company's liquidity position and cash and cash equivalents on the basis of expected cash flows and this is generally carried out by the Treasury Management function of the company. The Top Management periodically reviews the treasury plans and directs the treasury function suitably.						
(C) Market Risk:						
Foreign currency risk:						
The Company exports Diesel Engines and Parts. Also, for the manufacture of these engines, some components are imported as per the requirements. Therefore, the company is exposed to foreign exchange risks as the foreign transaction currencies are different from the functional currency of the company which is Indian Rupee. To cover this risk, the company has been taking forward contracts for all major Exports and Imports transactions of the company. Only exports of Parts to foreign customers and miscellaneous claims like freight are not covered as they are of small value with variable realization dates.						
The company's exposure to Foreign Currency risk at the end of the reporting period are given below :						
Financial / Derivative Assets	As at 31-03-2020			As at 31-03-2019		
	USD	EUR	JPY	USD	EUR	JPY
Financial Assets						
Trade Receivables	3,67,145	-	-	14,95,771	16,852	-
Derivative Assets						
Foreign exchange forward contracts Sell foreign currency (No. of Contracts outstanding 3)	3,50,292	-	-	13,85,538	-	-
Net exposure to foreign currency risk (assets)	16,853	-	-	1,10,233	16,852	-
Financial Liabilities						
Trade Payables	2,68,856	-	-	71,204	-	2,69,800
Derivative Assets						
Foreign exchange forward contracts Buy foreign currency	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	2,68,856	-	-	71,204	-	2,69,800

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53. RISK MANAGEMENT DISCLOSURES UNDER IND AS 107 (FINANCIAL RISK MANAGEMENT) – (Contd.)

(D) Hedge Accounting:

The company's policy allows for effective hedge relationships to be established for foreign currency transactions. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

The company has only 'cash flow hedge' transactions. For all major foreign currency receivables – primarily for Diesel Engine Exports, forward covers (Cash Flow Hedges) are taken. For major foreign currency payables – primarily for the import of critical components for Engines, forward covers (Cash Flow Hedges) are taken.

Type of Hedge & Risk	Nominal Value		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Weighted average strike price/rate
	Assets	Liability	Assets	Liability			
Cash Flow Hedge	USD		INR				
Foreign exchange forward contracts	3,50,292	–	6.77	–	13th April, 2020 to 18th May, 2020	1:1	74.60

(E) Capital Management:

(a) Risk Management

The Company's objectives when managing capital are :

- * Safeguard their ability to continue as going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders,
- * And maintain an optimal capital structure to reduce cost of capital.

Consistent with others in the Industry, the Company monitors capital on the basis of Net Debt to EBITDA and Gearing ratio.

54. OPERATING SEGMENTS

The Chief Operating Decision Maker (CODM) of the organization has considered the business as a whole to be reviewed as an Operating segment to be reported and reviewed periodically. The geographical segmentation analysis of the Sales is given below.

Area	Amount	% Share
India	127,327.24	98.79
USA	1,411.90	1.10
Others	150.94	0.11
Total	128,890.07	100.00

There are 2 customer groups who individually contribute more than 10% of the business of the company and together their share of the total business is 76.22 %.

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

55. FINANCIAL INSTRUMENTS – CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107)					
Financial Assets	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value
Investments -Non Current (Other than subsidiaries, associates and Joint Ventures)					
Equity Shares Quoted	1	–	51.92	–	51.92
Equity Shares Unquoted	3	–	29.49	–	29.49
Bonds	3	872.59	–	–	872.59
Mutual Funds	2	–	61,041.36	–	61,041.36
Trade Receivables	3	31,265.90	–	–	31,265.90
Cash and Cash Equivalents	3	42.13	–	–	42.13
Other Bank Balances	3	6,000.00	–	–	6,000.00
Loans-Non Current	3	7,287.91	–	–	7,287.91
Loans-Current	3	5,250.00	–	–	5,250.00
Derivatives Financial Asset	1	–	–	6.77	6.77
Others	3	724.54	–	–	724.54
Total - Non Current & Current		51,443.06	61,122.77	6.77	112,572.60
Financial Liabilities		Other financial liabilities			Total Carrying Value
Long-Term Borrowings	3	671.29	–	–	671.29
Short-Term Borrowings	3	2,600.00	–	–	2,600.00
Trade Payables	3	14,407.58	–	–	14,407.58
Others	3	4,558.28	–	–	4,558.28
Total - Non Current & Current		22,237.15	–	–	22,237.15
Investment in Subsidiaries, Associates and Joint Venture is measured at cost and hence not considered for categorisation.					
Hierarchy:					
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.					
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Valuation technique used to value financial instruments is open ended mutual funds at NAVs declared.					
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.					
The carrying amounts of trade receivables, trade payables, cash and cash equivalents, Other Bank Balances, Borrowings, Loans, financial liabilities and other financial assets are considered to be the same as their fair values, due to their short-term nature. The fair values for Loans, Borrowings (Non-current) and Derivative financial assets were calculated based on cash flows discounted using a risk adjusted discount rate. They are classified as level 3 fair valuation in their fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.					

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

56. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors have recommended a final dividend of Rs. 12.50 per fully paid up equity share of Rs.10 each, aggregating to Rs. 922.19 lakhs, which is based on the relevant share capital as on 31st March, 2020. The proposed final dividend is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

57. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31st March 2020 were approved for issue by the Board of Directors on 29th July, 2020.

The accompanying notes are an integral part of the financial statements

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner
Membership No. 206520

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 29th July, 2020

SIMPSON & COMPANY LIMITED

Ind AS - 24 Related Party Disclosures Annexure - 1 (Refer Note 52)

(I) Holding Company

- (1) Amalgamations Pvt. Ltd.

(II) Subsidiaries

- (1) Addison & Co. Ltd.
- (2) Amalgamations Repco Ltd.
- (3) Amco Batteries Ltd.
- (4) George Oakes Ltd.
- (5) India Pistons Ltd.
- (6) IP Pins & Liners Ltd.
- (7) IPL Engine Components Pvt. Ltd
- (8) IPL Green Power Ltd.
- (9) I.P. Rings Ltd.
- (10) Shardlow India Ltd.
- (11) Simpson & General Finance Co.Ltd.
- (12) Sri Rama Vilas Service Ltd.
- (13) Tractors and Farm Equipment Ltd.
- (14) TAFE Access Ltd.
- (15) TAFE USA Inc. (upto 26th November 2019)
- (16) TAFE Reach Ltd.
- (17) Southern Tree Farms Ltd.
- (18) TAFE Motors & Tractors Ltd.
- (19) ALPUMP Ltd
- (20) TAFE International Traktor VE Tarim Ekipmani Sanayi VE Ticaret Limited, Sirketi
- (21) TAFE Tractors Changshu Company Ltd., China
- (22) TAFE Properties Limited
- (23) T.Stanes & Company Ltd.
- (24) Stanes Motor (South India) Ltd
- (25) Stanes Motor Parts Ltd. (merged with Stanes Motors (South India) Ltd. on 1st April 2019)
- (26) Stanes Amalgamated Estates Ltd.
- (27) Wheel & Precision Forgings India Ltd.

(III) Fellow Subsidiaries

- (1) Associated Printers (Madras) Pvt. Ltd.
- (2) Associated Publishers (Madras) Pvt. Ltd.
- (3) Higginbothams Pvt. Ltd.
- (4) Speed-A-Way Pvt. Ltd.
- (5) The Madras Advertising Company Pvt. Ltd.
- (6) Wallace Cartwright & Company Ltd.
- (7) W.J. Groom & Company Limited

(IV) Associates

- (1) Amalgamations Valeo Cluch Pvt. Ltd.
- (2) Bimetal Bearings Ltd.
- (3) L.M. Van Moppes Diamond Tools India Pvt. Ltd.
- (4) The United Nilgiri Tea Estates Company Limited

(V) Associates of Subsidiary

- (1) AGCO Corporation USA

(VI) Joint Ventures

- (1) BBL Daido Pvt. Ltd.

(VII) Key Managerial Personnel

- (1) Sri. A.Krishnamoorthy - Chairman & Managing Director
- (2) Sri. P.S.Rajamani - Whole-time Director
- (3) Sri. S. Srinivasaraghavan - Chief Financial Officer & Company Secretary

(VIII) Relatives of Key Managerial Personnel

- (1) Smt. Bhavani Krishnamoorthy (Wife of Sri. A. Krishnamoorthy)
- (2) Smt. Sita Venkataramani (Sister of Sri. A. Krishnamoorthy)

(IX) Other Related Parties

- (1) Simpson & Co. Ltd Employees Gratuity Fund
- (2) Simpson & Co. Ltd Senior Executives Super Annuation Fund

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2019-20 Annexure 1 (Refer Note:- 52)

PARTICULARS	Years	Holding Company	Subsidiaries									
		Amalgamations Pvt. Ltd.	Addison & Co. Ltd	Amalgamation Repco Ltd	Amco Batteries Ltd	George Oakes Ltd	India Pistons Ltd	I.P. Rings Ltd	IPL Engine Components Pvt. Ltd.	Shardlow India Limited		
Transactions during the year												
Sale of goods & fuel	2019-20	11.95	6.71	0.18	-	490.38	18.40	3.16	-	6.10		
	2018-19	13.13	7.24	0.18	-	65.92	17.38	2.82	-	8.96		
Rendering of service	2019-20	333.81	11.14	-	2.83	3.41	271.41	-	-	52.47		
	2018-19	297.17	11.54	-	3.85	2.64	283.34	-	-	49.13		
Dividend Received	2019-20	-	540.00	23.10	-	25.00	-	37.67	-	-		
	2018-19	-	405.00	9.24	-	-	-	-	-	-		
Interest Received/Receivable on Loans	2019-20	-	-	-	-	-	261.67	-	-	238.59		
	2018-19	-	-	-	-	-	173.25	-	-	217.46		
Cash Discount received	2019-20	-	102.83	-	-	-	28.72	-	-	26.49		
	2018-19	-	122.37	-	-	-	41.18	-	-	66.67		
Sale of Assets	2019-20	-	3.75	-	-	-	-	-	-	-		
	2018-19	-	-	-	-	-	-	-	-	-		
Purchase of Goods	2019-20	-	10,155.68	24.40	-	-	4,047.02	166.96	-	3,007.76		
	2018-19	-	12,662.36	39.98	-	-	4,881.95	203.67	-	3,740.83		
Receiving of Service	2019-20	228.19	2.40	-	-	28.10	-	-	-	0.39		
	2018-19	152.05	-	0.45	-	24.47	8.47	-	-	-		
Loans (repaid)/disbursed in cash/Kind	2019-20	-	-	-	-	-	2,700.00	-	-	595.00		
	2018-19	-	-	-	-	-	-	-	-	(125.00)		
Advance(repaid)/disbursed in cash/Kind	2019-20	-	-	-	-	-	(1,725.00)	-	-	90.00		
	2018-19	-	-	-	-	-	700.00	-	-	160.00		
Advance for Shares/Land	2019-20	-	-	-	-	-	-	-	-	-		
	2018-19	-	-	-	-	-	1,350.00	-	-	2,050.00		
Dividend Paid	2019-20	4,341.62	-	-	-	-	-	-	-	-		
	2018-19	3,261.72	-	-	-	-	-	-	-	-		
Interest Paid on loans/bills discounted	2019-20	212.63	-	-	-	-	-	-	-	-		
	2018-19	214.50	-	-	-	-	-	-	-	-		
Guarantees & Commitment Charges	2019-20	35.07	-	-	-	-	-	-	-	-		
	2018-19	36.58	-	-	-	-	-	-	-	-		
Managerial Remuneration	2019-20	-	-	-	-	-	-	-	-	-		
	2018-19	-	-	-	-	-	-	-	-	-		
Acquisition of Shares	2019-20	-	-	70.00	-	-	1,600.00	1,364.99	-	1,000.00		
	2018-19	-	-	0.20	-	-	-	180.86	-	-		
Sale of Shares	2019-20	-	-	-	-	-	-	-	-	-		
	2018-19	-	-	-	-	-	-	-	-	-		
Buy-Back of Shares	2019-20	-	-	-	-	-	-	-	-	-		
	2018-19	2,100.00	-	-	-	-	-	-	-	-		
Acquisition of Assets	2019-20	-	38.23	-	-	-	-	-	-	6,219.68		
	2018-19	-	18.37	-	-	-	-	-	-	1,343.74		
Guarantees & Collaterals given	2019-20	-	4,369.56	-	-	1,275.00	8,987.00	-	-	4,185.81		
	2018-19	-	3,727.58	-	-	1,254.30	7,452.88	-	-	4,661.49		
Guarantees & Collaterals received	2019-20	-	-	-	-	-	-	-	-	-		
	2018-19	-	-	-	-	-	-	-	-	-		
Contributions made during the year	2019-20	-	-	-	-	-	-	-	-	-		
	2018-19	-	-	-	-	-	-	-	-	-		
Balance at Year end												
Sundry Debtors	2019-20	-	-	-	-	249.46	15.28	-	0.07	-	338.36	
	2018-19	-	-	-	0.18	5.54	-	27.81	-	-	1,703.48	
Sundry Creditors	2019-20	95.35	1,496.90	4.81	-	-	-	19.41	-	-	-	
	2018-19	88.31	1,227.22	2.47	-	-	-	-	-	-	-	
Loans given	2019-20	-	-	-	-	-	4,866.69	-	-	-	3,271.22	
	2018-19	-	-	-	-	-	2,112.86	-	-	-	2,652.71	
Advances	2019-20	-	-	-	-	-	1,325.00	-	-	-	800.00	
	2018-19	-	-	-	-	-	3,060.00	-	-	-	2,760.00	
Loans taken	2019-20	2,600.00	-	-	-	-	-	-	-	-	-	
	2018-19	2,600.00	-	-	-	-	-	-	-	-	-	

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2019-20 Annexure 1 (Refer Note:- 52) – (Contd.)

PARTICULARS	Years	Fellow Subsidiaries					Associates					Joint Venture					
		Associated Printers (M) Pvt. Ltd.	Higginbothams Pvt. Ltd.	Speed-A-Way Pvt. Ltd.	The Madras Advertising Co. Pvt. Ltd.	Wallace Cartwright & Company Ltd.	Amalgamations Valeo Clutch Pvt. Ltd	Bimetal Bearings Ltd.	L.M. Van Moppes Diamond Tools India Pvt. Ltd	United Nilgiris Tea Estate Co. Ltd.	BBL Daldo Pvt. Ltd.						
Transactions during the year	2019-20																
Sale of goods & fuel	2018-19	11.19	-	447.10	1.14	-	-	3.96	0.04	-	-	-	-	-	-	-	-
Previous Year	2018-19	9.76	2.94	234.12	1.19	-	-	3.12	-	-	-	-	-	-	-	-	-
Rendering of service	2019-20	125.53	10.85	8.83	11.27	-	-	54.97	12.16	-	-	-	-	-	-	-	-
Previous Year	2018-19	111.70	10.81	8.80	2.92	-	-	39.87	8.74	-	-	-	-	-	-	-	-
Dividend Received	2019-20	-	-	-	-	-	-	327.34	17.86	1.66	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	331.27	14.88	1.66	-	-	-	-	-	-	-
Interest Received/Receivable on Loans	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Discount received	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Assets	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods	2019-20	69.92	0.05	5.77	-	-	-	465.82	0.30	-	-	-	-	-	-	-	-
Previous Year	2018-19	63.83	0.04	10.70	-	-	-	528.10	3.96	-	-	-	-	-	-	-	-
Receiving of Service	2019-20	12.54	-	0.15	62.29	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	9.96	-	0.15	34.37	-	-	-	-	-	-	-	-	-	-	-	-
Loans (repaid)/disbursed in cash/kind	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance (repaid)/disbursed in cash/kind	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance for Shares/Land	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Paid on loans/bills discounted	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees & Commitment Charges	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managerial Remuneration	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition/ of Shares	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	699.97	4,306.93	-	-	-	-	-	-	-	-
Sale of Shares	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buy-Back of Shares	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Assets	2019-20	-	-	-	4.95	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees & Collaterals given	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees & Collaterals received	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions made during the year	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at Year end																	
Sundry Debtors	2019-20	-	15.42	159.91	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	32.12	56.40	98.04	-	-	-	-	-	-	-	-	-	-	-	-	-
Sundry Creditors	2019-20	-	-	-	8.06	-	-	71.16	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	60.34	-	-	-	-	-	-	-	-	-
Loans given	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans taken	2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	2018-19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2019-20 Annexure 1 (Refer Note:- 52) – (Contd.)

PARTICULARS	Years	Key Managerial Personnel			Relatives of Key Managerial Personnel			Other Related Parties	
		Sri.A.Krishnamoorthy - Chairman & Managing Director	Sri.P.S.Pajamani - Whole-time Director	Sri.S.Srinivasagadhavan Chief Financial Officer & Company Secretary	Smt.Bhavani Krishnamoorthy (Wife of Sri.A.Krishnamoorthy)	Smt.Sija Venkataramani (Sister of Sri.A.Krishnamoorthy)	Simpson & Co. Ltd. Employees Gratuity Fund	Simpson & Co. Ltd. Sr. Exec. Super. Ann. Fund	
Transactions during the year									
Sale of goods & fuel	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Rendering of service	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Dividend Received	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Interest Received/Receivable on Loans	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Cash Discount received	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Sale of Assets	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Purchase of Goods	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Receiving of Service	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Loans (repaid)/disbursed in cash/kind	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Advance(repaid)/disbursed in cash/kind	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Advance for Shares/Land	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Dividend Paid	2019-20 2018-19	15.39 14.29	- -	- -	- -	0.27 0.88	9.86 10.15	- -	- -
Interest Paid on loans/bills discounted	2019-20 2018-19	55.84 56.91	- -	- -	- -	- -	- -	- -	- -
Guarantees & Commitment Charges	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Managerial Remuneration	2019-20 2018-19	1,421.89 1,811.70	161.60 202.00	102.00 117.00	- -	- -	- -	- -	- -
Acquisition of Shares	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Sale of Shares	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Buy-Back of Shares	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Acquisition of Assets	2019-20 2018-19	1,050.00 -	- -	- -	- -	257.78 -	1,050.00 -	- -	- -
Guarantees & Collaterals given	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Guarantees & Collaterals received	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Contributions made during the year	2019-20 2018-19	- -	- -	- -	- -	- -	- -	75.18 41.36	11.83 13.94
Balance at Year end									
Sundry Debtors	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Sundry Creditors	2019-20 2018-19	- -	- -	- -	- -	- -	- -	65.18 -	- -
Loans given	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Advances	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Loans taken	2019-20 2018-19	675.00 675.00	- -	- -	- -	- -	- -	- -	- -

**CONSOLIDATED FINANCIAL STATEMENTS OF
SIMPSON & COMPANY LIMITED
FOR THE YEAR ENDED 31 MARCH 2020**

R.G.N. PRICE & CO.

CHARTERED ACCOUNTANTS

Phone : 28413633 & 28583494
E-Mail : price@rgnprice.com
Offices at : Mumbai, Bengaluru, New Delhi,
Kochi, Kollam & Kozhikode
Ref. No. :

Simpson's Buildings,
861, Anna Salai,
CHENNAI - 600 002

02nd November 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Simpson & Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Simpson & Company Limited (hereinafter referred to as "the Parent Company") and its Subsidiaries (the Parent Company and its Subsidiaries together referred to as "the Group"), its Associates and Joint Venture, which comprises the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, including a summary of significant accounting policies, notes to the Consolidated Financial Statements and other explanatory information (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, and based on the consideration of reports of other auditors on separate financial statements of the Subsidiaries, Associates and Joint Venture referred to in the Other Matters Paragraph, except for the effects of matters described in the Basis for Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its Associates and Joint Venture as at March 31, 2020, their consolidated Profit including other comprehensive income, their consolidated Cash Flows and the consolidated Changes in Equity for the year then ended.

Basis for Qualified Opinion

Included in the Consolidated Financial Statements are the Standalone Financial Statements of three subsidiaries which have been qualified by their respective auditors with regard to recognition of Net Deferred Tax Asset amounting to INR 11097.13 lakhs (PY INR 9708.75 lakhs) as at the date of the Balance Sheet as recognition of this Net Deferred Tax Asset does not satisfy the reasonable certainty principle laid down in Indian Accounting Standard - 12 on Income Taxes, due to lack of reasonable certainty of future taxable income. Consequently, the consolidated profit after tax including OCI for the year is overstated by INR 1388.38 lakhs, Non-Current Assets and the Other Equity are overstated by INR 11097.13 lakhs (PY profit overstated by INR 952.18 lakhs and Non-Current assets and Other Equity overstated by INR 9708.75 lakhs).

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

Material uncertainty relating to a going concern of certain components of the Group

In the Separate Financial Statements of three subsidiaries, having total Revenue of INR 51522.22 lakhs, net loss (including Other Comprehensive Income) of INR 4617.86 lakhs and net worth of INR 4065.39 lakhs as at March 31, 2020; has been incurring substantial operating losses, delays in repayments of term loans and cash losses during the

year and during the previous year's resulting in erosion of its net worth. The Auditors of above subsidiaries have indicated the existence of material uncertainty that cast significant doubt about subsidiaries' ability to continue as going concern which is dependent upon achievement of the action plans indicated by the respective Company's Board. The financial statements of these subsidiaries have been prepared on a going concern basis for the reasons stated in note 55A(i) to the Consolidated Financial Statement.

We have considered the adequacy of disclosure made in Note 55 A (i) to the Consolidated Financial Statements, wherein the management of the respective components has highlighted the issue of "Going Concern" and the ability to continue as a going concern would depend upon the fruition of efforts/various plans laid down by the respective management including continuing financial support of the Parent and other Group Companies which would enable the Subsidiaries to continue its operation and settle its obligation as and when they fall due.

In the Separate Financial Statements of three Subsidiaries, having other income of INR 163.49 lakhs, net loss (including Other Comprehensive Income) of INR 149.78 lakhs and net worth of INR (2855.44) lakhs, we have considered the fact that the respective financial statements have not been prepared on a going concern basis by the management considering continuous loss in business and erosion of net worth and current business plan.

Please refer Note No. 55 A (ii to iii) to the Consolidated Ind AS Financial Statements in this regard.

Our opinion is not modified in respect of above matters.

Emphasis of Matter

We draw attention to Note 58 to the consolidated financial statements which explains the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation and that the eventual outcome in the subsequent periods may be different than that estimated due to the uncertainties involved.

Our opinion is not modified in respect of this matter.

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

The Parent Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's reports 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 such other information is materially inconsistent with the Consolidated 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 Parent Company's Board of Directors is responsible for matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and the Consolidated Statement of Changes in Equity of the Group including its Associates and Joint Venture 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 and of its Associates and Joint Venture 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 Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its Associates and Joint Venture are responsible for assessing the ability of the Group and of its Associates and Joint Venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its Associates and Joint Venture are responsible for overseeing the financial reporting process of the Group and of its Associates and Joint Venture.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associates and Joint Venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Group and its Associates and Joint Venture 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 and its Associates and Joint Venture of which we are the independent auditors and whose financial information we have audited, 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 of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 the mall relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- (a) We did not audit the financial statements and other financial information of 16 (PY:18)Subsidiaries whose financial statements and other financial information reflect total assets of INR 12,56,362.87lakhs(PY INR 11,83,726.27 lakhs) and total net assets INR 9,79,185.80 lakhs as at 31st March, 2020 (PY INR9,11,166.43 lakhs), total revenues of INR 9,38,601.54 lakhs (PY : INR 10,94,191.99 lakhs) and net cash inflows amounting to INR -39,436.55 lakhs (PY : INR 5,529.94 lakhs) for the year ended 31st March 2020, as considered in the consolidated financial statements. The consolidated financial statement reflects the Group's share of profit (Including OCI) of INR 634.42 lakhs (PY: INR 1,814.15 Lakhs),INR 0.41 lakhs (PY: INR 162.48 Lakhs) and INR -1,875.80 (PY: INR 2,683.58 Lakhs) in respect of 3 Associates, a joint venture and an associate of subsidiary respectively for the year ended 31st March, 2020 whose financial statements have not been audited by us. These Financial Statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management.

Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, Associates, Joint Venture and associate of subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Subsidiaries, Associates and Joint Venture, is based solely on the reports of the other auditors.

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 our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information as noted in the Other Matters paragraph, we report, to the extent applicable, that:

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.

- (a) 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.
- (b) Except for the matter described in the Basis for Qualified Opinion section of our report, in our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the consolidated other comprehensive income), the consolidated Statement of Changes in Equity 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) Except for the matter described in the Basis for Qualified Opinion section of our report, in our opinion, the aforesaid Ind AS Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act
- (e) On the basis of the written representations received from the directors of the Parent Company taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its Subsidiary, Associates and Joint Venture incorporated in India, none of the directors of the Group companies, including its Associate and Joint Venture incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the respective auditor's reports of the components in the Group including its Associates and Joint Venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- (g) With respect to the matter to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such Subsidiary, Associates and Joint Venture incorporated in India which were not audited by us, the remuneration paid (if any) during the current year is in accordance with the provisions of section 197 of the Act.

- (h) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section above.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the Subsidiaries, Associates and Joint Venture, as noted in the 'Other matter' paragraph:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Associates and Joint Venture – Refer Note 52 to the Consolidated Financial Statements.
 - (ii) The Group, its Associates and Joint Venture 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 Group including its Associate and Joint Venture Companies incorporated in India, except for one Subsidiary Company where there was a delay in transferring amounts, which will not have material impact on the Group.

Place : Chennai
Date : 02nd November 2020

For R. G. N. PRICE & CO.,
Chartered Accountants
MAHESH KRISHNAN
Partner
Membership No. 206520
FR No. 002785S
UDIN: 20206520AAAAHB2717

**Annexure A referred to in Clause(e) of Paragraph of Report on Other Legal and
Regulatory Requirements of our report of even date.**

**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 Financial Statements of Simpson & Company Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Simpson & Company Limited (hereinafter referred to as the “Parent Company”) and its Subsidiaries, its Associates and Joint Venture, as applicable, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent Company, its Subsidiaries, its Associates and Joint Venture, 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 Parent 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Parent Company, its Subsidiaries, its Associates and Joint Venture, which are companies incorporated in India, internal financial controls over financial reporting with reference to these Consolidated Financial Statements 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these Consolidated Financial Statements 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE
CONSOLIDATED FINANCIAL STATEMENTS**

A company’s internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these consolidated financial statements 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 WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Parent Company, its Subsidiaries, its Associates and Joint Venture, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 14 Subsidiaries, 3 Associates and a Joint Venture where internal financial control over financial reporting is applicable and incorporated in India, is based on the corresponding reports of the auditors of such Companies.

Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to three subsidiaries (incorporated in India) is not applicable, pursuant to Notification G.S.R.583(E) dated June 13, 2017. Accordingly, the auditors of such companies have not reported on adequacy of internal financial control over financial reporting.

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

For R. G. N. PRICE & CO.,

Place : Chennai
Date : 02nd November 2020

Chartered Accountants
MAHESH KRISHNAN
Partner
Membership No. 206520
FR No. 002785S
UDIN: 20206520AAAAHB2717

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

CONSOLIDATED BALANCE SHEET AS AT

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31st March 2020	31st March 2019
A. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	1	146,360.06	141,521.56
(b) Capital Work-in-progress		12,119.11	10,590.73
(c) Right of Use Assets	51	8,165.37	-
(d) Investment Property		6,052.55	6,091.32
(e) Intangible Assets	1	1,738.53	3,319.18
(f) Intangible assets under development		6,368.55	5,178.87
(g) Financial Assets			
(i) Investments	2	475,281.77	483,538.04
(ii) Loans	3	660.54	565.14
(iii) Others	4	3,885.81	3,561.54
(h) Other Non-current assets	6	5,088.13	6,333.45
Assets held for Sale (Refer Note 44)		717.32	893.48
Total Non-Current Assets		<u>666,437.74</u>	<u>661,593.31</u>
2. Goodwill on consolidation		4,907.23	4,907.23
3. Current Assets			
(a) Inventories	7	140,138.28	125,433.45
(b) Financial Assets			
(i) Investments	8	411,550.90	211,475.55
(ii) Trade Receivables	9	113,093.71	145,669.73
(iii) Cash and Cash Equivalents	10(i)	9,143.34	53,433.90
(iv) Bank balances other than (iii) above	10(ii)	10,915.21	75,185.33
(v) Loans	11	5,556.83	941.26
(vi) Others	12	4,233.37	5,949.93
(c) Current Tax Assets (net)	13	5,714.84	4,033.75
(d) Other Current Assets	14	30,760.05	34,582.09
Total Current Assets		<u>731,106.53</u>	<u>656,704.99</u>
TOTAL ASSETS		<u>1,402,451.50</u>	<u>1,323,205.53</u>
B. EQUITY AND LIABILITIES			
1. EQUITY			
(i) Owner's equity			
(a) Share Capital	15	737.75	737.75
(b) Other Equity	16	901,626.97	847,984.33
(ii) Non controlling interest		234,106.81	217,230.37
Total Equity		<u>1,136,471.53</u>	<u>1,065,952.45</u>
2. Capital Reserve on Consolidation		3,325.07	3,328.07
LIABILITIES			
3. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	5,880.43	5,435.63
(ii) Others	18	9,560.85	9,695.58
(b) Deferred Tax Liabilities (Net)	5	5,153.54	9,516.30
(c) Provisions	19	3,682.43	3,844.59
(d) Other Non-current Liabilities	20	924.39	903.87
Total Non-Current Liabilities		<u>25,201.64</u>	<u>29,395.97</u>
4. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	32,296.93	32,407.25
(ii) Trade Payables			
– Micro & small enterprises	22	4,494.59	2,512.51
– Other than Micro & small enterprises		144,195.43	140,423.56
(iii) Others	23	27,968.63	24,733.68
(b) Other Current Liabilities	24	19,451.36	17,502.71
(c) Provisions	25	9,046.32	6,949.33
Total Current Liabilities		<u>237,453.26</u>	<u>224,529.04</u>
TOTAL EQUITY AND LIABILITIES		<u>1,402,451.50</u>	<u>1,323,205.53</u>

The accompanying notes are an integral part of the financial statements

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

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Membership No. 206520

Chennai, 02nd November, 2020

SIMPSON & COMPANY LIMITED
CIN: U65991TN1925PLC002345
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31st March 2020	31st March 2019
Revenue from operations	26	981,600.95	1,137,815.53
Other income	27	35,049.02	32,234.78
Total Income		<u>1,016,649.97</u>	<u>1,170,050.31</u>
Expenses :			
(a) Cost of materials consumed	28	535,838.95	621,607.99
(b) Cost of Goods Sold		16,475.00	17,505.95
(c) Purchases of stock-In-trade	29	101,402.28	116,100.80
(d) Changes in inventories of finished goods, Stock-in-trade & Work in progress	30	(17,741.34)	(12,691.73)
(e) Employee Benefits Expense	31	103,273.14	102,329.21
(f) Finance Costs	32	5,962.59	5,596.32
(g) Depreciation and Amortization Expense	33	20,663.62	16,882.49
(h) Other Expenses	34	141,235.28	158,580.17
Total Expenses		<u>907,109.52</u>	<u>1,025,911.20</u>
Profit / (loss) before Exceptional Items and tax		109,540.45	144,139.11
Less: Exceptional Items (Refer Note 39)		137.38	1,816.44
Profit / (loss) before tax		<u>109,403.07</u>	<u>142,322.67</u>
Tax Expense:			
(a) Current tax		29,959.10	51,848.39
(b) Deferred tax		(2,661.11)	(109.06)
(c) Tax refund / provision relating to earlier years		33.26	(8.67)
Profit / (Loss) for the period from Continuing operations		<u>82,071.82</u>	<u>90,592.01</u>
Share of profit from Associates & Joint ventures		3,465.11	25,472.94
Profit / (loss) for the year after tax		<u>85,536.93</u>	<u>116,064.95</u>
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss (Net of tax)	35A	(7,872.15)	(14,952.87)
B. Items that will be reclassified to profit or loss (Net of tax)	35B	69.12	2,158.91
Total Comprehensive Income for the Year		<u>77,733.90</u>	<u>103,270.99</u>
(a) Profit attributable to			
Owners of the Company		65,318.27	89,907.05
Non-Controlling Interest		20,218.66	26,157.90
(b) OCI attributable to			
Owners of the Company		(6,056.04)	(9,654.77)
Non-Controlling Interest		(1,746.99)	(3,139.19)
Total Comprehensive Income for the Year attributable to			
Owners of the Company		59,262.23	80,252.28
Non-Controlling Interest		18,471.67	23,018.71
Earnings per equity share (face value - Rs 10 per share)			
Basic & Diluted	36	885.37	1,203.12

The accompanying notes are an integral part of the financial statements This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Membership No. 206520
Chennai, 02nd November, 2020

SIMPSON & COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

A. Equity share capital	750.00		Attributable to Owners of the Company										Non-controlling interests				
	As on 1 April 2018		Reserves and surplus					Other reserves						Capital reserve on consolidation			
	Changes in equity share capital	As on 31 March 2019	General reserve	Capital Redemption Reserve	Revaluation Reserve	Retained earnings	Share of comprehensive income of Associates	Exchange differences on translating financial statements of foreign operations	Equity instruments through other comprehensive income	Actuarial Gain on Defined Benefit Plan	Effective Cash Flow Hedges Reserve	Total other equity					
As on 31 March 2019	Changes in equity share capital	As on 31 March 2020															
B. Other equity																	
Balance as at 1st April 2018			141,051.00	-	46.50	648,194.07	(6,621.88)	(3,189.78)	3,134.95	5,394.82	(42.22)	787,967.46	1,724.13	195,705.45			
Profit for the year 2018-19			-	-	-	89,907.05	-	-	-	-	-	89,907.05	-	22,136.91			
Other Comprehensive Income			-	-	-	(12,610.17)	1,648.33	1,233.07	1,233.07	77.05	(3.05)	(9,654.77)	-	881.80			
Adjustments			-	-	-	-	-	-	-	-	11.34	11.34	(29.92)	-			
Consolidation Adjustments			-	-	-	(374.69)	-	-	-	-	-	(374.69)	-	(1,493.79)			
Transfer of capital reserve from Reserves of Associates			-	-	-	-	-	-	-	-	-	-	1,633.87	-			
Others			-	-	-	569.88	-	-	-	-	-	569.88	-	-			
Reversal of Reserves			-	(46.50)	-	-	-	-	-	-	-	(46.50)	-	-			
Transfer to Reserves			14,000.00	-	-	(14,000.00)	-	-	-	-	-	-	-	-			
Buy-back consideration (in excess of Face value of Shares)			(12,850.25)	-	-	-	-	-	-	-	-	(12,850.25)	-	-			
Transfer to Capital Redemption Reserve			(12.25)	12.25	-	-	-	-	-	-	-	-	-	-			
Transactions with owners in their capacity as owners			-	-	-	-	-	-	-	-	-	-	-	-			
- Interim dividend paid			-	-	-	(1,291.06)	-	-	-	-	-	(1,291.06)	-	-			
- Final dividend paid			-	-	-	(2,062.50)	-	-	-	-	-	(2,062.50)	-	-			
- Distribution tax on dividend			-	-	-	(1,195.21)	-	-	-	-	-	(1,195.21)	-	-			
- Tax on distributed income			-	-	-	(2,996.42)	-	-	-	-	-	(2,996.42)	-	-			
Balance as at 31st March 2019			142,188.50	12.25	-	716,751.12	(19,232.05)	(1,541.45)	4,368.02	5,471.87	(33.93)	847,984.33	3,328.07	217,230.37			

SIMPSON & COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020
(All amounts are in INR lakhs unless otherwise stated)

B. Other equity	Attributable to Owners of the Company										Non-controlling interests	
	Reserves and surplus					Other reserves						
	General reserve	Capital Redemption Reserve	Revaluation Reserve	Retained earnings	Share of Other comprehensive income of Associates	Exchange differences on translating financial statements of foreign operations	Equity instruments through other comprehensive income	Actuarial Gain on Defined Benefit Plan	Effective Cash Flow Hedges Reserve	Total other equity		Capital reserve on consolidation
Profit for the year 2019-20	-	-	-	65,318.27	-	-	-	-	-	65,318.27	-	20,218.66
Other Comprehensive Income	-	-	-	-	(2,917.77)	52.70	(2,743.42)	(447.55)	-	(6,056.04)	-	(1,746.99)
Adjustments -	-	-	-	-	-	332.42	(2.45)	(16.84)	43.26	356.39	(3.00)	(1,595.23)
Consolidation Adjustments	-	-	-	417.07	-	-	-	-	-	417.07	-	-
Others	-	-	-	(548.44)	-	-	-	-	-	(548.44)	-	-
Transfer to Reserves	14,000.00	-	-	(14,000.00)	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-
- Interim dividend paid	-	-	-	(2,397.69)	-	-	-	-	-	(2,397.69)	-	-
- Final dividend paid	-	-	-	(2,028.81)	-	-	-	-	-	(2,028.81)	-	-
- Distribution tax on dividend	-	-	-	(1,418.11)	-	-	-	-	-	(1,418.11)	-	-
Balance as at 31st March 2020	156,188.50	12.25	-	762,093.41	(22,149.82)	(1,156.33)	1,622.15	5,007.48	9.33	901,626.97	3,325.07	234,106.81

The accompanying notes are an integral part of the financial statements

This is the Consolidated Statement of changes in Equity referred to in our report of even date

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYAPAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Membership No. 206520

Chennai, 02nd November, 2020

SIMPSON & COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31st March 2020	31st March 2019
A. Cash Flow from operating Activities:		
Profit attributable to the owners of the company	65,318.27	89,907.05
Add : Provision For Tax (including deferred tax)	22,968.49	57,382.54
Changes in Non Controlling Interest	16,876.44	21,524.92
Depreciation of property, plant and equipment and Investment property	20,663.62	16,882.49
Other Adjustments in property, plant and equipment	136.05	521.68
Actuarial Gains /Losses transferred to OCI	(464.39)	150.93
Finance Cost	5,962.59	5,596.32
Interest Income	(4,621.86)	(4,873.66)
Dividend Income	(175.97)	(206.39)
Fair Value Gain on Investments	(12,031.05)	(1,497.28)
Profit on Sale of Investments	(11,591.26)	(22,153.44)
Profit/Loss on sale of Property, Plant and Equipment	-	(305.94)
Exchange gain/loss	(2,767.49)	(176.72)
Operating Profit Before Working Capital Changes	100,273.44	162,752.50
Working Capital Changes		
Increase/ (Decrease) in Financial Assets	(419.67)	(797.68)
Decrease / (Increase) in Other non-current assets	1,245.32	1,397.78
Decrease / (Increase) in other current assets	2,941.52	(914.66)
Decrease / (Increase) in Inventories	(14,704.83)	(13,699.03)
(Decrease)/Increase in trade and other payables	8,988.91	(16,861.41)
(Decrease)/Increase in provisions	1,934.83	314.69
Decrease/(Increase) in loans and advances	(2,899.01)	1,732.45
(Decrease)/Increase in Current Liabilities	55.11	(3,300.52)
Decrease/(Increase) in trade and other receivables	35,343.51	(26,783.08)
(Decrease)/Increase in Non Current Liabilities	(4,159.91)	873.09
Cash generated from Operations	128,599.22	104,714.13
Less: Taxes Paid	29,012.68	51,564.11
Cash flow from Operating Activities	99,586.54	53,150.02
B. Cash flow from Investing activities		
Purchase of Property, Plant and Equipment	(26,996.36)	(45,859.54)
Proceeds from sale of Property, Plant and Equipment	683.47	2,148.46
Changes in group structure	(134.37)	466.55
Movement in Non current assets held for sale	176.16	1,353.68
Purchase/Sale of Short Term Investments	(176,453.05)	66,269.15
Purchase/Sale of Long term Investments	3,021.01	(1,615.48)
Interest Income earned	4,621.86	4,873.66
Dividend Income	175.97	206.39
Changes in bank balance -Other than Short term	64,270.12	(45,317.66)
Cash flow from Investing Activity	(130,635.21)	(17,474.79)

SIMPSON & COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED – (Contd.)
(All amounts are in INR lakhs unless otherwise stated)

Particulars	31st March 2020	31st March 2019
C. Cash flow From Financing Activity :		
Interest / Finance Charges on Borrowings	(5,307.62)	(5,596.32)
Payment of Lease Liabilities including Interest	(2,424.14)	-
Proceeds from / (Repayment of)Long Term Borrowings (Net)	444.80	641.21
Proceeds from / (Repayment of)Short Term Borrowings (Net)	(110.32)	(1,581.04)
Buy Back of Shares	-	(12,862.25)
Dividend Paid (Including Dividend Tax)	(5,844.61)	(7,545.19)
Cash used in Financing Activity	(13,241.89)	(26,943.59)
Net Increase /Decrease in Cash	(44,290.56)	8,731.64
Opening Cash & Cash Equivalents	53,433.90	44,702.26
Closing Cash & Cash Equivalents	9,143.34	53,433.90
Reconciliation		
Cash & Cash Equivalents		
Cash on hand	68.85	64.45
Cheques on hand/Transit	201.94	12,693.46
Balances with banks :		
(a) in current accounts	7,456.59	28,150.11
(b) in deposits with original maturity of less than three months	1,415.96	12,525.88
Balance as per statement of cash flows	9,143.34	53,433.90

The accompanying notes are an integral part of the financial statements

This is the Consolidated Cash Flow Statement referred to in our report of even date

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Membership No. 206520
Chennai, 02nd November, 2020

SIMPSON & COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01.04.2019	Additions	Disposals	Adjustments	As at 31.3.2020	For the year	Withdrawn	Adjustments	As at 31.3.2020	As at 31.3.2019
PROPERTY, PLANT AND EQUIPMENT:										
FREEHOLD										
– Land	33,154.63	638.31	(0.44)	1.09	33,793.59	–	–	–	–	33,154.63
– Buildings	33,800.68	3,878.10	(510.19)	(115.90)	37,052.69	6,074.11	(162.02)	(4.38)	7,464.88	29,587.81
LEASEHOLD IMPROVEMENTS										
– Land	1,852.21	–	–	(1,852.21)	–	112.24	–	(112.24)	–	1,739.97
– Buildings	1,029.06	–	–	–	1,029.06	44.01	–	–	495.85	577.22
– Electrical Installation-Lease land	62.00	–	–	–	62.00	4.25	–	–	37.56	28.69
Bearer Plants	108.22	–	–	–	108.22	2.55	–	–	15.31	95.46
Plant and Machinery	121,063.38	18,023.49	(2,891.44)	223.33	136,418.76	13,213.36	(2,674.71)	343.37	60,967.34	70,978.06
Electrical Installation	2,358.15	144.63	(15.99)	–	2,486.79	173.35	(14.73)	(97.26)	1,209.43	1,210.08
Furniture & Fixtures	1,913.28	220.10	(25.01)	0.98	2,109.35	306.27	(22.36)	(144.93)	1,240.94	811.32
Office Equipments	6,164.09	533.54	(35.53)	(7.24)	6,654.86	819.68	(27.71)	141.42	3,859.36	3,238.12
Laboratory Equipment	111.74	38.19	–	–	149.93	15.08	–	–	56.00	70.82
Vehicles	3,234.84	592.48	(336.90)	222.67	3,713.09	552.34	(247.71)	222.68	1,871.61	1,890.54
Vehicles Leased	3.63	–	–	(3.63)	–	0.08	–	(3.63)	–	0.08
Total	204,855.91	24,068.84	(3,815.50)	(1,530.91)	223,573.34	16,688.14	(3,149.24)	345.03	77,218.28	141,521.56
INVESTMENT PROPERTY :										
Freehold Land	5,782.59	–	(17.22)	(0.04)	5,765.33	–	–	–	–	5,782.59
Buildings on Freehold land	436.56	–	–	(8.81)	427.75	127.83	–	(0.76)	140.53	308.73
Total	6,219.15	–	(17.22)	(8.85)	6,193.08	13.46	–	(0.76)	140.53	6,091.32
INTANGIBLE ASSETS :										
Computer Software	3,383.26	158.52	–	1.76	3,543.54	464.51	–	1.77	3,037.53	812.01
Product Development (Internally generated)	2,388.79	–	–	–	2,388.79	481.75	–	–	2,364.02	506.52
Product Development - Others	126.50	26.31	–	–	152.81	22.30	–	–	122.97	25.83
Technical Knowhow	2,699.91	5.40	–	–	2,705.31	817.63	–	–	1,819.47	1,698.07
Land use Rights	445.63	19.23	–	13.38	478.24	11.92	–	5.37	186.17	276.75
Total	9,044.09	209.46	–	15.14	9,268.69	1,798.11	–	7.14	7,530.16	3,319.18
CAPITAL WORK IN PROGRESS										
INTANGIBLE ASSETS UNDER DEVELOPMENT										
Total										
Total										

For Adjustments & Other Notes refer note 43

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK	
	As at 01.04.2018	Additions	Disposals	Adjustments	As at 31.3.2019	As at 01.04.2018	For the year	Withdrawn	Adjustments	As at 31.3.2019	As at 31.3.2019	As at 31.3.2018
PROPERTY, PLANT AND EQUIPMENT:												
FREEHOLD												
- Land	28,314.79	6,306.70	(1,467.01)	0.15	33,154.63	-	1,452.18	-	-	-	33,154.63	28,314.79
- Buildings	30,537.50	3,784.04	(112.16)	(408.70)	33,800.68	4,778.65	-	(97.82)	(68.90)	6,074.11	27,726.57	25,758.85
LEASEHOLD IMPROVEMENTS												
- Land	1,852.21	-	-	-	1,852.21	84.18	28.06	-	-	112.24	1,739.97	1,768.03
- Buildings	1,029.06	-	-	-	1,029.06	407.95	43.89	-	-	451.84	577.22	621.11
- Electrical Installation-Lease land	62.00	-	(0.003)	-	62.00	29.22	4.09	-	-	33.31	28.69	32.78
Bearer Plants	108.22	-	-	-	108.22	10.21	2.55	-	-	12.76	95.46	98.01
Plant and Machinery	103,075.13	19,328.81	(1,078.19)	(262.37)	121,063.38	39,183.21	11,827.88	(787.35)	(138.42)	50,085.32	70,978.06	63,891.92
Electrical Installation	2,089.01	272.61	(3.47)	-	2,358.15	967.18	184.14	(3.25)	-	1,148.07	1,210.08	1,121.83
Furniture & Fixtures	1,648.34	319.85	(54.91)	-	1,913.28	827.99	324.96	(50.99)	-	1,101.96	811.32	820.35
Office Equipments	4,736.71	1,487.99	(26.47)	(34.14)	6,164.09	2,236.94	729.87	(15.63)	(25.31)	2,925.97	3,238.12	2,499.77
Laboratory Equipment	83.25	28.49	-	-	111.74	30.75	10.17	-	-	40.92	70.82	52.50
Vehicles	3,042.64	746.32	(554.60)	0.48	3,234.84	1,327.25	516.40	(499.35)	-	1,344.30	1,890.54	1,715.39
Vehicles Leased	3.63	-	-	-	3.63	3.12	0.43	-	-	3.55	0.08	0.51
Total	176,582.49	32,274.81	(3,296.81)	(704.58)	204,855.91	49,886.65	15,124.62	(1,454.29)	(222.63)	63,334.35	141,521.56	126,695.84
INVESTMENT PROPERTY:												
Freehold Land	5,782.18	0.41	-	-	5,782.59	-	-	-	-	-	5,782.59	5,782.18
Buildings on Freehold land	435.76	0.80	-	-	436.56	114.20	13.63	-	-	127.83	308.73	321.56
Total	6,217.94	1.21	-	-	6,219.15	114.20	13.63	-	-	127.83	6,091.32	6,103.74
INTANGIBLE ASSETS:												
Computer Software	3,346.11	38.17	(0.72)	(0.30)	3,383.26	1,895.74	676.63	(0.72)	(0.30)	2,571.25	812.01	1,450.37
Product Development (Internally generated)	2,388.79	-	-	-	2,388.79	1,400.52	481.75	-	-	1,882.27	506.52	988.27
Product Development - Others	89.60	36.90	-	-	126.50	79.36	21.31	-	-	100.67	25.83	10.24
Technical Knowhow	1,312.89	1,387.02	-	-	2,699.91	444.18	557.66	-	-	1,001.84	1,698.07	868.71
Land use Rights	448.69	-	-	(3.06)	445.63	163.22	6.99	-	(1.33)	168.88	276.75	285.47
Total	7,586.08	1,462.09	(0.72)	(3.36)	9,044.09	3,983.02	1,744.24	(0.72)	(1.63)	5,724.91	3,319.18	3,603.06
CAPITAL WORK IN PROGRESS												
INTANGIBLE ASSETS UNDER DEVELOPMENT												
Total											10,590.73	3,351.04
											5,178.87	297.15

For Assets pledged as security, refer note 53

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
2. NON-CURRENT INVESTMENTS		
Quoted Investments		
In Equity shares		
Associates	12,469.45	12,510.58
Associates of Subsidiary	380,294.04	387,772.97
Others	10,618.67	14,320.04
In Bonds & debt instruments	2,660.95	2,660.95
Unquoted Investments		
In Equity shares		
Associates	4,361.76	4,168.50
Joint Venture	888.93	996.52
Others	491.60	519.62
In Preference shares		
Associates	1,124.97	1,124.97
Joint Venture	450.00	450.00
In Bonds & debt instruments	18.08	17.38
In Govt. Securities	2.38	2.38
In Mutual Funds		
– Quoted	61,764.37	58,853.96
– Unquoted	136.56	140.16
	475,281.77	483,538.04
Refer Note 48 for fair value measurements disclosure		

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
3. FINANCIAL ASSETS - LONG TERM LOANS		
Secured, considered good		
Loans		
– Employees	50.00	60.00
– Others	328.90	152.06
Unsecured, considered good		
Loans		
– Employees	6.93	10.35
– Vendors	149.07	276.08
Loans to Others	125.64	66.65
	660.54	565.14
4. NON CURRENT FINANCIAL ASSETS - OTHERS		
Security Deposits	2,411.49	2,412.64
Bank Deposits with maturity of more than twelve months	681.52	486.00
Other Deposits	791.69	587.96
Others	1.11	74.94
	3,885.81	3,561.54
5. DEFERRED TAX (NET)		
Deferred Tax Liabilities arising out of		
Accumulated Depreciation on Assets	7,796.20	10,831.05
Fair value change on investments	17,328.24	17,817.89
Others	32.08	37.80
	25,156.52	28,686.74
Deferred Tax Assets arising out of		
Provision for Obsolete Stock	100.50	113.89
Provision for doubtful debts and advances	1,183.53	953.40
Unabsorbed tax Loss/Depreciation	12,837.00	11,356.56
Investment Properties	1,569.25	1,488.13
Provision for employee related expenses	1,888.88	2,433.65
Capital Gains on Joint Development of Property	924.62	924.62
MAT Credit	648.72	859.39
Others	850.48	1,040.80
	20,002.98	19,170.44
Net Deferred Tax Assets/(Liabilities)	(5,153.54)	(9,516.30)
6. OTHER NON CURRENT ASSETS		
Capital Advances	4,351.34	5,330.05
Duties/taxes and other amounts paid under protest	63.98	71.47
Balance with statutory/government authorities	276.32	356.88
Others	396.49	575.05
	5,088.13	6,333.45

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
7. INVENTORIES		
(a) Raw materials and components	30,954.04	33,501.41
(b) Stores and spares	3,389.14	3,350.02
(c) Dies jigs & loose tools	1,069.33	1,092.73
(d) Closing Stock :		
Intermediate components	647.14	582.12
Work in progress	17,570.57	16,677.27
Finished goods	71,245.24	55,789.01
Stock-in-trade	15,262.82	14,440.89
	<u>140,138.28</u>	<u>125,433.45</u>
Goods-in-transit included in inventories comprise of :		
– Raw materials and components	4,324.76	4,446.85
– Finished goods	231.35	440.52
– Stock in trade	76.08	371.76
For Assets pledged as Security, Refer Note 53		
8. FINANCIAL ASSETS - CURRENT INVESTMENTS		
Quoted Investments		
In Mutual funds	3,004.09	2,671.73
Unquoted Investments		
In Mutual funds	408,546.81	208,803.82
	<u>411,550.90</u>	<u>211,475.55</u>
9. TRADE RECEIVABLES		
Considered good - secured	6,315.12	9,047.63
Considered good - Unsecured	106,740.84	136,547.03
Receivables which have significant increase in credit risk	456.35	442.33
Credit Impaired	4,049.77	2,719.77
	<u>117,562.08</u>	<u>148,756.76</u>
Less : Allowance for Credit risk & Credit impaired Receivables	4,468.37	3,087.03
	<u>113,093.71</u>	<u>145,669.73</u>
For Assets pledged as Security, Refer Note 53		
10.(i) CASH AND CASH EQUIVALENTS		
Balances with banks :		
(a) in current accounts	7,456.59	28,150.11
(b) in deposits with original maturity of less than three months	1,415.96	12,525.88
Cash on hand	68.85	64.45
Cheques/drafts on hand	171.94	12,685.35
Cheques in transit	30.00	8.11
	<u>9,143.34</u>	<u>53,433.90</u>
10.(ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Bank deposits with maturity of three to twelve months	10,646.64	74,920.45
Unclaimed dividend account	53.90	53.06
Margin Money with Bank	214.67	211.82
	<u>10,915.21</u>	<u>75,185.33</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
11. FINANCIAL ASSETS – SHORT-TERM LOANS		
Secured, considered good		
Loans to related parties	1.97	2.40
Others	447.78	184.07
Unsecured, considered good		
Loans to related parties	0.01	–
Corporate deposit	4,169.84	–
Others	937.23	754.79
	<u>5,556.83</u>	<u>941.26</u>
12. CURRENT FINANCIAL ASSETS - OTHERS		
Interest Receivable	622.63	2,817.59
Claims Receivable	738.46	1,213.09
Other Deposits	318.31	852.83
Others	2,553.97	1,066.42
	<u>4,233.37</u>	<u>5,949.93</u>
13. CURRENT TAX ASSETS (NET)		
Prepayment of taxes	415,545.81	388,281.34
Less: Provision for taxes	409,830.97	384,247.59
	<u>5,714.84</u>	<u>4,033.75</u>
14. OTHER CURRENT ASSETS		
Balance with statutory/government authorities	14,148.31	17,507.20
Advance to Suppliers	11,975.40	10,764.92
Prepaid expenses	1,182.54	885.91
Others	3,453.80	5,424.06
	<u>30,760.05</u>	<u>34,582.09</u>
15. SHARE CAPITAL		
Authorised		
1,10,00,000 equity shares of ₹.10/- each	1,100.00	1,100.00
1,00,000 Redeemable Preference shares of ₹.100/- each	100.00	100.00
Issued,subscribed and fully paid-up		
73,77,500 equity shares (PY : 73,77,500 equity shares) of ₹.10/- each	737.75	737.75
	<u>737.75</u>	<u>737.75</u>
15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :	No. of shares	No. of shares
Equity shares at the beginning of the year	7,377,500	7,500,000
Bought back during the year	–	(122,500)
Equity shares outstanding at the end of the year	7,377,500	7,377,500

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
15.2 Buy back of shares		
The Company bought back 1,22,500 Equity shares of Face value ₹.10 each during the year 2018-19		
15.3 Terms/rights attached to equity shares		
The company has only one class of equity share having par value of ₹.10 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013		
15.4 Shares held by holding company and its associate		
(a) Amalgamations Private Limited, Holding Company		
72,36,034 (31st March 2019: 72,36,034) equity shares of ₹.10/- each fully paid	723.60	723.60
(b) United Nilgiri Tea Estates Company Ltd, the associate of the holding company		
16,333 (31st March 2019: 16,333) equity shares of ₹.10/- each fully paid	1.63	1.63
15.5 The Details of shareholders holding more than 5% shares in the company		
Equity shares of Rs. 10/- each fully paid		
Amalgamations Private Limited		
– Nos	7,236,034	7,236,034
– % of Holding	98.08	98.08

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
16. OTHER EQUITY		
Capital reserve on Consolidation	3,325.07	3,328.07
	<u>3,325.07</u>	<u>3,328.07</u>
Other Reserves		
General Reserve		
As per last balance sheet	142,188.50	141,051.00
Add: Transfer from Retained earnings	14,000.00	14,000.00
Less: Buy-back Consideration (for amount in excess of Face value of shares)	-	12,850.25
Less: Transfer to Capital Redemption Reserve	-	12.25
	<u>156,188.50</u>	<u>142,188.50</u>
Capital Redemption Reserve		
As per last balance sheet	12.25	-
Transfer from General Reserve	-	12.25
	<u>12.25</u>	<u>12.25</u>
Revaluation Reserve		
As per last balance sheet	-	46.50
Add: Additions/Reversals during the year	-	(46.50)
	<u>-</u>	<u>-</u>
Retained Earnings		
As per last balance sheet	716,751.12	648,194.07
Consolidation Adjustment	417.07	(374.69)
Net Profit for the year	65,318.27	89,907.05
Others	(548.44)	569.88
Balance after adjustment	<u>781,938.02</u>	<u>738,296.31</u>
Less: Appropriations		
Interim dividend paid	2,397.69	1,291.06
Final dividend paid	2,028.81	2,062.50
Corporate tax on dividend	1,418.11	1,195.21
Tax on distributed income	-	2,996.42
Transfer to General reserve	14,000.00	14,000.00
Net Surplus in the Retained Earnings Account	<u>762,093.41</u>	<u>716,751.12</u>
Share of Other comprehensive income of Associates		
As per last balance sheet	(19,232.05)	(6,621.88)
Add: Transfer from Other Comprehensive Income	(2,917.77)	(12,610.17)
	<u>(22,149.82)</u>	<u>(19,232.05)</u>
Exchange differences on translating financial statements of foreign operations		
As per last balance sheet	(1,541.45)	(3,189.78)
Add: Adjustment	332.42	-
Add: Transfer from Other Comprehensive Income	52.70	1,648.33
	<u>(1,156.33)</u>	<u>(1,541.45)</u>
Equity Instruments through FVTOCI reserve		
As per last balance sheet	4,368.02	3,134.95
Add : Adjustment	(2.45)	-
Add : Transfer from Other Comprehensive Income	(2,743.42)	1,233.07
	<u>1,622.15</u>	<u>4,368.02</u>
Effective Cash Flow Hedges reserve		
As per last balance sheet	(33.93)	(42.22)
Add : Adjustment	43.26	11.34
Add : Transfer from Other Comprehensive Income	-	(3.05)
	<u>9.33</u>	<u>(33.93)</u>
Actuarial Gains on Defined Benefit Plan reserve		
As per last balance sheet	5,471.87	5,394.82
Add : Adjustment	(16.84)	-
Add : Transfer from Other Comprehensive Income	(447.55)	77.05
	<u>5,007.48</u>	<u>5,471.87</u>
Total Other Equity	<u>901,626.97</u>	<u>847,984.33</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
17. FINANCIAL LIABILITIES – LONG-TERM BORROWINGS		
Loans from banks		
– Secured	3,535.01	3,229.68
– Unsecured	50.00	150.00
Loan from Directors and their relatives (unsecured)	1,635.29	1,409.85
Others	660.13	646.10
	<u>5,880.43</u>	<u>5,435.63</u>
For terms of repayment, refer Note 46		
18. NON CURRENT FINANCIAL LIABILITIES – OTHERS		
Security deposits	5,096.57	7,703.96
Advance received for Joint Development of Property	418.57	389.43
Lease Liability	4,045.71	–
Others	–	1,602.19
	<u>9,560.85</u>	<u>9,695.58</u>
19. LONG TERM PROVISIONS		
Provision for gratuity	43.96	23.69
Provision for compensated absences	3,296.83	3,290.25
Provision for product warranty	341.64	530.65
	<u>3,682.43</u>	<u>3,844.59</u>
20. OTHER NON CURRENT LIABILITIES		
Deferred Income		
– Government Grants	363.73	564.35
– Other deferred income	537.19	312.82
Others	23.47	26.70
	<u>924.39</u>	<u>903.87</u>
21. FINANCIAL LIABILITIES – SHORT TERM BORROWINGS		
From Banks		
– Working capital demand loan (Secured)	3,108.19	4,279.88
– Cash credit (Secured)	3,428.49	3,999.77
– Others *	22,161.11	20,527.60
* includes Secured loans to the extent of ₹.14,437.17 lakhs (PY : ₹.12,214.98 lakhs)		
From Others	999.14	1,000.00
From Holding company (Unsecured)	2,600.00	2,600.00
	<u>32,296.93</u>	<u>32,407.25</u>
For terms of repayment, refer Note 46		
22. TRADE PAYABLES		
Micro and Small Enterprises	4,494.59	2,512.51
Acceptances	2,501.57	2,581.86
Due to Ultimate Holding company	1,010.63	826.85
Others	140,683.23	137,014.85
	<u>148,690.02</u>	<u>142,936.07</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
	23. CURRENT FINANCIAL LIABILITIES - OTHERS	
Interest accrued but not due on borrowings	231.77	230.98
Interest accrued and due on borrowings	126.80	117.67
Unclaimed dividends	53.81	52.97
Current maturities of long term debt	3,003.57	2,900.54
Due to ultimate holding company	14.81	25.61
Lease Liability	1,893.53	-
Other Payables		
– Managerial remuneration payable	1,716.69	2,189.25
– Accrued salaries & benefits	14,329.44	14,842.25
Security deposits	869.08	884.05
Others	5,729.13	3,490.36
	<u>27,968.63</u>	<u>24,733.68</u>
24. OTHER CURRENT LIABILITIES		
Deferred income	493.54	353.48
Advance from customers	14,508.08	11,235.89
Security deposit from customers	101.51	72.40
Statutory dues payable	2,748.59	3,280.48
Others	1,599.64	2,560.46
	<u>19,451.36</u>	<u>17,502.71</u>
25. SHORT TERM PROVISIONS		
Provision for gratuity	1,049.94	93.79
Provision for Compensated absences	1,234.80	955.54
	<u>2,284.74</u>	<u>1,049.33</u>
Other Provisions		
Provision for warranty	4,408.20	4,435.82
Provision for Contingencies	1,254.30	1,220.06
Others	1,099.08	244.12
	<u>6,761.58</u>	<u>5,900.00</u>
	<u>9,046.32</u>	<u>6,949.33</u>
	(a)	
	(b)	
	(a+b)	
	Consolidated	
Particulars	2019-20	2018-19
Movement in Warranty provision		
At the beginning of the year	4,966.47	4,703.69
Provision during the year	4,910.13	3,975.85
Utilized during the year	(5,093.09)	(3,520.76)
Written back during the year	(33.67)	(192.31)
At the end of the year	<u>4,749.84</u>	<u>4,966.47</u>
Movement in Contingency provision		
At the beginning of the year	1,220.06	1,201.47
Provision during the year	34.24	18.59
Utilized during the year	-	-
At the end of the year	<u>1,254.30</u>	<u>1,220.06</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
26. REVENUE FROM OPERATIONS (Refer Note 50)		
Sale of products	952,382.65	1,106,335.21
Sale of services	14,228.18	10,218.66
Other Operating Income	14,990.12	21,261.66
	<u>981,600.95</u>	<u>1,137,815.53</u>
27. OTHER INCOME		
Interest income		
– Long-term investments	71.18	71.21
– Measurement of deposits/advances at amortised cost	3,048.44	2,320.18
– Deposits and others	1,502.24	2,482.27
Dividend income		
– Long-term investments	164.27	188.24
– Current investments	11.70	18.15
Profit on sale of investments (Net)	11,591.26	22,154.79
Fair valuation gain on Investments	12,031.05	1,497.28
Exchange Gain (Net)	2,767.49	176.72
Other non-operating income	3,861.39	3,325.94
	<u>35,049.02</u>	<u>32,234.78</u>
28. COST OF MATERIALS CONSUMED		
Opening Stock	29,054.56	27,849.45
Add:Purchases	533,416.60	622,857.21
Less:Closing Stock	26,629.28	29,054.56
Less:Capitalised	2.93	44.11
	<u>535,838.95</u>	<u>621,607.99</u>
29. PURCHASES OF STOCK-IN-TRADE		
Purchase of Stock in trade	101,402.28	116,100.80
	<u>101,402.28</u>	<u>116,100.80</u>
30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock		
Intermediate components	582.12	550.98
Finished goods	55,348.48	42,845.20
Work-in-progress	16,677.27	15,256.14
Stock-in-trade	14,069.13	15,332.95
	<u>86,677.00</u>	<u>73,985.27</u>
	(a)	
Closing stock		
Intermediate components	647.14	582.12
Finished goods	71,013.89	55,348.48
Work-in-progress	17,570.57	16,677.27
Stock-in-trade	15,186.74	14,069.13
	<u>104,418.34</u>	<u>86,677.00</u>
	(b)	
	(a-b)	<u>(17,741.34)</u>
		<u>(12,691.73)</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
31. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Managerial remuneration	92,232.92	90,546.80
Contribution to Provident and Other Funds <i>(Refer Note 42(b))</i>	5,263.39	5,396.48
Staff welfare expenses	6,813.07	7,598.81
	<u>104,309.38</u>	<u>103,542.09</u>
Less: (i) Recoveries for common service & employees seconded	895.18	832.98
(ii) Transfer to captive consumption/Expenses capitalised	141.06	379.90
	<u>103,273.14</u>	<u>102,329.21</u>
32. FINANCE COSTS		
Interest	4,607.50	4,995.48
Interest on fair valuation of loans/deposits	31.88	35.49
Interest on lease liability	654.97	-
Other borrowing costs	671.44	580.15
Less : Expenses capitalised	3.20	14.80
	<u>5,962.59</u>	<u>5,596.32</u>
33. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on tangible assets	16,701.61	15,138.25
Depreciation on Right of use Assets	2,163.91	-
Amortisation of intangible assets	1,798.10	1,744.24
	<u>20,663.62</u>	<u>16,882.49</u>
34. OTHER EXPENSES		
Stores consumed	14,896.52	17,432.88
Packing & Forwarding	4,627.72	5,423.61
Power and Fuel	13,597.33	16,001.89
Subcontract charges	9,783.09	12,872.59
Repairs and Maintenance		
– Buildings	2,734.59	3,367.62
– Machinery	5,074.88	5,643.93
– Others	3,407.02	3,528.10
Insurance	1,452.39	1,383.24
Rent	1,412.21	3,665.95
Rates and Taxes	1,157.40	1,432.40
Freight & Handling charges	13,207.62	15,218.30
Auditors' Remuneration including other services		
Statutory Audit Fees	263.61	256.67
Tax Audit Fees	38.75	38.35
Others	54.06	64.12
Reimbursement of Expenses	5.79	5.74
Travelling Expenses	12,398.72	14,545.14
Advertisement & Sales promotion expenses	21,839.12	21,526.42
Expenditure on Corporate Social Responsibility	3,191.92	3,821.44
Miscellaneous expenses	32,432.17	33,523.10
Less : Expenses capitalised	339.63	1,171.32
	<u>141,235.28</u>	<u>158,580.17</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
35A. OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Actuarial Gain / (Loss) on Defined Benefit Plan – Gratuity (Funded)	(756.10)	150.93
Changes in fair value of investments	(3,515.85)	1,593.79
Share of other comprehensive income (net) of associates	(4,637.44)	(20,743.19)
	<u>(8,909.38)</u>	<u>(18,998.47)</u>
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1,037.23)	(4,045.60)
	<u>(1,037.23)</u>	<u>(4,045.60)</u>
35B. OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss		
Exchange differences on translating financial statements of foreign operations	69.12	2,161.96
Effective Portion of Cash Flow Hedges	-	(3.05)
	<u>69.12</u>	<u>2,158.91</u>
36. EARNINGS PER SHARE		
(1) Profit after tax as per Consolidated Statement of Profit and Loss	65,318.27	89,907.05
(2) Weighted Average No. Equity Shares (Nos.)	7,377,500	7,472,815
(3) Nominal Value per Share (₹.)	10	10
(4) Basic and diluted Earnings per Share (₹.)	885.37	1,203.12

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

GROUP OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES

37. GROUP OVERVIEW:

General Information:

Simpson & Company Limited ("the Company or Parent Company") is a public limited company domiciled in India, incorporated under the Indian Company Law. The Parent Company's registered office is at 861/862, Anna Salai, Chennai-600002. The Company's parent and ultimate holding company is Amalgamations Private Limited incorporated in the state of Tamil Nadu, India. The Parent Company and its subsidiaries (collectively herein referred to as the "Group"), Associates and Joint Venture is primarily involved in manufacturing of tractors, diesel engines, automobile parts, plantation products, non-banking finance and having dealership in passenger cars and parts thereof. Amalgamations Private Limited owns 98.08% of ordinary equity shares of the Parent company as at 31st March, 2020 and has the ability to control its operating and financial policies.

The consolidated financial statements were approved by the Board of Directors on 2nd November, 2020.

38. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto in the preparation of its consolidated financial statements.

The consolidated financial statements of the Company have been prepared on the historical cost basis, except for certain equity financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below and certain other financial instruments which are fair valued using amortized cost method, which is disclosed separately. 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, regardless of whether that price is directly observable or estimated using another valuation technique.

The functional and Presentation Currency of the Consolidated Financial Statement is Indian rupee.

Use of estimates

The preparation of the consolidated financial statements requires the management of the parent company to make estimates, judgments and assumptions that affect the reported amounts of consolidated assets and liabilities, the disclosure of contingent assets and liabilities on the date of the consolidated financial statements and the reported amounts of consolidated revenues and expenses for the period reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of consolidated financial statements, which may cause a material adjustment to the carrying amounts of consolidated assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, staff benefits and valuation of deferred tax assets and provisions and contingent liabilities.

Basis of Consolidation:

Subsidiaries:

(i) Subsidiaries are entities controlled by the Company. Control exists when the company has all the following:

- (a) Power over the investee,
- (b) Exposure, or rights, to variable returns from its involvement with the investee and
- (c) The ability to use its power over the investee to affect the amount of the Investor's returns

The company reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account.

(ii) The financial statements of the Parent Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cashflows, after fully eliminating intra-group balances and intra-group transactions including unrealised profits

(iii) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities are converted at exchange rates prevailing at the end of each reporting period. Any exchange difference on consolidation is recognised in the Foreign Currency transaction Reserve.

(iv) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the consolidated statement of profit and loss being the profit or loss on disposal of the investment in subsidiary.

(v) Non-controlling Interest in the Net Assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

(vi) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the parent company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

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GROUP OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation:

Associates and Joint Ventures:

- (i) Associates are those entities in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control over those policies. Significant influence is presumed to exist when the company holds between 20 and 50 percentage of the voting power of another entity, unless it is otherwise rebutted.
- (ii) One of the Subsidiaries has made investment in AGCO Corporation, a listed entity in New York, USA where the holding as on March 31, 2020 is less than 20 percentage. The Subsidiary has assessed that it has significant influence over the entity based on its assessment of various parameters such as a) representation on the board of directors of this company, (b) participation in policy-making processes, including participation in decisions about dividends or other distributions and (c) material transactions between the group and this entity. Accordingly, this entity has been considered as Associate of that Subsidiary and has been accounted for using the equity method of accounting.
- (iii) The consolidated financial statements of AGCO Corporation have been prepared in accordance with the accounting policies aligned with the accounting principles generally accepted in the country of its jurisdiction ("US GAAP") and have been audited under the generally accepted auditing standards in the country of its jurisdiction ("US GAAS") for the years ended December 31, 2018 and December 31, 2019. In view of the significant differences and non-availability of information to align the accounting policies of AGCO Corporation with those followed by the Group, the management has assessed that it is impracticable in accordance with para 35 of Ind AS 28 to align the accounting policies followed by AGCO Corporation to the accounting policies adopted by the Group. Thus, for the purpose of equity accounting in the consolidated financial statements for the years ended, March 31, 2019 and March 31, 2020, the Group has used the financial information based on the financial statements prepared using accounting policies aligned with the USGAAP for the years ended December 31, 2018 and December 31, 2019 respectively. Further adjustments have been made for the effects of significant transactions or events that occur between associate's reporting date and the date of subsidiary special purpose consolidated financial statements.
- (iv) A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net asset of the arrangement.
- (v) An interest in an associate or joint venture is accounted for using the equity method from the date in which the investee becomes an associate or a joint venture and are recognised initially at cost. The company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses.
- (vi) The consolidated financial statements include the parent company's share of profits or losses from the date that significant influence or the joint control ceases.
- (vii) When the parent company transacts with an associate or joint venture of the company, unrealised profits and losses are eliminated to the extent of the parent company's interest in its associate or joint venture

Other Significant Accounting Policies:

These are set out under "significant accounting policies" as given in the parent company's standalone financial statements.

39. Exceptional Items

Particulars	FYE 31-03-2020	FYE 31-03-2019
Voluntary Retirement Scheme (Note)	(137.38)	(58.59)
Suppliers / Customer Claims provided for	-	(1,778.47)
Revenue from Joint Development Income	-	20.62
Total	(137.38)	(1,816.44)

Note :

Consequent to the change in technology and the limitations imposed by the Pollution Control Board, one of the Subsidiaries has planned the closure of operations at its assembly plant at Bangalore to be effective from June 2020. Towards this, the Subsidiary Company has successfully concluded an agreement to cease employment with the employees' Union without any increase in wages till that date. Based on the agreement, a Voluntary Retirement Scheme (VRS) has been offered and part of the work force was settled during the year. In pursuance of the provisions of Indian Accounting Standards (Ind AS)-19, the Subsidiary Company has made a total provision of ₹.894.00 lakhs for the fair value of such curtailment costs (which includes ₹. 137.38 lakhs (2018-19 ₹. 58.59 lakhs) recognized as an Exceptional item in the Financial Statements of the current year).

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Particulars	FYE 31-03-2020	FYE 31-03-2019
40. Tax Expenses :		
Profit before tax	109,403.07	142,322.67
Tax Expenses :		
Current Tax	29,959.10	51,848.39
Deferred Tax	(2,661.11)	(109.06)
Tax refund / provision relating to earlier years	33.26	(8.67)
Total	<u>27,331.25</u>	<u>51,730.66</u>
Applicable tax percentage	25.17 %	34.94 %
Tax Rate	22.00 %	30.00 %
Surcharge	10.00 %	12.00 %
Education cess	4.00 %	3.00 %
Effective Tax Rate	24.98 %	36.35 %
Tax effect of amounts which are not deductible (taxable) in Calculating taxable income:		
Tax as per Applicable Tax Rate	27,552.32	49,733.23
Deferred Tax on Associates Undistributed Profits	(892.53)	5,651.87
Expenses that are not deductible in determining taxable profit	1,341.82	1,428.23
Admissible Deductions	(515.40)	(579.23)
Benefits of weighted deduction under Income Tax Act	0.00	(1,750.31)
Others	(154.96)	(2,753.13)
Total Tax Expenses	<u>27,331.25</u>	<u>51,730.66</u>
41. Research & development expenditure		
Capital expenditure:		
– New Product Development & Other Assets	1,826.70	3,441.14
Total Capital Expenditure	<u>1,826.70</u>	<u>3,441.14</u>
Revenue Expenditure:		
– Salaries, wages and bonus	9,553.13	6,746.48
– Materials, consumables and spares	3,968.06	1,665.10
– Other expenditure	9,893.47	6,825.52
Total Revenue expenditure	<u>23,414.66</u>	<u>15,237.10</u>
Total	<u>25,241.36</u>	<u>18,678.24</u>

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Particulars	FYE 31-03-2020	FYE 31-03-2019
42(a). Employee Benefit Expenses		
Gratuity (Funded)		
Actuarial Assumptions:		
Discounted Rate	6.46% - 7.67%	7% - 8%
Expected return on plan assets	7.43% - 7.90%	7.52% - 8.09%
Salary Escalation	4% - 9%	4% - 9%
Attrition Rate	1% - 10%	1% - 10%
Change in Defined Benefit Obligation		
Defined benefit obligation at the end of prior period	13,458.30	12,861.08
Interest Cost	935.38	452.54
Current Service Cost	1,140.53	1,077.92
Past Service Cost	-	464.81
Benefits Paid	(1,265.73)	(1,384.57)
Actuarial (Gain)/Loss	350.32	114.42
Exchange Difference	(11.84)	(44.55)
Defined benefit obligation at the end of the year	14,606.96	13,541.65
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the end of the prior period	12,432.20	11,305.96
Expected Return of Plan Assets	881.67	819.93
Contributions	657.98	1,425.76
Benefits Paid	(1,269.80)	(1,400.42)
Plan Assets Transferred	-	(9.84)
Actuarial Gain/(Loss)	(405.78)	293.51
Fair Value of Plan Assets at the end of the year	12,296.28	12,434.89
Amount recognised in Balance Sheet		
Defined Benefit Obligation at the end of the year	14,606.96	13,541.65
Fair Value of plan assets at the end of the year	12,296.28	12,434.89
Funded status surplus- (Asset)/Liability	2,310.67	1,106.76
Expenses recognised in the Statement of Profit & Loss & OCI		
Current Service Cost	1,140.53	1,077.92
Interest Cost	935.38	917.35
Past Service Cost	-	2.38
Expected Return on plan assets	(881.88)	(821.98)
Expenses recognised in the P&L Account	1,194.03	1,163.55
Re-measurement- Actuarial (Gain)/Loss recognised in OCI	756.10	(165.48)
Total Defined Benefit Obligation Cost recognised in P&L and OCI	1,950.13	998.07
Composition of plan assets		
Insurer managed funds	12,295.86	12,417.60
With Scheduled Bank	0.42	17.29
Total	12,296.28	12,434.89

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42(a). Employee Benefit Expenses – (Contd.)		
Sensitivity Analysis * :		
Particulars	As at 31-03-2020	As at 31-03-2019
Discount Rate		
– Increase by 1%	13,663.35	12,593.74
– Decrease by 1%	15,337.30	14,218.74
Salary Escalation Rate		
– Increase by 1%	15,483.37	14,354.15
– Decrease by 1%	13,730.54	12,729.15
*The above reflect change in Defined Benefit Obligations as on the end of the year obligations.		
42(b). Contribution to Provident and Other Funds		
Particulars	FYE 31-03-2020	FYE 31-03-2019
Gratuity	1,194.03	1,163.55
Provident Fund	3,287.02	3,112.77
Super Annuation	782.34	1,111.60
Others	–	8.56
Total	<u>5,263.39</u>	<u>5,396.48</u>
43. Property, Plant and Equipment		
Adjustments		
1. Adjustments include amounts pertaining to Foreign currency translation adjustment, transfer from investment property, transfer to Right of Use (“ROU”) and other adjustments.		
2. Reclassification of Gross carrying amount ₹. 8.85 lakhs and accumulated depreciation of ₹. 0.76 lakhs is pursuant to the treatment of a portion of the Property as PPE surrender/termination of lease.		
3. On Adoption of IND AS 116, amounts classified under Leasehold lands has been transferred to Right of Use to the extent of ₹. 1,852.21 lakhs.		
Other Notes		
1. Freehold Buildings include ₹. 14.00 lakhs (WDV - Nil) [31 st March, 2019 - ₹. 14.00 lakhs (WDV - Nil)] acquired under lease cum sale agreement. The lease had expired in December 2005 and transfer of title in favour of Subsidiary is pending with the Government.		
2. Land - freehold includes 4.27 acres (carrying value of ₹. 66.95 lakhs as at 31 st March, 2019) intended to be sold through a Joint Development Agreement entered into by the Company. However, pending approvals for construction the said land has not been reclassified as 'held for sale'. The Carrying value of the said land as at 31 st March, 2019 is lower than their fair values as at said dates.		
3. Refer Assets pledged disclosure (Note-53) for details of charge, Hypothecation of Property, Plant and Equipment.		

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44. Non Current assets held for sale		
Particulars	As at 31-03-2020	As at 31-03-2019
Freehold land	85.94	85.94
Building	441.79	441.79
Other assets held for sale	189.59	365.75
Total	<u>717.32</u>	<u>893.48</u>
Particulars	FYE 31-03-2020	FYE 31-03-2019
45. Investment Property		
Amounts recognised in Profit and Loss for investment properties		
Rental income	139.96	132.09
Direct operating expenses (including repairs and maintenance) that generated rental income	10.26	17.87
Direct operating expenses (including repairs and maintenance) that did not generate rental income	1.57	3.51
Profit arising from investment properties before depreciation and indirect expenses	128.14	110.71
Depreciation for the year	12.67	12.86
Depreciation for the year- Assets that did not generate rental income	-	-
Indirect expenses for the year	-	-
Profit arising from investment properties after depreciation and indirect expenses	115.47	97.85
Fair Value		
Particulars	As at 31-03-2020	As at 31-03-2019
Fair value of Investment Properties	10,749.45	12,370.73
Notes:		
<ol style="list-style-type: none"> 1. Investment Properties consist of land and building let out to third parties and land not put to any specific use. 2. There are no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. 3. In respect of valuation of Investment Properties, it has been reckoned as follows: <ol style="list-style-type: none"> (a) In respect of Land, at Guideline Value as at 31st March. (b) In respect of Buildings, at Book Value as at 31st March. 		

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46. Terms of repayment for the long-term/Short term borrowings and security provided in respect of the secured other borrowings		
Loan Description	Terms of repayment and security	
Hire purchase of Rs. 24.99 lakhs	(a) Hire purchase liabilities for the purchase of Vehicles and Machineries are secured by hypothecation of vehicles and machineries purchased out of the said loan.	
	(b) Interest on above loans are charged at MCLR + spread.	
Deposits / Loans from Directors :		
Fixed Deposits from Director – ₹. 964.00 lakhs	Repayable in 24 months to 36 months as per the terms of Individual Deposits	
Loan from Director – ₹. 671.00 lakhs	Repayable over a period of 3 to 4 years.	
Loans from Banks and Financial Institutions:		
From Banks – ₹. 2660.00 lakhs	(a) The term loans are availed for purchase of assets relating to Capital Projects and are secured by hypothecation of specific assets purchased out of the said loan.	
	(b) The weighted average rate of interest of these loans is around 6.63% per annum.	
	(c) The loans availed for purchase of vehicles are secured by hypothecation of vehicles purchased out of the said loan. The weighted average rate of interest of these loans is around 8.71% per annum.	
	(d) Repayable on both Monthly and Quarterly instalment	
From Financial Institutions – ₹. 249.00 Lakhs	(a) Loan taken from other parties for working capital are secured by hypothecation of specific asset. The weighted average rate of interest of these loans is around 10.75% per annum.	
	(b) Repayable on Monthly instalment	
Borrowings – ₹. 875.00 lakhs	The term loan is availed from the HDFC Bank Limited and is secured by plant and machinery. The term loan carries interest rate of 9.5% (March 31, 2019 : Nil) per annum. The tenure of the term loan is 59 months which is to re-paid on 16 quarterly instalments after one year of moratorium. As at the year end, the unutilised term loan balance is invested in fixed deposits amounting to ₹.542.00 lakhs (March 31, 2019 : Nil)	
Unsecured Loans – ₹. 50.00 Lakhs	Repayable on Monthly instalment	
Cash Credit	First pari-paasu charge on working capital assets viz. inventory, book debts and other current assets.	
Working Capital Demand loan	Hypothecation of stock and book debts on pari-paasu basis.	
47. Capital Management		
The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. Capital management and funding requirements is met through equity, internal accruals and long and short term debt instruments.		
Particulars	As at 31-03-2020	As at 31-03-2019
Non - Current Borrowings	5,880.43	5,435.63
Current Borrowings	32,296.93	32,407.25
Total Debt	38,177.36	37,842.88
Total Equity	1,136,471.53	1,065,952.45
Total Capital	1,174,648.89	1,103,795.33
Equity to Capital	97%	97%
Debt to Capital	3%	3%

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48. Financial Instrument by Category and Hierarchy :		Particulars	Hierarchy	31st March, 2020			31st March, 2019		
				FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial assets									
Non-Current									
Investments									
		- Equity instruments - Quoted*	1	51.92	10,566.74	-	120.95	14,199.09	-
		- Equity instruments - Unquoted*	3	66.02	395.02	30.56	79.13	409.96	30.53
		- Bonds & Debt Instruments	1	-	-	2,679.03	-	-	2,678.33
		- Preference Shares	3	-	-	1,574.97	-	-	1,574.97
		- Mutual funds - Quoted	1	723.00	61,041.36	-	1,108.37	-	57,745.59
		- Mutual funds - Unquoted	3	136.56	-	-	140.16	-	-
		- Government securities	1	-	-	2.38	-	-	2.38
		Loans	3	-	-	660.54	-	-	565.14
		Other financial assets	3	-	-	3,885.81	-	-	3,561.54
Current									
		Trade receivables	3	-	-	113,093.71	-	-	145,669.73
		Current Investment - Mutual Funds	2	411,503.05	47.85	-	211,428.11	47.44	-
		Cash and cash equivalents		-	-	9,143.34	-	-	53,433.90
		Bank balances other than cash and cash equivalents		-	-	10,915.21	-	-	75,185.33
		Loans	3	-	-	5,556.83	-	-	941.26
		Other financial assets		-	-	4,233.37	-	-	5,949.93
Total financial assets				412,480.55	72,050.97	151,775.75	212,876.72	14,656.49	347,338.63
Financial liabilities									
Non-Current									
		Borrowings	2	-	-	5,880.43	-	-	5,435.63
		Other financial liabilities	3	-	-	9,560.85	-	-	9,695.58
Current									
		Borrowings	3	-	-	32,296.93	-	-	32,407.25
		Trade payables	3	-	-	148,690.02	-	-	142,936.07
		Other financial liabilities	3	-	-	27,968.63	-	-	24,733.68
Total financial liabilities				-	-	224,396.86	-	-	215,208.21

*Excludes Investments in Associates and Joint venture [₹. 3,98,014.19 Lakhs (Previous year ₹. 405,448.56 Lakhs)] measured at cost using Equity Method.

The carrying amounts of Cash and cash equivalents, Bank balances other than cash and cash equivalents, other financial assets, other financial liabilities are considered to be the fair value due to short term nature.

There are no transfers between level 1, level 2 and level 3 during the year.

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48. Financial Instrument by Category and Hierarchy :

Hierarchy:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Valuation technique used to value financial instruments is open ended mutual funds at NAVs declared.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

49. Financial risk Management:

The risks that the Group is exposed to are classified into credit risk, liquidity risk and market risk. The sources of risk which the entity is exposed to and how the entity manages the risk are given below:

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, bank balances other than cash & cash equivalents, Investments in equity instruments, Trade receivables.	Ageing analysis, Credit ratings	Diversification of bank deposits and review of credit ratings, credit limits and letters of credit.
Liquidity Risk	Trade payables, Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines
Market Risk - Foreign exchange	Export Trade receivables and Import Trade payables	Sensitivity analysis of exchange rates	Monitoring exchange rate movements Forward Foreign exchange contracts
Market Risk - Interest rate	Variable interest rate borrowings	Sensitivity analysis of interest rates	Monitoring the interest rate movements & maintaining a proper balance between fixed and variable borrowings

(A) Credit Risk

Credit risk arises from investments carried at amortized cost, deposits with banks and inter-corporate deposits / loans, as well as credit exposures to customers in the form of receivables. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

(i) Credit risk management

Credit risk on cash and cash equivalents is limited as the group generally invests in deposits with Nationalised / Scheduled Commercial banks. Credit risk is managed at the individual company level. For selecting banks and financial institutions, only high rated banks/institutions are accepted as per the management's evaluation.

Credit risk with respect to domestic and export trade receivable is managed by the group through setting up credit limits for dealers and customers and also periodically reviewing their credit worthiness.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

(ii) Provision for expected credit losses

The Group recognizes expected credit loss provision based on 12 months expected credit loss in respect of loans, investments and other financial assets, where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil. Most of the group companies recognize expected credit loss provisions based on life time expected credit loss (simplified approach) in the case of trade receivables.

As at 31 March 2020:

(a) The other financial assets consisting of current investments in mutual funds, loans and other deposits measured at amortized cost aggregating to ₹.4,41,429.00 lakhs (Previous year ₹.3,46,985.97 lakhs) is considered standard assets and hence no provision for expected credit loss has been made.

Management does not foresee any credit deterioration in these assets.

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49. Financial Risk Management – (Contd.)		
(b) Expected credit loss for trade receivables under simplified approach:		
Trade Receivables	As at 31-03-2020	As at 31-03-2019
Gross carrying amount	117,562.08	148,756.76
Loss allowance rate	3.80%	2.08%
Expected credit losses (Loss allowance provision)	4,468.37	3087.03
Carrying amount of trade receivables (net of impairment)	113,093.71	145,669.73
(iii) Reconciliation of loss allowance provision- Loans, security deposits and investments at amortised cost		
There are no loss allowance provision created for the loans, security deposits and investments at amortised cost		
(iv) Reconciliation of loss allowance provision – Trade receivables		
Loss allowance on 31st March 2018		2,187.18
Changes in loss allowance		899.85
Loss allowance on 31st March 2019		3,087.03
Changes in loss allowance		1,381.34
Loss allowance on 31st March 2020		4,468.37
(B) Interest Rate Risk Exposure		
Interest Risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating rates and investments.		
The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.		
The Company has not taken any interest rate swaps to convert the floating rate borrowings to fixed rate loans. The Company monitors the movement in the interest rates and uses the prepayment option to repay the borrowings at the time when the interest rates are unfavorable. The assessment of viability of using the pre-payment option shall be evaluated by the finance team.		
As at the end of the reporting period, the Company has the following variable rate borrowing outstanding:		
	As at 31-03-2020	As at 31-03-2019
Variable rate borrowings	26,368.99	27,572.14
Total Borrowings	42,364.75	41,129.83
% of variable rate borrowings on total borrowings	62.24%	67.04%
Sensitivity Analysis*		
	As at 31-03-2020	As at 31-03-2019
Increase in interest rate by 1%	(287.94)	(301.08)
Decrease in interest rate by 1%	287.94	301.08
*The above reflect change in Profit or Loss before tax due to change in Interest rate		
(C) Liquidity risk		
Prudent liquidity risk management implies maintaining sufficient cash equivalents, liquid mutual funds and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations. Due to the dynamic nature of the underlying businesses, the Group's treasury maintains flexibility in funding by maintaining availability of funds. Management monitors daily forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows.		

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49. Financial Risk Management – (Contd.)				
Contractual maturities of financial liabilities:				
As at 31 March, 2020:				
Particulars	Due in less than 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
As at 31 March, 2020:				
Trade payables	148,690.02	–	–	148,690.02
Other financial liabilities:				
Lease liability - Current	1,893.53	–	–	1,893.53
Lease liability - Non Current *	–	–	–	4,045.71
Current maturity of long term borrowings	3,003.57	–	–	3,003.57
Accrued salaries & benefits	14,329.44	–	–	14,329.44
Others - Current	8,742.08	–	–	8,742.08
Others - Non Current	–	5,515.14	–	5,515.14
Borrowings :				
Current	32,296.93	–	–	32,296.94
Non Current	–	5,880.43	–	5,880.43
Total	208,955.57	11,395.57	–	224,396.86
*Refer Note 51(c)				
As at 31st March 2019:				
Particulars	Due in less than 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
As at 31 March, 2019:				
Trade payables	142,936.07	–	–	142,936.07
Other financial liabilities:				
Current maturity of long term borrowings	2,900.54	–	–	2,900.54
Accrued salaries & benefits	14,842.25	–	–	14,842.25
Others - Current	6,990.89	–	–	6,990.89
Others - Non Current	–	9,695.58	–	9,695.58
Borrowings :				
Current	32,407.25	–	–	32,407.25
Non Current	–	5,435.63	–	5,435.63
Total	200,077.00	15,131.21	–	215,208.21
(D) Foreign Currency Risk				
In order to minimize any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts are entered into by the group to hedge certain foreign currency exposure. Derivatives are used exclusively for hedging and not as trading or speculative instruments.				
Receivables : The group is exposed to foreign exchange risk arising from foreign currency transactions on account of sale of goods. Foreign exchange risk arises from recognized assets denominated in a currency that is not the group's functional currency (INR). The risk is measured either through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held or based on firm commitments. The objective of the hedges is to minimize the volatility of the INR cash flows arising on account of the underlying assets.				
Payables : The group companies manage their foreign currency exposure on Imports either by taking forward contracts or by following the strategy of tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favourable.				

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49. Financial Risk Management – (Contd.)					
Foreign Currency Risk	As at 31-03-2020				
	Assets	Liabilities	Net Assets	Derivative Assets	Non-Derivative Assets
USD	397,415.41	5,343.24	392,072.17	265.05	391,807.13
EUR	6,434.69	884.68	5,550.01	–	5,550.01
GBP	152.40	134.43	17.96	–	17.96
JPY	–	1,358.17	(1,358.17)	–	(1,358.17)
TRY	3,513.53	1,109.80	2,403.73	–	2,403.73
AED	5.29	–	5.29	–	5.29
AUD	–	–	–	–	–
CAD	–	–	–	–	–
CNY	–	174.47	(174.47)	–	(174.47)
SGD	–	–	–	–	–
ZAR	–	–	–	–	–
Foreign Currency Risk	As at 31-03-2019				
	Assets	Liabilities	Net Assets	Derivative Assets	Non-Derivative Assets
USD	414,173.06	12,252.20	401,920.86	1,204.42	400,716.44
EUR	5,648.07	563.46	5,084.61	37.54	5,047.07
GBP	265.90	84.17	181.73	–	181.73
JPY	–	480.93	(480.93)	–	(480.93)
TRY	3,797.44	1,512.05	2,285.39	–	2,285.39
AED	1.16	–	1.16	–	1.16
AUD	21.77	–	21.77	–	21.77
CAD	5.29	–	5.29	–	5.29
CNY	–	260.43	(260.43)	–	(260.43)
SGD	–	–	–	–	–
ZAR	–	18.89	(18.89)	–	(18.89)
Unhedged Foreign Exposure					
Particulars	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019	
	In Foreign Currency		In INR		
Trade Receivable :					
– In US Dollars (USD)	5,248.87	364.58	397,155.95	25,218.75	
– In EURO	78.69	68.66	6,513.01	5,334.87	
– In Turkish Lira (TRY)	308.42	312.28	3,513.53	3,797.44	
– In UAE Dirhams (AED)	0.26	0.06	5.29	1.16	
– In Australian Dollars (AUD)	0.00	0.44	0.00	21.77	
– In British Pound Sterling (GBP)	1.67	2.05	155.70	185.30	
– In Canadian Dollars (CAD)	0.00	0.10	0.00	5.29	
Trade Payables :					
– In US Dollars (USD)	70.62	63.86	5,343.24	4,417.12	
– In EURO	10.69	6.99	884.68	543.51	
– In Turkish Lira (TRY)	97.42	116.87	1,109.80	1,421.14	
– In British Pound Sterling (GBP)	1.44	0.91	134.43	82.53	
– In Japanese Yen (JPY)	1,950.48	4.98	1,358.17	3.11	
– In Chinese Yuan (CNY)	16.40	22.76	174.47	235.08	
– In South African Rand (ZAR)	0.00	3.96	0.00	18.89	
Other Financial Liabilities :					
– In EURO	0.00	22.49	0.00	1,747.43	
– In Chinese Yuan (CNY)	0.00	2.45	0.00	25.35	
– In Turkish Lira (TRY)	0.00	7.48	0.00	90.91	

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49. Financial Risk Management – (Contd.)				
Net Amount Receivable – For Major Currencies traded :				
Currency	As at	As at	As at	As at
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
	In Foreign Currency		In INR	
USD	5,178.26	300.73	391,812.71	20,801.63
EURO	68.00	39.17	5,628.33	3,043.93
TRY	211.00	187.94	2,403.73	2,285.39
Impact on Profit before tax :				
Sensitivity	FYE	FYE	FYE	FYE
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
	In Foreign Currency		In INR	
INR/USD - Increase by 1%	51.78	3.01	3,918.13	208.02
INR/USD - Decrease by 1%	(51.78)	(3.01)	(3,918.13)	(208.02)
INR/EUR - Increase by 1%	0.68	0.39	56.28	30.44
INR/EUR - Decrease by 1%	(0.68)	(0.39)	(56.28)	(30.44)
INR/TRY - Increase by 1%	2.11	1.88	24.04	22.85
INR/TRY - Decrease by 1%	(2.11)	(1.88)	(24.04)	(22.85)
50. Revenue from contracts with customers :				
Particulars			2019-20	2018-19
(1) Disclosure of Contract Asset & Contract Liabilities :				
Unbilled revenue			640.01	310.00
Deferred Income			1,240.46	1,044.41
(2) Disclosure of Disaggregated Revenue Information :				
Revenue by Manufacturing/ Trading :				
Manufactured Goods			920,274.03	1,087,374.25
Traded Goods			163,259.80	176,594.60
Rendering of services			14,971.58	11,152.24
Others			14,762.78	22,471.59
Less : Effects of Elimination			131,667.24	159,777.15
Total			981,600.95	1,137,815.53
Revenue by Location Wise :				
India			849,014.14	995,274.56
Outside India			132,586.81	142,540.97
Reconciliation of Revenue recognised with Contract Price :				
Contract price			983,815.69	1,141,057.33
Adjustments For :				
Discounts			944.80	2,680.73
Cost of Loyalty Rewards Points			1,269.94	482.68
Incentives			0.00	54.27
Others			0.00	24.12
Revenue Recognised			981,600.95	1,137,815.53

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51. Right of use Assets – Disclosure under Ind AS 116				
Change in Accounting Policy				
The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :				
Particulars				Amount
Decrease in PPE by				1,739.97
Increase in lease liability by				7,708.43
Increase in right of use by				7,708.43
Increase/Decrease in deferred tax assets by				
Increase/(Decrease) in finance cost by				654.96
Increase/(Decrease) in Depreciation by				4,327.81
Increase/(Decrease) in Other Expenses by				
As lessee				
A. Carrying value of right of use assets at the end of reporting period by class				
Particulars	Leasehold Land	Land & Machine, Server & Storage	Leasehold Buildings/ Stockyards	Total
Reclassification from property, plant & equipment				
Opening gross carrying amount	1,852.21	–	–	–
Accumulated depreciation	(112.24)	–	–	–
	1,739.97	–	–	–
Recognition on account of IND AS 116	465.05	239.50	6,975.38	7,679.93
Balance as at 01-04-2019	2,826.29	239.50	6,975.38	10,041.17
Additions during the year	140.90	44.93	102.27	288.10
Depreciation charged for the year	(45.12)	(41.17)	(2,077.61)	(2,163.90)
Balance as at 31-03-2020	2,922.07	243.26	5,000.04	8,165.37
B. Movement in lease liabilities				
Particulars				2019-20
Balance as at 01-04-2019				
Reclassified on account of adoption of IND AS 116				7,561.22
Additions				147.20
Finance costs accrued during the period				654.96
Deletions				–
Payment of Lease liabilities				(2,424.14)
Balance as at 31-03-2020				5,939.24
Classified as:				
Current				1,893.53
Non-Current				4,045.71
C. Measurement analysis of lease liabilities				
Maturity analysis-Contractual undiscounted cash flows				2019-20
Less than one year				2,526.63
One to five years				3,756.26
More than five years				2,832.27
Total undiscounted lease liabilities at 31-03-2020				9,115.16
Lease liabilities included in the balance sheet at 31-03-2020				5,939.24
Classified as:				
Current				1,893.53
Non-Current				4,045.71

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Particulars	2019-20	
51. Right of use Assets – Disclosure under Ind AS 116 – (Contd.)		
D. Amount recognised in profit and loss		
Interest on lease liabilities	654.96	
Variable lease payments not included in the measurement of lease liabilities	-	
Income from sub leasing right of use assets	-	
Expenses relating to short term leases	1,412.21	
Expenses relating to leases of low value assets, excluding short term leases of low value assets	-	
* Pursuant to transitional provision in Ind AS 116, the relevant disclosures for the comparative period is not disclosed		
52. Contingent Liabilities and Capital Commitments		
A. Contingent Liabilities		
Particulars	As at 31-03-2020	As at 31-03-2019
A. Claims against the Group not acknowledged as Debt (under appeal) :		
(i) Income Tax	688.63	1,803.68
(ii) Sales Tax/ VAT	125.42	139.95
(iii) Central Excise and Service tax	1,402.88	1,897.11
(iv) Customs authorities	416.84	461.04
(v) Export Promotion Capital goods obligation	-	339.11
(vi) Demands by TNEB	27.65	27.65
(vii) Provident fund & Provision for bonus, not recognised as liability	116.99	129.92
(viii) ESI Matters	3.12	3.12
B. Other Matters for which the Group is contingently liable:		
(i) Bills discounted	513.77	885.08
C. Bank Guarantee & Letter of Credit	732.11	1,840.99
D. Guarantee provided to Foreign VAT Authorities	1,480.70	-
	<u>5,508.11</u>	<u>7,527.65</u>
Particulars	As at 31-03-2020	As at 31-03-2019
B. Capital Commitments		
A. Estimated value of contracts in capital account remaining to be executed	7,504.84	7,672.18
Other Notes forming part of Contingent liabilities and Capital Commitments		
<p>1. In respect of Land and Building leased to the company by the Department of MSME, Government of Tamilnadu, the Government has issued GO 40 dated 15.10.2018, demanding arrears of rent of ₹. 79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of ₹.75.33 lakhs already paid by the company for that period.</p> <p>Aggrieved by the demand, the company has filed a writ petition before the Hon' Madras High Court Challenging the above said GO regarding adoption of Land value for fixation of rent as per GO.460 of 1998.</p> <p>However the company had paid during the year, the admitted rent of ₹. 36.69 lakhs out of rent of ₹. 79.91 lakhs demanded in the said GO 40.</p>		
<p>2. One of the Subsidiaries had imported Plant and Machinery (Capital Goods) in the earlier years at concessional rate of duty under the Export Promotion Capital goods Scheme. The Export Obligation to be met in this regard had to be fulfilled by August 2014. The Subsidiary had sought extension of time to fulfil obligations to the extent of ₹.709.96 lakhs and even during the pendency of its application fully met the outstanding Export Obligations in FY 2015-16. However, as the subsidiary was yet to get formal approval for extension of time limit, these export sales had not been apportioned against the obligation.</p>		

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52. Contingent Liabilities and Capital Commitments – (Contd.)

Other Notes forming part of Contingent liabilities and Capital Commitments

During the year, the pendency of extension of time limit for meeting the aforesaid export obligation was taken up with appropriate authorities for resolution. A settlement of all outstanding issues had been reached with extension of time limit granted for certain licences and payment of duty in respect of others.

In terms of Ind AS 20, Accounting for Government Grants, the amount of concessional duty (Government Grant/assistance) under the Export Promotion Capital Goods Scheme determined as payable and paid during the year (₹.36.01 lakhs) has been added as part of the Cost of the related Plant and Machinery to be depreciated over the remaining useful life of the said asset. Other costs including interest (₹.200.49 lakhs) has been recognised in the Statement of Profit and loss of the year. There are no other Obligations/liabilities/Unfulfilled conditions or contingencies attached to the Government Grant subsisting on the Balance Sheet date.

3. One of the subsidiaries had imported Plant and Machinery (Capital Goods) during the year 2012-13 using 2 licenses at a concessional rate of duty under the Export Promotion Capital Goods (EPCG) Scheme, resulting in savings of Basic Customs duty. As per the scheme, the export obligation of ₹. 708.70 lakhs (representing eight times the duty saved) is to be met within eight years from the date of issue of authorisation by Director General of Foreign trade(DGFT). Accordingly the company has to meet incremental export obligation of ₹. 271.65 lakhs by August 2020 and ₹. 437.05 lakhs by September 2020, over and above average export of ₹. 549.84 lakhs per annum with respect to the above. In terms of the clarification issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India (ICAI) and the provisions of Ind AS 20 'Government Grants and Disclosure of Government Assistance', the exemption of Customs Duty under EPCG Scheme as at April 1, 2017 aggregating ₹. 88.59 lakhs is treated as a Government Grant. Accordingly, the grant received to compensate the import cost of assets (subject to export obligations prescribed in the EPCG Scheme) is set up as Deferred Income to be recognised in the Statement of Profit and Loss upon fulfilment of the associated obligations.

53. Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are :

Particulars	As at 31-03-2020	As at 31-03-2019
Current		
Financial assets		
First Charge		
Inventories	15,418.98	14,137.75
Trade receivables	14,948.44	12,528.21
Others	1,043.52	374.59
Floating charge		
Inventories	5,099.56	4,847.58
Trade receivables	9,994.71	9,506.64
Hypothecation		
Vehicles	-	393.92
Loans provided	492.11	241.16
Inventories	15,091.33	14,965.77
Trade receivables	13,327.76	14,022.68
Total current assets pledged as security	<u>46,505.21</u>	<u>41,394.77</u>
Total current assets hypothecated	<u>28,911.20</u>	<u>29,623.53</u>
Non-Current		
First Charge		
Machinery	3,316.87	3,539.32
Land	2,034.93	2,035.37
Building	692.30	755.00
Others	3,421.85	3,996.58
Hypothecation		
Loans provided	328.90	150.32
Total Non-current assets pledged as security	<u>9,465.95</u>	<u>10,326.27</u>
Total Non-current assets hypothecated	<u>328.90</u>	<u>150.32</u>
Total assets pledged as security	<u>85,211.26</u>	<u>81,494.89</u>

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54. Related Party Disclosures (Ind As – 24)

A. List of Related Parties

Name of the Company	Relationship
Amalgamations Private Limited	Holding Company
Associated Printers (Madras) Private Limited	Fellow Subsidiary**
Associated Publishers (Madras) Private Limited	Fellow Subsidiary**
Bimetal Bearings Limited*	Fellow Subsidiary**
Higginbothams Private Limited	Fellow Subsidiary**
L.M Van Moppes Diamond Tools India Private Limited*	Fellow Subsidiary**
Speed-A-Way Private Limited	Fellow Subsidiary**
The Madras Advertising Company Private Limited	Fellow Subsidiary**
Wallace Cartwright & Company Limited	Fellow Subsidiary**
W.J Groom & Company Limited	Fellow Subsidiary**
Amalgamations Valeo Clutch Private Limited	Associate
The United Niligiri Tea Estates Company Limited	Associate
AGCO Corporation USA	Associate of Subsidiary
Sri A Krishnamoorthy – Chairman & Managing Director	KMP
Sri P S Rajamani – WTD	KMP
Sri S Srinivasaraghavan – CFO & CS	KMP

*These companies are also associates of Simpson & Co. Ltd.

**Fellow Subsidiaries are Subsidiaries of Holding Company that is Amalgamations Private Limited

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B. Related Party Transactions (Ind AS - 24)

PARTICULARS	Years	Ultimate Holding Company	Fellow Subsidiaries	Associates	Joint Venture (BBL Daido)	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties	Total
Transactions during the year									
Sale of goods & fuel	2019-20 2018-19	12.00 14.24	3,397.33 2,897.25	226.12 29.80	- -	- -	- -	35,951.40 -	39,586.85 2,941.30
Rending of service	2019-20 2018-19	350.57 373.67	275.37 400.00	189.99 0.43	- -	- -	- -	- -	815.94 774.10
Dividend Received	2019-20 2018-19	- -	- 184.88	558.74 355.51	108.00 -	- -	- -	5,574.25 -	6,240.99 540.40
Interest Received/Receivable on Loans	2019-20 2018-19	- -	0.72 0.56	- -	- -	- -	- -	- -	0.72 0.56
Discount received	2019-20 2018-19	- -	- 5.88	6.47 -	- -	- -	- -	- -	6.47 5.88
Sale of Assets	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Purchase of Goods	2019-20 2018-19	- -	324.28 1,528.32	1,722.92 576.83	- -	- -	- -	23.28 -	2,070.48 2,105.15
Receiving of Service	2019-20 2018-19	799.65 605.59	207.07 353.53	190.06 -	- -	- -	- -	372.08 -	1,568.85 959.12
Loans (repaid)/disbursed in cash/kind	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Advance (repaid)/disbursed in cash/kind	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Advance for Shares/Land	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Dividend Paid	2019-20 2018-19	4,390.87 3,287.90	0.31 2.68	16.72 10.10	- -	15.39 14.29	10.14 11.03	1,382.25 -	5,815.67 3,326.00
Interest Paid on loans/bills discounted	2019-20 2018-19	232.72 214.50	9.01 -	- -	- -	55.84 56.91	- 1.26	- -	297.57 272.67
Guarantees & Commitment Charges	2019-20 2018-19	150.06 152.79	- -	- -	- -	- -	- -	- -	150.06 152.79
Managerial Remuneration	2019-20 2018-19	- -	- -	- -	- -	1,685.49 2,130.70	- -	- -	1,685.49 2,130.70
Acquisition/ of Shares	2019-20 2018-19	- -	- 22.23	- 699.97	- -	- -	- -	- -	- 722.20
Sale of Shares	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Buy-Back of Shares	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Acquisition of Assets	2019-20 2018-19	- -	4.95 -	1,050.00 -	- -	- -	- -	10.62 -	15.56 -
Guarantees & Collaterals given	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Guarantees & Collaterals received	2019-20 2018-19	- -	- -	- -	- -	- -	- -	- -	- -
Contributions made during the year	2019-20 2018-19	- -	- -	- -	- -	- -	- -	87.02 167.48	87.02 167.48

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B. Related Party Transactions (Ind AS - 24) – (Contd.)

PARTICULARS	Years	Ultimate Holding Company	Fellow Subsidiaries	Associates	Joint Venture (BBL Daido)	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties	Total
Balance at Year end									
Sundry Debtors	2019-20 2018-19	0.62 827.63	618.66 401.08	50.78 0.42	- -	- -	- -	5,117.94 -	5,788.01 1,229.13
Sundry Creditors	2019-20 2018-19	1,249.46 200.52	54.03 240.05	357.71 1.24	- -	- -	- -	194.58 65.18	1,855.78 506.98
Loans given	2019-20 2018-19	- -	1.98 4.14	- -	- -	- -	- -	- -	1.98 4.14
Advances	2019-20 2018-19	- -	27.85 -	- -	- -	- -	- -	- -	27.85 -
Loans taken	2019-20 2018-19	2,600.00 2,631.68	- 0.22	- -	- -	675.00 675.00	- 29.50	- -	3,275.00 3,336.40
Other Receivables	2019-20 2018-19	- -	- -	137.05 -	- -	- -	- -	400.34 -	537.39 -

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54. Related Party Disclosures (Ind As – 24)		
C. Compensation of Key Managerial Personnel		
Category	2019-20	2018-19
(i) Short-term benefits	1,685.49	2,130.70
(ii) Post employment benefits	-	-
(iii) Other long term benefits	-	-
(iv) Termination benefits	-	-
(v) Share-based benefits	-	-
Total	1,685.49	2,130.70
55. Other Significant Disclosures		
(A) Going Concern		
<p>(i) In respect of three subsidiaries (Subsidiary 1 having turnover of ₹.22,613.75 lakhs, Net loss of ₹.3,163.70 lakhs, Negative Networth of ₹.2,194.07 lakhs Subsidiary 2 having turnover ₹.6,799.65 lakhs, Net Loss before exceptional item ₹.4,278.45 lakhs and Net profit ₹.1,515.55 lakhs after exceptional item, Networth of ₹.3,431.22 lakhs Subsidiary 3 having Turnover of ₹.22,138.82 lakhs, Net loss of ₹.2,952.79 lakhs, Networth of ₹.2,828.26 lakhs) the respective financial statements have disclosures justifying the Going Concern of these companies despite various factors like negative net worth, continuing operational losses etc. These justifications are based on various factors like closing certain unviable operations / restructuring, proposed actions like technology upgradation, product rationalisation and capacity utilisation. These factors coupled with strong continued support from the Holding Company & other Group Companies will make these Subsidiaries return to operational profitability and improve overall cash flow as per their respective management. Therefore, in the opinion of the Board of Directors of those three subsidiary companies, the material uncertainties have been suitably addressed and accordingly the financial statements have been prepared on a going concern basis.</p>		
<p>(ii) In view of continued losses due to loss of business from major customers and severe cash flow problems faced by two other subsidiaries (Subsidiary 1 having Net profit of ₹. 138.92 lakhs, Negative Networth of ₹. 1,210.64 lakhs and Subsidiary 2 having Net Loss of ₹. 287.06 lakhs, Negative Net worth of ₹. 1,681.35 lakhs) the financial statements of these subsidiaries for FY 2019-20 have not been prepared on a going concern basis.</p>		
<p>(iii) Based on assessment, the management is of the opinion that the current project of another subsidiary may not be viable. Further it has been understood that the said company management is contemplating withdrawal of the application pending with the regulators State Government and consider other viable projects in due course. Considering this, the financial statements of this subsidiary for the FY 2019-20 have not been prepared on a going concern basis.</p>		
(B) Merger Note		
<p>Stanes Motors (South India) Limited and Stanes Motor Parts Limited are into trading of automobile spare parts and are wholly owned subsidiaries of T Stanes & Company Limited, subsidiary of Simpson & Co. In order to bring synergies of operations, minimize cost of administration of legal entities, better and more economic and efficient management, control and running of the businesses of the companies, it was considered desirable and expedient to merge Stanes Motor Parts Limited with Stanes Motors (South India) Limited in the manner and on the terms and conditions proposed in the Scheme of amalgamation.</p>		
<p>The Board of Directors of the Company at its meeting held on January 30, 2019 had considered and approved the proposed Scheme of Amalgamation ("Scheme") u/s 230 to 232 of the Companies Act, 2013 for Merger of Stanes Motor Parts Limited (the "transferor company"), with the Stanes Motors (South India) Limited (the "Company"), as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench, on September 25, 2019 (effective date), all the assets and liabilities of the transferor companies were transferred to and vested in the Company, with effect from April 01, 2019, the appointed date. The Merger was accounted for under the "Pooling of Interest method" as prescribed in Appendix C of Ind AS 103 (Business combination of entities under common control) notified under the provisions of Companies Act, 2013. Pursuant to scheme of Merger all the assets and liabilities of the transferor companies were recorded in the books of the Company, at their book value as at April 01, 2018 by restating its financials of the previous year. As per the scheme approved the following accounting entry is considered in the books and merged financials are prepared for the financial year ended March 31, 2020.</p>		

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

55. Other Significant Disclosures – (Contd.)	
(B) Merger Note – (Contd.)	
Particulars	As at 01st April 2018
Property, Plant and Equipment	30.55
Financial Assets	8.99
Other Non-Current Assets	3.27
Inventories	139.79
(i) Trade Receivables (net of expected credit loss allowance of ₹. 5.84 Lakhs.)	291.87
(ii) Cash and Cash Equivalents	13.30
(iv) Loans	–
(iii) Other financial assets	24.74
Other Current Assets	15.84
Total Assets	528.35
Provisions - Long Term	
Deferred Tax Liabilities (net)	4.73
(i) Borrowings	232.93
(ii) Trade Payables	15.05
(iii) Other financial liabilities	0.14
Current tax liability (Net)	0.87
Other Current Liabilities	12.67
Surplus in P & L (Part of Other Equity)	89.79
General Reserve (Part of Other Equity)	75.00
Other Comprehensive Income (Part of Other Equity)	(2.83)
Total Liabilities	428.35
Net Assets	100.00
Share Capital Issued	NIL
Capital Reserve	100.00
No. of equity shares of transferor company	10,00,000
Swap ratio	NIL
No. of equity shares issued by the Company *	NIL
Par value of equity shares issued at Rs. 10 each	–
Par value of equity share capital of Transferor company (₹.)	100
Amount credited to Capital Reserve (₹.)	100
*These shares were considered for the purpose of calculation of earnings per share.	

SIMPSON & COMPANY LIMITED
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56(a) The following Subsidiary/Associate/Joint Venture companies are considered in the Consolidated Financial Statements			
Name of the Subsidiary	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2020	% of holding either directly or through subsidiaries as on March 2019
Addison & Company Limited	India	100.00%	100.00%
Alpump Limited	India	76.24%	76.24%
Amalgamations Repco Limited	India	67.88%	65.38%
Amco Batteries Limited	India	96.44%	96.44%
George Oakes Limited	India	100.00%	100.00%
India Pistons Limited	India	100.00%	100.00%
IP Pins and Liners Limited	India	100.00%	100.00%
IPL Engine Components Private Limited	India	100.00%	100.00%
IPL Green Power Limited	India	75.81%	75.81%
IP Rings Ltd	India	48.40%	48.40%
Shardlow India Limited	India	100.00%	100.00%
Simpson & General Finance Company Limited	India	100.00%	100.00%
Sri Rama Vilas Service Limited	India	100.00%	100.00%
T. Stanes & Company Limited	India	59.61%	59.58%
Stanes Amalgamated Estates Limited	India	32.36%	32.25%
Stanes Motors Parts Limited	India	Merged with Stanes Motors (South India) Limited w.e.f. April 01, 2019	59.58%
Stanes Motors (South India) Limited	India	59.61%	59.58%
Tractors and Farm Equipment Limited	India	76.24%	76.24%
TAFE Access Limited	India	74.63%	74.63%
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	Turkey	76.24%	76.24%
TAFE Motors and Tractors Limited	India	76.24%	76.24%
TAFE Reach Limited	India	76.24%	76.24%
TAFE Tractors Changshu Company Limited, China	China	76.24%	76.24%
TAFE USA Inc	USA	Upto November 27, 2019	76.24%
Southern Tree Farms Limited	India	76.24%	76.24%
TAFE Properties Limited	India	76.24%	76.24%
Wheel & Precision Forgings India Limited	India	100.00%	100.00%
Details of Associates Consolidated :			
Associates			
Bimetal Bearings Limited	India	49.49%	49.49%
L.M Van Moppes Diamond Tools India Private Limited	India	49.00%	49.00%
The United Nilgiri Tea Estates Company Limited	India	25.19%	25.38%
Amalgamations Valeo Clutch Private Limited	India	28.00%	28.00%
Associates of Subsidiary			
AGCO Corporation	United States of America	12.28%	12.10%
Details of Joint Venture Consolidated :			
Joint Venture			
BBL Daido Private Limited	India	30.00%	30.00%

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

56(b). Information relating to Subsidiaries :						
Name of the subsidiary	Principal Activity				Date of Acquisition	
Addison & Company Limited	Manufacture of Metal Cutting Tools				30-Apr-57	
Amalgamations Repco Limited	Manufacture of Auto ancillary parts				01-Aug-89	
AMCO Batteries Limited	Manufacturing and Trading of Industrial and Automobile Batteries				30-Apr-57	
George Oakes Limited	Trading of Automobile parts and spares				30-Apr-57	
India Pistons Limited & Subsidiaries	Manufacture of Auto ancillary parts				30-Apr-57	
IPL Green Power Limited	Biomass Power plant				12-Dec-11	
Shardlow India Limited	Manufacture of Crank Shaft				19-Dec-61	
Simpson & General Finance Company Limited	Non Banking Finance Company				01-Feb-38	
Sri Rama Vilas Service Limited	Trading of Auto parts and Transportation services				30-Apr-57	
Tractors & Farm Equipment Limited & Subsidiaries	Manufacture of Tractor and related parts				27-Dec-61	
T. Stanes & Company Limited & Subsidiaries	Manufacturer of Agro products				01-Oct-64	
Wheel & Precision Forgings India Limited	Manufacture of Auto ancillary parts				30-Apr-57	
Stanes Amalgamated Estates Limited	Tea Estate				31-Mar-83	
IP Rings Limited	Manufacture of Auto ancillary parts				24-Feb-17	
56(c) Information relating to Associates and Joint Ventures :						
Name of the Associate	Associates				Associates of Subsidiary	Joint Venture
	Amalgamations Valeo Clutch Pvt. Ltd.	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Ltd.	L.M.Van Moppes Diamond Tools India Pvt. Ltd	AGCO Corporation	BBL Daido Pvt. Ltd.
Principal Activity	Manufacture of Automobile Clutch System	Tea Estates	Manufacture of Bearings, Bushes & Thrust Washers; Alloy Powders	Manufacture of Auto Components	Manufacture of Tractors & Other agricultural equipments	Manufacture of Bearings
Place of Incorporation	India	India	India	India	USA	India
% of holding	28.00%	25.19%	49.49%	49.00%	12.28%	30.00%
For each of the above:						
(a) Non-Current Asset	24,502.80	13,384.81	10,926.70	920.22	28,76,840.75	9,511.56
(b) Current Asset	16,008.30	2,974.32	9,915.15	1,219.69	26,61,645.13	4,542.89
(c) Non-Current Liability	1881.80	249.25	480.02	86.53	14,04,802.75	5,008.32
(d) Current Liability	21,785.30	660.28	3,024.32	374.14	20,58,811.88	4,583.02
(e) Revenue	53,768.40	6,282.20	14,912.90	1,856.51	65,84,589.05	8,548.92
(f) Profit for the year	1,928.20	1,071.19	164.54	149.24	86,461.46	75.97
(g) OCI for the year	(89.30)	604.44	(503.18)	(1.69)	(26,262.32)	(0.59)
(h) Dividend paid to Holding company	327.34	1.66	187.41	29.77	-	-

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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56(d). Particulars of Investment in Associate Companies as at 31st March, 2020 are as follows:								
Sl. No.	Name of the Associate	Original Cost of Investment	Amount of (Goodwill)/ Capital Reserve in Original Cost	Share of Post acquisition Reserves and Surplus	Carrying amount of Investment			
Quoted								
1.	Bimetal Bearings Limited	741.50	1,604.73	6,231.88	8,578.11			
2.	The United Nilgiri Tea Estates Limited	267.61	23.24	3,600.50	3,891.34			
	Total	1,009.11	1,627.96	9,832.37	12,469.45			
Unquoted								
1.	Amalgamations Valeo Clutch Private Limited	2,851.76	(1,881.24)	2,569.50	3,540.02			
2.	LM Van Moppes Diamond Tools (India) Private Limited	14.62	5.23	801.90	821.74			
	Total	2,866.38	(1,876.01)	3,371.39	4,361.76			
57. Additional Information as per Companies Act 2013 :								
Name of the Entity	2019 – 20				2018 – 19			
	Net Assets		Share in Profit or Loss		Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
Parent Company								
Simpson & Co. Ltd	15.35%	174,482.68	18.49%	15,817.57	15.31%	163,190.58	15.19%	17,629.43
Total of Parent Company (A)	15.35%	174,482.68	18.49%	15,817.57	15.31%	163,190.58	15.19%	17,629.43
Indian Subsidiaries:								
Addison & Company Limited	1.19%	13,480.85	1.53%	1,305.58	1.21%	12,873.23	1.29%	1,497.93
Alpump Limited	0.13%	1,524.62	0.09%	78.54	0.14%	1,446.08	0.08%	93.12
Amalgamations Repco Limited	0.14%	1,576.52	0.17%	142.80	0.13%	1,418.67	0.14%	157.62
Amco Batteries Limited	(0.19)%	(2,115.97)	(3.57)%	(3,051.08)	0.09%	931.25	(0.57)%	(658.15)
George Oakes Limited	0.38%	4,328.59	(0.33)%	(280.35)	0.43%	4,609.29	(0.84)%	(969.60)
India Pistons Limited	0.25%	2,828.26	(3.45)%	(2,952.79)	0.40%	4,260.75	(0.50)%	(586.03)
IP Pins and Liners Limited	(0.11)%	(1,210.64)	0.16%	138.92	(0.13)%	(1,349.56)	(0.18)%	(204.80)
IPL Engine Components Private Limited	(0.15)%	(1,681.35)	(0.34)%	(287.06)	(0.13)%	(1,394.29)	0.02%	25.79
IPL Green Power Limited	0.00%	27.71	0.00%	1.24	0.00%	26.47	0.00%	0.86
IP Rings Ltd.	0.43%	4,890.70	0.06%	53.29	0.46%	4,918.44	0.33%	384.62
Shardlow India Limited	0.30%	3,431.22	1.77%	1,515.55	0.09%	944.60	(0.29)%	(334.93)
Simpson & General Finance Co. Limited	0.24%	2,738.40	0.22%	190.05	0.27%	2,870.16	0.20%	227.66
Southern Tree Farms Limited	0.06%	636.43	(0.08)%	(66.39)	0.07%	730.77	(0.03)%	(38.99)
Sri Rama Vilas Service Limited	0.37%	4,150.66	0.07%	60.67	0.38%	4,048.34	0.07%	83.97
Stanes Amalgamated Estates Limited	0.03%	310.90	(0.11)%	(90.59)	0.04%	417.41	(0.04)%	(47.87)
Stanes Motors (South India) Limited	0.02%	262.42	0.03%	24.32	0.01%	111.45	0.10%	111.26
Stanes Motors Parts Limited (Merged with Stanes Motors (South India) Limited w.e.f April 01, 2019)	0.00%	0.00	0.00%	0.00	0.03%	288.64	0.02%	26.68
T. Stanes and Company Limited	0.58%	6,634.51	1.00%	853.63	0.62%	6,581.21	0.62%	714.40
TAFE Access Limited	0.63%	7,124.19	0.36%	309.33	0.64%	6,874.20	0.23%	270.94
TAFE Motors and Tractors Limited	18.17%	206,480.98	32.88%	28,124.87	17.07%	181,959.73	22.04%	25,580.47
TAFE Reach Limited	0.00%	5.11	0.00%	0.21	0.00%	4.89	0.00%	1.93
Tractors and Farm Equipments Limited	43.53%	494,751.29	46.55%	39,820.36	43.59%	464,605.00	36.14%	41,946.71
TAFE Properties Limited	0.01%	91.93	(0.01)%	(9.42)	0.01%	101.36	0.02%	27.21
Wheel & Precision Forgings India Limited	0.07%	814.33	0.13%	114.96	0.07%	704.54	0.08%	91.37
Total Of Indian Subsidiaries (B)	66.09%	751,081.68	77.16%	65,996.65	65.48%	697,982.64	58.93%	68,402.18

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57. Additional Information as per Companies Act 2013 –(Contd.)								
Name of the Entity	2019 – 20				2018 – 19			
	Net Assets		Share in Profit or Loss		Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
Foreign Subsidiaries of Subsidiary								
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	0.70%	7,965.22	0.87%	744.16	0.62%	6,639.21	0.05%	54.53
TAFE Tractors Changshu Company Limited, China	0.24%	2,674.14	(0.05)%	(42.74)	0.25%	2,651.84	0.10%	110.68
TAFE USA Inc (Upto November 27, 2019)	0.00%	–	1.62%	1,384.23	0.00%	53.06	0.00%	–
Total of Foreign Subsidiaries (C)	0.94%	10,639.37	2.44%	2,085.64	0.88%	9,344.10	0.14%	165.21
Minority Interest in all Subsidiaries (D)	20.60%	234,106.81	23.64%	20,218.66	20.38%	217,230.37	22.54%	26,157.90
Associates:								
Bimetal Bearings Limited	0.75%	8,579.85	0.10%	81.43	0.84%	8,975.63	0.44%	510.41
L.M.Van Moppes Diamond Tools India Private Limited	0.07%	822.83	0.09%	73.13	0.07%	772.05	0.06%	71.68
The United Nilgiri Tea estates Company Limited	0.34%	3,891.60	0.32%	269.82	0.33%	3,536.70	0.31%	364.73
Amalgamations Valeo Clutch Pvt. Limited	0.41%	4,716.19	0.63%	539.87	0.43%	4,573.68	0.49%	570.95
Associates of Subsidiary:								
ACGO Corporation (Foreign Associate)	4.11%	46,681.26	(0.55)%	(470.29)	4.23%	45,136.77	2.43%	2,824.00
Total of Associates (E)	5.69%	64,691.72	0.01	493.96	5.91%	62,994.83	3.74%	4,341.77
Joint Venture:								
BBL Daido Private Limited (Share of 30%)	0.12%	1,338.93	0.03%	22.79	0.14%	1,446.52	0.14%	163.14
Total of Joint Venture (F)	0.12%	1,338.93	0.03%	22.79	0.14%	1,446.52	0.14%	163.14
Total (G= A+B+C+D+E+F)	108.79%	1,236,341.19	122.33%	104,635.28	108.09%	1,152,189.04	100.68%	116,859.62
Consolidation Adjustment (H)	8.79%	99,869.67	22.33%	19,098.35	8.09%	86,236.59	0.68%	794.67
Total (I)= (G)-(H)	100.00%	1,136,471.53	100.00%	85,536.93	100.00%	1,065,952.45	100.00%	116,064.95

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in INR lakhs unless otherwise stated)

58. COVID-19 Impact

Globally, severe disruption to regular business operations resulted due to lockdowns to contain the spread of COVID 19. The management has assessed the recoverability of the carrying values of its current and non-current assets as at 31st March, 2020 including property, plant and equipment, trade receivables and inventory and concluded that no material adjustments are required to be made in respect of such assets, liabilities or provisions. Management has considered its liquidity position as at 31st March, 2020 and based on its review of current indicators of future economic conditions has concluded that the Company will have adequate liquidity in the ordinary course of business.

The management has considered all possible impacts of known events, arising from COVID 19 pandemic in the preparation of the financial statements and therefore believes that the current pandemic is not likely to have material impact on the operations and financial position of the Company. The extent to which the coronavirus impacts our future operations depends on developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak and the actions that may be required to contain or treat its impact. The eventual outcome of impact of the global health pandemic may be different from that estimated as on the date of approval of these financial statements. The Company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business

59. Operating Segment

The Chief Operating Decision Makers (CODM) of the Group have considered the Tractors and related parts business as a whole to be reviewed as an operating segment and to be reported and reviewed periodically. There are no customers who contribute to more than 10% of the business of the Group.

60. During the year, Company has examined inter group balances of previous year and have reclassified the numbers wherever necessary, to make them comparable to current year

The accompanying notes are an integral part of the financial statements

A. KRISHNAMOORTHY (DIN: 00001778)
Chairman & Managing Director

Dr. R. MAHADEVAN (DIN: 00001690)
R. VIJAYARAGHAVAN (DIN: 00026763)
Dr. SANDHYA SHEKHAR (DIN: 06986369)
Directors

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner

P. S. RAJAMANI (DIN: 01560303)
Whole-time Director

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Membership No. 206520
Chennai, 02nd November, 2020

SIMPSON & COMPANY LIMITED

Form AOC-1 Part "A"

**(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 Statements of Subsidiaries**

(₹ in Lakhs)

S. No.	Name of the Subsidiary	Date since when the subsidiary was acquired	Reporting period	Reporting Currency and Exchange rate	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Investments	Turnover	Profit/Loss before Taxation	Tax Expenses / (Credit)	Profit / (Loss) after Taxation	Proposed Dividend	Effective Percentage of Shareholding
1	Addison & Company Limited	30.04.1957	31-Mar-20	INR	540.00	12,940.85	11,914.00	25,394.85	80.07	23,552.65	1,644.71	339.13	1,305.58	54.00	100.00%
2	AMICO Batteries Limited	30.04.1957	31-Mar-20	INR	330.00	(2,524.07)	13,249.16	11,055.09	2,802.82	22,613.75	(3,005.57)	158.13	(3,163.70)	-	96.44%
3	Amalgamations Repco Limited	01.08.1989	31-Mar-20	INR	94.88	2,227.76	5,941.33	8,263.96	74.02	13,959.50	329.12	95.55	233.57	47.44	67.88%
4	George Oakes Limited	30.04.1957	31-Mar-20	INR	250.00	4,078.61	8,012.17	12,340.78	-	20,461.06	(256.61)	23.83	(280.44)	-	100.00%
5	India Pistons Limited	30.04.1957	31-Mar-20	INR	3,250.00	(421.74)	25,978.35	28,806.59	955.35	22,138.82	(3,948.72)	(995.93)	(2,952.79)	-	100.00%
6	IP Pins & Liners Limited	01.12.2000	31-Mar-20	INR	333.00	(1,543.64)	1,619.32	408.68	-	-	114.33	(24.59)	138.92	-	100.00%
7	IPL Engine Components Private Limited	08.09.2010	31-Mar-20	INR	555.00	(2,236.35)	1,692.29	10.94	-	-	(287.06)	-	(287.06)	-	100.00%
8	IPL Green Power Limited	12.12.2011	31-Mar-20	INR	310.00	(273.45)	8.20	44.75	-	-	2.17	0.54	1.63	-	75.81%
9	IP Rings Limited	24.02.2017	31-Mar-20	INR	1,267.59	8,837.49	13,615.24	23,720.32	1.10	19,793.21	173.91	63.80	110.11	-	48.40%
10	Shardlow India Limited	19.12.1961	31-Mar-20	INR	4,500.00	(1,088.78)	10,902.24	14,333.46	-	6,799.65	1,125.37	(390.18)	1,515.55	-	100.00%
11	Simpson & General Finance Company Ltd.	01.02.1938	31-Mar-20	INR	200.00	2,538.40	889.11	3,627.51	1,291.47	289.18	241.27	51.21	190.05	20.00	100.00%
12	Sri Rama Vilas Service Limited	30.04.1957	31-Mar-20	INR	125.00	4,025.66	875.72	5,026.38	1,134.13	1,512.17	83.05	22.37	60.67	6.25	100.00%
13	Tractors & Farm Equipment Limited	27.12.1961	31-Mar-20	INR	1,200.00	647,717.91	116,088.85	765,006.76	529,451.10	511,905.82	66,074.39	14,772.13	51,302.26	4,020.00	76.24%
14	TAFE Motors & Tractors Limited	24.02.2005	31-Mar-20	INR	1,000.00	269,821.37	71,288.79	342,110.16	262,014.52	276,588.47	46,894.99	10,006.29	36,888.70	2,000.00	76.24%
15	TAFE Access Limited	28.09.1992	31-Mar-20	INR	411.60	9,339.71	4,139.29	13,890.60	3,728.92	31,186.04	620.85	197.44	423.41	74.09	74.63%
16	Southern Tree Farms Limited	01.04.1994	31-Mar-20	INR	189.99	644.74	332.00	1,166.74	29.32	507.36	(83.96)	3.11	(87.07)	-	76.24%
17	TAFE Reach Limited	07.11.2003	31-Mar-20	INR	450.00	(443.30)	5.85	12.55	-	0.93	0.31	0.02	0.29	-	76.24%
18	TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	27.08.2008	31-Mar-20	TRY Millions TRY Ex Rate	6,843.06	3,604.17	5,805.25	16,252.48	-	12,213.43	1,275.80	163.20	1,112.60	-	76.24%
19	Alpump Limited	11.06.2005	31-Mar-20	INR	450.00	1,549.70	7.20	2,006.90	1,090.26	112.84	120.08	17.06	103.02	-	76.24%
20	TAFE Tractors Changshu Company Limited, China	31.03.2012	31-Mar-20	RMB Millions RMB Ex Rate	4,357.23	(849.81)	182.19	3,689.61	-	1,087.21	(85.56)	-	(85.56)	-	76.24%
21	TAFE Properties Ltd	27.11.2017	31-Mar-20	INR	100.00	20.58	4,219.66	4,340.24	-	246.00	(14.79)	(2.42)	(12.37)	-	76.24%
22	T. Stanes & Company Limited	31.03.1961	31-Mar-20	INR	235.62	10,892.43	8,300.26	19,429.31	2,046.12	32,560.45	1,859.38	427.47	1,431.91	47.32	59.61%
23	Stanes Motors (South India) Limited	31.03.1961	31-Mar-20	INR	150.00	290.20	617.09	1,057.29	0.09	2,190.13	50.11	9.32	40.79	-	59.61%
24	Stanes Amalgamated Estates Limited	31.03.1983	31-Mar-20	INR	110.75	850.07	238.26	1,199.08	101.16	1,063.07	(271.72)	8.23	(279.95)	-	32.36%
25	Wheel & Precision Forgings India Limited	30.04.1957	31-Mar-20	INR	15.00	799.33	57.17	871.50	119.73	87.24	137.09	22.06	115.03	4.50	100.00%

Note: Reporting Period for all our Subsidiaries are: April 2019 to March 2020

SIMPSON & COMPANY LIMITED

Form AOC-1 Part "B"

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

S.No.	Name of Associates / Joint Ventures	Associate Companies				Joint Venture
		Amalgamations Valeo Clutch Private Limited	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Limited	L.M.Van Moppes Diamond Tools India Private Limited	
1	Latest audited Balance Sheet Date	31st March 2020	31st March 2020	31st March 2020	31st March 2020	BBL Daido Private Limited 31st March 2020
2	Shares of Associate/Joint Ventures held by the company at the year end					
	(i) No.of.Shares	9,705,252	61,506	1,874,136	198,450	3,900,000
	(ii) Amount of Investment in Associates/Joint Venture	2,851.76	9.23	731.38	14.62	750.00
	Extent of effective holding including subsidiaries %	28.00%	25.19%	49.49%	49.00%	30.00%
3	Description of how there is significant influence	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries
4	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	4,716.19	3,891.60	8,579.85	822.83	1,338.93
6	Profit / Loss for the year	1,838.90	1,675.63	(338.64)	147.55	75.38
	(i) Considered in Consolidation	451.34	415.09	(206.49)	68.64	0.41
	(ii) Not Considered in Consolidation	1,387.56	1,260.54	(132.15)	78.90	74.97