

# SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

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## **DIRECTORS**

Mr. A. KRISHNAMOORTHY  
Chairman & Managing Director

Mr. P.S. RAJAMANI  
Whole-time Director

Dr. R. MAHADEVAN  
Director

Mr. R. VIJAYARAGHAVAN  
Independent Director

Dr. SANDHYA SHEKHAR  
Independent Director

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## **AUDITORS**

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

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## **BANKERS**

CENTRAL BANK OF INDIA  
HDFC BANK LTD.

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## **REGISTRAR & TRANSFER AGENTS**

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

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## **REGISTERED OFFICE**

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



# SIMPSON & COMPANY LIMITED

Registered office: 861/862, Anna Salai, Chennai-600 002  
CIN: U65991TN1925PLC002345

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## NOTICE TO THE SHAREHOLDERS FOR THE NINETY EIGHTH ANNUAL GENERAL MEETING

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NOTICE is hereby given that the Ninety Eighth Annual General Meeting of the Company will be held on the Thursday, the 28th September, 2023 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 and if thought fit, to pass the following resolution as Ordinary Resolution.

"RESOLVED THAT the total dividend of ₹.20,625/-per equity share (825%) (including interim dividend of ₹.15,000/- per equity share (600%) already declared and paid) on the paid up Equity Shares be declared for the financial year ended 31<sup>st</sup> March 2023."

3. To appoint a Director in place of Mr. P S Rajamani (DIN: 01560303), 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 Mr. P S Rajamani (DIN: 01560303) 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 2023-24 and to consider and if thought fit, to pass, 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 2023-24 as recommended by the Audit Committee be and is hereby ratified and the Board be hereby given powers to modify the remuneration if required."

Place : CHENNAI  
Date : 05<sup>th</sup> September, 2023

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

## NOTES:-

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated 8<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs ("MCA") followed by Circular No.17/2020 dated 13<sup>th</sup> April, 2020, Circular No.20/2020 dated 5<sup>th</sup> May, 2020, Circular No.02/2021 dated 13<sup>th</sup> January, 2021, Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 and Circular No. 10/2022 dated 28<sup>th</sup> December, 2022 and all other relevant circulars issued from time to time (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 attendance of the Members at a common venue till 30<sup>th</sup> September, 2023. In compliance with the provisions of the Companies Act, 2013 (the "Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. **Notice of the AGM is being sent 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 2022-23 will be available on the Company's website [www.simpsons.in](http://www.simpsons.in).**

In respect of fractional shares arising out of consolidation, those who have opted to vest their respective fractional shares unto the trust in accordance with the order of Hon'ble National Company Law Tribunal (NCLT) dt 13.07.2021, we are unable to send notice to the Trust as the constitution of Trust is awaited due to proceedings pending before Hon'ble NCLT.

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 authorized 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](mailto:kannan.lalitha@gmail.com) and [sta@gnsaindia.com](mailto:sta@gnsaindia.com) with copy marked to the Company at [secretarial@simpson.co.in](mailto:secretarial@simpson.co.in) not later than five days before the date of the meeting, i.e., on or before 4.00 p.m. on 22<sup>nd</sup> September, 2023.

3. 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.
4. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item No.4 is annexed hereto.
5. The Register of Members and the Share Transfer Book of the Company will remain closed between Friday, the 22<sup>nd</sup> September, 2023 to Thursday, the 28<sup>th</sup> September, 2023 both days inclusive for the purpose of Annual General Meeting.
6. 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 28<sup>th</sup> September, 2023. In respect of Shares held in Physical form, dividend will be paid to beneficial owners of the Shares, whose name appear in the Register of Members of the Company, at the end of business hours on 22<sup>nd</sup> September, 2023. 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 22<sup>nd</sup> September, 2023.
7. 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](mailto: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 22<sup>nd</sup> September, 2023.

8. 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.
9. 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.



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](mailto:sta@gnsaindia.com) with copy to [secretarial@simpson.co.in](mailto:secretarial@simpson.co.in).
11. All Beneficial Owners whose names are recorded in the Register of Members of the Company, as on the cut-off date, i.e. 22<sup>nd</sup> September, 2023 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 98<sup>th</sup> Annual General Meeting of the company. 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 E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:-**

**The Electronic Voting Sequence Number (EVSN) is 230904019.**

**The voting period begins on 25<sup>th</sup> September, 2023 at 10.00 A.M and ends on 27<sup>th</sup> September, 2023 till 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-offdate, i.e 22<sup>nd</sup> September, 2023. 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.
- Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL is given below:

**Individual Shareholders holding securities in Demat mode with CDSL**

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at cdsl website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.1800 22 55 33

- **Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.
3. 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.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the default number&lt;ABCDE1234F&gt; in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> 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. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

7. After entering these details appropriately, click on “SUBMIT” tab.
8. 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.
9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. 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.
17. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

- **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  3. 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.
  4. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  5. It is Mandatory that, 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.
  6. 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 Scrutinizer at [kannan.lalitha@gmail.com](mailto:kannan.lalitha@gmail.com) and to the Company at the email address viz; [secretarial@simpson.co.in](mailto:secretarial@simpson.co.in) and [sta@gnsaindia.com](mailto: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.

**13A. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. 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.
6. **Shareholders who would like to register themselves as speaker 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](mailto:sta@gnsaindia.com) and [secretarial@simpson.co.in](mailto:secretarial@simpson.co.in). on or before 5.00 p.m. on Friday, the 22<sup>nd</sup> September, 2023. 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.**
7. 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.
8. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**13B PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

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](mailto:sta@gnsaindia.com).
2. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
14. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33
15. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.
16. M/s. L.K & Associates has been appointed by the Board of Directors as the Scrutinizer for voting at 98<sup>th</sup> 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.
17. 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.
18. 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](http://www.simpsons.in).
19. 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 98<sup>th</sup> Annual General Meeting of the Company.

Place : CHENNAI  
Date : 05<sup>th</sup> September, 2023

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

**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 2023-24.

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 2023-24.

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.

By Order of the Board

S. SRINIVASARAGHAVAN  
*Chief Financial Officer &  
Company Secretary*

Place : CHENNAI

Date : 05<sup>th</sup> September, 2023

## SIMPSON & COMPANY LIMITED

Registered office: 861/862, Anna Salai, Chennai-600 002

CIN: U65991TN1925PLC002345

### REPORT OF THE DIRECTORS

#### to be presented to the Shareholders at the Ninety Eighth 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 31<sup>st</sup> March, 2023.

<b>FINANCIAL HIGHLIGHTS (STANDALONE)</b>	<b>31.03.2023</b>	31.03.2022
	<b>(₹. Crores)</b>	(₹. Crores)
Profit before Finance charges, Depreciation and Tax	<b>251.19</b>	233.79
Less: Finance Charges	<b>6.77</b>	6.05
Depreciation	<b>35.61</b>	32.82
Profit Before tax	<b>208.81</b>	194.92
Less: Tax (including deferred tax & net of adjustments)	<b>36.61</b>	26.09
Profit After tax	<b>172.20</b>	168.83
Other Comprehensive Income / (Loss)	<b>(4.28)</b>	0.82
Total Comprehensive Income	<b>167.92</b>	169.65

#### DIVIDEND & TRANSFER TO RESERVES

The Board had declared and paid an interim dividend of 600% (₹.15,000 per share) during the year 2022-23. Subject to approval by shareholders, the Board recommends a Final Dividend of 225%(₹.5,625/-per share) making the total dividend at 825% (₹.20,625 per share) for the year ended 31<sup>st</sup> March, 2023 and recommends a sum of ₹.100 crores be transferred to General Reserve.

#### OPERATIONS

The Company recorded a production of 1,90,917 engines during the year with operational revenue of ₹.2,041.16 crores compared to 1,73,523 engines with revenue of ₹.1755.24 crores in 2021-22.

#### OUTLOOK

The Company has achieved sustained growth after overcoming the effects of pandemic, supported by robust demand from its customers. On the back of beneficial monsoon and Government's focus on infrastructure development the Company foresees sustained demand.

The Company is confident of addressing concerns caused by commodity price inflation and supply chain disruptions in close co-ordination with its customers and suppliers and internal actions.

The development of new products to meet the regulatory and market requirements are continuing in all segments of our activity.

#### 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

Mr. P S Rajamani (DIN: 01560303) retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

## DECLARATION BY THE INDEPENDENT DIRECTORS:

All the Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013.

## MERGER OF WHOLLY-OWNED SUBSIDIARIES WITH HOLDING COMPANY

Two wholly-owned subsidiaries M/s. Shardlow India Ltd and M/s. Wheel & Precision Forgings India Ltd merged with the holding company M/s. Simpson and Company Ltd vide Regional Director, Ministry of Corporate Affairs (MCA) order dated 19<sup>th</sup> January, 2023 with effect from 01-04-2022 as detailed in Note 50.1 to the Standalone Financial Statements.

## DISCLOSURE UNDER SECTION 197 OF THE COMPANIES ACT

The subsidiary companies, M/s. Addison & Co. Ltd, M/s. T. Stanes & Co. Ltd and M/s. Amalgamations Repco Ltd. have provided for payment of commission of ₹. 20 Lakhs, ₹. 14 lakhs and ₹. 10 lakhs respectively for the year ended 31.03.2023 to our CMD, who is on their Board as a non-executive director. M/s. Addison & Co. Ltd. have provided for payment of commission of ₹. 8 Lakhs for the year ended 31.03.2023 to Whole-time Director, who is on their Board as a non-executive director. Particulars of employees in receipt of remuneration attracting the provisions of the Companies Act, 2013 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 statement for the year ended 31<sup>st</sup> March, 2023 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 31<sup>st</sup> March, 2023 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 2022-23, Seven Board meetings were held on the following days, Viz. 26<sup>th</sup> April, 2022, 29<sup>th</sup> June, 2022, 06<sup>th</sup> September, 2022, 14<sup>th</sup> October, 2022, 28<sup>th</sup> November, 2022, 11<sup>th</sup> February, 2023 & 28<sup>th</sup> March, 2023.

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
Dr. R. Mahadevan, Director	6
Mr. R.Vijayaraghavan, Independent Director	7
Dr. Sandhya Shekhar, Independent Director	7



Two Audit Committee Meetings were held during the year 2022-23, on 29<sup>th</sup> June, 2022 and 28<sup>th</sup> November, 2022. 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	2
Dr. Sandhya Shekhar, Member	2

One N & R Committee Meeting was held on 29<sup>th</sup> June, 2022 and all the members of the Committee Viz. Dr. R. Mahadevan, Mr. R. Vijayaraghavan and Dr. Sandhya Shekhar attended the meeting.

One CSR Committee Meeting was held on 28<sup>th</sup> March, 2023 and all the members of the Committee Viz. Mr. A. Krishnamoorthy, Mr. R. Vijayaraghavan and Dr. Sandhya Shekhar attended the meeting.

### **CORPORATE SOCIAL RESPONSIBILITY**

Annual report on CSR Activities undertaken by the Company for the Financial Year 2022-23 is annexed with this Report as Annexure III.

### **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, Annual Return in Form No. MGT-7 is available in the website of the Company [www.simpsons.in](http://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 Seventh Annual General Meeting have appointed 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 97<sup>th</sup> Annual General Meeting until the conclusion of the 102<sup>nd</sup> Annual General Meeting of the Company.

### **COST RECORDS & 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 2023-24. 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. B. Ravi & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2023. The Secretarial Audit Report dated 20<sup>th</sup> April, 2023 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 with the Holding, Subsidiary and Associated Companies for several years, complying with the applicable regulations in the ordinary course of business at arm's length basis. 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  
05<sup>th</sup> September, 2023

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

## ANNEXURE – I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2023.

### 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                             | ₹ 5,10,02,000/- |
| (b) Revenue                             | 15,19,58,995/-  |
| (c) Total                               | 20,29,61,995/-  |
| (d) Total (as a percentage of turnover) | 0.99%           |

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- |                               |                   |
|-------------------------------|-------------------|
| (i) Foreign Exchange Earnings | ₹. 34,45,16,268/- |
| (ii) Foreign Exchange Outgo   | ₹. 35,47,497/-    |

# 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 2023.

S.No.	Name	Designation	Age	Remuneration (Gross) ₹	Qualifications	Last employment Experience	Total Experience (Years)	Date of joining
	<b>Employed Throughout the Year</b>							
1	Mr. P. S. Rajamani	Whole-time Director	73	2,95,00,000	B.Tech.(Met), PGD in SQC & OR, M.B.A	Metallurgist Shardlow India Ltd.	51	23/09/1977
2.	Mr. S. Srinivasaraghavan	Chief Financial Officer and Company Secretary	72	1,60,00,000	B.Sc., A.C.A., A.C.S., A.C.M.A	Executive Director Amalgamations Repco Ltd.	49	02/02/1996
3.	Mr. Balavijayan Nagarajan	President	55	1,84,03,000	B.E., M.B.A	VP- SCM Tata Hitachi Construction Machinery Company Ltd.	34	26/05/2021

- 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**  
**ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY**

1. Brief outline on CSR Policy of the Company:-

The Company in the initial phase will focus on the following areas for CSR projects from amongst the activities specified under Schedule VII of the Companies Act, 2013 (Act):

- (i) Promoting education, including special education and employment enhancing skills especially among children, women and the differently abled and livelihood enhancement projects
- (ii) Contributing to funds to technology incubators located within academic institutions which are approved by the Central Government;
- (iii) Rural development projects; and
- (iv) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
- (v) Contribute towards eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

2. Composition of CSR Committee:

Sl.No	Name of Director	Designation/Nature Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. A. Krishnamoorthy	Chairman and Managing Director	1	1
2	Mr. R. Vijayaraghavan	Independent Director	1	1
3	Dr. Sandhya Shekhar	Independent Director	1	1

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company : <http://simpsons.in/social-responsibility.html>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable. : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : NIL

6. Average net profit of the company as per section 135 (5) : Rs. 100.70 crores

7. (a) Two percent of average net profit of the company as per section 135 (5) : Rs. 2.02 crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

(c) Amount required to be set off for the financial year, if any : NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 2.02 crores

8. (a) CSR amount spent or unspent for the financial year

Total Amount spent for the financial year (in Rs. crores)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 2.02	-	Not Applicable	Not Applicable	-	Not Applicable

8. (b) Details of CSR amount spent against ongoing projects for the financial year : Not Applicable  
(c) Details of CSR amount spent against other than ongoing projects for the financial year.

Sl. No.	Name of the project	The list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹. Lakhs)	Amount spent in the current financial year in (in ₹. Lakhs)	Amount transferred to Unspent CSR Account for the project as per section 135 (6) (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District						Name	CSR Registration
1	Eradicating hunger poverty and malnutrition, Promoting health care including preventive health care	7(1) (i)	No	Chennai	Tamil Nadu	NA	400	4.00	NIL	DIRECT	NIL	NIL
2	Promotion of education	7(1) (ii)	No	Tirunelveli and Chennai	Tamil Nadu	NA	198.00	198.00	NIL	DIRECT	NIL	NIL

- (d) Amount spent in Administrative Overheads : Not Applicable  
(e) Amount spent on Impact Assessment, if applicable : Not Applicable  
(f) Total amount spent for the financial year (8b+8c+8d+8e) : Rs.2.02 Crores  
(g) Excess amount for set off, if any : Nil

S.No	Particulars	Amount in Rs. Crores
(i)	Two percent of average net profit of the company as per section 135 (5)	2.02
(ii)	Total amount spent for the financial year	2.02
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years : NIL  
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s) : NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.
- (a) Date of creation or acquisition of the capital asset (s) : NIL  
(b) Date of creation or acquisition of the capital asset (s) : NIL  
(c) Details of the entity or public authority or beneficiary under whose name such capital assets is registered, their address etc. : NIL  
(d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). : NIL
11. Specify the reason (s), if the company has failed to spent two percent of the average net profit as per section 135 (5). : Not Applicable

A. Krishnamoorthy  
DIN: 00001778  
Chairperson of the CSR Committee

R. Vijayaraghavan  
DIN: 00026763  
Member of the CSR Committee

Chennai  
05<sup>th</sup> September, 2023

## **ANNEXURE - IV TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023.**

### **Secretarial Audit Report**

(For the Financial Year Ended on 31<sup>st</sup> March 2023)

[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

CIN: U65991TN1925PLC002345

861/862, Anna Salai,

Chennai 600 002

Tamil Nadu

Dear Members,

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 on a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2023** according to the provisions of:

- (i) The Companies Act 2013 and the rules made thereunder issued by the Ministry of Corporate Affairs from time to time(hereinafter called the "Act");
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- are not applicable during the period under review;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder- are not applicable during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')as amended were not applicable to the Company during the period under review since none of the securities of the Company is listed in stock exchange.
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (h) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (vi) The following industry specific law applicable to the Company during the period under review:
- (a) Air (Prevention and Control of Pollution) Act, 1981
  - (b) Water (Prevention and Control of Pollution) Act, 1974
  - (c) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
  - (d) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
  - (e) The Explosives Act, 1884
  - (f) The Petroleum Act, 1934 and Petroleum Rules, 2002
  - (g) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
  - (h) Bureau of Indian Standards Act 1986
  - (i) The Electricity Act 2003 and rules framed thereunder
  - (j) Gas Cylinder Rules 2016
  - (k) The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

We further report that based on the information received, explanations given, process explained, records maintained, internal audit report submitted to the Committee of the Board, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable labour laws, Goods and Service Tax laws and other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time. The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

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

Secretarial Standards 1 and 2 (including Revised) issued by The Institute of Company Secretaries of India.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors including one independent woman director. There is no change in the composition of the Board or Key Managerial Personnel during the period under audit.

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

All decisions were taken unanimously at the Board meeting and with requisite majority at the Annual General Meeting and Extra-Ordinary General Meeting.

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

We further report that during the audit period, the Company:-

1. The company at its AGM held on 29<sup>th</sup> September 2022, has declared dividend at the rate of Rs. 18,750/- per equity share (including interim dividend of Rs. 13,125/- per equity share declared and paid) on the paid up Equity Shares for the financial year ended 31<sup>st</sup> March 2022 .
2. The company at its Extra-ordinary General meeting held on 30<sup>th</sup> December 2022, through special resolution approved the scheme of amalgamation through merger of M/s Shardlow India Limited and Wheel & Precision Forgings India Limited with Simpson and Company Limited.
3. The Regional Director (Southern Region) approved the scheme of amalgamation under section 233 of the Companies Act, 2013 of M/s Shardlow India Limited and Wheel & Precision Forgings India Limited with Simpson and Company Limited vide CP No. 26/S.233/2022-23 dated 19<sup>th</sup> January 2023. The scheme shall be effective from 1<sup>st</sup> April, 2022.

4. The board of directors at their meeting held on 29<sup>th</sup> June, 2022 fixed:
  - (a) The remuneration of Rs. 15,00,00,000/- payable to Mr. A Krishnamoorthy, Chairman and Managing Director for the year ended 31<sup>st</sup> March, 2022.
  - (b) The performance bonus of Rs. 2,42,61,000/- to Mr. PS Rajamani, Whole time Director for the year ended 31<sup>st</sup> March, 2022.
5. The board of directors at their meeting held on 28<sup>th</sup> March, 2023 declared an interim dividend of 600% on paid up capital of Rs.7,36,97,500 amounting to Rs. 44,21,85,000/- to be paid to shareholders as on 24<sup>th</sup> March 2023 for the financial year 2022-23.

Name of Company Secretary in practice: CS Dr. B Ravi  
FCS No.: 1810 CP No.: 3318  
MANAGING PARTNER  
B RAVI & ASSOCIATES  
Firm Registration Number: P2016TN052400  
Peer Review Certificate Number: 930/2020  
UDIN:F001810E000153161

Place : Chennai  
Date : 20.04.2023



## ANNEXURE 'A'

To

The Members,  
SIMPSON AND COMPANY LIMITED  
CIN: U65991TN1925PLC002345  
861/862 ANNA SALAI  
CHENNAI  
Tamil Nadu  
600002

Dear Members,

**Sub: Our Report of even date is to be read along with this letter.**

1. Maintenance of secretarial records 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 to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. 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.
6. 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.

Name of Company Secretary in practice: CS Dr. B Ravi  
FCS No.: 1810 CP No.: 3318  
MANAGING PARTNER  
B RAVI & ASSOCIATES  
Firm Registration Number: P2016TN052400  
Peer Review Certificate Number: 930/2020  
UDIN:F001810E000153161

Place : Chennai  
Date : 20.04.2023

**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.

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Names of the related party & nature of relationship	Transactions are ongoing. Date of approval by Board: 29 <sup>th</sup> June, 2022. 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 31.03.2023)	

Chennai  
05<sup>th</sup> September, 2023

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, Kochi,  
Kollam & Kozhikode

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

**INDEPENDENT AUDITOR'S REPORT**

6<sup>th</sup> July, 2023

**To the Members of Simpson & Company Limited**  
**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Simpson & Company Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and total 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

**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 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.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's Responsibility for the Standalone Financial Statements**

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

In preparing the Standalone Financial Statements, the Board of Directors are 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 Board of Directors 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 Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

## Other Matter

The Shardlow Division (Unit) of the Company which was merged pursuant to the approval from Regional Director dated 19th January 2023, had prepared the standalone financial statements for the year ended March 31, 2022 in accordance with the Ind AS read with relevant rules issued thereunder and the accounting principles generally accepted in India which were audited by another auditor, who vide their report dated 28th June 2022 has issued a qualified opinion on those financial statements in connection to carrying value of Deferred Tax Asset amounting to Rs. 2,675.71 lakhs.

Our Opinion is not modified in respect of the above matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act (Ind AS).
  - (e) On the basis of the written representations received from the Directors taken on records by the Board of Directors, none of the Directors are disqualified as on March 31, 2023 from being appointed as a Director under section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements.
  - (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 remunerations 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 Standalone Financial Statements in Note 47 (B).
    - (ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (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.
    - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person/ entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person/ entity, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.
- (v) The Company has declared and paid dividends during the year which is in compliance with Section 123 of the Act.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

MAHESH KRISHNAN  
*Partner*

Membership No. 206520  
UDIN : 23206520BGXGEF3039

Place: Chennai  
Date : 6<sup>th</sup> July, 2023

**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 Standalone Financial Statements of Simpson & Company Limited (the “Company”) for the year ended 31st March 2023**

(i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

(a) (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) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification to cover all items of property, plant and equipment on an annual basis, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

Pursuant to the program, property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and based on the examination of the sale deeds / title deeds/ bank confirmation provided to us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Standalone Financial Statements, are held in the name of the Company as at the balance sheet date except for title deeds that are in the name of the subsidiary companies that have now merged with the company as given in Note 44(C). The Company is in the process of transferring the title deeds to its name.

Description of Property	Gross Carrying Value (Rs. In Lakhs)	Held in the name of	Whether Promoter, Director or their Relative or Employee	Period held	Reason for not holding in the name of Company
Freehold Land	1.41	Wheels and Precision Forgings India Ltd	No	1972-2022	Merger
Freehold Land	0.49	Shardlow India Ltd	No	1960-2022	Merger

(d) The Company has not revalued its property, plant and equipment during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.

(e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.

(ii) In respect of the Company’s Inventory and Working Capital:

(a) Physical verification of inventory has been conducted at reasonable intervals by the Management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks or financial institutions are largely in agreement with the books of accounts.

(iii) In respect of Loans, Advances in nature of Loans, Guarantees, Security & Investments – Given by Company:

(a) In our opinion and according to information and explanation given to us, the Company has provided guarantee/ granted loans, secured & unsecured to its subsidiary companies. The Company has not provided any security or advances in the nature of loans to any entity.

(A) The aggregate amount during the year and balance outstanding at the balance sheet date with respect to loans and guarantees to subsidiaries, joint ventures, associates is as follows: **(Rs. in Lakhs)**

	Guarantees	Loans
<b>Aggregate amount granted/ provided during the year</b>		
Subsidiaries	130	4,250
<b>Balance outstanding as at balance sheet date in respect of above cases</b>		
Subsidiaries	36,555	10,650

(B) The Company has not provided guarantee/ granted any loans, secured or unsecured to parties other than subsidiaries, joint ventures and associates. Accordingly, paragraph 3(iii)(a)(B) of the Order is not applicable.

(b) In our opinion and according to information and explanation given to us, the investments made, guarantees provided, and the terms and conditions of the grant of all loans and guarantees provided are not prejudicial to the interest of the Company.

- (c) In our opinion and according to information and explanation given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of interest are regular, except for repayment of principal and interest due from one subsidiary.
- (d) In our opinion and according to information and explanation given to us, Rs. 127.05 Lakhs of interest is overdue for more than ninety days as at Balance sheet date from one of its Subsidiaries, which has been subsequently realized.
- (e) A loan of Rs. 650 Lakhs given by the Company in an earlier year to its subsidiary fell due during the current year and the same has been extended. This Loan constitutes around 6.1% of the aggregate to the total loans granted during the year.
- (f) In our opinion and according to information and explanation given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) (a) In our opinion and according to information and explanation given to us, the Company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 of the Act applies.
- (b) The Company has complied with the provisions of section 186 of Act in respect of loans, investments, guarantees and security wherever applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, paragraph 3 (v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any 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 above statutory dues which have not been deposited on account of any dispute as at 31st March 2023, except as under:

Name of Statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	768.81	2016-17	Commissioner of Income Tax
			2018-19	
			2020-21	
Central Sales Tax Act, 1956	Sales Tax	3.11*	2013-14	Sales Tax Appellate Tribunal, Chennai
The Central Sales Tax Act, 1956	Sales Tax on Die Development	3.88*	1993-94	Sales Tax Appellate Tribunal
			1995-96	
Tamil Nadu General Sales Tax Act, 1956	Sales Tax on Die Development	1.37*	1995-96	Sales Tax Appellate Tribunal
			1998-99	
The Central Sales Tax Act, 1956	Sales Tax on returns and Non-submission of C Forms	3.51*	2010-11	Additional Deputy Commissioner (CT) TN
The Central Sales Tax Act, 1956	Reversal of Input tax	0.09*	2013-14	Commissioner (Appeals)
The Employees State Insurance Act, 1948	Employee State Insurance on Outside Subcontractor bill	3.12	2001-02	Principal Labour Court, Tamil Nadu
			2002-03	
			2003-04	
The Income Tax Act, 1961	TDS	12.86	2018-19	Assessing Officer
			2020-21	
			2021-22	
			Prior Years	
The Income Tax Act, 1961	Income Tax	0.65	2012-13	Assessing Officer

\*Rs. 11.96 Lakhs paid under protest.



- (viii) In our opinion and according to the information and explanations given to us, there are no transactions recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) In respect of Loans taken by the Company:
- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a willful defaulter by any bank or financial institution or other lender.
  - (c) In our opinion and according to the information and explanations given to us, no term loans were obtained by the Company during the year. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.
  - (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
  - (e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
  - (f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) In respect of initial public offer, further public offer, preferential allotment or private placement of shares or convertible debenture:
- (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
  - (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
- (xi) In respect of instances of Fraud, it's reporting and consideration of whistle-blower complaints:
- (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up-to the date of this report.
  - (c) According to the information and explanations given to us, and records of the Company examined by us, the establishment of vigil mechanism by the Company is not mandated by any statutory provision and hence reporting under Clause 3(XI)(c) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
- (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) In respect of Internal Audit Systems and Internal Auditors report:
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into any non- cash transactions with the Directors or persons connected with them. Accordingly, the provisions of section 192 of the Act are not applicable.
- (xvi) In respect of registration under RBI Act, 1934:
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
  - (b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In respect of Unspent Amount as per CSR Liability:
- (a) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified in Schedule VII to the Act.
- (b) In our opinion and according to the information and explanations given to us, there are no amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

Place: Chennai  
Date : 6<sup>th</sup> July, 2023

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

MAHESH KRISHNAN  
*Partner*  
Membership No. 206520  
UDIN : 23206520BGXGEF3039

**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 Standalone Financial Statements of Simpson & Co Ltd (the “Company”) for the year ended 31<sup>st</sup> March, 2023**

We have audited the internal financial controls with reference to the Standalone Financial Statements of **Simpson & Company Limited** (“the Company”) as at March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the Standalone Financial Statements is 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 ICAI. 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 with reference to the Standalone Financial Statements 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 with reference to the Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to the Standalone Financial Statements**

A Company’s internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
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 with reference to the Standalone Financial Statements**

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

**Opinion**

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 with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2023 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 : 23206520BGXGEF3039

Place: Chennai  
Date : 6<sup>th</sup> July, 2023

# SIMPSON & COMPANY LIMITED

## BALANCE SHEET AS AT

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31-03-2023	31-03-2022
<b>A. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	22,039.95	21,505.14
(b) Capital Work-in-progress	44(A)(a)	1,026.26	908.27
(c) Investment Property	2	2,000.78	2,015.58
(d) Intangible Assets	3	2,475.70	1,430.72
(e) Intangible assets under development	44(A)(b)	4,344.72	4,165.06
(f) Financial Assets			
(i) Investments	4	115,804.38	107,771.17
(ii) Loans	5 (i)	8,191.17	6,146.75
(iii) Others	5 (ii)	313.50	-
(g) Deferred tax Assets (Net)	19	-	752.39
Other Non-Current Assets	6	2,066.34	1,780.95
<b>Total Non-Current Assets</b>		<b>158,262.81</b>	<b>146,476.03</b>
<b>2. Current Assets</b>			
(a) Inventories	7	16,100.16	11,885.43
(b) Financial Assets			
(i) Investments	8	4,092.92	12,212.32
(ii) Trade Receivables	9	50,745.83	42,282.37
(iii) Cash and Cash Equivalents	10 (i)	2,140.83	1,302.93
(iv) Bank balances other than (iii) above	10 (ii)	126.87	122.48
(v) Loans	11	2,207.50	557.50
(vi) Others	12	901.83	480.59
(c) Contract Assets	38a	657.20	376.04
(d) Current Tax Assets (net)	13	3,389.04	1,208.72
(e) Other Current Assets	14	6,596.47	4,281.41
<b>Total Current Assets</b>		<b>86,958.66</b>	<b>74,709.78</b>
<b>TOTAL ASSETS</b>		<b>245,221.47</b>	<b>221,185.81</b>
The accompanying notes are an integral			
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	15	736.97	736.97
(b) Other Equity	16	199,298.01	188,589.97
<b>Total Equity</b>		<b>200,034.98</b>	<b>189,326.95</b>
<b>LIABILITIES</b>			
<b>2. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	672.97	671.57
(b) Provisions	18	700.98	533.45
(c) Deferred Tax Liabilities (Net)	19	2,420.21	-
<b>Total Non-Current Liabilities</b>		<b>3,794.16</b>	<b>1,205.02</b>
<b>3. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	3,337.74	5,816.45
(ii) Trade Payables	21		
- Total outstanding dues of micro and small enterprises		2,616.08	1,300.44
- Total outstanding dues of creditors other than micro and small enterprises		29,380.68	18,945.55
(iii) Other Financial Liabilities	22	4,132.81	3,769.98
(b) Other Current Liabilities	23	877.75	530.64
(c) Provisions	24	1,047.27	290.78
<b>Total Current Liabilities</b>		<b>41,392.33</b>	<b>30,653.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>245,221.47</b>	<b>221,185.81</b>

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

R. VIJAYARAGHAVAN (DIN: 00026763)  
Director

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, 6th July 2023

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

Particulars	Note	31-03-2023	31-03-2022
<b>Revenue from operations</b>	25	204,116.69	175,524.17
Other income	26	14,346.07	14,184.23
<b>Total Income</b>		<b>218,462.76</b>	<b>189,708.40</b>
<b>Expenses :</b>			
(a) Cost of materials consumed	27	151,628.07	129,369.33
(b) Purchases of stock-In-trade	28	11,667.87	10,143.70
(c) Changes in inventories of finished goods, Stock-in-trade & WIP	29	(625.94)	(205.89)
(d) Employee Benefits Expense	30	13,895.69	12,109.09
(e) Finance Costs	31	676.78	604.62
(f) Depreciation and Amortization Expense	1	3,561.23	3,281.97
(g) Other Expenses	32	16,778.11	14,913.13
<b>Total Expenses</b>		<b>197,581.81</b>	<b>170,215.95</b>
Profit/ (loss) before exceptional items and tax		<b>20,880.95</b>	<b>19,492.45</b>
Exceptional Items		-	-
Profit/ (loss) before tax		<b>20,880.95</b>	<b>19,492.45</b>
<b>Tax Expense:</b>			
(a) Current tax		495.63	2,756.59
(b) Deferred tax		3,172.10	(146.97)
(c) (Excess)/short provision relating to earlier years		(6.37)	(0.15)
Profit/(loss) for the year		<b>17,219.59</b>	<b>16,882.98</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	33	(578.63)	97.86
(ii) Income tax relating to items that will not be reclassified to profit or loss		(145.63)	24.19
B (i) Items that will be reclassified to profit or loss	34	5.60	5.10
(ii) Income tax relating to items that will be reclassified to profit or loss		0.49	(2.81)
<b>Total Comprehensive Income for the Year</b>		<b>16,791.70</b>	<b>16,964.56</b>
<i>Earnings per equity share (face value - Rs 2500 per share)</i>			
<i>Basic &amp; Diluted (Profit/ Loss for the Year / No. of Equity Shares)</i>	35	<b>58,413.12</b>	<b>57,271.24</b>

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*

R. VIJAYARAGHAVAN (DIN: 00026763)  
*Director*

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, 6th July 2023

# SIMPSON & COMPANY LIMITED

## Statement of Changes in Equity for the Year Ended March 31, 2023

(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 due to prior period errors	Restated balance at the beginning of the reporting period	Changes in Equity share capital during the year	FVTOCI Reserve	Actuarial Gains/Losses on Defined Benefit Plan for Employees Benefit	Balance at the end of the reporting period	
							737.75 736.97	(0.78) -
(b) Other Equity	Reserves and Surplus				Effective Portion of Cash Flow Hedges	Total	Balance at the end of the reporting period	
	General Reserve	Capital Reserve	Capital Redemption Reserve	Retained Earnings			FVTOCI Reserve	Actuarial Gains/Losses on Defined Benefit Plan for Employees Benefit
<b>2021-22</b>	737.75	-	737.75	(0.78)	-	39.70	189,117.51	736.97
<b>2022-23 (FV - ₹. 2,500/- each)</b>	736.97	-	736.97	-	14.27	(46.31)	(2,345.98)	736.97
<b>(b) Other Equity</b>								
<b>Balance as at 1st April 2021</b>	<b>168,688.50</b>	<b>-</b>	<b>12.25</b>	<b>20,379.69</b>	<b>-</b>	<b>39.70</b>	<b>189,117.51</b>	
Pursuant to Business Combination (Refer note 50.1)	982.40	9.23	-	(3,305.57)	14.27	(46.31)	(2,345.98)	
<b>Restated Balance as at 1st April 2021</b>	<b>169,670.90</b>	<b>9.23</b>	<b>12.25</b>	<b>17,074.10</b>	<b>14.27</b>	<b>(6.63)</b>	<b>186,771.49</b>	
Adjustments / Eliminations on account of Merger	-	-	-	(8,025.54)	(0.50)	-	(8,040.30)	
Total Comprehensive Income for the Year	-	-	-	16,882.98	7.91	73.68	16,964.58	
Adjustments	-	-	-	(427.61)	-	-	(427.61)	
Dividends (Interim & Final)	-	-	-	(5,527.31)	-	-	(5,527.31)	
Transfer to Capital Redemption Reserve	-	-	0.78	(0.78)	-	-	(0.01)	
Payment towards fractional shares	-	-	-	(1,150.88)	-	-	(1,150.88)	
Transfer to Retained Earnings / General Reserves	12,575.00	-	-	(12,575.00)	-	-	-	
<b>Balance as at 31st March 2022</b>	<b>182,245.90</b>	<b>9.23</b>	<b>13.03</b>	<b>6,244.98</b>	<b>-</b>	<b>67.05</b>	<b>188,589.97</b>	
Adjustments	-	-	-	-	-	-	-	
Total Comprehensive Income for the Year	-	-	-	17,219.59	-	(3.63)	(3.63)	
Dividends (Interim & Final)	-	-	-	(6,080.04)	5.10	(433.00)	16,791.70	
Transfer to Retained Earnings / General Reserves	12,550.00	-	-	(12,550.00)	-	-	(6,080.04)	
<b>Balance as at 31st March 2023</b>	<b>194,795.90</b>	<b>9.23</b>	<b>13.03</b>	<b>4,839.53</b>	<b>-</b>	<b>(365.94)</b>	<b>199,298.01</b>	

The accompanying notes are an integral part of the financial statements

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

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

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

R. VIJAYARAGHAVAN (DIN: 00026763)  
Director

S. SRINIVASARAGHAVAN  
Chief Financial Officer & Company Secretary

For R.G.N. PRICE & CO.,  
Chartered Accountants,  
FR No. 002785S  
MAHESH KRISHNAN  
Partner  
Membership No. 206520  
Chennai, 6th July, 2023

# SIMPSON & COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2023		31-03-2022	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before tax</b>		20,880.96		19,492.06
<b>Adjustments for:</b>				
Fair valuation gain on investments	(2,642.43)		(4,435.08)	
Fair valuation gain on long term loans	210.63		49.35	
Depreciation	3,561.23		3,281.98	
Interest and Finance Charges	676.78		510.71	
Interest Income	(757.10)		(800.64)	
Dividend Income	(9,993.76)		(7,826.18)	
Profit on sale of investment	(238.09)		(350.08)	
(Profit)/Loss on sale of Property, Plant and Equipment	(79.19)		(118.19)	
Allowance for doubtful debts	-		(51.08)	
Income tax provision (made)/reversed relating to earlier years	6.37		-	
Adjustment in OCI reserve	(3.63)		(0.50)	
Provision no longer required	(70.77)		(158.85)	
Provision for bad and doubtful debts	24.40		65.81	
Effective portion of cash flow hedges	5.60		5.10	
Actuarial Gain / Loss on Defined benefit obligation (Gratuity)	(578.63)		97.86	
		(9,878.58)		(9,729.78)
<b>Adjustments for changes in working capital:</b>				
(Increase)/ Decrease in Trade receivables	(8,739.50)		5,953.75	
(Increase)/Decrease in other receivables	(3,339.59)		(1,553.71)	
(Increase)/Decrease in Inventories	(4,214.73)		411.37	
Increase/ (Decrease) in Current liabilities & Provisions	10,950.86	(5,342.96)	(8,333.98)	(3,522.57)
<b>Cash generated from operations</b>		5,659.42		6,240.11
Direct Taxes paid	(2,530.32)	(2,530.32)	(3,384.32)	(3,384.32)
<b>Net cash from operating activities (A)</b>		3,129.10		2,855.79
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>				
Purchase of Property Plant and Equipment	(5,662.85)		(6,735.44)	
Proceeds from Sale of PPE	318.16		166.47	
Purchase of Investments	(16,485.19)		(50,667.68)	
Sale of Investments	19,451.90		48,532.81	
(Increase)/Decrease in Loans	(3,850.00)		(2,225.10)	
Interest Income	702.04		777.12	
Dividend Income	9,993.76		7,826.18	
Increase/Decrease in Inter corporate deposit	-		5,000.00	
(Increase)/Decrease in Term deposits	-		2,216.17	
<b>Cash from investment activities (B)</b>		4,467.82		4,890.52

# SIMPSON & COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED

*(All amounts are in INR lakhs unless otherwise stated)*

Particulars	31-03-2023		31-03-2022	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Interest/Finance charges on borrowings	(678.98)		(517.01)	
Dividend paid	(6,080.04)		(5,527.31)	
Payment towards fractional shares	-		(1,151.65)	
<b>Cash from financing activities (C)</b>		<b>(6,759.02)</b>		<b>(7,195.97)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>		<b>837.90</b>		<b>550.34</b>
Cash and Cash Equivalents (Opening Balance)		<b>1,302.93</b>		752.59
Cash and Cash Equivalents (Closing Balance)		<b>2,140.83</b>		1,302.93
<b>Cash and cash equivalents : (Refer note no: 10(i))</b>				
Balances with banks :				
(a) in current accounts		<b>1,975.99</b>		1,079.37
(b) in unclaimed dividend account (not available for operational use)		<b>159.17</b>		158.01
(c) Bank deposit with maturity of three months and below		-		60.00
Cash on hand		<b>5.67</b>		5.55
		<b>2,140.83</b>		1,302.93

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*

R. VIJAYARAGHAVAN (DIN: 00026763)  
*Director*

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, 6th July, 2023



# 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 01-04-2022	Additions	Disposals	Adjustments	As at 31-03-2023	As at 01.04.2022	For the year	Withdrawn	Adjustments	As at 31-03-2023	As at 31-03-2023
<b>1. PROPERTY, PLANT AND EQUIPMENT:</b>											
Land-Freehold	3,276.22	-	-	-	3,276.22	-	-	-	-	-	3,276.22
Buildings:											
on Freehold land	3,614.17	33.55	-	-	3,647.72	1,230.26	99.00	-	-	1,329.26	2,318.46
on leasehold land	54.89	151.65	-	-	206.54	54.19	21.63	-	-	75.82	130.72
Plant and Machinery	36,281.03	3,481.72	3,141.62	(90.86)	36,530.27	20,992.45	2,887.67	2,614.54	(403.43)	20,862.15	15,668.11
Electrical Installation	422.10	54.09	5.70	-	470.49	324.82	19.70	0.07	4.40	348.85	121.64
Furniture and Fixtures	446.96	96.89	9.86	-	533.99	278.80	33.60	9.26	-	303.14	230.85
Office Equipments	176.74	21.05	3.03	3.36	198.12	124.74	19.17	2.88	3.17	144.20	53.92
Vehicles	423.55	44.67	16.54	-	451.68	185.25	42.03	15.63	-	211.65	240.03
<b>Total (A)</b>	<b>44,695.66</b>	<b>3,883.62</b>	<b>3,176.75</b>	<b>(87.50)</b>	<b>45,315.03</b>	<b>23,190.51</b>	<b>3,122.80</b>	<b>2,642.38</b>	<b>(395.86)</b>	<b>23,275.07</b>	<b>22,039.95</b>
<b>2. INVESTMENT PROPERTY :</b>											
Land-Freehold	1,957.74	-	-	-	1,957.74	-	-	-	-	-	1,957.74
Buildings:											
on Freehold land	95.88	-	26.70	-	69.18	38.04	1.83	13.73	-	26.14	43.04
on leasehold land	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>2,053.62</b>	<b>-</b>	<b>26.70</b>	<b>-</b>	<b>2,026.92</b>	<b>38.04</b>	<b>1.83</b>	<b>13.73</b>	<b>-</b>	<b>26.14</b>	<b>2,000.78</b>
<b>3. OTHER INTANGIBLE ASSETS :</b>											
Computer Software	710.52	1,481.58	-	-	2,192.10	661.66	117.16	-	-	778.82	1,413.28
New Product Development (internally generated)	3,880.06	-	-	-	3,880.06	2,498.21	319.43	-	-	2,817.64	1,062.42
<b>Total (C)</b>	<b>4,590.58</b>	<b>1,481.58</b>	<b>-</b>	<b>-</b>	<b>6,072.16</b>	<b>3,159.87</b>	<b>436.58</b>	<b>-</b>	<b>-</b>	<b>3,596.46</b>	<b>2,475.70</b>
<b>Total (A+B+C)</b>	<b>51,339.86</b>	<b>5,365.21</b>	<b>3,203.45</b>	<b>(87.50)</b>	<b>53,414.12</b>	<b>26,388.42</b>	<b>3,561.21</b>	<b>2,656.11</b>	<b>(395.86)</b>	<b>26,897.68</b>	<b>26,516.43</b>

Refer Note no. 50.2 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)

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

PARTICULARS	GROSS BLOCK						DEPRECIATION /AMORTIZATION						NET BLOCK		
	As at 01-04-2021	Pursuant to Business Combination (Refer Note: 50.1)	Restated Balance 01.04.2021	Additions	Disposals	Adjust- ments	As at 31-03-2022	As at 01.04.2021	Pursuant to Business Combination (Refer Note: 50.1)	Restated Balance 01.04.2021	For the year	Withdrawn	Adjust- ments	As at 31-03-2022	As at 01.04.2022
<b>1. PROPERTY, PLANT AND EQUIPMENT:</b>															
Land-Freehold	6,207.60	1.90	6,209.50	17.95	-	(2,951.23)	3,276.22	-	-	-	-	-	-	-	3,276.22
Buildings:															
on Freehold land	2,974.37	529.37	3,503.74	111.05	0.62	-	3,614.17	1,003.36	1,137.58	92.94	0.26	-	-	1,230.26	2,383.91
on leasehold land	49.95	-	49.95	-	-	4.94	54.89	49.25	49.25	-	-	4.94	-	54.19	0.70
Plant and Machinery	26,519.10	8,977.53	35,496.63	2,958.52	1,928.81	(245.31)	36,281.03	15,858.84	4,399.57	2,829.52	1,898.43	(197.06)	20,992.45	15,288.58	
Electrical Installation	375.46	32.87	408.33	15.47	1.70	-	422.10	289.19	18.56	18.32	1.25	-	324.82	97.27	
Furniture and Fixtures	386.93	17.27	404.20	47.29	4.53	-	446.96	251.39	6.52	25.21	4.32	-	278.80	168.16	
Office Equipments	146.03	13.88	159.91	16.91	0.08	-	176.74	96.64	105.10	19.71	0.07	-	124.74	52.00	
Vehicles	310.47	23.18	333.65	159.20	66.10	(3.20)	423.55	188.34	8.45	38.80	42.39	(7.95)	185.25	238.30	
<b>Total (A)</b>	<b>36,969.91</b>	<b>9,596.00</b>	<b>46,565.91</b>	<b>3,326.39</b>	<b>2,001.84</b>	<b>(3,194.80)</b>	<b>44,695.66</b>	<b>17,737.01</b>	<b>4,575.78</b>	<b>3,024.50</b>	<b>1,946.72</b>	<b>(200.07)</b>	<b>23,190.51</b>	<b>21,505.14</b>	
<b>2. INVESTMENT PROPERTY:</b>															
Land-Freehold	8,951.40	0.87	8,952.27	-	-	(6,994.53)	1,957.74	-	-	-	-	-	-	-	1,957.74
Buildings:															
on Freehold land	86.67	9.21	95.88	-	-	-	95.88	27.00	36.21	1.83	-	-	38.04	57.84	
on leasehold land	4.94	-	4.94	-	-	(4.94)	-	4.94	4.94	-	-	(4.94)	-	-	
<b>Total (B)</b>	<b>9,043.01</b>	<b>10.08</b>	<b>9,053.09</b>	<b>-</b>	<b>-</b>	<b>(6,999.47)</b>	<b>2,053.62</b>	<b>31.94</b>	<b>41.15</b>	<b>1.83</b>	<b>-</b>	<b>(4.94)</b>	<b>38.04</b>	<b>2,015.58</b>	
<b>3. OTHER INTANGIBLE ASSETS:</b>															
Computer Software	688.50	10.02	698.52	12.00	-	-	710.52	611.52	9.80	40.34	-	-	661.66	48.86	
New Product Development (internally generated)	2,282.92	-	2,282.92	1,597.14	-	-	3,880.06	2,282.92	-	215.29	-	-	2,498.21	1,381.86	
<b>Total (C)</b>	<b>2,971.42</b>	<b>10.02</b>	<b>2,981.44</b>	<b>1,609.14</b>	<b>-</b>	<b>-</b>	<b>4,590.58</b>	<b>2,894.44</b>	<b>9.80</b>	<b>255.62</b>	<b>-</b>	<b>-</b>	<b>3,159.87</b>	<b>1,430.72</b>	
<b>Total (A+B+C)</b>	<b>48,984.34</b>	<b>9,616.10</b>	<b>58,600.44</b>	<b>4,935.54</b>	<b>2,001.84</b>	<b>(10,194.27)</b>	<b>51,339.86</b>	<b>20,663.39</b>	<b>4,594.79</b>	<b>3,281.95</b>	<b>1,946.72</b>	<b>(205.01)</b>	<b>26,388.42</b>	<b>24,951.44</b>	

Refer Note no.50.2 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 31-03-2023	As at 31-03-2022
<b>4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS (SUMMARY)</b>		
<b>(A) Investments in Subsidiaries (At cost)</b>		
Equity Shares (Quoted)	3,951.19	3,951.19
Equity Shares (Unquoted)	17,442.71	17,437.87
Fully Convertible Preference Shares (Unquoted)	4,000.00	1,500.00
<b>(B) Investments in Associates (At cost)</b>		
Equity Shares (Quoted)	6,896.10	6,896.10
Equity Shares (Unquoted)	3,034.38	2,962.38
Fully Convertible Preference Shares (Unquoted)	1,124.97	1,124.97
<b>(C) Investments in Joint Ventures (At cost)</b>		
Equity Shares (Unquoted)	1,200.00	1,200.00
<b>(D) Investments in Others</b>		
Equity Shares (Quoted) (At Fair value)	1,261.43	1,154.23
Equity Shares (Unquoted) (At cost)	29.49	29.49
<b>Total (i)</b>	<b>38,940.27</b>	<b>36,256.23</b>
<b>(E) Investments in Debt instruments</b>		
Tax free Interest Bonds (At Amortised Cost)	722.68	722.68
Zero Coupon Bonds (At Fair Value)	4,582.43	2,514.11
<b>Total (ii)</b>	<b>5,305.11</b>	<b>3,236.79</b>
<b>(F) Investments in Mutual funds (At Fair value)</b>		
Debt Funds - Fixed Maturity Plans	103.64	100.32
Debt Funds - Open ended	53,427.77	50,755.08
Equity Funds	18,027.59	17,422.75
<b>Total (iii)</b>	<b>71,559.00</b>	<b>68,278.15</b>
<b>Grand Total (i) + (ii) + (iii)</b>	<b>115,804.38</b>	<b>107,771.17</b>

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

<b>4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS</b>					
Description	Face Value ₹	As at 31-03-2023		As at 31-03-2022	
		No. of shares	Amount	No. of shares	Amount
<b>(A) INVESTMENTS IN SUBSIDIARIES</b>					
<b>(i) In Equity Shares : (At Cost)</b>					
<b>Quoted, fully paid up</b>					
IP Rings Ltd.	10	3,767,000	3,951.19	3,767,000	3,951.19
			<b>3,951.19</b>		<b>3,951.19</b>
<b>Unquoted, fully paid up -</b>					
Addison & Co. Ltd	100	540,000	28.00	540,000	28.00
Amalgamations Repco Ltd.	10	502,335	531.12	502,335	531.12
Amco Batteries Ltd.	100	280,500	12.75	280,500	12.75
George Oakes Ltd.	10	2,500,000	208.00	2,500,000	208.00
India Pistons Ltd.	10	60,000,000	15,720.89	60,000,000	15,720.89
Simpson & General Finance Co. Ltd.	10	2,000,000	152.00	2,000,000	152.00
Sri Rama Vilas Service Ltd.	10	1,250,000	18.00	1,250,000	18.00
Stanes Amalgamated Estates Ltd	10	2,030	0.63	1,695	0.27
Tractors and Farm Equipment Ltd.	10	9,149,100	511.99	9,149,100	511.99
T.Stanes & Co. Ltd	10	1,378,849	259.33	1,377,860	254.85
			<b>17,442.71</b>		<b>17,437.87</b>
<b>(ii) In Fully Convertible Preference Shares : (At Cost)</b>					
<b>Unquoted, fully paid up -</b>					
8% 5 year Compulsorily convertible Preference shares of India Pistons Limited	10	750,000	750.00	750,000	750.00
7% 5 year Compulsorily convertible cumulative Preference shares of India Pistons Limited	100	750,000	750.00	750,000	750.00
7% 8 year Non-cumulative optionally convertible preference shares of India Pistons Limited	100	2,500,000	2,500.00	-	-
			<b>4,000.00</b>		<b>1,500.00</b>
<b>B) INVESTMENTS IN ASSOCIATES</b>					
<b>(i) In Equity Shares : (At Cost)</b>					
<b>Quoted, fully paid up -</b>					
Bimetal Bearings Ltd.	10	1,874,136	6,886.87	1,874,136	6,886.87
United Nilgiri Tea Estates Company Ltd.	10	61,506	9.23	61,506	9.23
			<b>6,896.10</b>		<b>6,896.10</b>
<b>Unquoted, fully paid up -</b>					
Amalgamations Valeo Clutch Private Ltd.	10	9,705,252	2,851.76	9,705,252	2,851.76
L.M Van Moppes Diamond Tools (India) Private Ltd.	10	198,450	14.62	198,450	14.62
IPL Shaw Solutions Private Ltd.	10	1,680,000	168.00	960,000	96.00
			<b>3,034.38</b>		<b>2,962.38</b>
<b>(ii) In Fully Convertible Preference Shares : (At cost)</b>					
<b>Unquoted, fully paid up -</b>					
8% 5 year Fully Convertible Cumulative Preference shares of Amalgamations Valeo Clutch Private Limited	10	11,249,719	1,124.97	11,249,719	1,124.97
			<b>1,124.97</b>		<b>1,124.97</b>
<b>(C) INVESTMENTS IN JOINT VENTURES</b>					
<b>(i) In Equity Shares : (At Cost)</b>					
<b>Unquoted, fully paid up -</b>					
BBL Daido Private Ltd.	10	4,800,000	1,200.00	4,800,000	1,200.00
			<b>1,200.00</b>		<b>1,200.00</b>
<b>(D) INVESTMENTS IN OTHERS</b>					
<b>(i) In Equity Shares : (At Fair Value)</b>					
<b>Quoted, fully paid up -</b>					
Central Bank of India	10	4,266	1.03	4,266	0.78
Cummins India Ltd.	2	12,000	195.49	12,000	134.86
Mahindra & Mahindra Ltd.	5	4,000	46.34	4,000	32.23

# 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 31-03-2023		As at 31-03-2022	
		No. of shares	Amount	No. of shares	Amount
TATA Motors Ltd.	2	11,000	46.27	8,201	35.55
State Bank of India	1	15,000	78.56	11,473	56.61
HDFC Bank Ltd.	1	3,980	64.07	3,980	58.50
Infosys Ltd.	5	4,520	64.53	4,520	86.21
Larsen & Toubro Ltd.	2	4,000	86.59	2,595	45.87
ITC Ltd.	1	1,000	3.83	1,000	2.51
ICICI Bank Ltd.	2	15,000	131.58	12,778	93.31
SBI Life Insurance Company Ltd.	10	6,224	68.44	6,224	69.72
Reliance Industries Ltd.	10	1,975	46.04	1,975	52.02
Deepak Nitrite Ltd.	2	2,005	36.94	2,005	45.00
Bharti Airtel Ltd.	5	6,693	50.13	6,693	50.56
Dr.Reddys Laboratories Ltd.	5	400	18.49	400	17.22
Persistent Systems Ltd.	10	1,710	78.82	1,710	81.58
Kotak Mahindra Bank Ltd.	5	2,420	41.95	2,420	42.46
Gujarat Gas Ltd.	2	6,150	28.27	6,150	30.91
ICICI Lombard General Insurance Company Ltd.	10	1,590	17.00	1,590	21.12
Bajaj Finance Ltd.	2	894	50.20	894	64.90
UPL Ltd.	2	3,780	27.12	3,780	29.09
Kaveri seed Company Ltd.	2	800	3.81	800	4.37
Tech Mahindra Ltd.	5	3,206	35.33	3,206	48.07
Tata Steel Ltd.	1	38,850	40.60	3,885	50.78
			<b>1,261.43</b>		<b>1,154.23</b>
<b>(ii) In Equity Shares : (At Cost)</b>					
<b>Unquoted, fully paid up -</b>					
Arkey Energy (Rameswarm) Ltd.	10	175,000	17.50	175,000	17.50
MSE Financial Services Limited	1	656,093	11.99	656,093	11.99
Madras Enterprises Private Limited	10	48,418	-	48,418	-
			<b>29.49</b>		<b>29.49</b>
<b>Total</b>					
			<b>38,940.27</b>		<b>36,256.23</b>
<b>(E) INVESTMENTS IN DEBT INSTRUMENTS</b>					
<b>(i) In Tax free Bonds : (At Amortised cost)</b>					
<b>Quoted, fully paid up</b>					
7.11% Tranche - 1 Series IA Tax Free Bonds of Power Finance Corporation Ltd.	1000	514	5.14	514	5.14
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
			<b>722.68</b>		<b>722.68</b>
<b>(ii) In Zero Coupon Bonds : (At Fair Value)</b>					
Axis Finance Limited - May 2023	1000000	-	-	55	495.11
HDB Financial Services Limited - Apr 2024	1000000	100	1,087.10	100	1,001.60
Aditya Birla Finance Limited - Jun 2024	1000000	100	1,068.90	100	1,017.40
Kotak Mahindra Investments Limited - Jan 2026	1000000	63	505.45	-	-
HDB Financial Services Limited - Jan 2026	1000000	148	1,920.98	-	-
			<b>4,582.43</b>		<b>2,514.11</b>
<b>Total</b>					
			<b>5,305.11</b>		<b>3,236.79</b>

# 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 31-03-2023		As at 31-03-2022	
		No. of Units	Amount	No. of Units	Amount
<b>(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)</b>					
<b>Unquoted, fully paid up</b>					
<b>Debt Funds - Fixed Maturity Plans (Growth Scheme)</b>					
<b>HDFC</b>					
1162 D Mar 2022 - Series 46 - Regular - Growth	10	999,950	103.64	999,950	100.32
<b>TOTAL(A)</b>			<u>103.64</u>		<u>100.32</u>
<b>(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)</b>					
<b>Unquoted, fully paid up</b>					
<b>Debt Funds - Open ended (Growth Scheme)</b>					
Aditya Birla SunLife Corporate Bond - Regular - Growth	10	3,518,662	3,321.25	3,518,662	3,173.47
Aditya Birla SunLife CRISIL SDL Plus AAA PSU Apr 2027 60:40 Index – Regular - Growth	10	11,108,549	1,144.82	2,997,692	299.99
Aditya Birla SunLife Nifty SDL Plus PSU Bond Sep 2026 60:40 Index – Regular - Growth	10	8,517,546	891.15	5,998,471	609.91
Axis AAA Bond Plus SDL ETF - 2026 Maturity - Regular - Growth	10	4,979,959	542.32	4,979,959	525.88
Axis AAA Bond Plus SDL ETF - 2026 Maturity - Fund of Fund – Regular - Growth	10	2,948,516	309.02	2,948,516	299.99
Axis Banking & PSU Debt - Regular - Growth	10	24,882	555.76	24,882	532.65
Axis Corporate Debt - Regular - Growth	10	7,716,995	1,106.89	7,716,995	1,061.59
Bandhan Banking & PSU Debt - Regular - Growth	10	8,349,735	1,744.20	8,349,735	1,671.32
Bandhan Corporate Bond - Regular - Growth	10	23,805,656	3,865.32	37,717,364	5,934.68
Bandhan CRISIL IBX Gilt Jun 2027 Index - Regular - Growth	10	19,725,244	2,143.25	14,280,085	1,504.75
Bandhan CRISIL IBX Gilt Apr 2028 Index - Regular - Growth	10	10,058,578	1,095.82	9,809,691	1,030.66
Bandhan CRISIL IBX 90:10 SDL Plus Gilt Nov 2026 Index - Regular - Growth	10	2,000,320	205.15	–	–
Bandhan CRISIL IBX 90:10 SDL Plus Gilt Sep 2027 Index - Regular - Growth	10	1,999,900	205.13	–	–
BHARAT Bond FOF - April 2025 - Regular - Growth	10	6,824,869	757.70	6,824,869	738.66
BHARAT Bond FOF - April 2030 - Regular - Growth	10	18,217,012	2,279.19	18,217,012	2,187.21
DSP Corporate Bond - Regular - Growth	10	2,227,389	300.74	1,957,900	258.29
DSP Floater - Regular - Growth	10	7,769,153	848.17	7,769,153	813.23
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index - Regular - Growth	10	2,991,474	311.73	2,991,474	299.98
Edelweiss NIFTY PSU Bond Plus SDL Index - 2026 - Regular - Growth	10	9,352,364	1,031.89	9,352,364	1,002.90
Edelweiss NIFTY PSU Bond Plus SDL Index - 2027 - Regular - Growth	10	5,999,460	628.47	5,999,460	611.88
HDFC Banking and PSU Debt - Regular - Growth	10	9,674,746	1,876.99	9,674,746	1,803.59
HDFC Corporate Bond - Regular - Growth	10	10,927,746	2,970.16	10,581,071	2,765.16
HSBC Banking and PSU Debt - Regular - Growth	10	6,007,667	1,238.47	6,007,667	1,213.56
HSBC Corporate Bond - Regular - Growth	10	1,074,060	661.01	1,074,060	640.85
ICICI Prudential Banking & PSU Debt - Regular - Growth	10	8,367,393	2,304.97	8,367,393	2,186.80
ICICI Prudential Corporate Bond - Regular - Growth	10	21,352,708	5,332.24	18,922,838	4,476.35
Kotak Corporate Bond Standard - Regular - Growth	1000	48,324	1,527.72	48,324	1,466.08
Nippon India Banking & PSU Debt - Regular - Growth	10	3,176,051	555.81	3,176,051	535.32
Nippon India Dynamic Bond - Regular - Growth	10	10,873,374	3,371.94	10,873,374	3,258.80
Nippon India Floating Rate - Regular - Growth	10	4,963,083	1,876.29	4,963,083	1,798.12
Nippon India ETF Nifty SDL - 2026	10	1,000,000	1,118.50	1,000,000	1,069.00
Nippon India ETF Nifty CPSE Bond Plus SDL - 2024	10	460,000	514.10	460,000	498.04
SBI Corporate Bond - Regular - Growth	10	25,567,486	3,340.16	25,248,962	3,176.22
SBI Floating Rate Debt - Regular - Growth	10	2,371,118	264.17	2,371,118	251.83
Tata Floating Rate - Regular - Growth	10	2,478,359	267.39	2,478,359	254.09
UTI Corporate Bond - Regular - Growth	10	21,165,580	2,919.88	21,165,580	2,804.25
<b>TOTAL(B)</b>			<u>53,427.77</u>		<u>50,755.08</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 31-03-2023		As at 31-03-2022	
		No. of Units	Amount	No. of Units	Amount
<b>(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)</b>					
<b>Unquoted, fully paid up</b>					
<b>Equity Funds (Growth Scheme)</b>					
Axis Focused 25 - Regular - Growth	10	1,726,532	629.67	1,726,532	744.31
Bandhan Core Equity - Regular - Growth	10	832,936	593.33	832,936	569.56
Bandhan Flexi Cap - Regular - Growth	10	203,925	265.95	203,925	274.59
Bandhan Multi Cap - Regular - Growth	10	1,999,900	209.05	1,999,900	203.59
Canara Robeco Flexi Cap - Regular - Growth	10	-	-	53,736	119.21
DSP Flexi Cap - Regular - Growth	10	810,838	504.21	810,838	512.50
Franklin India Flexi Cap - Regular - Growth	10	71,126	687.23	71,126	675.46
Franklin India Focused Equity - Regular - Growth	10	1,007,373	677.87	1,007,373	654.49
HDFC Dividend Yield - Regular - Growth	10	6,119,486	924.65	6,119,486	869.70
HDFC Flexi Cap - Regular - Growth	10	92,618	1,038.72	92,618	936.64
HDFC Multi Cap - Regular - Growth	10	2,999,850	322.99	2,999,850	296.96
HSBC Value - Regular - Growth	10	542,064	328.14	542,064	312.61
HSBC Mid cap - Regular - Growth	10	-	-	133,793	271.56
ICICI Prudential Balanced Advantage - Regular - Growth	10	471,819	247.80	471,819	233.79
ICICI Prudential Equity Savings - Regular - Growth	10	3,937,851	715.51	12,473,178	2,145.39
ICICI Prudential Flexi cap - Regular - Growth	10	-	-	2,517,576	267.62
ICICI Prudential India Opportunities - Regular - Growth	10	5,305,514	1,034.58	-	-
IIFL Focused Equity - Regular - Growth	10	657,881	197.08	-	-
Invesco India Contra - Regular - Growth	10	811,802	618.67	811,802	612.42
Kotak Emerging Equity - Regular - Growth	10	2,087,556	1,550.68	901,335	643.54
Kotak Equity Opportunities - Regular - Growth	10	600,918	1,221.66	600,918	1,178.53
Kotak Flexicap - Regular - Growth	10	2,092,260	1,109.21	2,092,260	1,087.37
Mirae Asset Focused - Regular - Growth	10	6,798,035	1,211.61	5,161,991	984.96
Mirae Asset Large Cap - Regular - Growth	10	480,470	368.29	480,470	371.95
Nippon India Equity Hybrid (Segregated Portfolio) - Regular - Growth	10	-	0.25	-	0.25
Nippon India Multicap - Regular - Growth	10	356,870	581.36	356,870	540.10
SBI Large & Mid cap - Regular - Growth	10	147,192	565.83	147,192	538.70
TATA Flexi Cap - Regular - Growth	10	11,180,534	1,671.41	10,476,859	1,626.80
UTI Value Opportunities - Regular - Growth	10	759,037	751.84	759,037	750.16
<b>TOTAL(C)</b>			<b>18,027.59</b>		<b>17,422.75</b>
<b>Total Non-Current Investments (A+B+C)</b>			<b>71,559.00</b>		<b>68,278.15</b>
<b>Aggregate amount of :</b>					
Quoted Investments			17,413.83		15,238.31
Unquoted Investments			98,390.55		92,532.86
Market Value of Quoted Investments			18,208.34		15,645.21



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

Particulars	2022-23	2021-22
<b>5. (i) FINANCIAL ASSETS - LONG TERM LOANS</b> (Refer Note No. 50.4)		
<b>Loans receivable which have significant increase in credit risk</b>		
Loan to related party (IPL) (Refer Note : 52)	8,442.50	6,242.50
Add : Fair value adjustment	(251.33)	(95.75)
	<u>8,191.17</u>	<u>6,146.75</u>
<b>(ii) FINANCIAL ASSETS - OTHERS</b>		
Advances for Shares	313.50	-
	<u>313.50</u>	<u>-</u>
<b>6. OTHER NON-CURRENT ASSETS</b>		
Security deposits	438.58	415.82
Duties/taxes and other amounts paid under protest	18.30	19.04
Capital advances - Others	1,609.46	1,346.09
	<u>2,066.34</u>	<u>1,780.95</u>
<b>7. INVENTORIES</b>		
Raw materials and components	9,884.28	6,265.85
Intermediate components	827.75	905.49
Work in progress	761.52	1,443.33
Finished goods	2,436.78	1,272.32
Stock-in-trade	1,875.50	1,654.47
Stores and spares	237.31	243.22
Loose tools	77.02	100.75
	<u>16,100.16</u>	<u>11,885.43</u>
Goods in transit included in :		
- Raw materials and components	602.84	351.00
- Finished goods	36.23	24.18
Note : Obsolete inventory written off during the year - Rs.49,39,720/- (PY : Rs.30,14,676/-)		



# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

8. CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2023		As at 31-03-2022	
		No. of Units	Amount	No. of Units	Amount
<b>INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)</b>					
<b>Unquoted, fully paid up</b>					
<b>A. Debt Funds - Open ended (Growth Scheme)</b>					
Bandhan Arbitrage - Regular - Growth	10	-	-	871,569	230.01
Franklin India Savings Retail Option - Regular - Growth	10	-	-	643,312	259.70
HDFC Arbitrage - Wholesale plan - Regular - Growth	10	-	-	871,992	216.72
HDFC Short Term Debt - Regular - Growth	10	6,360,298	1,705.97	6,360,298	1,634.12
HSBC Liquid - Regular - Growth	10	13,595	302.69	-	-
ICICI Prudential Equity Arbitrage - Regular - Growth	10	-	-	1,872,207	521.08
ICICI Prudential Money Market - Regular - Growth	10	-	-	171,925	523.05
Kotak Bond Short term - Regular - Growth	10	-	-	5,879,029	2,503.72
Kotak Liquid - Regular - Growth	10	6,700	302.67	-	-
Nippon India Arbitrage - Regular - Growth	10	-	-	2,011,892	435.26
SBI - Arbitrage - Opportunities - Regular - Growth	10	129,366	37.21	129,366	35.29
Tata Liquid - Regular - Growth	10	8,602	302.63	-	-
UTI Arbitrage - Regular - Growth	10	-	-	2,252,411	640.16
UTI Short term Income - Regular - Growth	10	843,726	225.62	843,726	215.98
UTI Liquid Cash plan - Regular - Growth	10	8,264	302.73	-	-
<b>TOTAL (A)</b>			<b>3,179.52</b>	<b>7,215.09</b>	
<b>(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)</b>					
<b>Unquoted, fully paid up</b>					
<b>Debt Funds - Fixed Maturity Plans (Growth Scheme)</b>					
<i>(Due for maturity in the next 12 months)</i>					
<b>Aditya Birla Sunlife</b>					
Series PU 1463 Days - Regular - Growth	10	-	-	2,000,000	270.86
Series PV 1462 Days - Regular - Growth	10	-	-	2,000,000	271.08
Series PY 1409 Days - Regular - Growth	10	-	-	2,000,000	268.27
Series SN 1099 Days - Regular - Growth	10	-	-	2,000,000	247.96
Series SO 1099 Days - Regular - Growth	10	-	-	2,000,000	242.92
<b>HDFC</b>					
Series 40 1434 Days - Regular - Growth	10	-	-	2,100,000	280.84
Series 43 1265 Days - Regular - Growth	10	-	-	300,000	39.14
Series 44 1126 Days - Regular - Growth	10	-	-	200,000	24.98

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

<b>8. CURRENT INVESTMENTS</b>					
Description	Face Value ₹	As at 31-03-2023		As at 31-03-2022	
		No. of Units	Amount	No. of Units	Amount
<b>(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)</b>					
<b>ICICI Prudential</b>					
Series 86 1099 Days Plan A - Regular - Growth	10	-	-	4,000,000	494.46
<b>IDFC</b>					
Series 152 1452 Days - Regular - Growth	10	-	-	4,000,000	523.73
Series 176 1170 Days - Regular - Growth	10	-	-	200,000	25.33
<b>Kotak</b>					
Series 226 - Regular - Growth	10	-	-	2,000,000	271.35
<b>Nippon</b>					
XXXVII - Series 6 - Regular - Growth	10	-	-	2,000,000	270.27
<b>PGIM India</b>					
Series BA - Regular - Growth	1000	-	-	20,000	265.13
<b>State Bank of India</b>					
Series 7 1175 Days - Regular - Growth	10	-	-	2,000,000	246.40
Series C32 1223 Days - Regular - Growth	10	-	-	300,829	38.57
<b>UTI</b>					
Series XXIX - IV 1422 Days - Regular - Growth	10	-	-	4,000,000	535.54
<b>TOTAL (B)</b>					<b>4,316.83</b>
<b>INVESTMENTS IN ZERO COUPON BONDS (AT FAIR VALUE)</b>					
<i>(Due for maturity in the next 12 months)</i>					
Bajaj Finance Limited	1000000	-	-	50	680.40
Kotak Mahindra Investments Limited	1000000	100	913.40	-	-
<b>TOTAL (C)</b>					<b>680.40</b>
<b>Total Current Investments (A+B+C)</b>			<b>4,092.92</b>	<b>12,212.32</b>	

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2022-23	2021-22
<b>9. TRADE RECEIVABLES (Refer Note No. 43(B))</b>		
Considered good - Unsecured *	50,745.83	42,282.37
Credit impaired	319.25	324.37
	51,065.08	42,606.74
Less : Credit impaired	319.25	324.37
	50,745.83	42,282.37
<i>* includes related party transactions</i>		
<b>Note :</b> There are no Trade receivables which have significant increase in credit risk		
<b>10.(i) CASH AND CASH EQUIVALENTS</b>		
Balances with banks :		
(a) Current accounts	1,975.99	1,077.15
(b) in deposits with original maturity of less than three months	-	60.00
(c) Dividend account *	159.17	158.01
Cash on hand	5.67	7.77
<b>Total cash and cash equivalents</b>	2,140.83	1,302.93
<b>10.(ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
(a) Bank deposits with maturity of three months to twelve months	126.87	122.48
<b>Total bank balances other than cash and cash equivalents</b>	126.87	122.48
<i>* Includes Unclaimed Payment for Fractional Shares of Rs. 1,57,07,020/-</i>		
<b>11. FINANCIAL ASSETS - SHORT TERM LOANS (Refer Note No. 50.4 &amp; 56)</b>		
<b>Loans receivable which have significant increase in credit risk</b>		
Loans to related parties (Refer Note No. 52)	2,207.50	557.50
	2,207.50	557.50
<b>12. FINANCIAL ASSETS - OTHERS</b>		
Interest Receivable	25.88	26.31
Dividend Receivable	8.55	0.74
Non-trade receivables	782.71	365.32
Sales tax advances	52.90	52.90
Others	31.79	35.32
	901.83	480.59
<b>13. CURRENT TAX ASSETS (NET)</b>		
Prepayment of taxes	38,203.21	35,720.89
Less: Provision for taxes	34,814.17	34,512.17
	3,389.04	1,208.72

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2022-23	2021-22
<b>14. OTHER CURRENT ASSETS</b>		
Balance with statutory/government authorities	3,716.47	1,739.34
Customs duty paid in advance	106.67	106.02
<b>Advance to suppliers :</b>		
– Related parties (Refer Note No 52)	1,600.00	1,600.00
– Others	591.17	325.50
Duty Drawback receivable	56.76	19.10
Prepaid expenses	375.04	321.16
Others	150.36	170.29
	6,596.47	4,281.41
<b>15. EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
44000 equity shares of Rs 2500/- each	1,100.00	1,100.00
100000 Redeemable Preference shares of Rs 100/- each	100.00	100.00
<b>Issued,subscribed and fully paid-up</b>		
29479 equity shares of Rs 2500 each	736.97	736.97
	736.97	736.97
<b>15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :</b>		
<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity shares at the beginning of the year	29,479	7,377,500
Movement during the year	–	(7,750)
Equity shares outstanding before conversion	29,479	7,369,750
Equity shares outstanding at the end of the period (FV-Rs.2500/-)	29,479	29,479
<b>15.2 Buy back of shares</b>		
The Company bought back 1,22,500 Equity shares of Face value Rs.10 each during the year 2018-19		
<b>15.3 Terms/rights attached to equity shares</b>		
The company has only one class of equity share having par value of Rs.2500 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		
<b>15.4 Shares held by holding company and its associate</b>		
<b>Particulars</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
a) Amalgamations Private Limited, Holding Company <i>28944 equity shares of Rs.2500/- each fully paid</i>	723.60	723.60
b) United Nilgiri Tea Estates Company Ltd, the associate of the holding company <i>65 equity shares of Rs.2500/- each fully paid</i>	1.63	1.63
<b>15.5 The Details of shareholders holding more than 5% shares in the company</b>		
	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Equity shares of Rs. 2500/- each fully paid</b>		
Amalgamations Private Limited		
- Nos	28,944	28,944
- % of Holding	98.19	98.19

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

15.6 Shareholding of Promoters			
Name of the Promoters	No. of Shares	% of Total Shares	% change during the year
Amalgamations Private Limited			
For 2022-23	28,944	98.19	–
For 2021-22	28,944	98.19	–
Particulars		2022-23	2021-22
<b>16. OTHER EQUITY</b>			
<b>General Reserve</b>			
As per last balance sheet		182,245.90	169,670.90
Add: Transfer from Statement of profit and loss		12,550.00	12,575.00
		194,795.90	182,245.90
<b>Capital Redemption Reserve</b>			
Transfer from General Reserve		13.03	12.25
Add:- Transfer from Retained Earnings		–	0.78
		13.03	13.03
<b>Capital Reserve (Refer Note No. 50.1)</b>			
		9.23	9.23
		9.23	9.23
<b>Retained Earnings</b>			
As per last balance sheet		6,249.98	17,074.10
Less: Adjustment on account of business combination		–	8,025.54
Less: Adjustment on account of Deferred Tax Liability on R & D Assets		–	427.61
Profit for the year		17,219.59	16,882.98
		23,469.57	25,503.94
Less: Appropriations			
Interim dividend paid @ 600% (PY-525%)		4,421.85	3,869.12
Final dividend paid during the year @225% (PY- 125%)		1,658.19	1,658.19
Transfer to Capital Redemption Reserve		–	0.78
Payment towards fractional shares		–	1,150.88
Transfer to General reserve		12,550.00	12,575.00
		4,839.55	6,249.98
<b>Net Surplus in the Retained Earnings Account</b>			
<b>Effective Cash Flow Hedges reserve</b>			
As per last balance sheet		4.78	(2.63)
Less: Adjustment on account of hedging		3.62	0.50
Add: Transfer from Other Comprehensive Income		5.10	7.91
		6.26	4.78
<b>FVTOCI Reserve</b>			
As per last balance sheet		–	14.27
Add: Transfer from Other Comprehensive Income		–	(14.27)
		–	–
<b>Actuarial Gains on Defined Benefit Plan reserve</b>			
As per last balance sheet		67.05	(6.63)
Add: Transfer from Other Comprehensive Income		(432.99)	73.68
		(365.94)	67.05
<b>Total Other Equity</b>		199,298.01	188,589.97

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*(All amounts are in INR lakhs unless otherwise stated)*

### 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 & reduction on consolidation 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 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

Particulars	2022-23	2021-22
<b>17. LONG TERM BORROWINGS</b>		
<b>Unsecured</b>		
Loan from related party (Refer Note No. 52)	675.00	675.00
Less : Fair value adjustment	2.03	3.43
	672.97	671.57
<b>18. LONG TERM PROVISIONS</b>		
<b>Provision for Employee benefits :</b>		
Provision for Compensatory absences (Refer Mpte No. 51)	700.98	533.45
	700.98	533.45
<b>19. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities due to</b>		
Tax Deduction claimed on R&D Assets	2,062.59	2,123.52
Accumulated Depreciation on Other Assets	116.39	253.76
Fair valuation gain on Investments	831.87	1,086.46
Fair valuation gain on long term loans	(63.25)	(24.10)
	2,947.60	3,439.64
<b>Deferred Tax Assets arising out of</b>		
Provision for Doubtful debts	80.35	81.64
Provision for Compensatory absences	189.84	145.20
Provision for Gratuity	212.70	23.90
Unabsorbed Depreciation	-	1,754.07
Unabsorbed Business Loss	-	2,178.60
Voluntary Retirement Scheme	0.81	1.10
Provision for impairment of investments	4.93	-
Fair valuation gain on Borrowings	0.51	0.86
Effective portion of cash flow hedges	(0.77)	(0.27)
Others	39.02	6.93
	527.39	4,192.03
Net Deferred Tax Liabilities (Refer Note No. 41)	2,420.21	(752.39)

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2022-23	2021-22
<b>20. SHORT TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
From Banks ( <b>Secured</b> )		
– Working capital demand loan	–	1,160.00
– Cash credit	–	1,378.36
– Bills Discounted	217.43	192.76
Bills Discounting from Related parties	520.31	485.33
Inter-corporate deposit from holding company – Refer Note No. 52	2,600.00	2,600.00
	<b>3,337.74</b>	<b>5,816.45</b>
<b>21. TRADE PAYABLES</b>		
Micro and Small Enterprises	2,616.08	1,300.44
Trade Creditors * (Refer Note No. 43(A) & 53(E)(d))	29,380.68	18,945.55
	<b>31,996.76</b>	<b>20,245.99</b>
<i>* includes related party transactions – Refer Note No. 52</i>		
<b>21.1</b> 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.		
<b>22. OTHER FINANCIAL LIABILITIES</b>		
Interest accrued but not due on borrowings	104.24	107.84
Dues towards Funded Gratuity - LIC	79.32	91.92
Unclaimed dividends & Payment for Fractional shares	159.17	158.01
<b>Other Payables</b>		
Managerial remuneration payable	2,006.61	1,837.61
– Accrued salaries & benefits	1,717.27	1,476.84
– Other Dues Payable	66.20	97.76
	<b>4,132.81</b>	<b>3,769.98</b>
<b>23. OTHER CURRENT LIABILITIES</b>		
– Advance from customers (Contract Liabilities)	94.53	86.80
– Security deposit from customers	55.06	70.12
– Statutory dues payable *	695.24	279.81
– Others	32.92	93.91
	<b>877.75</b>	<b>530.64</b>
<b>24. SHORT TERM PROVISIONS</b>		
<b>Provision for Employee benefits (Refer Note No. 51)</b>		
Provision for gratuity	752.94	35.77
Provision for Compensatory absences	53.33	42.01
	<b>(a) 806.27</b>	<b>77.78</b>
<b>Other Provisions</b>		
Provision for warranty	241.00	213.00
	<b>(b) 241.00</b>	<b>213.00</b>
	<b>(a+b) 1,047.27</b>	<b>290.78</b>
<b>24.1 Movement of Product Warranty Provision</b>		
Carrying amount at the beginning of the year	213.00	240.00
Provision made / charged to statement of profit and loss during the year	331.82	188.61
Amount incurred during the year	303.82	215.61
Carrying amount at the end of the year	241.00	213.00

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2022-23	2021-22
<b>25. REVENUE FROM OPERATIONS</b>		
Sale of products [Refer Note No. 38(b)]	201,504.56	173,117.69
Sale of services	682.84	647.27
<b>Other Operating Income</b>		
Sale of scrap	1,904.19	1,745.75
Export Incentive	25.10	13.46
	<b>204,116.69</b>	<b>175,524.17</b>
<b>26. OTHER INCOME</b>		
Interest income		
– Deposits	7.37	69.34
– Loans	652.37	386.21
– Tax free bonds	59.02	69.34
– Others	38.36	287.26
Dividend income		
– Long-term investments	9,993.76	7,821.68
Profit on sale of investments (Net)		
– Current investments	111.51	153.75
– Long-term investments	126.57	196.33
Fair valuation gain on long term loans	(210.63)	(38.90)
Fair valuation gain on Investments	2,642.43	4,435.08
Exchange Gain (Net)	61.66	62.89
Other non-operating income	863.66	741.25
	<b>14,346.07</b>	<b>14,184.23</b>
26.1. Dividend received from subsidiary companies		
<b>27. COST OF MATERIALS CONSUMED (Refer Note No. 50.6)</b>		
Opening stock	6,265.85	6,716.39
Add : Purchases	155,246.50	128,918.78
Less : Closing stock	9,884.28	6,265.85
<b>Cost of materials consumed</b>	<b>151,628.07</b>	<b>129,369.33</b>
<b>28. PURCHASES OF STOCK-IN-TRADE</b>		
Engine spare parts & others	11,667.87	10,143.70
	<b>11,667.87</b>	<b>10,143.70</b>
<b>29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening stock</b>		
Intermediate components	905.49	559.52
Finished goods	1,272.32	1,205.20
Work-in-progress	1,443.33	2,402.27
Stock-in-trade	1,654.47	902.73
	<b>5,275.61</b>	<b>5,069.72</b>
	(a)	
<b>Closing stock</b>		
Intermediate components	827.75	905.49
Finished goods	2,436.78	1,272.32
Work-in-progress	761.52	1,443.33
Stock-in-trade	1,875.50	1,654.47
	<b>5,901.55</b>	<b>5,275.61</b>
	(b)	
	<b>(a-b)</b>	<b>(625.94)</b>
	<b>(625.94)</b>	<b>(205.89)</b>



# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2022-23	2021-22
<b>30. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Managerial remuneration	13,535.77	11,566.53
Contribution to Provident and Other Funds	705.10	579.09
Staff welfare expenses	1,213.10	1,235.15
	<u>15,453.98</u>	<u>13,380.76</u>
Less: Recoveries for common service & employees seconded	1,170.84	958.33
Capitalised as part of intangible assets under development & in-house	<u>387.45</u>	<u>313.34</u>
	<u>13,895.69</u>	<u>12,109.09</u>
<b>31. FINANCE COSTS</b>		
Interest	538.75	460.30
Other borrowing costs	138.04	144.32
	<u>676.78</u>	<u>604.62</u>
<b>32. OTHER EXPENSES (Refer Note No. 50.6)</b>		
Stores consumed	3,029.99	2,675.92
Packing and Forwarding	2,579.78	2,700.59
Power and Fuel	2,533.83	2,319.57
Repairs and Maintenance		
Buildings	1,195.15	705.34
Machinery	1,121.11	1,191.51
Others	274.90	266.87
Insurance	206.63	212.29
Rent	214.80	205.26
Rates and Taxes	167.68	104.92
Auditors' Remuneration		
Audit Fee	50.00	47.00
Tax Audit Fee	7.20	5.05
Other Services	21.70	9.71
Reimbursement of expenses	0.02	0.25
Product development expenses	392.69	672.55
Expenditure on Corporate Social Responsibility (Refer Note No. 46)	202.00	232.00
Miscellaneous expenses	4,780.63	3,564.32
	<u>16,778.11</u>	<u>14,913.13</u>
<b>33. OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified to profit or loss		
Actuarial Gain / (Loss) on Defined Benefit Plan - Gratuity (Funded)	(578.63)	97.86
Total	<u>(578.63)</u>	<u>97.86</u>
Income Tax relating to items that will not be reclassified to profit or loss	(145.83)	24.19
Total	<u>(145.83)</u>	<u>24.19</u>
<b>34. OTHER COMPREHENSIVE INCOME</b>		
Items that will be reclassified to profit or loss		
Effective Portion of Cash Flow Hedges	5.60	5.10
	<u>5.60</u>	<u>5.10</u>
Income tax relating to items that will be reclassified to profit or loss	0.49	(2.81)
	<u>0.49</u>	<u>(2.81)</u>
<b>35. Earnings Per Share</b>		
(1) Profit after Tax as per Statement of Profit and Loss	17,219.59	16,882.98
(2) Weighted Average No. Equity Shares (Nos.)	29,479.00	29,479.00
(3) Nominal Value per Share*	2,500.00	2,500.00
(4) Basic and diluted Earnings per Share	<u>58,413.12</u>	<u>57,271.24</u>

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
*(All amounts are in INR lakhs unless otherwise stated)*

**COMPANY OVERVIEW SIGNIFICANT ACCOUNTING POLICIES**

**36. 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 addresses of its registered office and principal place of business are disclosed in the introduction to 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 and Parts for Agricultural, Industrial and Power segments. It also has other divisions, which are into manufacture of (i) Paints for domestic and industrial applications (ii) Forgings and Machined Crankshafts. The Company has also started Small Agricultural Machinery and E-Drive divisions which are in the development stage and expected to be commercialized in the coming year. The Company has customers spread all over the country and it caters to the export market. The company has Subsidiaries, Associates, and Joint Ventures in the manufacturing, trading & distribution, plantations and service industry.

**37. 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 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 Company 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, 2023**  
*(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. Additions to fixed assets costing less than Rs.5000 are fully depreciated in the year of acquisition. 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 – 5 to 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.

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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.

**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.

**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.

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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'.

**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**

**(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 OCI (FVTOCI)**

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

**(iv) 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.

**(v) 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.

**(vi) 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 until 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 accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

**(vii) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

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**(viii) 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).

**(IX) 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 financials 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.

**(X) 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 Other Comprehensive Income are not been 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.



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**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 Statement of Profit and Loss.

**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 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

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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.

**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 was 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.

**38. (a) DISCLOSURE OF CONTRACT ASSETS AND CONTRACT LIABILITIES**

Particulars	As at 31-03-2023 (Rs. Lakhs)	As at 31-03-2022 (Rs. Lakhs)
Contract Assets - Unbilled Revenue	657.20	376.04
Contract Liabilities-Advances received from Customers for goods and services (pending supplies)	94.53	86.80

**38. (b) DISCLOSURE OF DISAGGREGATED REVENUE INFORMATION**

Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
Revenue by Manufacturing / Trading :		
<b>Manufacturing goods</b>		
– Engines	1,79,585.88	1,53,682.43
– Parts	85.72	89.53
– DG Sets	13.75	30.78
– Paints, Varnishes and allied Products	5,344.36	4,039.30
– Forgings and Machined Crankshafts	3,536.87	3,121.13
Total	<u>1,88,566.58</u>	<u>1,60,963.17</u>
Traded goods		
– Engine Spare parts and others	12,937.98	12,154.52
Services & other operating income	2,612.13	2,406.48
Total	<u>2,04,116.69</u>	<u>1,75,524.17</u>



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<b>39. RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED</b>		
Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
<b>(I) Engine Division</b>		
Capital	510.02	2,965.20
<b>Sub-total</b>	<u>510.02</u>	<u>2,965.20</u>
Revenue		
– Salaries & Wages	503.97	404.85
– Materials, Consumables and Spares	208.03	174.09
– Other Expenditure	807.59	1,383.20
<b>Sub-total</b>	<u>1,519.59</u>	<u>1,962.14</u>
<b>(II) Small Agricultural Machinery Division</b>		
Capital	591.21	–
<b>Sub-total</b>	<u>591.21</u>	–
<b>Grand Total</b>	<u>2,620.82</u>	<u>4,927.34</u>
<b>40. (a) TAX EXPENSES</b>		
Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
<b>Tax expense in the statement of profit and loss</b>		
– Current Tax	495.63	2,756.59
– Deferred Tax	3,172.10	(146.97)
– (Excess)/short provision relating to earlier years	(6.37)	(0.15)
<b>Sub-total</b>	<u>3,661.36</u>	<u>2,609.47</u>
<b>Tax expense in other comprehensive Income</b>		
– Current Tax (Remeasurement of Defined Benefit Obligation)	(145.63)	24.19
– Deferred Tax (Effective Portion of Cash Flow Hedge)	0.49	(2.81)
<b>Sub-total</b>	<u>(145.14)</u>	<u>21.38</u>
<b>Total Tax Expenses</b>	<u>3,516.22</u>	<u>2,630.85</u>
<b>40. (b) THE RECONCILIATION OF TAX EXPENSE AND BOOK PROFIT MULTIPLIED BY TAX RATE</b>		
Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
<b>Book Profits before Income Taxes</b>	20,880.96	19,492.46
Applicable Tax Rate	25.17%	25.17%
<b>Tax if the applicable Tax rate is applied</b>	5,255.32	4,905.86
<b>Tax Effects of the following adjustments in calculating taxable income</b>		
Dividend Income Deductible under Sec 80M	(1,530.29)	(1,641.40)
Fair Value Gains in Investments (Unrealized)	(665.05)	(1,112.32)
Tax Benefits Under Depreciation and R&D	(114.48)	256.30
Interest on Tax free Bond	(15.32)	(17.45)
Donation and Corporate Social Responsibility Expenditure	52.56	59.16
Expenses Disallowable/(Allowable) on payment basis	17.15	15.48
Change in Income tax rate	164.79	96.23
Others	351.54	68.99
<b>Total Tax Expenses</b>	<u>3,516.22</u>	<u>2,630.85</u>
Effective tax Rate	16.84%	13.50%

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41. MOVEMENT OF NET DEFERRED TAX LIABILITY <span style="float: right;">(Rs. in Lakhs)</span>									
Particulars	As at 01-04-2021	Recognised in		Other Equity	As at 31-03-2022	Recognised in		Other Equity	As at 31-03-2023
		Profit & Loss	OCI			Profit & Loss	OCI		
<b>DEFERRED TAX LIABILITIES</b>									
Deductions claimed on R&D Assets	786.31	909.61	-	427.60	2,123.52	(60.93)	-	-	2,062.59
Accumulated Depreciation on Assets - Other than R&D	727.75	(473.99)	-	-	253.76	(137.37)	-	-	116.40
Fair Valuation of Investments and Loans	1,785.88	(723.53)	-	-	1,062.35	(293.73)	-	-	768.62
<b>Total</b>	<b>3,299.94</b>	<b>(287.91)</b>	<b>-</b>	<b>427.60</b>	<b>3,439.63</b>	<b>(492.02)</b>	<b>-</b>	<b>-</b>	<b>2,947.61</b>
<b>DEFERRED TAX ASSETS</b>									
Expenses allowable for tax on payment basis & others	125.02	(36.46)	-	-	88.56	35.74	-	-	124.30
Fair valuation of Borrowings	(1.89)	(0.33)	2.81	-	0.59	(0.35)	(0.49)	-	(0.26)
Unabsorbed Depreciation	1,853.31	(99.24)	-	-	1,754.07	(1,754.07)	-	-	-
Unabsorbed Business Loss	1,099.29	5.36	-	1,073.95	2,178.60	(2,178.60)	-	-	-
Employee benefits	180.47	(10.27)	-	-	170.20	233.15	-	-	403.35
<b>Total</b>	<b>3,256.20</b>	<b>(140.94)</b>	<b>2.81</b>	<b>1,073.95</b>	<b>4,192.02</b>	<b>(3,664.13)</b>	<b>(0.49)</b>	<b>-</b>	<b>527.40</b>
<b>Net</b>	<b>43.74</b>	<b>(146.97)</b>	<b>(2.81)</b>	<b>(646.35)</b>	<b>(752.39)</b>	<b>3,172.10</b>	<b>0.49</b>	<b>-</b>	<b>2,420.21</b>
<b>42. INVESTMENT PROPERTY</b>									
The gross carrying values, additions and disposals, depreciation for the period and accumulated depreciation and Net carrying values of the company's Investment Properties are presented below									
Particulars	Land (Rs. in Lakhs)		Buildings (Rs. in Lakhs)		Total (Rs. in Lakhs)				
<b>Gross carrying value as of April 1, 2021</b>	<b>8,952.27</b>		<b>100.82</b>		<b>9,053.09</b>				
Adjustments	(6,995.64)		-		(6,995.64)				
Additions	-		-		-				
Transfers	1.11		(4.94)		(3.83)				
Disposals	-		-		-				
<b>Gross carrying value as of March 31, 2022</b>	<b>1,957.74</b>		<b>95.88</b>		<b>2,053.62</b>				
<b>Accumulated depreciation as of April 1, 2021</b>	<b>-</b>		<b>41.15</b>		<b>41.15</b>				
Depreciation charge during the year	-		1.83		1.83				
Transfers	-		(4.94)		(4.94)				
Disposals	-		-		-				
<b>Accumulated depreciation as of March 31, 2022</b>	<b>-</b>		<b>38.04</b>		<b>38.04</b>				
<b>Net carrying value as of March 31, 2022</b>	<b>1,957.74</b>		<b>57.84</b>		<b>2,015.58</b>				
<b>Gross carrying value as of April 1, 2022</b>	<b>1,957.74</b>		<b>95.88</b>		<b>2,053.62</b>				
Additions	-		-		-				
Transfers	-		-		-				
Disposals	-		(26.70)		(26.70)				
<b>Gross carrying value as of March 31, 2023</b>	<b>1,957.74</b>		<b>69.18</b>		<b>2,026.92</b>				
<b>Accumulated depreciation as of April 1, 2022</b>	<b>-</b>		<b>38.04</b>		<b>38.04</b>				
Depreciation charge during the year	-		1.83		1.83				
Transfers	-		-		-				
Disposals	-		(13.73)		(13.73)				
<b>Accumulated depreciation as of March 31, 2023</b>	<b>-</b>		<b>26.14</b>		<b>26.14</b>				
<b>Net carrying value as of March 31, 2023</b>	<b>1,957.74</b>		<b>43.04</b>		<b>2,000.78</b>				

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
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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	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
Rental income	278.05	228.56
Direct operating expenses (including repairs and maintenance) that generated rental income	(24.21)	(5.77)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.31)	(0.21)
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>253.53</b>	<b>222.58</b>
Depreciation for the year - Assets that generate rental income	(0.72)	(0.72)
Depreciation for the year - Assets that did not generate rental income	(1.11)	(1.11)
<b>Profit arising from investment properties after depreciation and indirect expenses</b>	<b>251.70</b>	<b>220.75</b>
<b>Fair value of Investment Properties</b>	<b>16,135.48</b>	<b>16,150.29</b>

**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, the fair value is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered valuers and Valuation) Rules, 2017.
  - (b) In respect of Buildings, at Book Value reflected as at 31.03.2023 and 31.03.2022

**43. (A) TRADE PAYABLES AGEING SCHEDULE**

Ageing for trade payables outstanding as at March 31, 2023 is as follows :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	2,616.08	-	-	-	-	2,616.08
Others	26,892.85	2,145.92	117.91	70.83	153.17	29,380.68
<b>Total</b>	<b>29,508.93</b>	<b>2,145.92</b>	<b>117.91</b>	<b>70.83</b>	<b>153.17</b>	<b>31,996.76</b>

Ageing for trade payables outstanding as at March 31, 2022 is as follows :

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,285.94	6.97	7.53	-	-	1,300.44
Others	16,333.81	2,106.45	84.58	203.51	217.20	18,945.55
<b>Total</b>	<b>17,619.75</b>	<b>2,113.42</b>	<b>92.11</b>	<b>203.51</b>	<b>217.20</b>	<b>20,245.99</b>

**43. (B) TRADE RECEIVABLES AGEING SCHEDULE**

Ageing for trade receivables outstanding as at March 31, 2023 is as follows

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered good	35,009.06	15,549.81	150.83	19.46	6.34	-	50,735.50
Undisputed Trade receivables - Credit impaired	-	-	6.06	11.70	13.87	144.86	176.49
Disputed Trade receivables - Considered good	-	-	-	0.58	9.75	-	10.33
Disputed Trade receivables - Credit impaired	-	-	-	0.58	10.70	131.48	142.76
<b>Total</b>	<b>35,009.06</b>	<b>15,549.81</b>	<b>156.89</b>	<b>32.32</b>	<b>40.66</b>	<b>276.34</b>	<b>51,065.08</b>

Less : Credit impaired as on 31.03.2023

319.25

**Net Trade receivables as on 31.03.2023**

**50,745.83**

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(All amounts are in INR lakhs unless otherwise stated)

Ageing for trade receivables outstanding as at March 31, 2022 is as follows							(Rs. in Lakhs)
Particulars	Not Due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – Considered good	22,452.81	19,615.67	133.41	50.04	16.73	–	42,268.66
Undisputed Trade receivables – Credit impaired	–	–	5.72	23.75	46.54	148.01	224.02
Disputed Trade receivables – Considered good	–	–	–	0.11	13.61	–	13.72
Disputed Trade receivables – Credit impaired	–	–	–	0.11	25.71	74.52	100.34
<b>Total</b>	<b>22,452.81</b>	<b>19,615.67</b>	<b>139.13</b>	<b>74.01</b>	<b>102.59</b>	<b>222.53</b>	<b>42,606.74</b>
Less : Credit impaired as on 31.03.2022							324.37
<b>Net Trade receivables as on 31.03.2022</b>							<b>42,282.37</b>
<b>44. ADDITIONAL REGULATORY INFORMATION</b>							
<b>(A) CAPITAL-WORK-IN PROGRESS (CWIP) / INTANGIBLE ASSETS UNDER DEVELOPMENT</b>							
<b>(a) Capital-Work-in Progress (CWIP)</b>							
Ageing for Capital-Work-in-progress as at March 31, 2023 is as follows:							(Rs. in Lakhs)
CWIP	Amount in CWIP for the period of					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Projects in progress	1,022.88	3.38	–	–	1,026.26		
<b>Total</b>	<b>1,022.88</b>	<b>3.38</b>	<b>–</b>	<b>–</b>	<b>1,026.26</b>		
Ageing for Capital-Work-in-progress as at March 31, 2022 is as follows:							(Rs. in Lakhs)
CWIP	Amount in CWIP for the period of					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Projects in progress	904.32	–	–	3.95	908.27		
<b>Total</b>	<b>904.32</b>	<b>–</b>	<b>–</b>	<b>3.95</b>	<b>908.27</b>		
<b>Notes:</b>							
There is no project whose completion is overdue or has exceeded its cost compared to its original plan.							
<b>(b) Intangible assets under development:</b>							
Ageing for Intangible assets under development as at March 31, 2023 is as follows:							(Rs. in Lakhs)
Intangible assets under development	Amount in CWIP for the period of					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Projects in progress	931.75	1,713.97	623.53	1,075.47	4,344.72		
<b>Total</b>	<b>931.75</b>	<b>1,713.97</b>	<b>623.53</b>	<b>1,075.47</b>	<b>4,344.72</b>		
Ageing for Intangible assets under development as at March 31, 2022 is as follows:							(Rs. in Lakhs)
Intangible assets under development	Amount in CWIP for the period of					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Projects in progress	2,466.07	623.53	202.38	873.08	4,165.06		
<b>Total</b>	<b>2,466.07</b>	<b>623.53</b>	<b>202.38</b>	<b>873.08</b>	<b>4,165.06</b>		
<b>Notes:</b> There is no project whose completion is overdue or has exceeded its cost compared to its original plan.							

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**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
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<b>(B) RATIOS</b>					
<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>For the year ended 31-03-2023</b>	<b>For the year ended 31-03-2022</b>	<b>Variance %</b>
Current ratio (in times)	Current assets	Current liabilities	2.10	2.44	(13.80)
Debt Equity ratio (in times)	Total Debt	Shareholder's Equity	0.02	0.03	(41.49)
Debt Service coverage ratio (in times)	Earnings available for debt service (EBITDA)	Debt Service	5.39	3.25	65.91
Return on Equity Ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	8.85	8.96	(1.29)
Inventory Turnover ratio (in times)	Sale of products	Inventories	12.52	14.57	(14.07)
Trade Receivables turnover ratio (in times)	Revenue from Operations	Trade Receivables	4.02	4.15	(3.11)
Trade payables turnover ratio (in times)	Purchases of goods, services Operations and other expenses	Trade Payables	5.72	7.57	(24.45)
Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	4.48	3.98	12.44
Net profit ratio (in %)	Net Profit	Total Revenue	7.88	8.90	(11.43)
Return on Capital Employed (in%)	Earnings before interest and taxes	Capital Employed	10.43	10.36	0.69
Return on Investment (in %)	Income generated from Investments	Investments	10.78	10.56	2.04

**NOTES:**

- Capital employed = Tangible Net worth + Total Debt + Deferred tax Liabilities – Deferred tax Assets
- The variance in Debt Equity ratio and Debt service coverage ratio between current year and previous year is due to reduction in borrowings during the FY 2022-23.

**(C) OTHER INFORMATION:**

- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, subject to Note 50.1
- The Company has not provided any Loans or Advances to promoters, Directors, KMPs and there are no loans outstanding in respect of related parties either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
- No proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act (as amended in 2016) and the rules made thereunder.
- The Company has no borrowings/working capital facility availed from Banks or Financial Institution (other than Bills discounting). However, the Company has been sanctioned working capital limit by Banks on the basis of the current asset and quarterly returns/statements of current asset have been filed by the company with Banks for the current period. The said returns or statements have subsequently been revised and such revised returns or statements are materially in agreement with the books of accounts of the company.
- The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- The company had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(All amounts are in INR lakhs unless otherwise stated)

- (ix) No funds have been advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“intermediaries”) with the understanding (whether recorded in writing or otherwise) that intermediary shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

#### 45. FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE

The disclosures as required by Ind AS 28 read with Ind AS 112 on “Financial Reporting of Interests in Joint Venture 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

#### 46. 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 Rs.202 Lakhs (31st March, 2022 – Rs.232 Lakhs). Amount spent towards CSR activities are monitored by CSR Committee.

(Rs. in Lakhs)

(a) Gross amount required to be spent by the company during the year				202.00
(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	202.00	-	202.00
(c) Shortfall at the end of the year		-	-	-
(d) Total of previous years shortfall		-	-	-
(e) Reason for shortfall		NA		
(f) Nature of CSR activities	Promoting health care, education including special education and employment enhancing skills for the differently abled citizens.			
(g) Details of related party transactions				
(i) Provisions created for CSR expenses not spent	-			

#### 47. COMMITMENTS AND CONTINGENT LIABILITIES

Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
A. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts not provided for in the accounts (net of advances)	4,169.04	2,338.45
B. Contingent Liabilities		
1.1 Claims against the company not acknowledged as debts		
(a) Sales Tax matters under appeal	-	24.28
(b) Demands raised by TNEB under appeal.	10.47	10.47
(c) Income Tax matters under appeal	768.81	687.15
1.2 Other contingent liabilities		
(a) Letters of credit & bank guarantee	1,423.72	1,141.19
(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.	9,973.18	10,600.06

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

*(All amounts are in INR lakhs unless otherwise stated)*

### NOTES:

(c) In respect of Land and Building leased to the Company by the Department of MSME, Government of Tamil Nadu, the lease period was renewed till 09.09.2001 and the renewal of lease is pending thereafter.

The Government issued GO Ms.40 dated 15.10.2018, demanding arrears of additional 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 paid by the Company for that period.

Aggrieved by the above demand, disputing the adoption of area (without considering the acquisition by NHA) and the guideline value not in accordance with GO Ms.460, the Company has filed a Writ petition before the Hon'ble High Court of Madras challenging the above said GO. However, the Company paid the admitted rent of Rs.36.49 lakhs in accordance with GO Ms.460 of 1998.

The Government has not revised the rent for the period after 09.09.2001. However, the tentative rent fixed by the Government earlier, is being paid regularly.

### 48. VALUE OF EXPORTS / DEEMED EXPORTS

Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
Earnings in Foreign Currency:		
– Exports on FOB Basis	3,445.16	3,552.33
Deemed Exports:		
– SEZ Supplies	2,039.75	6,004.90
<b>Total</b>	<b>5,484.91</b>	<b>9,557.23</b>

### 49. VALUE OF IMPORTS ON CIF BASIS

Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
Components & Spares	3,302.08	2,353.42
Capital Goods	142.89	241.83
<b>Total</b>	<b>3,444.97</b>	<b>2,595.25</b>

### 50. OTHER NOTES:

**50.1** The Scheme of Amalgamation (“the Scheme”) between Shardlow India Ltd. (SIL), Wheel & Precision Forgings India Ltd. (WPF) (“Transferor companies”), the wholly owned subsidiaries and the Holding Company Simpson and Company Ltd (“Transferee Company”) under Section 233 and other applicable provisions of the Companies Act, 2013 (“The Act”) as approved by the Shareholders in the EGM dated 30th December, 2022, has been approved by the Regional Director, Ministry of Corporate Affairs vide order no.CP no 26/S 233/2022-23 dated 19th January, 2023. The Appointed date of the said scheme is 1st April, 2022.

The above Scheme aims at maximising the overall Shareholder value through greater integration, financial strength and efficiency in management of the Amalgamated Entity, improved organizational capacity and leadership, greater access to the different market segments, cost savings, economies of scale and significant reduction in the multiplicity of legal and regulatory compliances.

The Scheme of Amalgamation envisages :

- (a) amalgamation of SIL, which is in the business of manufacture and sale of forged and machined crankshafts.
- (b) amalgamation of WPF, which is in the business of providing machining and other engineering services.

Pursuant to the Scheme,

1. All the properties, rights and interest of the Transferor Companies without further act or deed were transferred and vested in the Transferee Company. Similarly, all the liabilities including contingent, powers and obligations of the Transferor companies without further act or deed were transferred to the Transferee Company.
2. No shares of the Transferee Company were allotted as the Transferor Companies were wholly owned subsidiaries of the Transferee Company and consequently the capital both issued and paid-up of the Transferor Companies stand cancelled.

The Corresponding figures in the Financial Statements of the Transferee Company for the year ended 31st March, 2022 include figures of Transferor companies for the year ended 31st March, 2022 based on their audited financial statements.

#### Accounting Treatment

The business combination has been accounted by using the Pooling of Interest method in accordance with the said approved Scheme of Amalgamation and Ind AS 103 “Business Combinations - Appendix C- Common Control”.

Accordingly, the Company has recorded all the assets, liabilities and reserves of the two amalgamating companies at their respective book values, the details of which are as follows:



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Particulars	As at 1st April 2021 (Rs. in Lakhs)	
	SIL	WPF
<b>Assets</b>		
<b>Non-Current Assets</b>		
Fixed Assets	4,906.37	114.94
Others	3,408.54	368.96
<b>Current Assets</b>	3,469.36	505.38
<b>Total assets</b>	<b>11,784.27</b>	<b>989.28</b>
<b>Liabilities</b>		
Non-Current Liabilities	3,248.60	24.01
Current Liabilities	7,310.93	30.22
<b>Total Liabilities</b>	<b>10,559.53</b>	<b>54.23</b>
<b>Net Assets as at 1st April 2021</b>	<b>1,224.74</b>	<b>935.05</b>
Add: Profit / (loss) for FY 21-22	(2,206.17)	91.56
<b>Net Assets transferred as at 1st April 2022</b>	<b>(981.43)</b>	<b>1,026.61</b>
Amount transferred on appointed date pursuant to the Scheme	-	-
<b>Total Net Assets transferred as at 1st April 2022*</b>	<b>(981.43)</b>	<b>1,026.61</b>

The Company is in the process of transferring Title Deeds in respect of properties located at Sembium and Hosur, Bank Accounts, Trust Funds, GST Credits and all agreements in their name from Transferor Companies.

\*In addition to above, the Company has recognized DTA as at 1st April 2021 of Rs 1,073.96 lakhs and for the FY 2021-22-Rs. 415.80 lakhs in relation to unabsorbed depreciation and business losses.

**50.2** 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.

**50.3** The Company makes periodical assessment of the PPE considering product and technological obsolescence, process change, replacement and Beyond Economic Repair (BER) and other factors and accordingly, brings down the carrying value to its current fair value less cost of disposal to recognize the impairment, if any, through Statement of profit and loss. Impairment loss recognized during the year is Rs.270.48 lakhs (FY 2021-22 - Rs.370.47 lakhs).

**50.4** Loans have been given to Subsidiaries (Ref Note 5(i) and 11) 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.

**50.5** The Company has taken various commercial premises, computers under non- cancellable operating leases. The lease payments of Rs. 214.80 lakhs. (March 31, 2022 – Rs. 205.26 lakhs) are payable not later than one year.

**50.6** Intangible assets under development include the following amounts incurred during the current year for Small Agricultural Machinery division : Materials – Rs. 13.85 lakhs; Salary – Rs. 206.54 lakhs; Other expenses – Rs. 370.82 lakhs and for Engine division : Materials – 77.95 lakhs and Salaries – Rs. 39.36 lakhs.

**50.7** The Company consolidated its Equity shares into face value of Rs. 2,500/- each in the place of Rs. 10/- each consequent to the Hon'ble National Company Law Tribunal (NCLT) order dated 13th July, 2021. The NCLT also ordered the Company to facilitate constituting a Trust for dissenting minority shareholders. 32 holders of fractional shares having 1,456 fractional shares of Rs. 10/- each opted to vest their shares into the Trust. The Company has taken steps to facilitate the formation of trust, which is yet to be formed by the said holders of fractional shares. Pending formation of the Trust, 5 shares of face value of Rs. 2,500/- each are to be allotted to the Trust, being consolidation of 1,250 fractional shares out of the above 1,456 fractional shares and the balance 206 fractional shares are to be dealt with as per NCLT directions for which application by the Company is pending before them. We have kept the consideration relating to the 206 fractional shares in a separate bank account.

10 holders of fractional shares having 851 fractional shares made an appeal before the National Company Law Appellate Tribunal (NCLAT) against the order of NCLT and the matter is pending to be adjudicated. The consideration relating to the 851 fractional shares has also been kept in a separate bank account.

**50.8 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



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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. 214.80 lakhs.

**50.9 The Code on Social Security, 2020**

The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received the President’s assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.

**51. EMPLOYEE BENEFIT OBLIGATIONS**

**Compensated absences:**

Compensated absences cover the Company’s liability for earned leave. The amount of provision of Rs.700.98 Lakhs (March 31, 2022 –Rs. 533.45 Lakhs) is presented as Non-Current and Provision of Rs. 53.33 Lakhs (March 31, 2022 – Rs.42.01 Lakhs) is presented as current.

**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 administrated 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 the Statement of Profit & Loss account**

Particulars	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
Provident Fund	470.19	410.66
Superannuation Fund	19.08	18.53

**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	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
<b>Gratuity (Funded)</b>		
<b>Change in Defined Benefit Obligation</b>		
Defined Benefit Obligation at the beginning of the year	2,231.90	2,189.07
Interest Cost	157.97	147.12
Current Service Cost	179.34	165.15
Past Service Cost	-	-
Benefits Paid	(152.32)	(158.93)
Actuarial (Gain) / Loss	565.06	(103.29)
Defined Benefit Obligation at the end of the year	2,981.95	2,239.12
<b>Change in Defined Benefit Obligation</b>		
Fair Value of Plan Assets at the beginning of the year	2,111.43	2,018.06
Interest Income on Plan Assets	151.34	139.46
Contributions	52.81	122.90
Benefits Paid	(152.32)	(158.93)
Actuarial (Gain)/Loss	(13.57)	(10.06)
Fair Value of Plan Assets at the end of the year	2,149.69	2,111.43
<b>Amounts Recognized in the Balance Sheet</b>		
Defined Benefit Obligation at the end of the year	2,981.95	2,239.12
Fair Value of Plan Assets at the end of the year	2,149.69	2,111.43
Net Liability/(Asset) recognized in the Balance Sheet (included under Note 22 & Note 24)	832.26	127.69

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
*(All amounts are in INR lakhs unless otherwise stated)*

Defined Benefit Plans	For the year ended 31-03-2023 (Rs. Lakhs)	For the year ended 31-03-2022 (Rs. Lakhs)
<b>Gratuity (Funded) (Contd.)</b>		
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
<b>Other Comprehensive Income</b>		
Current Service Cost	179.34	165.15
Past Service Cost	-	-
Interest Cost	157.97	147.12
Interest Income on Plan Assets	(151.34)	(139.46)
Expenses Recognized in the Statement of Profit and Loss (Note 30)	185.97	172.81
Re-measurement - Actuarial (Gain) / Loss recognized in Other Comprehensive income (Note 33)	578.63	(97.86)
Total Defined Benefit Cost recognized in Profit & Loss and Other Comprehensive Income Included under Contribution to Provident & Other funds)	764.60	74.95
<b>Composition of Plan Assets</b>		
Insurer Managed Funds	2,128.47	2,099.32
With Scheduled Bank	21.22	12.11
<b>Actuarial Assumptions</b>		
Discount rate	7.24%/7.19%/7.19%	7.37%/7%/7%
Interest Income on Plan Assets	7.14%/7.01%/7.26%	7.14%/7.01%/7.26%
Salary escalation	8.25%/5%/5%	8.25%/5%/4%
Sensitivity Analysis DBO end of period		
Discount rate - 50 basis points	3,170.95	2,365.75
Discount rate + 50 basis points	2,808.65	2,098.38
Salary growth - 50 basis points	2,822.51	2,100.62
Salary growth + 50 basis points	3,150.21	2,361.48
Expected Cash Flows for following years		
Year - 1	53.35	41.25
Year - 2	138.40	126.64
Year - 3	154.05	107.08
Year - 4	161.19	128.32
Year - 5	156.60	125.92
Next 5 years	1012.74	746.71

**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
Market Risk - Interest rate	Nil	Nil	Nil
Market Risk – Security prices	Investment in Equity Securities and Mutual Funds	Sensitivity analysis	Portfolio diversification

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
*(All amounts are in INR lakhs unless otherwise stated)*

**(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 behaviour 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 lifetime 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, 2022: 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 group and assessed for impairment collectively.

Particulars	As at 31-03-2023 (Rs. in Lakhs)	As at 31-03-2022 (Rs. in Lakhs)
Gross carrying amount	51,065.08	42,606.74
Expected credit losses (Loss allowance provision)	319.25	324.37
Loss allowance rate	0.63%	0.76%
Carrying amount of trade receivables (net of impairment)	<b>50,745.83</b>	<b>42,282.37</b>
Reconciliation of loss allowance provision – Trade receivables		
Loss allowance on April 1, 2021	275.80	
Changes in loss allowance	48.57	
Loss allowance on March 31, 2022	324.37	
Changes in loss allowance	(5.12)	
<b>Loss allowance on March 31, 2023</b>	<b>319.25</b>	

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
*(All amounts are in INR lakhs unless otherwise stated)*

**(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 :

Particulars	As at 31-03-2023			As at 31-03-2022		
	USD	EUR	JPY	USD	EUR	JPY
<b>Financial Assets</b>						
Trade Receivables	1,901,592	10	-	549,164	-	-
<b>Derivative Assets</b>						
Foreign exchange forward contracts Sell foreign currency (No. of Contracts outstanding : 1)	622,451	-	-	411,285	-	-
<b>Net exposure to foreign currency risk (Assets)</b>	<b>1,279,141</b>	<b>10</b>	<b>-</b>	<b>137,812</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>						
Trade Payables	154,586	9,497	-	289,743	9,340	-
<b>Derivative Liabilities</b>						
Foreign exchange forward contracts Buy foreign currency (No. of Contracts outstanding : 1)	138,856	-	-	-	-	-
<b>Net exposure to foreign currency risk (Liabilities)</b>	<b>15,730</b>	<b>9,497</b>	<b>-</b>	<b>289,743</b>	<b>9,340</b>	<b>-</b>

**(D) Hedge Accounting:**

The company's policy allows 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)	Weighted average strike price/rate (Liabilities)
	Assets	Liabilities	Assets	Liabilities				
Cash Flow Hedge	USD	USD	Rs. in Lakhs	Rs. in Lakhs				
Foreign exchange forward contracts	622,451	138,856	3.14	0.09	3rd April 2023 to 27th April, 2023	1:1	82.82	82.37

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
*(All amounts are in INR lakhs unless otherwise stated)*

**(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.

**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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company'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 unfavourable and 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:

Particulars	As at 31-03-2023 (Rs. in Lakhs)	As at 31-03-2022 (Rs. in Lakhs)
Variable rate borrowings	217.43	2,731.12
Total Borrowings	4,010.71	6,488.02
% of variable rate borrowings on total borrowings	5.42%	42.09%
Sensitivity Analysis		
Sensitivity		
Increase in interest rate by 1%	(40.11)	(64.88)
Decrease in interest rate by 1%	40.11	64.88

**(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 projections to meet obligations. Due to the dynamic nature of the underlying businesses, the company's treasury maintains flexibility in funding by maintaining availability of funds. Management monitors daily forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

**(d) Financial Risk Management - Contractual Maturities of Financial Liabilities as at 31 March 2023:**

(Rs. in Lakhs)

Particulars	Due in less than 1 year	Due from 2nd to 5th year	Due after 5 years	Carrying Amount
<b>As at 31 March 2023 :</b>				
<b>Trade Payables</b>	31,996.76	-	-	31,996.76
<b>Other financial liabilities:</b>				
Current Maturity of long-term borrowings	-	-	-	-
Others – Current	4,132.81	-	-	4,132.81
Others - Non-Current	-	-	-	-
<b>Borrowings:</b>				
Current	3,337.74	-	-	3,337.74
Non-Current	-	675.00	-	675.00
<b>Total</b>	<b>39,467.30</b>	<b>675.00</b>	<b>-</b>	<b>40,142.30</b>

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023

(All amounts are in INR lakhs unless otherwise stated)

54. ASSETS PLEDGED AS SECURITY	As on 31-03-2023 (Rs. in Lakhs)	As on 31-03-2022 (Rs. in Lakhs)
Particulars		
<b>Current: (as Hypothecation)</b>		
Inventories	16,065.50	11,873.95
Trade Receivables	50,745.83	42,282.31
<b>Total current assets hypothecated</b>	<b>66,811.33</b>	<b>54,156.26</b>
<b>Non-Current: (as Collateral Security)</b>		
Land & Buildings	450.30	469.52
Plant & Machinery	15,563.63	15,187.88
Furniture & Fixtures	228.93	168.15
Others	404.87	380.59
<b>Total Non-Current assets provided as Collateral Security</b>	<b>16,647.73</b>	<b>16,206.14</b>
<b>Total Assets pledged as security</b>	<b>83,459.06</b>	<b>70,362.40</b>

### 55. 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	As on 31-03-2023 (Rs. in Lakhs)		As on 31-03-2022 (Rs. in Lakhs)	
	Amount	% Share	Amount	% Share
India	200,629.67	98.29%	171,913.51	97.94%
USA	3,078.60	1.51%	3,017.58	1.72%
Others	408.42	0.20%	593.08	0.34%
<b>Total</b>	<b>204,116.69</b>	<b>100.00%</b>	<b>175,524.17</b>	<b>100.00%</b>

There are 3 customers who individually contribute more than 10% of the business of the company and together their share of the total business is 80.19 %.

### 56. FINANCIAL ASSETS & LIABILITIES -CLASSIFICATION AND MEASUREMENT

(IND AS 32, 109 AND 107) – As at 31st March, 2023

(Rs. in Lakhs)

Particulars	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value
<b>Financial Assets :</b>					
<b>Investments</b>					
<b>(Other than subsidiaries, associates and Joint Ventures)</b>					
Equity Shares Quoted	1	–	1,261.43	–	1,261.43
Equity Shares Unquoted	3	–	29.49	–	29.49
Bonds (Tax Free)	3	722.68	–	–	722.68
Bonds (Zero Coupon)	2	–	5,495.83	–	5,495.83
Mutual Funds	2	–	74,738.52	–	74,738.52
Trade Receivables	*	50,745.83	–	–	50,745.83
Cash and Cash Equivalents	*	2,140.83	–	–	2,140.83
Other Bank Balances	*	126.87	–	–	126.87
Loans - Non-Current	3	8,191.17	–	–	8,191.17
Loans Current	*	2,207.50	–	–	2,207.50
Derivates Financial Asset	3	–	–	3.05	3.05
Others	*	1,215.33	–	–	1,215.33
<b>Total – Current &amp; Non-Current</b>		<b>65,350.21</b>	<b>81,525.27</b>	<b>3.05</b>	<b>146,878.53</b>
<b>Financial Liabilities:</b>					
Long-term Borrowings	3	672.97	–	–	672.97
Short - Term Borrowings	*	3,337.74	–	–	3,337.74
Trade Payables	*	31,996.76	–	–	31,996.76
Others	*	4,132.81	–	–	4,132.81
<b>Total – Current &amp; Non-Current</b>		<b>40,140.28</b>	<b>–</b>	<b>–</b>	<b>40,140.28</b>

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
*(All amounts are in INR lakhs unless otherwise stated)*

56. FINANCIAL ASSETS & LIABILITIES -CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) - As at 31st March, 2022 (Rs. in Lakhs)					
Particulars	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value
<b>Financial Assets :</b>					
<b>Investments (Other than subsidiaries, associates and Joint Ventures)</b>					
Equity Shares Quoted	1	–	1,154.23	–	1,154.23
Equity Shares Unquoted	3	–	29.49	–	29.49
Bonds (Tax Free)	3	722.68	–	–	722.68
Bonds (Zero Coupon)	2	–	3,194.51	–	3,194.51
Mutual Funds	2	–	79,810.07	–	79,810.07
Trade Receivables	*	42,282.37	–	–	42,282.37
Cash and Cash Equivalents	*	1,302.93	–	–	1,302.93
Other Bank Balances	*	122.48	–	–	122.48
Loans - Non-Current	3	6,146.75	–	–	6,146.75
Loans Current	*	557.50	–	–	557.50
Derivates Financial Asset	3	–	–	1.09	1.09
Others	*	480.59	–	–	480.59
<b>Total – Current &amp; Non-Current</b>		<b>51,615.30</b>	<b>84,188.30</b>	<b>1.09</b>	<b>135,804.69</b>
<b>Financial Liabilities:</b>					
Long-term Borrowings	3	671.57	–	–	671.57
Short - Term Borrowings	*	5,816.45	–	–	5,816.45
Trade Payables	*	20,245.99	–	–	20,245.99
Others	*	3,769.98	–	–	3,769.98
<b>Total – Current &amp; Non-Current</b>		<b>30,503.99</b>	<b>–</b>	<b>–</b>	<b>30,503.99</b>
Investment in Subsidiaries, Associates and Joint Venture is measured at cost and hence not considered for categorisation.					
<b>Hierarchy:</b>					
<b>Level 1:</b> 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.					
<b>Level 2:</b> 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. The investments in mutual funds are not listed on any recognised stock exchanges. The NAVs are based on the data published by the respective Asset Management Companies. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.					
<b>Level 3:</b> 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, Short term Borrowings, Current Loans, Current Financial Liabilities and Other Current Financial Assets are considered to be the same as their fair values, due to their short-term nature.					

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**  
*(All amounts are in INR lakhs unless otherwise stated)*

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.

**57. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

The Board of Directors have recommended a final dividend of Rs.5,625/- per fully paid-up equity share of Rs.2,500/- each, aggregating to Rs. 1,658.19 lakhs, which is based on the relevant share capital as on 31st March 2023. The proposed final dividend is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

**58. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31<sup>st</sup> March, 2023 were approved for issue by the Board of Directors on 6<sup>th</sup> July, 2023.

The accompanying notes are an integral part of the financial statements

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

R. VIJAYARAGHAVAN (DIN: 00026763)  
*Director*

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, 6th July, 2023



# SIMPSON & COMPANY LIMITED

## Ind AS - 24 Related Party Disclosures Annexure - 1

- (i) **Holding Company**
  - (1) Amalgamations Private 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 Rings Ltd.
  - (7) Simpson & General Finance Co. Ltd.
  - (8) Sri Rama Vilas Service Ltd.
  - (9) Tractors and Farm Equipment Ltd.
  - (10) TAFE Access Ltd.
  - (11) TAFE Reach Ltd.
  - (12) Southern Tree Farms Ltd.
  - (13) TAFE Motors & Tractors Ltd.
  - (14) Alump Ltd.
  - (15) TAFE International Traktor VE Tarim Ekipmani Sanayi VE Ticaret Limited Sirketi, Turkey
  - (16) TAFE Tractors Changshu Company Ltd., China
  - (17) TAFE Advanced AG Solutions Ltd., United Kingdom
  - (18) TAFE Properties Ltd.
  - (19) VidagaraTechpark Private Ltd.
  - (20) Precision AG-Tech Technologies B.V., Netherlands
  - (21) T.Stanes& Company Ltd.
  - (22) Stanes Motor (South India) Ltd.
  - (23) Stanes Amalgamated Estates Ltd.
- (iii) **Fellow Subsidiaries**
  - (1) Associated Printers (Madras) Private Ltd.
  - (2) Associated Publishers (Madras) Private Ltd.
  - (3) Higginbothams Private Ltd.
  - (4) Speed-A-Way Private Ltd.
  - (5) The Madras Advertising Company Private Ltd.
  - (6) Wallace Cartwright & Company Ltd.
  - (7) W.J. Groom & Company Ltd.
- (iv) **Associates**
  - (1) Amalgamations Valeo Cluch Private Ltd.
  - (2) Bimetal Bearings Limited
  - (3) L.M. Van Moppes Diamond Tools India Private Ltd.
  - (4) The United Nilgiri Tea Estates Company Ltd.
  - (5) IPL Shaw Solutions Private Ltd.
- (V) **Associates of Subsidiary**
  - (1) AGCO Corporation USA
  - (2) TAFE Foundation (Section 8 Company)
  - (3) IPR Eminox Technologies Private Ltd. (Joint Ventures)
- (VI) **Joint Ventures**
  - (1) BBL Daido Private 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 Superannuation Fund
  - (3) Shardlow India Division Senior Executives Superannuation Fund
  - (4) Shardlow India Division Employees Gratuity Fund

# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

## IND AS - 24 Related Party Disclosures FY 2022-23 Annexure 1 (Refer Note - 52)

PARTICULARS	Years	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties
Transactions during the year									
Sale of goods	2022-23	11.82	137,272.15	791.50	2.16	-	-	-	-
Previous Year	2021-22	12.66	115,516.80	671.78	2.02	-	-	-	-
Rendering of services	2022-23	432.86	1,017.78	200.61	152.95	-	-	-	-
Previous Year	2021-22	358.29	896.72	158.00	151.05	-	-	-	-
Dividend Received	2022-23	-	8,717.25	-	1,051.73	211.48	-	-	-
Previous Year	2021-22	-	7,160.22	-	596.80	-	-	-	-
Interest Received on Loans	2022-23	-	597.31	-	-	-	-	-	-
Previous Year	2021-22	-	373.15	-	-	-	-	-	-
Cash Discount received	2022-23	-	33.11	-	-	-	-	-	-
Previous Year	2021-22	-	27.62	-	0.34	-	-	-	-
Sale of Assets	2022-23	-	-	-	-	-	-	-	-
Previous Year	2021-22	-	-	-	-	-	-	-	-
Purchase of Goods	2022-23	-	22,543.05	233.17	768.28	-	-	-	-
Previous Year	2021-22	-	18,387.61	214.79	612.85	-	-	-	-
Receiving of Services	2022-23	250.01	657.34	88.80	20.53	-	-	-	-
Previous Year	2021-22	282.59	727.96	48.53	12.48	-	-	-	-
Loans given in cash/kind	2022-23	-	5,150.00	-	-	-	-	-	-
Previous Year	2021-22	-	2,250.00	-	-	-	-	-	-
Loans repaid in cash/kind	2022-23	-	1,300.00	-	-	-	-	-	-
Previous Year	2021-22	-	-	-	-	-	-	-	-
Advances given in cash/kind	2022-23	-	6,805.00	-	-	-	-	-	-
Previous Year	2021-22	-	1,936.00	-	-	-	-	-	-
Advances repaid in cash/kind	2022-23	-	6,805.00	-	-	-	-	-	-
Previous Year	2021-22	-	1,836.41	-	1.48	-	-	-	-
Security deposit paid	2022-23	-	0.66	-	-	-	-	-	-
Previous Year	2021-22	-	-	-	-	-	-	-	-
Dividend paid	2022-23	5,969.70	-	-	13.41	-	21.24	14.24	-
Previous Year	2021-22	5,427.00	-	-	12.19	-	19.31	12.94	-
Interest paid on loans	2022-23	186.42	7.02	-	-	-	48.29	-	-
Previous Year	2021-22	182.64	-	-	-	-	48.29	-	-
Guarantees & Commitment charges	2022-23	35.80	-	-	-	-	-	-	-
Previous Year	2021-22	35.44	-	-	-	-	-	-	-
Refund of Security deposit	2022-23	-	-	-	-	-	-	-	-
Previous Year	2021-22	-	-	-	-	-	-	-	-
Managerial Remuneration	2022-23	-	-	-	-	-	2,079.00	-	-
Previous Year	2021-22	-	-	-	-	-	1,915.00	-	-
Acquisition of shares	2022-23	-	2,500.00	-	72.00	-	-	-	-
Previous Year	2021-22	-	-	-	96.00	-	-	-	-
Payment towards Fractional Shares	2022-23	-	-	-	-	-	-	-	-
Previous Year	2021-22	5.05	-	-	12.33	-	-	21.70	-

# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

## IND AS - 24 Related Party Disclosures FY 2022-23 Annexure 1 (Refer Note - 52)

PARTICULARS	Years	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties
Acquisition of assets	2022-23	0.41	-	-	-	-	-	-	-
	Previous Year	-	27.32	1.14	-	-	-	-	-
Guarantees given	2022-23	-	9,973.18	-	-	-	-	-	-
	Previous Year	-	10,600.07	-	-	-	-	-	-
Contributions made during the year	2022-23	-	-	-	-	-	-	-	71.24
	Previous Year	-	-	-	-	-	-	-	227.56
Balance at Year end									
Sundry Debtors	2022-23	1.24	36,285.04	264.37	26.95	-	-	-	-
	Previous Year	0.99	27,696.40	1,613.68	28.60	-	-	-	-
Sundry Creditors	2022-23	377.84	2,888.85	64.13	160.02	-	-	-	-
	Previous Year	272.89	2,121.96	62.10	79.53	-	-	-	-
Loans given	2022-23	-	10,650.00	-	-	-	-	-	-
	Previous Year	-	6,800.00	-	-	-	-	-	-
Advances	2022-23	-	1,600.00	-	-	-	-	-	-
	Previous Year	-	1,600.00	-	-	-	-	-	-
Loans taken	2022-23	2,600.00	-	-	-	-	675.00	-	-
	Previous Year	2,600.00	-	-	-	-	675.00	-	-

# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

## IND AS - 24 Related Party Disclosures FY 2022-23 Annexure 1 (Refer Note - 52)

<b>Notes :</b>		
<b>Material Related party transactions are disclosed below :</b>		
Particulars	Current Year 31st March 2023 (Rs. in Lakhs)	Previous Year 31st March 2022 (Rs. in Lakhs)
<b>1 Sale of goods</b>		
(a) Tractors and Farm Equipment Ltd.	109,092.53	93,700.88
(b) TAFE Motors and Tractors Ltd.	27,274.53	21,123.97
<b>2 Rendering of services</b>		
(a) Amalgamations Private Ltd.	432.86	358.29
(b) India Pistons Ltd.	358.65	323.12
(c) Tractors and Farm Equipment Ltd.	447.83	397.50
(d) Associated Printers (Madras) Private Ltd.	169.73	128.58
<b>3 Dividend received</b>		
(a) Tractors and Farm Equipment Ltd.	7,639.50	6,404.37
<b>4 Interest received on loans</b>		
(a) India Pistons Ltd.	592.92	373.15
<b>5 Cash discount received</b>		
(a) India Pistons Ltd.	33.11	27.62
<b>6 Purchase of goods</b>		
(a) Addison & Co Ltd.	16,066.64	13,046.55
(b) India Pistons Ltd.	5,749.81	4,736.21
<b>7 Receiving of services</b>		
(a) Sri Rama Vilas Service Ltd.	489.97	472.36
(b) Amalgamations Ltd.	250.01	282.59
(c) Simpson & General Finance Co. Ltd.	-	171.67
<b>8 Loans given in cash/kind</b>		
(a) India Pistons Ltd.	4,750.00	2,250.00
<b>9 Loans repaid in cash/kind</b>		
(a) India Pistons Ltd.	900.00	-
(b) Simpson & General Finance Co. Ltd.	400.00	-
<b>10 Advances given in cash/kind</b>		
(a) India Pistons Ltd.	6,805.00	1,936.00
<b>11 Advances repaid in cash/kind</b>		
(a) India Pistons Ltd.	6,805.00	1,836.00
<b>12 Dividend paid</b>		
(a) Amalgamations Private Ltd.	5,969.70	5,427.00
<b>13 Interest paid on loans</b>		
(a) Amalgamations Private Ltd.	186.42	182.64
(b) Sri.A.Krishnamoorthy	48.29	48.29
<b>14 Guarantees and Commitment charges</b>		
(a) Amalgamations Private Ltd.	35.80	35.44
<b>15 Managerial Remuneration</b>		
(a) Shri. A.Krishnamoorthy	1,624.00	1,500.00
(b) Shri P.S Rajamani	295.00	275.00
<b>16 Security Deposit paid</b>		
(a) Stanes Motors (South India) Ltd.	0.66	-

# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

## IND AS - 24 Related Party Disclosures FY 2022-23 Annexure 1 (Refer Note - 52)

<b>Notes :</b>		
<b>Material Related party transactions are disclosed below :</b>		
Particulars	Current Year 31st March 2023 (Rs. in Lakhs)	Previous Year 31st March 2022 (Rs. in Lakhs)
<b>17 Acquisition of shares</b>		
(a) IPL Shaw Solutions Private Ltd.	-	96.00
(b) India Pistons Ltd.	2,500.00	-
<b>18 Payment towards Fractional Shares</b>		
(a) Amalgamations Private Ltd.	-	5.05
(b) The United Nilgiri Tea Estates Ltd.	-	12.33
(c) Smt. Bhavani Krishnamoorthy (Relatives of KMP)	-	16.05
(d) Smt. Sita Venkataramani	-	5.65
<b>19 Acquisition of assets</b>		
(a) Amalgamations Private Ltd.	41,350.00	-
(b) Sri Rama Vilas Service Ltd.	-	5.31
(c) Addison & Co Ltd.	-	22.01
<b>20 Guarantees given</b>		
(a) India Pistons Ltd.	9,801.57	9,569.21
<b>21 Contributions made during the year</b>		
(a) Simpson & Co. Ltd. Employees Gratuity Fund	52.81	117.69
(b) Shardlow India division Employees Gratuity Fund	18.23	91.92
(c) Simpson & Co. Ltd. Sr. Exec Superannuation Fund	17.86	17.34
(d) Shardlow India division Sr. Exec Superannuation Fund	0.57	0.61
<b>Material Related party balances at year end are disclosed below :</b>		
Particulars	Current Year 31st March 2023 (Rs. in Lakhs)	Previous Year 31st March 2022 (Rs. in Lakhs)
<b>1 Sundry Debtors</b>		
(a) Tractors and Farm Equipment Ltd.	26,565.41	20,695.69
(b) TAFE Motors and Tractors Ltd.	8,978.01	6,571.70
<b>2 Sundry Creditors</b>		
(a) Amalgamations Private Ltd.	377.84	272.89
(b) Addison & Co Ltd.	2,482.96	1,230.53
(c) Simpson & General Finance Ltd.	-	578.72
(d) Sri Rama Vilas Service Ltd.	-	257.06
<b>3 Loans given</b>		
(a) India Pistons Ltd.	10,650.00	6,800.00
<b>4 Advances</b>		
(a) India Pistons Ltd.	1,600.00	1,600.00
<b>5 Loans taken</b>		
(a) Amalgamations Private Ltd.	2,600.00	2,600.00
(b) Sri A. Krishnamoorthy	675.00	675.00



**CONSOLIDATED FINANCIAL STATEMENTS OF  
SIMPSON & COMPANY LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

# **R.G.N. Price & Co.**

CHARTERED ACCOUNTANTS

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Simpson's Building, 861 Anna Salai, Chennai- 600 002  
Phone: 044-2841 3633 / 2858 3494 | Email: price@rgnprice.com

**5<sup>th</sup> September 2023**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIMPSON & COMPANY LIMITED**

### **Report on the Audit of the Consolidated Financial Statements**

#### **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 31,2023, 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/financial information of the Subsidiaries, Associates and Joint Venture referred to in the Other Matters 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 prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) , to the extent applicable and amended thereto, 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, 2023, their consolidated Profit including other comprehensive income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended.



## **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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## **Emphasis of matters**

We draw attention to Note 38(B) to the Consolidated Financial Statements which describes that the financial statements of one of the associates of subsidiary considered for the purpose of preparing the Consolidated Financial Statements are prepared in accordance with the accounting policies aligned with accounting principles generally accepted in the country of its jurisdiction and consolidated based on annual financial statements audited by other auditors in accordance with the auditing standards generally accepted in the country of jurisdiction. Our opinion is not modified in respect of the above matters.

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

We draw attention to Note 56(A) in the Consolidated Financial Statements, wherein the auditors of the three subsidiary companies have indicated the existence of material uncertainty about subsidiaries' ability to continue as going concern and expressed an unmodified opinion in their respective audit reports.

The respective auditors have considered the adequacy of disclosure made in the separate financial statement of the above mentioned subsidiaries which is summarized in Note 56(A) to the Consolidated Financial Statements addressing the issue of "Going Concern" and note that the subsidiaries ability to continue as a going concern would depend upon the fruition of efforts/various plans laid down by the management as outlined therein and the continuing support of the Parent Company which would enable the components to continue its operation and settle its obligations as and when they fall due.

One of the said subsidiaries have been incurring substantial operating losses, current liabilities exceed the current assets as at balance sheet date, delays in repayments of term loans and cash losses during the year and earlier years resulting in erosion of its net worth, its negative net worth being Rs. 845.28 lakhs, total revenue of Rs. 27,290 lakhs, net loss (including Other Comprehensive Income) of Rs. 6,955.24 lakhs. Other two subsidiaries having total revenue of Rs. 1,127.06 lakhs, net profit (including Other Comprehensive Income) of Rs. 96.57 lakhs and net worth of Rs. (2,757.40) lakhs have been audited by us.

Our opinion is not modified in respect of above matters.

### **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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the 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/ Associates/ Joint venture 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, its Subsidiaries,

Associates and Joint venture which are companies incorporated in India, has adequate internal financial controls system, with reference to the financial statements, are in place and the operating effectiveness of such controls.

- Evaluate the appropriateness and compliance 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- i. planning the scope of our audit work and in evaluating the results of our work; and
- ii. to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance 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**

1. (a) We did not audit the financial statements and other financial information of 17 (PY:18) Subsidiaries whose financial statements and other financial information reflect total assets of Rs.17,49,162.59 lakhs (PY Rs. 15,41,620.54 lakhs) and total net assets Rs. 13,77,477.27 lakhs as at 31st March, 2023 (PY Rs. 12,19,020.20 lakhs), total revenues of Rs. 21,02,889.23 lakhs (PY : Rs. 13,79,281.68 lakhs) and net cash outflows amounting to Rs. 19,232.25 lakhs (PY : Rs. 345.64 lakhs) for the year ended 31st March 2023, as considered in the Consolidated Financial Statements. The Consolidated Financial Statement also reflects the Group's share of profit (Including OCI) of Rs. 2,023.44 Lakhs (PY: Rs. 1,633.45 Lakhs), Rs. 430.56 lakhs (PY: Rs. 110.23 Lakhs), Rs. (3.32) Lakhs (PY: Rs. (1.87) Lakhs) and Rs. 1,06,566.37 Lakhs (PY: Rs. 1,00,219.05 Lakhs) in respect of 4 Associates (PY:4), a joint venture, a joint venture of subsidiary and 2 Associates of subsidiary respectively for the year ended 31<sup>st</sup> March, 2023 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.

- (b) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 3,036.52 Lakhs as at 31 March, 2023, total revenues of Rs. 17.50 Lakhs and net cash inflows amounting to Rs. 86.35 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of Rs. 39.79 Lakhs for the year ended 31 March, 2023, as considered in the Consolidated Financial Statements, in respect of an associate of subsidiary,

whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Special Purpose Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion is not modified in this regard.

2. The Shardlow Division (Unit) of the Parent company which was merged pursuant to the approval from Regional Director dated 19th January 2023, had prepared the standalone financial statements for the year ended March 31, 2022, in its then legal capacity as a company, in accordance with the Ind AS read with relevant rules issued thereunder and the accounting principles generally accepted in India which were audited by another auditor, who vide their report dated 28th June 2022 has issued an qualified opinion on those financial statements in connection to carrying value of Deferred Tax Asset amounting to Rs. 2,675.71 lakhs.

Our Opinion is not modified in respect of the above matter.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), 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 matter specified in paragraph 3(xxii) of CARO 2020.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on their respective standalone financial statements and the other financial information as noted in the Other Matters paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Group, its Associates and Joint Venture so far as it appears from our examination of those books and based on the reports of the statutory auditors of such components, except for the following
    - i) In respect of 6 subsidiaries audited by other auditor, proper books of account as required by law have been kept by the Components so far as it appears from their examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has been maintained on a weekly basis vis-a-vis the requirement under the Act to be maintained on a daily basis during the year.

- ii) In respect of two associates audited by other auditor, proper books of account as required by law have been kept by the Component so far as it appears from their examination of those books except that such books of account are not accessible in India and the Component does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.
- 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) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“IND AS”).
- 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 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the books of account and other matters connected therewith, reference is made to our comment in paragraph 2(b) above that the backup of books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India or the backup has been maintained on a weekly basis vis-à-vis the requirement under Companies Act, 2013 to be maintained on a daily basis during the year.
- g) The matters referred to in the ‘material uncertainty relating to going concern’ paragraph of our report may have an adverse effect on the functioning of the respective components, as stated by the respective auditors of the components.
- h) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls; refer to our separate report in “Annexure B” which is based on the respective auditor’s reports of 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 with reference to financial statements of those companies, for reasons stated therein.
- i) 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.

j) 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 Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position in Note 52(A).
- ii. The Group, its Associates and Joint Venture do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, that were required to be transferred, to the Investors Education and Protection Fund by Parent Company except in the case of one subsidiary during the year ended March 31, 2023. The management is in the process of transferring the same to Investor Education and Protection Fund.
- iv. a) The respective managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
b) The respective managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Parent Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall,



whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on our audit procedures that we considered reasonable and appropriate in the circumstances along with consideration of reports of other auditors on separate financial statements of the Subsidiaries, Associates and Joint Venture as referred to in the Other Matters Paragraph and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Parent Company has declared and paid dividend during the year which is in compliance with section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Parent, subsidiaries, associates and joint ventures, which are companies incorporated in India, with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Chennai

Date: 5<sup>th</sup> September 2023

**For R.G.N. Price & Co**  
**Chartered Accountants**  
**Registration No. 002785S**

**Mahesh Krishnan**  
**Partner**  
**Membership No.206520**  
**UDIN:23206520BGXGHI2968**

**Annexure A referred to in Report on Other Legal and Regulatory Requirements of our report of even date**

With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements except for the following:

Sl. No	Name of the Company	CIN	Nature of relationship	Clause number of CARO with qualification or adverse remark	Reference note no.
1	Simpson & Company Limited	U65991TN1925PLC002345	Parent	3(i)(c) 3(ii)(b) 3(iii)(d) 3(iii)(e)	1 2 3 4
2	Tractors and Farm Equipment Limited	U29129TN1960PLC004337	Subsidiary	3(i)(c) 3(iii)(f)	1 5
3	L.M. Van Moppes Diamond Tools India Private Limited	U28930TN1962PTC004872	Associate	3(i)(c)	1
4	TAFE Motors and Tractors Ltd.	U29211TN2005PLC055476	Sub - Subsidiary	3(i)(c)	1
5	Sri Rama Vilas Service Ltd.	U29214TN1938PLC002346	Subsidiary	3(i)(c) 3(ix)(a)	1 6
6	Amalgamations Repco Ltd.	U35999TN1967PLC005566	Subsidiary	3(i)(c)	1
7	India Pistons Ltd	U35999TN1949PLC000951	Subsidiary	3(ii)(b) 3(vii)(a) 3(ix)(a) 3(x)(b) 3(xvii) 3(xix)	2 7 6 8 9 10
8	Addison & Co. Ltd.	U28939TN1914PLC000008	Subsidiary	3(ii)(b)	2
9	Stanes Motors (South India) Limited	U50101TZ1930PLC000171	Sub - Subsidiary	3(vii)(a)	7
10	Simpson & General Finance Company Limited	U65190TN1938PLC002355	Subsidiary	3(iii)(d)	3
11	George Oakes Limited	U50300TN1956PLC000758	Subsidiary	3(i)(a)	1

				3(ii)(b)	2
				3(vii)(a)	7
				3(xiv)	11
12	AMCO Batteries Ltd.	U31400TN1955PLC080755	Subsidiary	3(xix)	10
13	Vidagara tech park pvt. Ltd.	U74999TN2018PTC125504	Subsidiary	3(xvii)	9
14	Stanes Amalgamated Estates Ltd.	U01132TZ1946PLC000180	Sub - Subsidiary	3(xvii)	9
15	IPL Shaw Solutions Private Limited	U29100TN2021PTC144601	Associate	3(vii)(a)	7
				3(x)(b)	8
				3(xvii)	9

Note:

1. Refer Note No. 56E to the Consolidated Financial Statements relating to the title deeds of immovable properties not held in the name of the components.

In respect of the component mentioned in serial no.11 above, the subsidiary has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment except in certain cases where the company is in the process of updating the quantitative details.

2. The companies have been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year by banks or financial institutions on the basis of security of current assets during the year and have filed the quarterly returns or statements, with such banks or financial institutions. The said quarterly returns or statements have subsequently been revised and such revised quarterly returns or statements are largely in agreement with the books of account of the companies with respect to 3 components, except for the component mentioned in serial no. 11 above, for which the differences are listed in note 56E

3. In respect of Loans, Advances in nature of Loans, Guarantees, Security & Investments - Given by Company:

In respect of loans granted by the Parent Company, in our opinion and according to information and explanation given to us, Rs. 125.90 Lakhs of interest is overdue for more than ninety days as at Balance sheet date from one of its Subsidiaries, which has been subsequently received.

In respect of loans granted by one of the subsidiaries, there are overdue amounts of more than ninety days amounting to the extent of Rs. 71.09 lakhs remaining outstanding as at the balance sheet date. Reasonable steps have been taken by the Subsidiary Company for recovery of principal and interest.

4. In respect of loans granted by Parent Company in an earlier year to its subsidiary, amount of Rs. 650 lakhs which fell due during the year was extended. This loan constitutes around 6.1% of the aggregated loans granted by the Parent Company during the year.

5. The component has granted loans which are repayable on demand:

<b>Particulars</b>	<b>All parties</b>	<b>Promoters</b>	<b>Related Parties</b>
Aggregate of Loans in the nature of loans			
Repayable on demand (Rs. in lakhs)	105	-	105
Agreement does not specify any terms or period of repayment	Nil	-	Nil
Percentage of loans in nature of loans to total loans	53.98%	-	53.98%

6. The components have defaulted in repayment of interest on loans or other borrowings thereon to the lenders:

<b>Nature of borrowing, including debt securities</b>	<b>Amount not paid on due date (Rs. in lakhs)</b>	<b>Nature of dues</b>	<b>No. of days delay</b>
India Pistons Ltd.			
-Working capital loan	101.54		1-28
-GECL	8.75	Interest	1-15
- Working capital loan	285.36		30-180

In respect of the component mentioned in serial no. 5, the component has made a delayed payment of interest to the extent of Rs.30.04 lakhs on loan against term deposit taken from a bank during the year. The above interest was outstanding as on the balance sheet date over various days. The component has paid this interest amount as at the date of such standalone audit report.

7. The components are generally regular in depositing material amounts of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, duty of customs, cess, and other material statutory dues as applicable to the appropriate authorities during the year.

There were no material undisputed amounts payable by the above components in respect of the aforesaid statutory dues outstanding as at March 31, 2022, for a period of more than six months from the date they became payable except for the following:

- (i) In respect of the component mentioned in serial no. 7 above, it has not been regular in depositing amounts of undisputed statutory dues including Provident Fund, Statutory bonus and Income-tax with the appropriate authorities.
- (ii) In respect of the component mentioned in serial no. 9 above, an amount of Rs. 1.83 lakhs related to a former employee's PF has been due on account of a technical glitch in the portal. The management has taken necessary measures to rectify the same.
- (iii) In respect of the component mentioned in serial no. 15 above, there have been delays in payment relating to Tax Deducted at Source amounting to Rs. 2.98 lakhs and there have been delays in deposit with respect to Goods and Services Tax by 101 days and Tax Deducted at Source ranging between 60 days to 507 days.
- (iv) In respect of component mentioned in serial no. 11 above, there have been delays in payment of Provident Fund amounting to Rs. 3.16 lakhs, ESI amounting to Rs. 0.34 lakhs, Professional tax amounting to Rs. 2.12 lakhs and Labour welfare fund amounting to Rs. 0.15 lakhs for the months of April to September 2022.

8. During the year the component referred to in serial no. 7 above, has made preferential allotment by issuing preferential shares (Optionally convertible non-cumulative preference shares) and the same has been utilized for the purposes which has been raised for.

During the year the component referred to in serial no. 15 above, based on the information and explanations given to us, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised except for an amount of Rs. 33.33 lakhs which remains unutilized as at the year end.

9. The components have incurred cash losses during the year and in the immediately preceding financial year, wherever applicable.
10. Auditors of respective component companies have reported existence of material uncertainty in connection to component's ability in meeting its liabilities existing at the balance sheet date.

11. The component in serial no.11 above, has an internal audit system commensurate with the size and nature of its business except in the areas of reconciliation of bank, debtors and creditors accounts, which requires strengthening.

Place: Chennai

Date: 5<sup>th</sup> September 2023

**For R.G.N. Price & Co**  
**Chartered Accountants**  
**Registration No. 002785S**

**Mahesh Krishnan**  
**Partner**  
**Membership No.206520**  
**UDIN:23206520BGXGH12968**

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

In conjunction with our audit of the Consolidated Financial Statements with reference to financial statements of Simpson & Company Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls 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, 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 with reference to financial statements 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 with reference to financial statements 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 ICAI, 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 with reference to financial statements 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 with reference to financial statements with reference to these consolidated

financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements 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 with reference to financial statements with reference to these Consolidated Financial Statements.

**Meaning of Internal Financial Controls, with reference to Financial Statements, with reference to these Consolidated Financial Statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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, with reference to financial statements, with reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements 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 with reference to financial statements with reference to these consolidated financial statements to future periods are



subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements 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, 2023, based on the internal control with reference to financial statements 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 with reference to financial statements 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. The section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to financial statements in so far as it relates to an Associate and a Joint Venture (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 with reference to financial statements. Our opinion is not modified in respect of the above matters.

Place: Chennai

Date: 5<sup>th</sup> September 2023

**For R.G.N. Price & Co**  
**Chartered Accountants**  
**Registration No. 002785S**

**Mahesh Krishnan Partner**  
**Membership No.206520**  
**UDIN:23206520BGXGHI2968**

**Simpson & Company Limited (CIN: U65991TN1925PLC002345)***(All amounts are in INR lakhs unless otherwise stated)***Consolidated Balance Sheet as at**

PARTICULARS		Note	31-03-2023	31-03-2022
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment	1	1,90,963.31	1,66,734.13
	(b) Capital Work-in-progress		8,567.53	4,935.04
	(c) Right of Use Assets	51	7,598.29	5,887.45
	(d) Investment Property		759.80	1,054.35
	(e) Intangible Assets	1	11,043.12	2,517.28
	(f) Intangible assets under development		8,533.41	7,593.34
	(g) Financial Assets			
	(i) Investments	2	10,13,239.36	8,67,530.24
	(ii) Loans	3	520.18	385.14
	(iii) Others	4	3,452.70	2,819.84
	(h) Other Non-current assets	6	4,564.75	4,706.01
	Assets held for Sale	44	206.10	5,589.71
	<b>Total Non-Current Assets</b>		<b>12,49,448.55</b>	<b>10,69,752.53</b>
<b>2</b>	<b>Goodwill on consolidation</b>		<b>5,469.61</b>	<b>4,763.39</b>
<b>3</b>	<b>Current Assets</b>			
	(a) Inventories	7	1,67,885.73	1,43,912.19
	(b) Financial Assets			
	(i) Investments	8	2,75,115.72	2,84,801.17
	(ii) Trade Receivables	9	1,93,041.80	1,41,909.24
	(iii) Cash and Cash Equivalents	10(i)	62,767.77	39,496.33
	(iv) Bank balances other than (iii) above	10(ii)	16,587.54	7,743.28
	(v) Loans	11	1,331.26	1,153.48
	(vi) Others	12	4,447.19	2,943.78
	(c) Current Tax Assets (net)	13	3,108.62	3,893.04
	(d) Other Current Assets	14	48,338.21	30,458.19
	<b>Total Current Assets</b>		<b>7,72,623.84</b>	<b>6,56,310.70</b>
	<b>TOTAL ASSETS</b>		<b>20,27,542.00</b>	<b>17,30,826.62</b>

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 DirectorR. VIJAYARAGHAVAN (DIN: 00026763)  
DirectorsFor R.G.N. PRICE & CO.  
Chartered AccountantsP. S. RAJAMANI (DIN: 01560303)  
Whole Time DirectorS. SRINIVASARAGHAVAN  
Chief Financial Officer &  
Company SecretaryFR.No.002785S  
Mahesh Krishnan  
Partner  
M.No.206520  
Chennai, 05th September 2023  
UDIN: 23206520BGXGHI2968

**Simpson & Company Limited (CIN: U65991TN1925PLC002345)***(All amounts are in INR lakhs unless otherwise stated)***Consolidated Balance Sheet as at**

PARTICULARS		Note	31-03-2023	31-03-2022
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	<b>(i) Owner's equity</b>			
	(a) Share Capital	15	736.97	736.97
	(b) Other Equity	16	13,25,594.16	11,48,512.17
	<b>(ii) Non controlling interest</b>		3,11,376.69	2,66,848.09
	<b>Total Equity</b>		<b>16,37,707.82</b>	<b>14,16,097.23</b>
<b>2</b>	<b>Capital Reserve on Consolidation</b>		<b>3,333.25</b>	<b>3,333.25</b>
	<b>LIABILITIES</b>			
<b>3</b>	<b>Non-Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	7,127.81	7,963.66
	(ii) Others	18	9,197.23	8,050.26
	(iii) Lease Liabilities	51	4,301.61	3,512.30
	(b) Deferred Tax Liabilities (Net)	5	52,930.36	29,980.71
	(c) Provisions	19	5,381.10	4,986.95
	(d) Other Non-current Liabilities	20	602.02	769.14
	<b>Total Non-Current Liabilities</b>		<b>79,540.13</b>	<b>55,263.02</b>
<b>4</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	21	24,362.15	27,666.25
	(ii) Trade Payables			
	- Micro & small enterprises	22	12,172.98	7,524.53
	- Other than Micro & small enterprises		1,99,730.58	1,59,276.54
	(iii) Others	23	35,093.64	27,019.16
	(iv) Lease Liabilities	51	1,942.19	998.35
	(b) Other Current Liabilities	24	25,527.76	26,239.77
	(c) Provisions	25	8,131.50	7,408.52
	<b>Total Current Liabilities</b>		<b>3,06,960.80</b>	<b>2,56,133.12</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,27,542.00</b>	<b>17,30,826.62</b>

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 DirectorR. VIJAYARAGHAVAN (DIN: 00026763)  
DirectorsFor R.G.N. PRICE & CO.  
Chartered AccountantsP. S. RAJAMANI (DIN: 01560303)  
Whole Time DirectorS. SRINIVASARAGHAVAN  
Chief Financial Officer &  
Company SecretaryFR.No.002785S  
Mahesh Krishnan  
Partner  
M.No.206520  
Chennai, 05th September 2023  
UDIN: 23206520BGXGHI2968

**Simpson & Company Limited***(All amounts are in INR lakhs unless otherwise stated)***Consolidated Statement of Profit and Loss for the year ended**

Particulars	Note	31-03-2023	31-03-2022
Revenue from operations	26	15,25,634.11	13,12,601.74
Other income	27	48,096.62	33,402.06
<b>Total Income</b>		<b>15,73,730.73</b>	<b>13,46,003.80</b>
<b>Expenses :</b>			
(a) Cost of materials consumed	28	9,05,173.30	7,12,464.43
(b) Cost of Goods Sold		29,162.39	22,152.10
(c) Purchases of stock-in-trade	29	1,59,947.81	1,60,798.12
(d) Changes in inventories of finished goods, Stock-in-trade & Work in progress	30	(24,546.64)	16,536.55
(e) Employee Benefits Expense	31	1,17,512.19	1,10,272.06
(f) Finance Costs	32	5,325.84	4,713.83
(g) Depreciation and Amortization Expense	33	21,668.93	21,702.62
(h) Other Expenses	34	1,90,003.59	1,71,981.19
<b>Total Expenses</b>		<b>14,04,247.41</b>	<b>12,20,620.90</b>
Profit / (loss) before Exceptional Items and tax		<b>1,69,483.32</b>	<b>1,25,382.90</b>
Exceptional Items (Refer Note 39)	39	(1,716.17)	1,213.63
<b>Profit / (loss) before tax</b>		<b>1,67,767.15</b>	<b>1,26,596.53</b>
<b>Tax Expense:</b>			
(a) Current tax		47,869.92	39,947.04
(b) Deferred tax		6,212.37	944.19
(c) Tax refund / provision relating to earlier years		(957.37)	(234.78)
<b>Total Tax Expenses</b>		<b>53,124.92</b>	<b>40,656.45</b>
Profit / (Loss) for the period from Continuing operations		<b>1,14,642.23</b>	<b>85,940.08</b>
Share of profit from Associates & Joint ventures		1,00,848.04	83,431.88
<b>Profit / (loss) for the year after tax</b>		<b>2,15,490.27</b>	<b>1,69,371.96</b>
<b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss (Net of tax)	35A	(6,251.01)	3,858.34
B. Items that will be reclassified to profit or loss (Net of tax)	35B	15,352.26	(2,163.77)
<b>Total Other Comprehensive Income</b>		<b>9,101.25</b>	<b>1,694.57</b>
<b>Total Comprehensive Income for the Year</b>		<b>2,24,591.52</b>	<b>1,71,066.53</b>
<b>a) Profit attributable to</b>			
<b>Owners of the Company</b>		1,70,867.44	1,35,855.08
<b>Non-Controlling Interest</b>		44,622.83	33,516.88
<b>b) OCI attributable to</b>			
<b>Owners of the Company</b>		7,181.44	1,423.56
<b>Non-Controlling Interest</b>		1,919.81	271.01
<b>Total Comprehensive Income for the Year attributable to</b>			
<b>Owners of the Company</b>		<b>1,78,048.88</b>	<b>1,37,278.64</b>
<b>Non-Controlling Interest</b>		<b>46,542.64</b>	<b>33,787.89</b>
<i>Earnings per equity share (face value - Rs 2500/- per share)</i>			
<i>Basic &amp; Diluted (In Rs.)</i>	36	<b>5,79,624.28</b>	<b>4,60,853.74</b>

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 DirectorR. VIJAYARAGHAVAN (DIN: 00026763)  
DirectorsP. S. RAJAMANI (DIN: 01560303)  
Whole Time DirectorS. SRINIVASARAGHAVAN  
Chief Financial Officer &  
Company SecretaryFor R.G.N. PRICE & CO.  
Chartered Accountants  
FR.No.0027855  
Mahesh Krishnan  
PartnerM.No.206520  
Chennai, 05th September 2023  
UDIN: 23206520BGXGHI2968

**Simpson & Company Limited**  
**Consolidated Statement of changes in Equity for the year ended 31st March 2023**  
(All amounts are in INR lakhs unless otherwise stated)

**Statement of Changes in Equity for the period ended March 31, 2023**

**A. Equity Share Capital**

	Balance at the beginning of the reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity share capital during the year	Balance at the end of the reporting period
2021-22	737.75		737.75	(0.78)	736.97
2022-23	736.97		736.97	-	736.97

**B. Other equity**

	Attributable to Owners of the Company											Non-controlling interests
	Reserves and surplus				Other reserves						Capital reserve on consolidation	
	General reserve	Capital Redemption Reserve	Statutory 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		
<b>Balance as at 31st March 2021</b>	<b>1,69,670.90</b>	<b>12.25</b>	<b>316.08</b>	<b>8,81,865.50</b>	<b>(37,436.29)</b>	<b>(2,374.48)</b>	<b>5,767.30</b>	<b>5,053.80</b>	<b>(2.70)</b>	<b>10,22,872.36</b>	<b>3,333.25</b>	<b>2,34,733.04</b>
Profit for the year 2021-22	-	-	-	1,35,855.07	-	-	-	-	-	1,35,855.07	-	33,516.88
Other Comprehensive Income	-	-	-	-	3,080.98	(1,721.89)	(393.90)	450.46	7.91	1,423.56	-	271.01
Consolidation and other adjustments	-	-	-	(4,960.13)	-	-	-	-	(0.50)	(4,960.63)	-	(1,672.84)
Transfer to Reserves	12,575.00	0.78	66.38	(12,642.16)	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners												
- Interim dividend	-	-	-	(3,869.12)	-	-	-	-	-	(3,869.12)	-	-
- Final dividend	-	-	-	(1,658.19)	-	-	-	-	-	(1,658.19)	-	-
- Payment Towards fractional shares	-	-	-	(1,150.88)	-	-	-	-	-	(1,150.88)	-	-
<b>Balance as at 31st March 2022</b>	<b>1,82,245.90</b>	<b>13.03</b>	<b>382.46</b>	<b>9,93,440.09</b>	<b>(34,355.32)</b>	<b>(4,096.38)</b>	<b>5,373.41</b>	<b>5,504.26</b>	<b>4.71</b>	<b>11,48,512.17</b>	<b>3,333.25</b>	<b>2,66,848.09</b>
Profit for the year 2022-23	-	-	-	1,70,867.44	-	-	-	-	-	1,70,867.44	-	44,622.83
Other Comprehensive Income	-	-	-	-	(5,125.96)	12,168.53	818.49	(684.72)	5.10	7,181.44	-	1,919.81
Hyperinflation adjustment	-	-	-	5,167.08	-	-	-	-	-	5,167.08	-	-
Consolidation and other adjustments	-	-	-	(50.28)	-	-	-	-	(3.63)	(53.91)	-	(2,014.04)
Transfer to Reserves	12,550.00	-	76.26	(12,626.26)	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners												
- Interim dividend	-	-	-	(4,421.85)	-	-	-	-	-	(4,421.85)	-	-
- Final dividend	-	-	-	(1,658.20)	-	-	-	-	-	(1,658.20)	-	-
<b>Balance as at 31st March 2023</b>	<b>1,94,795.90</b>	<b>13.03</b>	<b>458.72</b>	<b>11,50,718.02</b>	<b>(39,481.28)</b>	<b>8,072.15</b>	<b>6,191.90</b>	<b>4,819.54</b>	<b>6.18</b>	<b>13,25,594.16</b>	<b>3,333.25</b>	<b>3,11,376.69</b>

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**

R. VIJAYARAGHAVAN (DIN: 00026763)  
**Directors**

For R.G.N. PRICE & CO.  
Chartered Accountants  
FR.No.0027855  
Maresh Krishnan  
Partner  
M.No.206520

P. S. RAJAMANI (DIN: 01560303)  
**Whole Time Director**

S. SRINIVASARAGHAVAN  
**Chief Financial Officer & Company Secretary**

UDIN: 23206520BGXGH12968  
Chennai, 05th September, 2023

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars		31-03-2023	31-03-2022
<b>A.</b>	<b>Cash flow from Operating Activities</b>		
	Profit attributable to the owners of the company	1,70,867.44	1,35,855.08
	Add: Provision For Tax (including deferred tax)	76,074.57	55,376.87
	Depreciation of property, plant and equipment and Investment property	21,668.93	21,702.62
	Actuarial Gains /(losses) transferred to OCI	(930.22)	728.29
	Finance Cost	5,325.84	4,713.83
	Interest Income	(1,289.00)	(1,891.74)
	Dividend Income	(232.35)	(243.12)
	Fair Value Gain on Investments	(20,327.66)	(9,225.14)
	Profit on Sale of Investments	(14,337.91)	(16,430.94)
	Exchange gain/loss	(3,938.72)	(315.57)
	<b>Operating Profit Before Working Capital Changes</b>	<b>2,32,880.92</b>	<b>1,90,270.18</b>
	<b>Working Capital Changes</b>		
	Decrease / (Increase) in Financial Assets	(767.90)	1,218.93
	Decrease / (Increase) in Other non-current assets & current assets	(17,738.76)	1,513.90
	Decrease / (Increase) in Inventories	(23,973.54)	5,228.13
	(Decrease)/Increase in trade and other payables	53,176.95	(52,459.64)
	(Decrease)/Increase in provisions	1,117.12	(314.02)
	Decrease/(Increase) in loans and advances	(177.78)	6,058.73
	Decrease/(Increase) in trade and other receivables	(48,697.25)	(31,464.22)
	(Decrease)/Increase in Non Current Liabilities	267.84	3,961.92
	<b>Cash generated from Operations</b>	<b>1,96,087.61</b>	<b>1,24,013.91</b>
	Less: Taxes Paid	52,340.49	40,744.18
	<b>Cash flow from Operating Activities</b>	<b>1,43,747.11</b>	<b>83,269.73</b>
<b>B</b>	<b>Cash flow from Investing activities</b>		
	Net Purchase of PPE/Adjustments in PPE	(56,736.63)	(34,970.28)
	Movement in Non current assets held for sale	5,383.62	(5,133.42)
	(Purchase)/Sale of Investments	(91,737.95)	(63,466.40)
	Interest Income earned	1,289.00	1,891.72
	Dividend Income	232.35	243.12
	Changes in bank balance - Other than cash & cash equivalents	(8,844.26)	(749.55)
	<b>Cash used in Investing activity</b>	<b>(1,50,413.87)</b>	<b>(1,02,184.81)</b>
<b>C</b>	<b>Cash flow From Financing Activity</b>		
	Interest / Finance Charges on Borrowings	(4,798.78)	(4,713.83)
	Change in group structure	47,046.39	31,971.82
	Payment towards fractional shares	0.00	(1,156.00)
	Proceeds from / (Repayment of) Long Term Borrowings (Net)	(835.85)	2,484.13
	Proceeds from / (Repayment of) Short Term Borrowings (Net)	(3,304.10)	(1,252.54)
	Payment of Lease Liabilities	(2,321.76)	(1,953.64)
	Dividend Paid (Including Dividend Tax)	(6,080.05)	(5,527.31)
	Dividend Income	232.35	243.12
	<b>Cash used in Financing Activity</b>	<b>29,938.20</b>	<b>20,095.75</b>

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars	31-03-2023	31-03-2022
Net Increase / (Decrease) in Cash	23,271.44	1,180.67
Opening Cash & Cash Equivalents	39,496.33	38,315.66
Closing Cash & Cash Equivalents	62,767.77	39,496.33
<b>Reconciliation</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	47.02	52.80
Cheques on hand/Transit	4,807.85	2,917.12
Balances with banks:		
(a) in current accounts	45,478.90	32,441.51
(b) in deposits with original maturity of less than three months	12,434.00	4,084.90
<b>Balance as per Statement of cash flows</b>	<b>62,767.77</b>	<b>39,496.33</b>

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

R. VIJAYARAGHAVAN (DIN: 00026763)  
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

M.No.206520  
Chennai, 05th September 2023  
UDIN: 23206520BGXGHI2968

**Simpson & Company Limited**
*(All amounts are in INR lakhs unless otherwise stated)*
**Consolidated Financial Statements for the year ended 31st March 2023**
**NOTES ON ACCOUNTS**
**1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS**

Particulars	Gross Block					Depreciation/Amortization					Net Block	
	As at 01-04-2022	Additions	Disposals	Adjustments	As at 31-03-2023	As at 01-04-2022	For the year	Withdrawn	Adjustments	As at 31-03-2023	As at 31-03-2023	As at 31-03-2022
<b>PROPERTY, PLANT AND EQUIPMENT:</b>												
<b>FREEHOLD</b>												
- Land	46,559.82	2,091.60	-	(2.27)	48,649.15	-	-	-	-	-	48,649.15	46,559.82
- Buildings	46,618.16	7,332.88	(211.29)	3,106.57	56,846.32	10,404.56	2,220.17	(96.60)	466.78	12,994.91	43,851.41	36,213.60
Leasehold Land	1.09	129.25	(1.11)	5.50	134.73	-	21.44	-	0.92	22.36	112.37	1.09
<b>LEASEHOLD IMPROVEMENTS</b>												
- Buildings	1,029.05	151.65	-	(1.14)	1,179.56	573.58	42.20	-	0.06	615.84	563.72	455.47
- Electrical Installation-Lease land	62.00	-	-	-	62.00	46.50	4.23	-	-	50.73	11.27	15.50
Bearer Plants	108.22	-	(1.79)	-	106.43	20.39	2.54	(1.79)	-	21.14	85.29	87.82
Plant and Machinery	1,58,833.75	26,629.07	(5,162.73)	3,002.25	1,83,302.34	83,473.82	14,023.51	(4,443.40)	1,057.38	94,111.31	89,191.03	75,359.93
Electrical Installation	2,762.80	299.05	(109.45)	(0.02)	2,952.38	1,546.03	197.23	(100.80)	4.35	1,646.81	1,305.57	1,216.77
Furniture & Fixtures	2,839.21	634.48	(80.61)	(59.72)	3,333.36	1,326.85	410.05	(76.93)	(0.04)	1,659.93	1,673.43	1,512.36
Office Equipments	9,605.40	823.35	(70.67)	230.13	10,588.21	6,162.83	959.02	(67.57)	155.77	7,210.05	3,378.16	3,442.57
Laboratory Equipment	272.23	52.19	-	-	324.42	98.77	27.41	-	-	126.18	198.24	173.46
Vehicles	4,409.76	804.21	(212.04)	(0.10)	5,001.83	2,714.02	496.02	(151.88)	-	3,058.16	1,943.67	1,695.74
<b>Total</b>	<b>2,73,101.49</b>	<b>38,947.73</b>	<b>(5,849.69)</b>	<b>6,281.20</b>	<b>3,12,480.73</b>	<b>1,06,367.35</b>	<b>18,403.82</b>	<b>(4,938.97)</b>	<b>1,685.22</b>	<b>1,21,517.42</b>	<b>1,90,963.31</b>	<b>1,66,734.13</b>
<b>INVESTMENT PROPERTY :</b>												
Freehold Land	582.05	-	(177.24)	2.39	407.20	-	-	-	-	-	407.20	582.05
Buildings on Freehold land	664.39	30.94	(241.55)	23.36	477.14	192.09	19.80	(106.56)	19.21	124.54	352.60	472.30
<b>Total</b>	<b>1,246.44</b>	<b>30.94</b>	<b>(418.79)</b>	<b>25.75</b>	<b>884.34</b>	<b>192.09</b>	<b>19.80</b>	<b>(106.56)</b>	<b>19.21</b>	<b>124.54</b>	<b>759.80</b>	<b>1,054.35</b>
<b>OTHER INTANGIBLE ASSETS :</b>												
Computer Software	4,280.85	1,589.74	-	1.23	5,871.82	3,741.08	304.04	-	0.10	4,045.22	1,826.60	539.77
Product Development (Internally generated)	4,189.67	-	-	-	4,189.67	2,619.98	383.95	-	-	3,003.93	1,185.74	1,569.69
Product Development - Others	315.53	157.40	-	-	472.93	212.00	72.88	-	-	284.88	188.05	103.53
Technical Knowhow	2,699.90	5,869.09	-	-	8,568.99	2,699.90	437.71	-	-	3,137.61	5,431.38	-
Land use Rights	532.51	10.95	-	24.29	567.75	228.22	15.08	-	18.61	261.91	305.84	304.29
Customer Contracts	-	2,171.98	-	-	2,171.98	-	66.47	-	-	66.47	2,105.51	-
<b>Total</b>	<b>12,018.46</b>	<b>9,799.16</b>	<b>-</b>	<b>25.52</b>	<b>21,843.14</b>	<b>9,501.18</b>	<b>1,280.13</b>	<b>-</b>	<b>18.71</b>	<b>10,800.02</b>	<b>11,043.12</b>	<b>2,517.28</b>
<b>CAPITAL WORK IN PROGRESS</b>											<b>8,567.53</b>	<b>4,935.04</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>											<b>8,533.41</b>	<b>7,593.34</b>



**Simpson & Company Limited**
*(All amounts are in INR lakhs unless otherwise stated)*
**Consolidated Financial Statements for the year ended 31st March 2022**
**NOTES ON ACCOUNTS**
**1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS**

Particulars	Gross Block				As at 31-03-2022	Depreciation/Amortization				Net Block		
	As at 01-04-2021	Additions	Disposals	Adjustments		As at 01-04-2021	For the year	Withdrawn	Adjustments	As at 31-03-2022	As at 31-03-2021	
<b>PROPERTY, PLANT AND EQUIPMENT:</b>												
<b>FREEHOLD</b>												
- Land	33,779.55	15,757.67	(33.03)	(2,944.37)	46,559.82	-	-	-	-	-	46,559.82	33,779.55
- Buildings	37,585.01	9,569.70	(91.00)	(445.55)	46,618.16	8,814.91	1,738.92	(43.38)	(105.89)	10,404.56	36,213.60	28,770.10
Leasehold Land	1.09	-	-	-	1.09	-	-	-	-	-	1.09	1.09
<b>LEASEHOLD IMPROVEMENTS</b>												
- Buildings	1,024.11	-	-	4.94	1,029.05	528.19	40.45	-	4.94	573.58	455.47	495.92
- Electrical Installation-Lease land	62.00	-	-	-	62.00	41.80	4.70	-	-	46.50	15.50	20.20
Bearer Plants	108.22	-	-	-	108.22	17.85	2.54	-	-	20.39	87.82	90.37
Plant and Machinery	1,46,686.98	18,711.60	(4,885.22)	(1,679.61)	1,58,833.75	71,734.76	15,526.62	(3,298.01)	(489.55)	83,473.82	75,359.93	74,952.22
Electrical Installation	2,536.99	231.54	(5.73)	-	2,762.80	1,368.71	182.15	(4.73)	(0.10)	1,546.03	1,216.77	1,168.28
Furniture & Fixtures	2,005.61	840.51	(6.91)	-	2,839.21	1,142.83	190.46	(6.44)	-	1,326.85	1,512.36	862.78
Office Equipments	7,693.42	1,706.89	(41.37)	246.46	9,605.40	4,978.13	1,112.42	(36.82)	109.10	6,162.83	3,442.57	2,715.29
Laboratory Equipment	265.38	6.85	-	-	272.23	72.28	26.49	-	-	98.77	173.46	193.10
Vehicles	3,606.31	783.08	(268.01)	288.38	4,409.76	2,160.71	475.08	(203.86)	282.09	2,714.02	1,695.74	1,445.60
<b>Total</b>	<b>2,35,354.67</b>	<b>47,607.84</b>	<b>(5,331.27)</b>	<b>(4,529.75)</b>	<b>2,73,101.49</b>	<b>90,860.17</b>	<b>19,299.83</b>	<b>(3,593.24)</b>	<b>(199.41)</b>	<b>1,06,367.35</b>	<b>1,66,734.13</b>	<b>1,44,494.50</b>
<b>INVESTMENT PROPERTY :</b>												
Freehold Land	5,781.01	-0.00	-	(5,198.96)	582.05	-	-	-	-	-	582.05	5,781.01
Buildings on Freehold land	734.14	180.07	-	(249.82)	664.39	164.53	9.06	-	18.50	192.09	472.30	569.61
on leasehold land	4.94	-	-	(4.94)	-	4.94	-	-	(4.94)	-	-	-
<b>Total</b>	<b>6,520.09</b>	<b>180.07</b>	<b>-</b>	<b>(5,453.72)</b>	<b>1,246.44</b>	<b>169.47</b>	<b>9.06</b>	<b>-</b>	<b>13.56</b>	<b>192.09</b>	<b>1,054.35</b>	<b>6,350.62</b>
<b>OTHER INTANGIBLE ASSETS :</b>												
Computer Software	4,210.73	67.35	-	2.77	4,280.85	3,391.50	346.81	-	2.77	3,741.08	539.77	819.23
Product Development (Internally generated)	2,388.79	1,800.88	-	-	4,189.67	2,388.78	231.20	-	-	2,619.98	1,569.69	0.01
Product Development - Others	209.92	105.61	-	-	315.53	163.07	48.93	-	-	212.00	103.53	46.85
Technical Knowhow	2,699.90	-	-	-	2,699.90	2,586.93	112.97	-	-	2,699.90	-	112.97
Land use Rights	510.25	0.13	-	22.12	532.51	201.20	18.98	-	8.04	228.22	304.29	309.05
<b>Total</b>	<b>10,019.59</b>	<b>1,973.97</b>	<b>-</b>	<b>24.89</b>	<b>12,018.46</b>	<b>8,731.48</b>	<b>758.89</b>	<b>-</b>	<b>10.81</b>	<b>9,501.18</b>	<b>2,517.28</b>	<b>1,288.11</b>
<b>CAPITAL WORK IN PROGRESS</b>											4,935.04	13,263.04
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>											7,593.34	6,178.74

## Simpson & Co., Limited

(All amounts are in INR lakhs unless otherwise stated)

### Consolidated Financials for the year ended 31st March 2023

#### 2. NON CURRENT INVESTMENTS

Particulars	31-03-2023	31-03-2022
<b>Quoted Investments</b>		
<b>In Equity shares</b>		
Associates	14,760.77	14,076.28
Associates of Subsidiary	5,21,094.27	4,49,964.98
Others	17,531.48	16,808.00
		-
<b>In Bonds &amp; debt instruments</b>	5,305.11	3,236.79
		-
<b>Unquoted Investments</b>		
<b>In Equity shares</b>		
Associates	5,208.29	4,701.91
Associates of Subsidiary	2,829.36	51.13
Joint Venture	1,657.01	1,437.92
Others	420.24	-
		-
<b>In Preference shares</b>		
Associates	1,124.97	1,124.97
Joint Venture	-	-
		-
<b>In Bonds &amp; debt instruments</b>	15.75	21.42
		-
<b>In Govt. Securities</b>	2.07	2.26
		-
<b>In Mutual Funds</b>		
-Quoted	4,43,290.04	3,76,104.58
	<b>10,13,239.36</b>	<b>8,67,530.24</b>

Refer Note 48 for Fair Value Hierarchy & Disclosure.

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## Consolidated Financial Statements - NOTES ON ACCOUNTS

<b>3. FINANCIAL ASSETS - LONG TERM LOANS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Secured, considered good</b>		
Loans		
- Employees	44.50	46.50
- Others	276.14	188.99
<b>Unsecured, considered good</b>		
Loans		
- Employees	18.33	20.27
- Vendors	-	60.22
Loans to Others	181.21	69.16
	<b>520.18</b>	<b>385.14</b>
<b>4. NON CURRENT FINANCIAL ASSETS - OTHERS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Security Deposits - Unsecured	2,467.21	2,363.87
Bank Deposits with maturity of more than twelve months	290.14	167.58
Other Deposits - Unsecured	381.85	288.39
Others	313.50	-
	<b>3,452.70</b>	<b>2,819.84</b>
<b>5. DEFERRED TAX (NET)</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Deferred Tax Liabilities arising out of</b>		
Accumulated Depreciation on Assets	5,050.97	6,587.69
Fair value change on investments	55,773.38	36,411.48
Others	24.17	28.52
	<b>60,848.52</b>	<b>43,027.69</b>
<b>Deferred Tax Assets arising out of</b>		
Provision for Obsolete Stock	161.32	139.94
Provision for doubtful debts and advances	748.91	721.99
Unabsorbed tax Loss/Depreciation	344.91	5,941.36
Investment Properties	1,029.76	1,881.75
Provision for employee related expenses	1,879.95	1,241.36
Capital Gains on Joint Development of Property	1,205.41	1,205.97
MAT Credit	860.37	817.58
Others	1,687.53	1,097.03
	<b>7,918.16</b>	<b>13,046.98</b>
Net Deferred Tax Assets/(Liabilities)	<b>(52,930.36)</b>	<b>(29,980.71)</b>
<b>6. OTHER NON CURRENT ASSETS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Capital Advances	3,673.86	3,778.31
Duties/taxes and other amounts paid under protest	45.63	46.37
Balance with statutory/government authorities	171.70	147.36
Others	673.56	733.97
	<b>4,564.75</b>	<b>4,706.01</b>

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## Consolidated Financial Statements - NOTES ON ACCOUNTS

<b>7. INVENTORIES</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
a) Raw materials and components	70,104.80	62,541.63
b) Stores and spares	3,329.90	10,622.30
c) Dies jigs & loose tools	649.95	1,278.88
d) Closing Stock :		
Intermediate components	827.75	905.49
Work in progress	17,098.26	14,507.99
Finished goods	55,194.87	34,020.08
Stock-in-trade	20,680.20	20,035.82
	<b>1,67,885.73</b>	<b>1,43,912.19</b>
Goods-in-transit included in inventories comprise of :		
- Raw materials and components	13,537.33	7,468.87
- Finished goods	60.34	488.07
- Stock in trade	1,544.95	1,332.16
<i>For Assets pledged as security refer Note 54</i>		
<b>8. FINANCIAL ASSETS - CURRENT INVESTMENTS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Mutual funds		
- Debt	3,179.52	11,403.90
- Equity	2,71,022.80	2,71,576.02
Equity Shares	-	40.85
Bonds	913.40	1,780.40
	<b>2,75,115.72</b>	<b>2,84,801.17</b>
<i>Refer Note 49 for Fair Value Hierarchy &amp; Disclosure.</i>		
<b>9. TRADE RECEIVABLES</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Considered good - secured	17,449.70	5,420.00
Considered good - Unsecured	1,75,592.10	1,36,557.72
Receivables which have significant increase in credit risk	587.38	422.00
Credit Impaired	2,712.96	2,702.57
	1,96,342.14	1,45,102.29
Less : Allowance for trade Receivables	3,300.34	3,193.05
	<b>1,93,041.80</b>	<b>1,41,909.24</b>
<i>For Assets pledged as security, refer Note 54, For RPT Refer Note 55</i>		
<b>10. (i) CASH AND CASH EQUIVALENTS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Balances with banks :		
(a) in current accounts	45,478.90	32,441.51
(b) in deposits with original maturity of less than three months	12,434.00	4,084.90
Cash on hand	47.02	52.80
Cheques on hand / in transit	4,807.85	2,917.12
	<b>62,767.77</b>	<b>39,496.33</b>
<b>10. (ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Bank deposits with maturity of three to twelve months	8,836.12	6,699.95
Unclaimed dividend account	762.70	682.17
Earmarked balances	40.70	3.32
Margin Money with Bank	6,948.02	357.84
	<b>16,587.54</b>	<b>7,743.28</b>

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## Consolidated Financial Statements - NOTES ON ACCOUNTS

<b>11. FINANCIAL ASSETS - SHORT TERM LOANS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Secured, considered good</b>		
Others	493.43	380.70
<b>Unsecured, considered good</b>		
Loans to related parties	27.10	123.69
Corporate deposit	-	15.71
Others	810.73	633.38
	<b>1,331.26</b>	<b>1,153.48</b>
<b>12. CURRENT FINANCIAL ASSETS - OTHERS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Interest Receivable	359.42	248.51
Claims Receivable	182.00	259.32
Other Deposits - Unsecured	598.78	228.29
Others ( Refer Note: 55 for Related Party Transaction)	3,306.99	2,207.66
	<b>4,447.19</b>	<b>2,943.78</b>
<b>13. CURRENT TAX ASSETS (NET)</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Prepayment of taxes	55,923.26	56,097.86
Less: Provision for taxes	52,814.64	52,204.82
	<b>3,108.62</b>	<b>3,893.04</b>
<b>14. OTHER CURRENT ASSETS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Balance with statutory/government authorities	28,018.35	14,030.64
Advance to Suppliers	15,285.40	11,646.91
Prepaid expenses	1,248.37	1,208.18
Others	3,786.09	3,572.46
	<b>48,338.21</b>	<b>30,458.19</b>

## Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

### Consolidated Financial Statements - NOTES ON ACCOUNTS

15. SHARE CAPITAL	31-03-2023	31-03-2022
<b>Authorised</b>		
44000 equity shares of Rs 2500/- each	1,100.00	1,100.00
100000 Redeemable Preference shares of Rs 100/- each	100.00	100.00
<b>Issued,subscribed and fully paid-up</b>		
29479 equity shares of Rs 2500/- each	736.97	736.97
	<b>736.97</b>	<b>736.97</b>

**15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :**

Particulars	31st March 2023	31st March 2022
Equity shares at the beginning of the year	29,479	73,77,500
Movement during the year	-	7,750
Equity shares outstanding before consolidation	29,479	73,69,750
Equity shares outstanding at the end of the period (FV-Rs.2500/-)	29,479	29,479

#### 15.2 Buy back of shares

The Company bought back 1,22,500 Equity shares of Face value Rs.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 Rs.2500 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

Particulars	31-03-2023	31-03-2022
	(Rs.)	(Rs.)
a) Amalgamations Private Limited, Holding Company 28944 equity shares of Rs.2500/- each fully paid	723.60	723.60
b) United Nilgiri Tea Estates Company Ltd, the associate of the holding company 65 equity shares of Rs.2500/- each fully paid	1.63	1.63

#### 15.5 The Details of shareholders holding more than 5% shares in the company

	31-03-2023	31-03-2022
<b>Equity shares of Rs. 2500/- each fully paid</b>		
Amalgamations Private Limited		
- Nos	28,944	28,944
- % of Holding	98.19	98.19

**Simpson & Company Limited***(All amounts are in INR lakhs unless otherwise stated)***Consolidated Financial Statements - NOTES ON ACCOUNTS**

<b>16. OTHER EQUITY</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Capital reserve on Consolidation</b>	3,333.25	3,333.25
	<b>3,333.25</b>	<b>3,333.25</b>
<b>Other Reserves</b>		
<b>General Reserve</b>		
As per last balance sheet	1,82,245.90	1,69,670.90
Add: Transfer from Retained earnings	12,550.00	12,575.00
	<b>1,94,795.90</b>	<b>1,82,245.90</b>
<b>Statutory Reserve</b>		
As per last balance sheet	382.46	316.08
Transfer from Retained earnings	76.26	66.38
	<b>458.72</b>	<b>382.46</b>
<b>Capital Redemption Reserve</b>		
As per last balance sheet	13.03	12.25
Transfer from Retained Earnings	-	0.78
	<b>13.03</b>	<b>13.03</b>
<b>Retained Earnings</b>		
As per last balance sheet	9,93,440.09	8,81,865.50
Consolidation Adjustment	(50.28)	(4,960.13)
Net Profit for the year	1,70,867.44	1,35,855.07
Hyperinflation adjustment	5,167.08	-
Balance after adjustment	<b>11,69,424.33</b>	<b>10,12,760.44</b>
Less: Appropriations		
Interim dividend paid	(4,421.85)	(3,869.12)
Final dividend paid	(1,658.20)	(1,658.19)
Payment Towards fractional shares	-	(1,150.88)
Transfer to Capital Redemption Reserve	-	(0.78)
Transfer to General reserve	(12,550.00)	(12,575.00)
Transfer to Statutory reserve	(76.26)	(66.38)
<b>Net Surplus in the Retained Earnings Account</b>	<b>11,50,718.02</b>	<b>9,93,440.09</b>
<b>Share of Other comprehensive income of Associates</b>		
As per last balance sheet	(34,355.32)	(37,436.29)
Add: Transfer from Other Comprehensive Income	(5,125.96)	3,080.98
	<b>(39,481.28)</b>	<b>(34,355.31)</b>
<b>Exchange differences on translating financial statements of foreign operations</b>		
As per last balance sheet	(4,096.38)	(2,374.48)
Add: Additions during the year	12,168.53	(1,721.89)
	<b>8,072.15</b>	<b>(4,096.37)</b>
<b>Equity Instruments through FVTOCI reserve</b>		
As per last balance sheet	5,373.41	5,767.30
Add : Transfer from Other Comprehensive Income	818.49	(393.90)
	<b>6,191.90</b>	<b>5,373.40</b>
<b>Effective Cash Flow Hedges reserve</b>		
As per last balance sheet	4.71	(2.70)
Add : Adjustment	(3.63)	(0.50)
Add : Transfer from Other Comprehensive Income	5.10	7.91
	<b>6.18</b>	<b>4.71</b>
<b>Actuarial Gains on Defined Benefit Plan reserve</b>		
As per last balance sheet	5,504.26	5,053.80
Add : Transfer from Other Comprehensive Income	(684.72)	450.46
	<b>4,819.54</b>	<b>5,504.26</b>
<b>Total Other Equity</b>	<b>13,25,594.16</b>	<b>11,48,512.17</b>

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## Consolidated Financial Statements - NOTES ON ACCOUNTS

<b>17. FINANCIAL LIABILITIES - LONG TERM BORROWINGS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Secured	6,157.66	6,762.60
- Loans from banks		
UnSecured		
- Loan from Directors	672.97	671.57
- Others	297.18	529.49
	<b>7,127.81</b>	<b>7,963.66</b>

For terms of repayment, refer Note 46, Note 55 for Related party transaction

<b>18. NON CURRENT FINANCIAL LIABILITIES - OTHERS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Security deposits	7,858.42	7,560.42
Advance received for Joint Development of Property	519.45	483.38
Others	819.36	6.46
	<b>9,197.23</b>	<b>8,050.26</b>

<b>19. LONG TERM PROVISIONS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Provision for gratuity	6.49	0.63
Provision for compensated absences	4,211.11	3,922.65
Provision for product warranty	1,163.50	1,063.67
	<b>5,381.10</b>	<b>4,986.95</b>

<b>20. OTHER NON CURRENT LIABILITIES</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Deferred Income		
- Government Grants	168.82	222.21
- Other deferred income	422.91	525.91
Others	10.29	21.02
	<b>602.02</b>	<b>769.14</b>

<b>21. FINANCIAL LIABILITIES - SHORT TERM BORROWINGS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Loans repayable on demand</b>		
From Banks		
- Working capital demand loan (Secured)	-	1,160.00
- Cash credit (Secured)	2,932.40	2,268.85
- Others	15,921.78	20,013.25
From Others	2,907.97	1,624.15
From Related Parties (Unsecured)	2,600.00	2,600.00
	<b>24,362.15</b>	<b>27,666.25</b>

For terms of repayment, refer Note 46, Note 55 for Related Party transaction

<b>22. TRADE PAYABLES</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Micro and Small Enterprises	12,172.98	7,524.53
Acceptances	192.15	260.52
Others	1,99,538.43	1,59,016.02
	<b>2,11,903.56</b>	<b>1,66,801.07</b>

Refer Note 55 for Related Party Transaction.



<b>Simpson &amp; Company Limited</b>		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
<b>Consolidated Financial Statements - NOTES ON ACCOUNTS</b>		
<b>23. CURRENT FINANCIAL LIABILITIES - OTHERS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Interest accrued but not due on borrowings	278.57	154.70
Interest accrued and due on borrowings	49.55	67.40
Unclaimed dividends	803.39	685.30
Due to ultimate holding company	1,437.32	1,259.80
Other Payables		
- Managerial remuneration payable	2,006.61	1,837.61
- Accrued salaries & benefits	23,649.32	19,727.65
Security deposits	1,150.45	1,060.31
Capital Creditors	2,784.27	224.09
Others	2,934.16	2,002.30
	<b>35,093.64</b>	<b>27,019.16</b>
<b>24. OTHER CURRENT LIABILITIES</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Deferred income	383.33	411.35
Advance from customers	19,420.99	20,448.18
Security deposit from customers	55.06	70.11
Statutory dues payable	4,666.14	3,489.14
Others	1,002.24	1,820.99
	<b>25,527.76</b>	<b>26,239.77</b>
<b>25. SHORT TERM PROVISIONS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Provision for gratuity	2,523.36	1,022.74
Provision for Compensated absences	1,102.29	1,156.86
	<b>(a) 3,625.65</b>	<b>2,179.60</b>
<b>Other Provisions</b>		
Provision for warranty	4,342.92	4,881.89
Provision for Contingencies	-	71.97
Others	162.93	275.06
	<b>(b) 4,505.85</b>	<b>5,228.92</b>
	<b>8,131.50</b>	<b>7,408.52</b>
<b>Particulars</b>	<b>Consolidated</b>	
	<b>2022-23</b>	<b>2021-22</b>
<b>Movement in Warranty provision (Current &amp; Non-current)</b>		
At the beginning of the year	5,945.57	5,907.42
Provision during the year	3,599.77	4,621.56
Utilized during the year	(4,032.75)	(4,551.51)
Written back during the year	(6.17)	(31.90)
At the end of the year	<b>5,506.42</b>	<b>5,945.57</b>
<b>Movement in Contingency provision</b>		
At the beginning of the year	71.97	219.07
Provision during the year	-	-
Utilized during the year	(71.97)	(147.10)
At the end of the year	<b>-</b>	<b>71.97</b>

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## Consolidated Statement of Profit and Loss - NOTES ON ACCOUNTS

	Year Ended	Year Ended
	31-03-2023	31-03-2022
<b>26. REVENUE FROM OPERATIONS</b> (Refer Note 50)		
Sale of products	14,84,176.79	12,77,939.76
Sale of services	20,921.30	15,378.20
Other Operating Income	20,536.02	19,283.78
	<b>15,25,634.11</b>	<b>13,12,601.74</b>
<b>27. OTHER INCOME</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Interest income		
- Long-term investments	59.02	69.34
- Measurement of deposits at amortised cost	538.14	369.14
- Deposits and others	691.84	1,453.26
Dividend income		
- Long-term investments	230.92	229.27
- Current investments	1.43	13.85
Profit on sale of investments (Net)	14,337.91	16,430.94
Fair valuation gain on Investments	20,327.66	9,225.14
Exchange Gain (Net)	3,938.72	315.57
Other non-operating income	7,970.98	5,295.55
	<b>48,096.62</b>	<b>33,402.06</b>
<b>28. COST OF MATERIALS CONSUMED</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Opening Stock	55,072.76	55,172.88
Add:Purchases	9,06,760.94	7,12,382.66
Less:Closing Stock	(56,567.47)	(55,072.76)
Less:Capitalised	(92.93)	(18.35)
	<b>9,05,173.30</b>	<b>7,12,464.43</b>
<b>29. PURCHASES OF STOCK-IN-TRADE</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Purchase of Stock in trade	1,59,947.81	1,60,798.12
	<b>1,59,947.81</b>	<b>1,60,798.12</b>
<b>30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Opening stock</b>		
Intermediate components	905.49	559.52
Finished goods	33,532.01	53,818.59
Work-in-progress	14,507.99	15,505.40
Stock-in-trade	18,703.66	14,302.19
	<b>(a) 67,649.15</b>	<b>84,185.70</b>
<b>Closing stock</b>		
Intermediate components	827.75	905.49
Finished goods	55,134.53	33,532.01
Work-in-progress	17,098.26	14,507.99
Stock-in-trade	19,135.25	18,703.66
	<b>(b) 92,195.79</b>	<b>67,649.15</b>
	<b>(a-b) (24,546.64)</b>	<b>16,536.55</b>

**Simpson & Company Limited***(All amounts are in INR lakhs unless otherwise stated)***Consolidated Statement of Profit and Loss - NOTES ON ACCOUNTS**

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>31. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Managerial remuneration	1,05,238.05	98,514.01
Contribution to Provident and Other Funds (Refer Note 42)	6,265.50	5,850.83
Staff welfare expenses	7,807.59	7,239.51
	<b>1,19,311.14</b>	<b>1,11,604.35</b>
Less: (i) Recoveries for common service & employees seconded	1,170.85	958.35
(ii) Transfer to captive consumption/Expenses capitalised	628.10	373.94
	<b>1,17,512.19</b>	<b>1,10,272.06</b>
<b>32. FINANCE COSTS</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Interest	4,155.12	3,537.06
Interest on fair valuation of loans/deposits	0.02	2.55
Interest on lease liability	527.04	487.74
Other borrowing costs	647.77	693.57
Less : Expenses capitalised	(4.11)	(7.09)
	<b>5,325.84</b>	<b>4,713.83</b>
<b>33. DEPRECIATION AND AMORTISATION EXPENSES</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Depreciation on tangible assets / Investment Property	18,423.62	19,308.88
Depreciation on Right of use Assets	1,965.18	1,634.86
Amortisation of intangible assets	1,280.13	758.88
	<b>21,668.93</b>	<b>21,702.62</b>
<b>34. OTHER EXPENSES</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
Stores consumed	26,654.53	20,968.02
Packing & Forwarding	5,479.22	5,527.39
Power and Fuel	15,404.20	13,955.06
Subcontract charges	18,917.19	15,357.52
Repairs and Maintenance		
- Buildings	4,106.14	2,756.67
- Machinery	6,325.75	6,360.60
- Others	4,092.84	4,054.98
Insurance	2,166.42	2,063.31
Rent	4,594.61	3,011.47
Rates and Taxes	1,680.56	920.17
Freight & Handling charges	26,077.13	27,312.92
Auditors' Remuneration including other services		
Statutory Audit Fees	50.00	47.00
Tax Audit Fees	7.20	5.05
Others	21.70	9.71
Reimbursement of Expenses	0.02	0.25
Travelling Expenses	14,493.28	9,612.94
Advertisement & Sales promotion expenses	27,432.09	25,194.70
Professional Consultancy charges	394.76	385.67
Expenditure on Corporate Social Responsibility	1,309.94	4,766.70
Miscellaneous expenses	30,796.01	29,671.06
	<b>1,90,003.59</b>	<b>1,71,981.19</b>

# Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

## Consolidated Statement of Profit and Loss - NOTES ON ACCOUNTS

	Year Ended	Year Ended
	31-03-2023	31-03-2022
<b>35A. OTHER COMPREHENSIVE INCOME</b>		
<b>(i) Items that will not be reclassified to profit or loss</b>		
Actuarial Gain / (Loss) on Defined Benefit Plan - Gratuity (Funded)	(930.22)	728.29
Changes in fair value of investments	1,103.47	-443.11
Share of other comprehensive income (net) of associates	(4,020.32)	5,176.59
	<b>(3,847.07)</b>	<b>5,461.77</b>
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	(2,403.94)	(1,603.43)
	<b>(2,403.94)</b>	<b>(1,603.43)</b>
<b>35B. OTHER COMPREHENSIVE INCOME</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
<b>Items that will be reclassified to profit or loss</b>		
Exchange differences on translating financial statements of foreign operations	15,347.16	(2,171.68)
Effective Portion of Cash Flow Hedges	5.10	7.91
	<b>15,352.26</b>	<b>(2,163.77)</b>
<b>36. EARNINGS PER SHARE</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
(1) Profit after tax as per Consolidated Statement of Profit and Loss	1,70,867.44	1,35,855.08
(2) Weighted Average No. Equity Shares (Nos.)	29,479.00	29,479.00
(3) Nominal Value per Share (INR.)	2,500.00	2,500.00
(4) Basic and diluted Earnings per Share (INR.)	5,79,624.28	4,60,853.74

## **Simpson & Company Limited**

### **Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

*(All amounts are in INR Lakhs unless stated otherwise)*

#### **COMPANY OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES**

##### **37. COMPANY 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 are primarily involved in manufacturing of tractors, diesel engines, automobile parts, plantation products, non-banking finance and dealership in passenger cars and parts thereof. Amalgamations Private Limited owns 98.19% of ordinary equity shares of the Parent company as at 31st March, 2023 and has the ability to control its operating and financial policies.

The consolidated financial statements were approved by the Board of Directors on 5th September 2023.

##### **38A. 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 observed 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 cash flows, 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 Translation 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.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

- (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.

#### 38B. 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, 2023 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.

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, 2021 and December 31, 2022. 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, 2022 and March 31, 2023, the Group has used the financial information based on the financial statements prepared using accounting policies aligned with the US GAAP for the years ended December 31, 2021 and December 31, 2022 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.

- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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 31-03-2023	FYE 31-03-2022
Profit on transfer of immovable property - Note 1	1,821.89	1,397.61
Camshaft project cost provision has been created	(64.27)	-
Provision towards disputed sales tax	-	(183.98)
Voluntary Retirement Scheme pursuant to closure of operations at assembly plant	(1,651.90)	-
<b>Total</b>	<b>105.72</b>	<b>1,213.63</b>
Elimination of intra-group sale of Mysore land	(1,821.89)	-
<b>Net Total</b>	<b>(1,716.17)</b>	<b>1,213.63</b>

NOTE 1 : Exceptional item relates to Profit on sale of Mysore Road Land

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 40. Tax Expenses:

Particulars	FYE 31-03-2023	FYE 31-03-2022
Profit before tax	1,67,767.14	1,26,596.53
<b>Tax Expenses:</b>		
Current Tax	47,869.93	39,947.04
Deferred Tax	6,212.35	944.19
Tax refund / provision relating to earlier years	(957.37)	(234.77)
<b>Total</b>	<b>53,124.91</b>	<b>40,656.46</b>
<b>Applicable tax percentage (%)</b>	<b>25.17%</b>	<b>25.17%</b>
Tax Rate	22%	22%
Surcharge	10%	10%
Education cess	4%	4%
<b>Effective Tax Rate</b>	<b>31.67%</b>	<b>32.11%</b>
<b>Tax effect of amounts which are not deductible (taxable) in Calculating taxable income:</b>		
Tax as per Applicable Tax Rate	42,223.63	31,864.35
Expenses that are not deductible in determining taxable profit	19,881.64	17,206.55
Admissible Deductions	(5,659.75)	(5,813.89)
Others	(3,320.60)	(2,600.56)
<b>Total Tax Expenses</b>	<b>53,124.92</b>	<b>40,656.45</b>

#### 40(a). Deferred Tax Movement

Particulars	Balance as at 31st March 2021	Recognised in		Other Equity	Foreign Currency Translation Reserve	Balance as at 31st March 2022	Recognised in		Other Equity	Foreign Currency Translation Reserve	Balance as at 31st March 2023
		Profit & Loss	OCI				Profit & Loss	OCI			
<b>Deferred Tax Liabilities</b>											
Accumulated Depreciation on Assets - Other than R&D	8,393.52	(432.17)	-	(1,322.82)	(50.84)	6,587.69	(1,605.30)	-	-	68.58	5,050.97
Fair Valuation on Investment and Loans	22,751.74	12,283.80	1,391.25	(15.31)	-	36,411.48	16,895.87	2,466.04	-	-	55,773.39
Others	25.07	3.45	-	-	-	28.52	(4.35)	-	-	-	24.17
<b>Total</b>	<b>31,170.33</b>	<b>11,855.07</b>	<b>1,391.25</b>	<b>(1,338.13)</b>	<b>(50.84)</b>	<b>43,027.68</b>	<b>15,286.21</b>	<b>2,466.04</b>	<b>-</b>	<b>68.58</b>	<b>60,848.52</b>
<b>Deferred Tax Assets</b>											
Allowance for doubtful debts	1,203.45	(257.29)	-	(36.55)	(187.62)	721.99	27.69	-	-	(0.77)	748.91
Capital Gains on Joint Development of Property	984.12	221.85	-	-	-	1,205.97	(0.56)	-	-	-	1,205.41
Provision for employee related expense	2,373.19	(643.00)	(178.97)	(320.19)	10.33	1,241.36	564.93	37.11	-	36.55	1,879.95
Unabsorbed depreciation and unabsorbed business Loss	12,572.83	(764.46)	-	(5,867.01)	-	5,941.36	(5,596.45)	-	-	-	344.91
Provision for obsolete stock	116.00	23.94	-	-	-	139.94	21.38	-	-	-	161.32
Others	789.55	84.32	(0.88)	-	224.04	1,097.03	767.75	(114.94)	-	(62.33)	1,687.51
Investment properties	1,703.18	178.57	-	-	-	1,881.75	(851.99)	-	-	-	1,029.76
MAT Credit	717.92	174.17	-	(74.51)	-	817.58	42.79	-	-	-	860.37
<b>Total</b>	<b>20,460.24</b>	<b>(981.90)</b>	<b>(179.85)</b>	<b>(6,298.26)</b>	<b>46.75</b>	<b>13,046.98</b>	<b>(5,024.45)</b>	<b>(77.83)</b>	<b>-</b>	<b>(26.55)</b>	<b>7,918.15</b>
<b>Net Deferred Tax Liabilities</b>	<b>10,710.09</b>	<b>12,836.97</b>	<b>1,571.10</b>	<b>4,960.13</b>	<b>(97.59)</b>	<b>29,980.70</b>	<b>20,310.67</b>	<b>2,543.87</b>	<b>-</b>	<b>95.13</b>	<b>52,930.37</b>

\*Above includes deferred tax liability on share of profit from associates Rs. 14,098.30 Lakhs (PY Rs. 11,892.78 Lakhs). Deferred tax for unabsorbed loss was reassessed and impact of the same is provided for in the respective period as per the requirement of the relevant Indian Accounting standards.

#### 41. Research & development expenditure

Particulars	FYE 31-03-2023	FYE 31-03-2022
<b>Capital Expenditure</b>		
– New product development and Other Assets	1,732.68	3,408.55
<b>Total Capital Expenditure</b>	<b>1,732.68</b>	<b>3,408.55</b>
<b>Revenue Expenditure</b>		
– Salaries & Wages	4,980.80	4,521.35
– Materials, Consumables and Spares	1,400.99	5,572.75
– Other Expenditure	5,661.18	8,015.18
<b>Total Revenue Expenditure</b>	<b>12,042.97</b>	<b>18,109.28</b>
<b>Total</b>	<b>13,775.65</b>	<b>21,517.83</b>

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 42(a). Employee Benefit Expenses

Particulars		FYE 31-03-2023	FYE 31-03-2022
<b>A.</b>	<b>Gratuity (Funded)</b>		
	<b>Actuarial Assumptions:</b>		
	Discounted Rate	6.9%-7.48%	6.77%-7.41%
	Salary Escalation	0%-9%	3%-9%
	Attrition Rate	1%-10%	1%-10%
	<b>Change in Defined Benefit Obligation</b>		
	Defined benefit obligation at the end of prior period	15,564.48	14,941.96
	Interest Cost	973.30	927.79
	Current Service Cost	1,228.41	1,160.49
	Past Service Cost	17.55	-
	Change in financial assumption	-	-
	Benefits Paid	(1,950.38)	(1,269.46)
	Actuarial (Gain)/Loss	926.70	(156.71)
	Exchange Difference	15.33	(20.81)
	Defined benefit obligation at the end of the year	16,775.39	15,583.26
	<b>Change in Fair Value of Plan Assets</b>		
	Fair Value of Plan Assets at the end of the prior period	14,477.94	13,176.31
	Expected Return of Plan Assets	961.39	861.98
	Past Service Cost	18.68	-
	Contributions	1,040.86	1,085.36
	Benefits Paid	(1,953.70)	(1,205.71)
	Plan Assets Transferred	-	-
	Actuarial Gain/(Loss)	(18.77)	571.57
	<b>Fair Value of Plan Assets at the end of the year</b>	<b>14,526.40</b>	<b>14,489.51</b>
	<b>Amount recognised in Balance Sheet</b>		
	Defined Benefit Obligation at the end of the year	16,775.37	15,583.26
	Fair Value of plan assets at the end of the year	14,526.40	14,489.49
	<b>Funded status surplus</b>	<b>2,248.97</b>	<b>1,093.7</b>
	<b>Expenses recognised in the Statement of Profit &amp; Loss &amp; OCI</b>		
	Current Service Cost	1,247.04	1,160.48
	Interest Cost	880.47	844.74
	Past Service Cost	(1.13)	2.35
	Expected Return on plan assets	(837.63)	(611.77)
	Expenses recognised in the P&L Account	<b>1,288.74</b>	<b>1,395.80</b>
	Re-measurement- Actuarial (Gain)/Loss recognised in OCI	930.22	(728.29)
	<b>Total Defined Benefit Obligation Cost recognised in P&amp;L and OCI</b>	<b>2,218.95</b>	<b>667.51</b>
	<b>Composition of plan assets</b>		
	GOI Securities	-	-
	Insurer managed funds	14,505.21	14,484.60
	With Scheduled Bank	21.24	4.91
	Others	-	-
	<b>Total</b>	<b>14,526.45</b>	<b>14,489.51</b>
<b>B.</b>	Provident Fund	3,545.76	3,394.18
<b>C.</b>	Super Annuation	1,279.69	1,060.80
<b>D.</b>	Others	151.31	0.05
	<b>Total Employee Benefits</b>	<b>6,265.50</b>	<b>5,850.83</b>



## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 42(a). Employee Benefit Expenses (Contd.)

##### Sensitivity Analysis:

Particulars	FYE 31-03-2023	FYE 31-03-2022
<b>Discount Rate</b>		
Increase by 0.5%	14,951.49	14,570.34
Decrease by 0.5%	15,263.31	16,596.16
<b>Salary Escalation Rate</b>		
Increase by 0.5%	15,265.80	16,491.75
Decrease by 0.5%	14,932.79	14,674.75
<b>Excepted Cash Flow for following years</b>		
Less than a year	1,877.27	1,924.81
Between 1-2 years	1,558.73	1,477.77
Between 2-5 years	4,971.70	4,719.19
Over 5 years	7,835.39	7,654.66

#### 43. Property, Plant and Equipment

##### Adjustments:

- Adjustments include amounts pertaining to Foreign currency translation adjustment, transfer to/from investment property / Right to Use (ROU), Hyperinflation and other adjustments.

#### 44. Noncurrent assets held for sale

Particulars	FYE 31-03-2023	FYE 31-03-2022
Freehold land	83.71	83.89
Building	122.39	129.26
Other assets held for sale	-	5,376.56
<b>Total</b>	<b>206.10</b>	<b>5,589.71</b>

#### 45. Investment Property

Particulars	FYE 31-03-2023	FYE 31-03-2022
Rental income	331.40	251.67
Direct operating expenses (including repairs and maintenance) that generated rental income	43.10	9.96
Direct operating expenses (including repairs and maintenance) that did not generate rental income	5.39	2.01
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>282.91</b>	<b>239.70</b>
Depreciation for the year	19.79	9.06
Indirect expenses for the year	0.65	0.65
<b>Profit arising from investment properties after depreciation and indirect expenses</b>	<b>262.47</b>	<b>229.99</b>

##### Fair value of Investment Properties:

Particulars	FYE 31-03-2023	FYE 31-03-2022
Fair value	6,757.38	6,687.28

##### Note :

- The Company's Investment Properties consist of land and buildings let out to third parties and meant for investment purpose.
- There are no restrictions on the disposal of investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, and enhancements.
- In respect of valuation of Investment Properties, it has been reckoned as follows:
  - In respect of Land, valued at Rs.6,404.78 Lakhs, as at 31st March 2023, Rs.4,252.04 Lakhs is valued as per fair valuation by the registered valuer and remaining Rs.2,152.74 Lakhs is valued at guideline value.
  - In respect of Buildings, at Book Value Rs.352.60 lakhs as on 31st March 2023.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 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
Term Loans from Banks - Rs.9,259.05 Lakhs	The term loans are availed for: a) Purchase of assets relating to Capital Projects secured by hypothecation of specific assets purchased out of the said loan b) Purchase of vehicles secured by hypothecation of vehicles purchased out of said loan 1) Tenure of Loans: Loans are repayable in 9-16 quarterly instalments 2) Rate of interest of these loan is 9.44 % and 8.05 % per annum respectively
Loan from financial institution - Rs.250.00 Lakhs	Loan is availed from TATA Capital Financial Services 1) Loan is repayable in monthly instalments 2) Interest is charged at the rate of 9.08 %
Loan from financial institution - Rs.83.33 Lakhs	Loan taken from other parties for term loan are secured by hypothecation of specific asset. The weighted average rate of interest of these loan is around 9.08%. per annum.
Secured term loan from Bank - Rs.7,745.07 Lakhs	Secured term loan from banks-TL2 and GECL from bank 1) Tenure of loan: Loan is repayable in 12-48 monthly instalments with 1 and 2 years moratorium 2) Interest is charges at MCLR + spread
Guaranteed emergency credit loan - Rs.177.09 Lakhs	1) Loan is repayable in 60 monthly instalments from including moratorium of 12 months 2) Interest is payable at LTLR + spread
Loan from financial institution - Rs.48.69 Lakhs	Loan is secured 1) Tenure of loan: Loan is repayable in 47 monthly instalments from July 2021- May 2025 2) Interest is charged at the rate of 4.22 %
Other Fixed deposits - Rs.170 Lakhs	Deposit is repayable in 1 to 32 months as per terms of the individual deposit Deposit carries interest rate of 7%-8.25%
Secured Loan from Banks - Rs.264.44 lakhs	ECLG Loan availed from Axis Bank Secured by pari-passu charge on the entire current assets of the Company, present and future. Term of the loan: 48 months with 12 months of moratorium and repayable in 36 equal monthly instalments.
Unsecured Loan from Banks - Rs.3,221.83 lakhs	(a) Unsecured WCDL from HDFC Bank - Rs. 1,500 lakhs; (b) Unsecured Channel Finance Facility from Axis Bank - Rs.1,721.83 lakhs Repayment terms : Both are repayable on or before 90 days from the date availed Average rate of interest : (a) WCDL from HDFC Bank - 8.75% (b) Channel Finance Facility from Axis Bank - 8.30%
Term loan from Bank - Rs.914.99 Lakhs	The term loan is availed from the HDFC Bank Limited and is secured by plant and machinery. 1) Tenure of loan: 59 months and is repayable in 16 equal quarterly instalments after one year of moratorium. 2) The term loan carries interest rate of 8%
<b>Deposit/Loan from directors/Related parties</b>	
Loan from director - Rs.675 Lakhs	Fixed rate of Interest @7% P.A repayable after two years
Loan from Ultimate Holding company Rs.2,600 Lakhs	Fixed rate of interest @7% per annum, repayable at the end of one year from date of deposit.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 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	FYE 31-03-2023	FYE 31-03-2022
Non - Current Borrowings	7,127.81	7,963.66
Current Borrowings	24,362.15	27,666.25
<b>Total Debt</b>	<b>31,489.96</b>	<b>35,629.91</b>
<b>Total Equity</b>	<b>16,37,707.82</b>	<b>14,16,097.23</b>
<b>Total Capital</b>	<b>16,69,197.78</b>	<b>14,51,727.14</b>
Equity to Capital	98.11%	97.55%
Debt to Capital	1.89%	2.45%

#### 48. Financial Instrument by category and hierarchy:

Particulars	Hierarchy	31st March 2023			31st March 2022		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
<b>Financial assets</b>							
<b>Non-Current</b>							
Investments							
- Equity instruments - Quoted*	1	-	17,531.48	-	-	16,808.00	-
- Equity instruments - Unquoted*	3	-	390.33	29.91	-	-	-
- Bonds & Debt Instruments	1	4,582.43	15.75	722.68	3,236.79	21.42	-
- Preference Shares	3	-	-	1,124.97	-	-	1,124.97
- Mutual funds	2	4,43,290.04	-	-	3,76,139.86	-	-
- Government securities	1	-	-	2.07	-	-	2.26
Loans	3	-	-	520.18	-	-	385.14
Other financial assets	#	-	-	3,452.70	-	-	2,819.84
<b>Current</b>							
Trade receivables	3	-	-	1,93,041.80	-	-	1,41,909.24
Investments - Equity Shares	2	-	-	-	-	40.85	-
Mutual Funds	2	2,74,202.33	-	-	2,82,979.92	-	-
Bonds	1	913.40	-	-	-	-	1,780.40
Cash and cash equivalents	#	-	-	62,767.77	-	-	39,496.33
Bank balances other than cash and cash equivalents	#	-	-	16,587.54	-	-	7,743.28
Loans	3	-	-	1,331.26	-	-	1,153.48
Other financial assets	#	-	-	4,447.19	-	-	2,943.78
<b>Total Financial Assets</b>		<b>7,22,988.20</b>	<b>17,937.56</b>	<b>2,84,028.07</b>	<b>6,62,356.57</b>	<b>16,870.27</b>	<b>1,99,358.72</b>
<b>Financial liabilities</b>							
<b>Non- Current</b>							
Borrowings	2	-	-	7,127.81	-	-	7,963.66
Other financial liabilities	#	-	-	9,197.23	-	-	8,050.26
Lease Liabilities	3	-	-	4,301.61	-	-	3,512.30
<b>Current</b>							
Borrowings	3	-	-	24,362.15	-	-	27,666.25
Trade payables	#	-	-	2,11,989.31	-	-	1,66,941.87
Other financial liabilities	#	-	-	35,007.84	-	-	26,878.36
Lease Liabilities	3	-	-	1,942.19	-	-	998.35
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>2,93,928.14</b>	<b>-</b>	<b>-</b>	<b>2,42,011.05</b>

\*Excludes Investments in Associates and Joint venture [Rs. 5,45,549.70 Lakhs (Previous year Rs. 4,70,232.22Lakhs)] measured at cost using Equity Method.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

# \*The carrying amounts of trade receivables, trade payables, cash and cash equivalents, Other Bank Balances, Short term Borrowings, Current Loans, Current Financial Liabilities and Other Current Financial Assets are considered to be the same as their fair values, due to their short-term nature. There are no transfers between level 1, level 2 and level 3 during the year. 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.

#### 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. The investments in mutual funds are not listed on any recognised stock exchanges. The NAVs are based on the data published by the respective Asset Management Companies. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**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 letter 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 intercorporate 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 Nationalized / Scheduled Commercial banks.

Investments in mutual funds are made only in debt-oriented funds rated AAA by Credit Rating Firms. Investments in equity are made only in AA rated instruments. The board of directors periodically reviews the investment portfolio of the group.

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.

Based on the assessment made by the group, credit risk increases significantly since the initial recognition if the financial assets are realized after three months from the due date. A default on a financial asset occurs when the counterparty fails to make contractual payments within six months from the due date. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 49. Financial Risk Management (Contd.)

##### (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 counterparty 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 lifetime expected credit loss (simplified approach) in the case of trade receivables.

##### As at 31st March 2023:

(a) The financial assets consisting of current investments in mutual funds, loans and other deposits measured at amortized cost aggregating to Rs. 2,97,482 lakhs (Previous year - Rs. 2,96,642 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.

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

Particulars	FYE 31-03-2023	FYE 31-03-2022
Gross carrying amount	1,96,342.14	1,45,102.29
Loss allowance rate	1.71%	2.25%
Expected credit loss	3,300.34	3,193.05
Net carrying amount of trade receivables	1,93,041.80	1,41,909.24

##### (iii) Reconciliation of loss allowance provision - Loans, security deposits and investments at amortized cost

There are no loss allowance provision created for the loans, security deposits and investments at amortized cost.

##### (iv) Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount
Loss allowance on 31st March 2021	3,930.82
Changes in loss allowance	737.77
Loss allowance on 31st March 2022	3,193.05
Changes in loss allowance	(107.29)
Loss allowance on 31st March 2023	3,300.34

#### (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:

Particulars	FYE 31-3-2023	FYE 31-3-2022
Variable Rate borrowing	26,963.21	19,382.63
Total Borrowing	31,489.96	35,629.91
% of Variable rate borrowings on total borrowings	85.62%	54.40%

#### Sensitivity Analysis \*

Sensitivity	FYE 31-3-2023
Increase in interest rate by 1%	269.63
Decrease in interest rate by 1%	(269.63)

\*The above reflect change in Profit or Loss before tax due to change in Interest rate

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 49. Financial Risk Management (Contd.)

##### (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.

##### Contractual maturities of financial liabilities:

Particulars	Due in less than 1 year	Due from 2nd to 5th year	Due after 5 years	Carrying amount
<b>As at 31 March 2023:</b>				
<b>Trade Payables</b>	2,11,903.52	-	-	2,11,903.52
<b>Other financial liabilities:</b>				
Current	35,093.64	-	-	35,093.64
Non-Current	-	7,379.41	1,817.82	9,197.23
<b>Lease Liabilities:</b>				
Current*	1,942.19	-	-	1,942.19
<b>Borrowings:</b>				
Current	24,362.15	-	-	24,362.15
Non-Current	-	2,992.81	4,135.00	7,127.81

\*For Non current lease liabilities Refer Note 51

Particulars	Due in less than 1 year	Due from 2nd to 5th year	Due after 5 years	Carrying amount
<b>As at 31 March 2022:</b>				
<b>Trade Payables</b>	1,66,801.07	-	-	1,66,801.07
<b>Other financial liabilities:</b>	-	-	-	-
Current	27019.16	-	-	27019.16
Non-Current	-	7,797.54	252.72	8,050.26
<b>Lease Liabilities:</b>	-	-	-	-
Current*	998.35	-	-	998.35
<b>Borrowings:</b>	-	-	-	-
Current	27,666.25	-	-	27,666.25
Non-Current	-	6,133.02	1,830.64	7,963.66

\*For Non current lease liabilities Refer Note 51

##### (D) Foreign Market Risk - Currency

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 favorable.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 49. Financial Risk Management (Contd.)

Particulars	As at 31-03-2023				
	Liabilities	Assets*	Derivative Liabilities	Derivative Assets	Net (unhedged)
Foreign Currency Risk					
USD	2,384.00	5,50,230.67		506.05	5,47,340.62
EUR	321.22	12,197.02	112.89	52.43	11,936.26
GBP	232.10	328.82		59.96	36.76
JPY	144.29				(144.29)
TRY	669.49	12,335.78			11,666.29
AED					-
AUD					-
CAD					-
CNY	4.89				(4.89)
SGD					-
ZAR					-
Others					-

\*Includes investment in equity shares

Particulars	As at 31-03-2022				
	Liabilities	Assets*	Derivative Liabilities	Derivative Assets	Net (unhedged)
Foreign Currency Risk					
USD	2,274.73	4,78,895.90		313.04	4,76,308.13
EUR	148.34	7,173.70		45.83	6,979.53
GBP	98.07	338.02			239.95
JPY	88.27	7.20			(81.07)
TRY	1,717.17	1,393.29			(323.88)
AED					-
AUD		11.83			11.83
CAD					-
CNY	21.82				(21.82)
SGD					-
ZAR					-
Others					-

\*Includes investment in equity shares

#### Hedge Accounting:

The company's policy allows 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)	Weighted average strike price/rate (Liabilities)
	Assets	Liabilities	Assets	Liabilities				
Cash Flow Hedge	USD	USD	(Rs. In Lakhs)	(Rs. In Lakhs)				
Foreign exchange forward contracts	6,22,451	1,38,856	3.14	0.09	3rd April 2023 to 27th April 2023	0	82.82	82.37

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 50. Revenue from contracts with customers:

Particulars	FYE 31-3-2023	FYE 31-3-2022
<b>1. Disclosure of Contract assets and Contract liabilities:</b>		
Contract Assets	1,790.81	1,469.31
Contract Liabilities	1,178.34	1,294.77
<b>2. Disclosure of Disaggregated Revenue Information:</b>		
Manufactured Goods	14,07,136.69	11,98,824
Traded Goods	2,52,599.02	2,47,477
Rendering of services	20,786.38	17,304
Others	19,707.03	18,175
Less: Effects of Elimination (Simpson consolidation)	1,74,595.01	1,69,178
<b>Total</b>	<b>15,25,634.11</b>	<b>13,12,601.74</b>
<b>Revenue by Location wise:</b>		
India	12,88,960.40	11,00,384.06
Outside India	2,36,673.71	2,12,217.68
<b>Reconciliation of Revenue recognised with Contract Price:</b>		
Contract price	15,18,197.67	13,05,754.03
Adjustments For:	-	-
Discounts & Rebates	4,127.07	3,093.80
Cost of Loyalty Rewards Points	-	414.25
Incentives	6,224.55	5,445.24
Others	5,338.96	4,910.51
Revenue Recognised *	<b>15,25,634.11</b>	<b>13,12,601.73</b>
<b>Timing of revenue recognition:</b>		
<b>At a point in time</b>		
- Sale of products	15,02,778.28	12,94,395.03
- Revenue from Services - Job Work	22,855.83	18,147.52
- Income from Joint Development Agreement	-	59.19
Total revenue from contract with customers	<b>15,25,634.11</b>	<b>13,12,601.74</b>

#### 51. Right of use Assets - Disclosure under Ind AS 116

##### 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
<b>Reclassification from property, plant &amp; equipment</b>				
Opening gross carrying amount as on 01-04-2022	3,334.46	44.93	8,307.05	<b>11,686.44</b>
Accumulated depreciation	427.86	43.66	5,327.47	<b>5,798.99</b>
Net carrying amount as on 01-04-2022	<b>2,906.60</b>	<b>1.27</b>	<b>2,979.58</b>	<b>5,887.45</b>
Recognition on account of IND AS 116				
Balance as on 01st April 2022	2,906.60	1.27	2,979.58	<b>5,887.45</b>
Additions during the year	256.48	-	3,442.54	<b>3,699.02</b>
Disposal during the year	-	-	23.00	<b>23.00</b>
Depreciation charged for the year	227.92	1.27	1,735.99	<b>1,965.18</b>
Balance as on 31st March 2023	<b>2,935.16</b>	<b>0.00</b>	<b>4,663.13</b>	<b>7,598.29</b>



**Simpson & Company Limited****Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023***(All amounts are in INR Lakhs unless stated otherwise)***B. Movement in lease liabilities**

Particulars	2022-23	2021-22
Balance at the beginning of the year	4,510.65	5,362.89
Additions	3,548.46	703.96
Finance costs accrued during the period	527.04	487.74
Deletions	20.57	90.31
Payment of Lease liabilities	2,321.75	1,953.64
Balance as at year end	<b>6,243.80</b>	<b>4,510.65</b>
Classified as:		
Current	1,942.19	998.35
Non-Current	4,301.61	3,512.30

**C. Measurement analysis of lease liabilities**

Maturity analysis - Contractual undiscounted cash flows	2022-23	2021-22
Less than one year	2,351.11	1,725.68
One to five years	4,865.58	3,982.59
More than five years	1,768.13	2,018.23
<b>Total undiscounted lease liabilities at 31/03/2023</b>	<b>8,984.82</b>	<b>7,726.50</b>

**D. Amount recognised in profit and loss**

Particulars	2022-23	2021-22
Interest on lease liabilities	527.04	487.74
Expenses relating to short term leases	4,538.85	2,548.32

**E. Amount recognised in cash flows**

Particulars	2022-23	2021-22
Total cash outflows for leases	2,321.75	1,953.64

**52. Contingent Liabilities and Capital Commitments****A. Contingent Liabilities:**

S.No	Particulars	FYE 31-3-2023	FYE 31-3-2022
<b>A.</b>	<b>Claims against the Group not acknowledged as Debt (under appeal):</b>		
	(i) Income Tax	1,291.23	1,004.49
	(ii) Sales Tax/ VAT/ GST	2,658.26	1,178.17
	(iii) Central Excise and Service tax	57.42	379.11
	(iv) Customs authorities	416.84	416.84
	(v) Demands by TNEB	10.47	20.66
	(vi) Provident fund	61.86	61.86
	(vii) Provision for bonus, not recognised as liability	48.81	55.13
<b>B.</b>	<b>Other Matters for which the Group is contingently liable:</b>		
	Bills discounted	-	460.41
<b>C.</b>	<b>Bank Guarantee &amp; Letter of Credit</b>	2,055.54	3,402.11
<b>D.</b>	<b>Guarantee provided to Foreign VAT Authorities</b>	38.57	46.53
	<b>Total</b>	<b>6,991.11</b>	<b>7,025.31</b>

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### B. Capital Commitments:

S.No	Particulars	FYE 31-3-2023	FYE 31-3-2022
A.	Estimated value of contracts in capital account remaining to be executed	4,567.61	3,212.55

#### 53. Other Notes forming part of Contingent liabilities and Capital Commitments

1. In respect of Land and Building leased to the Company by the Department of MSME, Government of Tamil Nadu, the lease period was renewed till 09.09.2001 and the renewal of lease is pending thereafter. The Government issued GO.Ms.40 dated 15.10.2018, demanding arrears of additional 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 paid by the Company for that period. Aggrieved by the above demand, disputing the adoption of area (without considering the acquisition by NHAI) and the guideline value not in accordance with GO Ms.460, the Company has filed a Writ petition before the Hon'ble High Court of Madras challenging the above said GO. However, the Company paid the admitted rent of Rs.36.49 lakhs in accordance with GO Ms.460 of 1998. The Government has not revised the rent for the period after 09.09.2001. However, the tentative rent fixed by the Government earlier, is being paid regularly.
2. In respect of one of the Subsidiaries, the Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952 and deal with it appropriately accordingly.
3. In respect of one of the Subsidiaries, 2.75 acres of land in Madhavaram village under lease for 18 years up to 12th July 2007 from Tamil Nadu Government, the execution of lease deed from the beginning (13th July 1989) and its renewal for further periods from 13th July 2007 are pending. The company has made representations from time to time for fixation of fair lease rent. The Company received a communication from Tahsildar, Madhavaram Taluk, Tamilnadu vide letter dated 12th July 2021 demanding Rs. 2420.23 Lakhs as lease rent for the period from 13th July 1989 till 12th July 2022. The Company has responded to the above communication and disputed the lease rent demanded by the Authorities. Further, it has represented to the Authorities to consider lease rent fixation @ 2% of guideline value for the subject period based on the norms followed by the Tamilnadu Government. The Company worked out the lease rent amounting to INR 305.58 Lakhs based on 2% of guideline value for the subject period and effected payment of INR 25.34 Lakhs on 22nd July 2021 after adjusting the payments of Rs 280.24 lakhs made so far. Till 31st March 2020, the Company carried a total provision of Rs.352.29 Lakhs for the period from 13th July 1989 to 31st March 2020 in the books. Considering the uncertainties prevailing over finalization of lease rent and the payments so far made, no further provision has been made in the books towards lease rent from the financial year ended 31 March 2021. Further, In respect of 2.31 acres of land allotted by SIPCOT at Hosur, which is under lease-cum-sale basis, final transfer of ownership in the name of the Company is pending.

**Simpson & Company Limited****Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023***(All amounts are in INR Lakhs unless stated otherwise)***54. Assets pledged as security**

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

Particulars	FYE 31-3-2023	FYE 31-3-2022
<b>Current</b>		
<b>Financial assets</b>		
<b>First Charge</b>		
Inventories	21,910.89	25,593.51
Trade receivables	23,408.01	25,236.99
Other assets	1,486.42	1,536.28
<b>Hypothecation</b>		
Inventories	22,037.84	18,420.49
Trade receivables	58,310.86	44,974.54
Other fixed asset		
<b>Total current assets pledged as security</b>	<b>46,805.32</b>	<b>52,366.78</b>
<b>Total current assets hypothecated</b>	<b>80,348.70</b>	<b>63,395.03</b>
<b>Non-Current</b>		
<b>First Charge</b>		
Plant & Machinery	29,858.71	11,657.35
Land	801.78	351.97
Building	1,811.59	1,574.83
Forging Dies	-	1,742.37
Furniture and Fixtures	234.96	-
Others	483.41	1,111.02
<b>Hypothecation</b>		
Loans provided	-	6,086.59
Vehicle	232.85	66.13
Plant and Machinery	8,750.00	11,366.77
<b>Total Non-current assets pledged as security</b>	<b>33,190.45</b>	<b>16,437.54</b>
<b>Total Non-current assets hypothecated</b>	<b>8,982.85</b>	<b>17,519.49</b>
<b>Total assets pledged as security</b>	<b>1,69,327.32</b>	<b>1,49,718.83</b>

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 55. Related Party Disclosures

##### 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	Associate & Fellow Subsidiary
Higginbothams Private Limited	Fellow Subsidiary
IPL Shaw Solutions Private Limited	Associate & Fellow Subsidiary
L.M. Van Moppes Diamond Tools India Private Limited	Associate & 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 Nilgiri Tea Estates Company Limited	Associate
BBL Daido Private Limited	Joint Venture
AGCO Corporation USA	Associate of Subsidiary
TAFE Foundation *	Associate of Subsidiary
eFarmer B.V Netherlands	Associate of Subsidiary
IPR Eminox Technologies Private Limited	Joint Venture of Subsidiary
Sri. A. Krishnamoorthy - Chairman & Managing Director	KMP
Sri. P.S.Rajamani - WTD	KMP
Sri. S. Srinivasaraghavan - CFO & CS	KMP

\* Investment in the associate is not considered for consolidation as it is a Sec.8 company.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### B. Related Party Transactions

Particulars	Year	Ultimate Holding Company	Fellow Subsidiary	Associate	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Party	Grand Total
<b>Transactions during the year</b>									
Sale of goods & fuel	2022-23	11.82	4,553.08	7.12	11.29	-	-	26,490.11	31,073.42
	2021-22	17.67	4,349.37	124.33	8.39	-	-	30,076.35	34,576.12
Rendering of service	2022-23	452.51	551.79	-	-	-	-	-	1,004.30
	2021-22	372.92	466.66	0.48	-	-	-	-	840.05
Dividend Received	2022-23	-	171.28	913.06	211.48	-	-	52,007.34	53,303.16
	2021-22	-	17.86	451.60	-	-	-	42,896.09	43,365.55
Interest Received/Receivable on Loans	2022-23	-	17.29	-	-	-	-	-	17.29
	2021-22	-	10.60	-	-	-	-	-	10.60
Discount received	2022-23	-	15.10	-	-	-	-	-	15.10
	2021-22	-	15.16	-	-	-	-	-	15.16
Purchase of Goods	2022-23	-	2,024.42	904.10	-	-	-	-	2,928.52
	2021-22	-	1,817.83	861.48	-	-	-	-	2,679.31
Receiving of Service	2022-23	723.10	433.82	0.87	-	-	-	200.03	1,357.82
	2021-22	743.98	308.10	2.72	-	-	-	253.26	1,308.06
Loan (Repaid)/disbursed in cash/kind	2022-23	-	205.00	-	-	-	-	-	205.00
	2021-22	-	308.00	-	-	-	-	-	308.00
Loans Recovered	2022-23	-	201.18	-	-	-	-	-	201.18
	2021-22	-	10.03	-	-	-	-	-	10.03
Dividend Paid	2022-23	6,037.11	6.49	13.48	-	21.24	14.24	1,795.33	7,887.89
	2021-22	5,481.99	0.42	12.24	-	19.31	12.94	1,672.30	7,199.20
Interest Paid on loans/bills discounted	2022-23	186.42	27.12	-	-	48.29	-	-	261.83
	2021-22	182.64	35.35	-	-	48.29	-	-	266.28
Guarantees & Commitment Charges	2022-23	139.18	-	-	-	-	-	-	139.18
	2021-22	153.52	-	-	-	-	-	-	153.52
Managerial Remuneration	2022-23	-	-	-	-	2,079.00	-	-	2,079.00
	2021-22	-	-	-	-	1,915.00	-	-	1,915.00
Acquisition of Assets	2022-23	0.41	5.11	-	-	-	-	-	5.52
	2021-22	-	-	-	-	-	-	-	-
Guarantee & Collaterals given	2022-23	2,100.00	-	-	-	-	-	-	2,100.00
	2021-22	4,200.00	-	-	-	-	-	-	4,200.00
Guarantee & Collaterals Received	2022-23	13,460.07	-	-	-	-	-	-	13,460.07
	2021-22	13,142.72	-	-	-	-	-	-	13,142.72
<b>Balance at Year end</b>									
Trade Receivables	2022-23	1.39	793.59	0.12	58.88	-	-	584.97	1,438.95
	2021-22	1.64	313.75	58.64	19.35	-	-	7,987.52	8,380.90
Trade Payables	2022-23	1,835.71	517.09	171.80	-	-	-	108.08	2,632.68
	2021-22	1,544.11	294.35	54.28	-	-	-	113.43	2,006.18
Loans Receivable	2022-23	-	127.10	-	-	675.00	-	-	802.10
	2021-22	-	123.69	-	-	675.00	-	-	798.69
Loans Payable	2022-23	2,600.00	300.00	-	-	-	-	-	2,900.00
	2021-22	2,600.00	300.00	-	-	-	-	-	2,900.00
Dealer Deposit Given	2022-23	-	-	-	-	-	-	-	-
	2021-22	-	-	137.81	-	-	-	-	137.81
Dealer Deposit Received	2022-23	-	165.00	-	-	-	-	-	165.00
	2021-22	-	165.00	-	-	-	-	-	165.00
Other Current Liabilities	2022-23	1,437.32	-	-	-	-	-	-	1,437.32
	2021-22	1,259.80	15.19	-	-	-	-	-	1,274.99
Other Receivables	2022-23	-	135.89	0.94	-	-	-	-	136.83
	2021-22	-	135.89	0.94	-	-	-	-	136.83

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### C. Compensation of Key Managerial Personnel

The related party transactions with above KMP are as follows:

Category		FYE 31-3-2023	FYE 31-3-2022
(i)	Short-term benefits	2,079.00	1,915.00
(ii)	Post employment benefits	-	-
(iii)	Other long term benefits	-	-
(iv)	Termination benefits	-	-
(v)	Share-based benefits	-	-
<b>Total</b>		<b>2,079.00</b>	<b>1,915.00</b>

#### 56. Other Significant Disclosures

##### A. Going Concern

(i) With respect to three subsidiaries (Subsidiary 1 having turnover Rs 7.44 Lakhs, Net profit of Rs 96.36 Lakhs, negative net worth Rs 2,764.70 Lakhs. Subsidiary 2 having turnover of Rs 27,031.48 Lakhs, Net Loss of Rs. 6,955.24 Lakhs, negative Net worth of Rs. 845.28 Lakhs. Subsidiary 3 having nil turnover, net profit Rs. 0.21 Lakhs, Net worth of Rs. 7.30 Lakhs) despite having continued losses/negative net worth have disclosures that justify the Going Concern of the said companies. 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.

##### B. Trade Receivables Ageing

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	81,517	90,217	2,144	133	117	403	1,74,531.90
Undisputed Trade Receivables - which have significant increase in credit risk	-	11,135	2,255	4,574	235	1,095	19,293.26
Undisputed Trade receivables - Credit impaired	-	852	274	201	53	588	1,967.42
Disputed Trade receivables - Considered good	-	-	-	6	12	17	35.07
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	101	100.71
Disputed Trade receivables - Credit impaired	-	-	23	45	92	254	413.90
<b>Total</b>							<b>1,96,342.15</b>
Less : Credit impaired as on 31.03.23							3,300.35
<b>Net trade receivables as on 31.03.23</b>							<b>1,93,041.80</b>

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	69,587	65,149	1,849	437	210	1,252	1,38,484.13
Undisputed Trade Receivables - which have significant increase in credit risk	-	1,790	444	353	720	985	4,292.13
Undisputed Trade receivables - Credit impaired	165	935	168	198	214	218	1,896.61
Disputed Trade receivables - Considered good	-	-	-	0	14	54	68.06
Disputed Trade Receivables - which have significant increase in credit risk	-	4	-	5	6	15	29.46
Disputed Trade receivables - Credit impaired	-	23	18	105	37	148	331.90
<b>Total</b>	<b>69,587</b>	<b>65,149</b>	<b>1,849</b>	<b>437</b>	<b>210</b>	<b>1,252</b>	<b>1,45,102.29</b>
Less : Credit impaired as on 31.03.22							3,193.05
<b>Net trade receivables as on 31.03.22</b>							<b>1,41,909.24</b>

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### C. Trade Payables Ageing:-

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
MSME	-	7,638.30	4,405.51	69.50	58.14	1.52	12,172.97
Others	4.14	1,26,637.16	68,368.34	1,743.94	255.80	1,720.70	1,99,730.59
<b>Total</b>	<b>4.14</b>	<b>1,34,275.46</b>	<b>73,774.35</b>	<b>1,813.44</b>	<b>313.94</b>	<b>1,722.22</b>	<b>2,11,903.56</b>

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
MSME	16.29	4,825.48	2,341.51	281.61	56.33	3.31	7,524.53
Others	208.64	97,899.52	58,551.53	1,340.52	452.95	823.38	1,59,276.54
<b>Total</b>	<b>224.93</b>	<b>1,02,725.00</b>	<b>60,893.04</b>	<b>1,622.13</b>	<b>509.28</b>	<b>826.69</b>	<b>1,66,801.07</b>

#### D. Capital work-in-progress (CWIP) Ageing/Intangibles under development Ageing:-

##### (i) Capital Work-in-progress (CWIP) Ageing

Ageing for Capital-Work-in-progress as at March 31, 2023 is as follows:

Intangibles Assets Under Development	Amount in IAUD for the period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
Projects In Progress	5,675.93	940.69	880.32	1,070.59	<b>8,567.53</b>

Ageing for Capital-Work-in-progress as at March 31, 2022 is as follows

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
Projects In Progress	2,784.96	778.87	507.66	712.07	4,783.56
Add: CWIP less than 10% of the respective balance sheet item in CFS					151.48
<b>Total</b>					<b>4,935.04</b>

##### (ii) Intangibles under development Ageing

Ageing for Intangible assets under development as at March 31, 2023 is as follows:

Intangibles Assets Under Development	Amount in IAUD for the period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
Projects In Progress	5,120.44	1,713.97	623.53	1,075.47	<b>8,533.41</b>

Ageing for Intangible assets under development as at March 31, 2022 is as follows:

Intangibles Assets Under Development	Amount in IAUD for the period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
Projects In Progress	2,533.04	652.41	202.38	4,205.51	<b>7,593.34</b>

#### E. SCHEDULE III & OTHER NOTES:

(i) The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Group except the following:

##### Parent Company:

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except title deeds in respect of properties acquired on account of Business Combination during the year and the Company is in the process of transferring the Title deeds in their name.

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### Subsidiary Companies: -

Company	Property description	Assets class	Gross carrying value	Title deeds held in the name of	Whether the deed holder is a promoter, director or relative of a promoter/director or employee of promoter/director	Property held since which date	Reason for not in the name of the Company
Subsidiary 1	Land on Mysore Road	Freehold land	4.67	India Pistons Repco Limited	No		The land was part of the assets belonging to erstwhile India Pistons Repco Limited which was merged with the Company by virtue of the amalgamation order passed by the Honorable High Court on February 22, 2007. The name change in the records of registrar has to be effected.
Subsidiary 2	Property, plant and equipment	Building	14.00	Karnataka Industrial Areas Development Board (KIADB)	No	Dec '2005	KIADB has not yet transferred the title.
Subsidiary 3	Property, Plant and Equipment	Cycle Stand land, Alwar	21.14	M/s Laxman Ram Meena and Eicher Motors Ltd	No	01.06.2005	Pending litigation
Subsidiary 3	Property, Plant and Equipment	Nursery land, Alwar	4.50	M/s Khyali Ram, Ishar Ram & Ram Baksh	No	01.06.2005	Transfer in abeyance due to State land laws
Subsidiary 3	Property, Plant and Equipment	Land with Factory, Alwar	18.30	M/s Ram Chander Gupta & others	No	01.06.2005	Transfer in abeyance due to State land laws

In respect of one of the Subsidiaries, 2.31 Acres of Land allotted by SIPCOT at Hosur, which is under Lease-cum-Sale basis, final transfer of ownership in the name of the company is pending.

#### Associate Company: -

The title deeds of a Property (WDV as at 31<sup>st</sup> March 2023 INR 7.32 lakhs), the original title deeds which are placed with the banker as collateral and the same was misplaced by them. Presently the Associate Company is in the process of retrieving Deed copies through Registrar office.

(ii) No proceedings have been initiated during the year or are pending against the group as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act (as amended in 2016) and the rules made thereunder.

(iii) In respect of one of the Subsidiary, the Company has sanctioned facilities from Banks on the basis of the security of current assets. The periodic Returns filed by the Company with such banks are largely in agreement with the books of accounts, except for months of December 2022 where stock was overstated by INR 1230 lakhs (HDFC Bank) and in the month of March 2023 where stock was under stated by INR 724 lakhs (Axis & HDFC Bank)

(iv) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

(v) The group had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vi) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except in the following subsidiaries:

Subsidiary	Type	Charge Holder Name	Date of Creation	Amount(in ₹ Lakhs)	Type of Loan	Brief Description of Charges	Location of Registrar	Date of Repayment of Loan	Due date for Satisfaction of Charges	No of days Delay.
Subsidiary 1	Charge Closure	HDFC Bank Limited	08-06-2017	1,000.00	Term Loan - Movable property (not being pledge)		Chennai	30-06-2022		300.00
Subsidiary 2	Charge Closure	Central bank of India	29-05-2020	680.00	Term loan Cent Covid 19	First charge on fixed assets, present & future of the company	Chennai	29-4-22	29-05-2022	396.00
Subsidiary 2	Charge Closure	HDFC Bank Limited	17-12-2012	850.00			Chennai	02-09-2014	02-10-2014	-
Subsidiary 2	Charge Closure	HDFC Bank Limited	15-09-2004	600.00			Chennai	-	-	-
Subsidiary 2	Charge creation	Sundaram Finance Limited	31-05-2022	28.85	Car loan	Against the vehicle purchased.	Chennai			
Subsidiary 2	Charge creation	Simpson General finance Limited	01-05-2021	7.03	Car loan	Against the vehicle purchased.	Chennai			



## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

In respect of one of the Subsidiaries, the company had borrowings from certain banks in prior years for which charges were created with the Registrar of Companies and loan was fully repaid in the prior years. The company is in the process of applying for satisfaction of charges against these borrowings with the Registrar of Companies.

(vii) The group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(viii) No funds have been advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding (whether recorded in writing or otherwise) that intermediary shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ix) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(x) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(xi) In one of the Subsidiaries, at the year end a reconciliation has been prepared with difference which are in the process of being identified to the parties to which they belong. For year end closing, entries have been passed in debtors and creditors control accounts. The net effect of this is net credits in debtor accounts of INR 91.14 lakhs and net debits in creditors of INR 133.55 lakhs.

#### 57(a). The following subsidiary 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 2023	% of holding either directly or through subsidiaries as on March 2022
Addison & Company Limited	India	100.00%	100.00%
Alpump Limited	India	79.29%	79.29%
Amalgamations Repco Limited	India	68.28%	68.28%
Amco Batteries Limited	India	96.89%	96.89%
George Oakes Limited	India	100.00%	100.00%
India Pistons Limited	India	100.00%	100.00%
IP Rings Ltd	India	48.74%	48.74%
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	59.87%	59.83%
Stanes Amalgamated Estates Limited	India	32.59%	32.54%
Stanes Motors (South India) Limited	India	59.87%	59.83%
Tractors and Farm Equipments Limited	India	79.29%	79.29%
TAFE Access Limited	India	77.62%	77.62%
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	Turkey	79.29%	79.29%
TAFE Motors and Tractors Limited	India	79.29%	79.29%
TAFE Reach Limited	India	79.29%	79.29%
TAFE Tractors Changshu Company Limited, China	China	79.29%	79.29%
Southern Tree Farms Limited	India	79.29%	79.29%
TAFE Properties Limited	India	79.29%	79.29%
TAFE Advanced AG	United Kingdom	79.29%	0.00%
Precision AG-Tech	Netherlands	79.29%	0.00%
Vidagara Tech Park Private Limited	India	79.29%	79.29%

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### Details of Associates consolidated:

Name of the Associate	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2023	% of holding either directly or through subsidiaries as on March 2022
<b>Associates</b>			
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	25.75%	25.75%
Amalgamations Valeo Clutch Private Limited	India	28.00%	28.00%
IPL Shaw Solutions Private Limited	India	49.00%	49.00%
<b>Associates of Subsidiary</b>			
E-Farmer B.V. Netherland	Netherlands	31.48%	0.00%
AGCO Corporation	United States of America	12.91%	12.94%

**Note:** - Investment made in the Associate TAFE Foundation is not considered for Consolidation as it is a Section 8 Company

#### Details of Joint Venture consolidated:

Name of the Joint Venture	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2023	% of holding either directly or through subsidiaries as on March 2022
<b>Joint Venture</b>			
BBL Daido Private Limited	India	30.00%	30.00%
<b>Joint Venture of Subsidiary</b>			
IPR Eminox Technologies Private Limited	India	24.37%	24.37%

#### 57(b). Information relating to Subsidiaries:

	Name of the subsidiary	Principal activity	Date of Acquisition
1	Addison & Company Limited	Manufacture of Metal Cutting Tools	30-Apr-57
2	Amalgamations Repco Limited	Manufacture of Auto ancillary parts	01-Aug-89
3	AMCO Batteries Limited	Manufacturing and Trading of Industrial and Automobile Batteries	30-Apr-57
4	George Oakes Limited	Trading of Automobile parts and spares	30-Apr-57
5	India Pistons Limited	Manufacture of Auto ancillary parts	30-Apr-57
6	Simpson & General Finance Company Limited	Non Banking Finance Company	01-Feb-38
7	Sri Rama Vilas Service Limited	Trading of Auto parts and Transportation services	30-Apr-57
8	Tractors & Farm Equipment Limited & Subsidiaries	Manufacture of Tractor and related parts	27-Dec-61
9	T. Stanes & Company Limited & Subsidiaries	Manufacturer of Agro products	01-Oct-64
10	Stanes Amalgamated Estates Limited	Tea Estate	31-Mar-83
11	IP Rings Limited	Manufacture of Auto ancillary parts	24-Feb-17

## Simpson & Company Limited

### Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023

(All amounts are in INR Lakhs unless stated otherwise)

#### 57(c). Information relating to Associates and Joint Ventures:

Name of the associate	Associates					Associates of Subsidiary		Joint Venture	Joint venture of Subsidiary
	Amalgamations Valeo Clutch Pvt. Ltd	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Ltd	L.M.Van Moppes Diamond Tools India Pvt. Ltd	IPL Shaw Solutions Private Limited	AGCO Corporation	E-Farmer B.V. Netherland	BBL Daido	IPR Eminox Technologies Private Limited
Principal Activity	Manufacture of Automobile Clutch System	Tea Estates	Manufacture of Bearings, Bushes & Thrust Washers; Alloy Powders	Manufacture of Auto Components	Manufacture of general purpose machinery	Manufacture of Tractors & Other agricultural equipments	Development of Advanced technologies for Farming and Agricultural purposes	Manufacture of Bearings	Manufacture of metals & Chemicals
Place of Incorporation	India	India	India	India	India	USA	Netherlands	India	India
% of holding	28.00%	25.75%	49.49%	49.00%	49.00%	12.91%	31.48%	30.00%	24.37%
For each of the above:									
a) Non-Current Asset	20,048.90	15,355.83	13,474.57	842.16	548.16	35,86,227.48	1,531.62	8,319.20	124.94
b) Current Asset	23,113.00	4,451.83	12,123.78	2,019.68	431.37	47,15,982.81	2,216.37	6,714.14	133.31
c) Non-Current Liability	2,929.20	469.29	1341.89	70.13	223.75	17,52,768.27	634.28	3,061.32	-
d) Current Liability	22,414.40	627.27	4,132.68	449.09	234.02	33,59,109.60	1,791.34	6,448.66	75.63
e) Revenue	82,574.70	8,365.21	22,930.80	2,044.74	174.78	82,33,967.56	-	15,014.65	160.80
f) Profit for the year	4,290.60	1,211.53	967.36	284.37	(134.61)	6,88,012.65	(53.27)	1,444.30	(13.64)
g) OCI for the year	(28.30)	157.92	130.47	0.82	-	(24,619.64)	-	(9.09)	-
h) Dividend paid to Holding company	232.93	1.66	149.93	19.85	-	-	-	0.00	-

#### 57(d). Particulars of Investment in Associate Companies as of 31st March, 2023 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
	<b>Quoted</b>				
1	Bimetal Bearings Limited	741.50	1,604.73	7,594.24	9,940.47
2	The United Nilgiri Tea Estates Limited	279.97	13.70	4,526.61	4,820.28
	<b>Total</b>	<b>1,021.47</b>	<b>1,618.43</b>	<b>12,120.85</b>	<b>14,760.75</b>
	<b>Unquoted</b>				
1	Amalgamation Valeo Clutch Private Limited	2,851.76	(1,881.24)	2,840.49	3,811.02
2	LM Van Moppes Diamond Tools (India) Private Limited	14.62	5.23	1,121.76	1,141.61
3	IPL Shaw Solutions Private Limited	343.00	-	(87.33)	255.67
	<b>Total</b>	<b>3,209.38</b>	<b>(1,876.01)</b>	<b>3,874.92</b>	<b>5,208.29</b>

**Simpson & Company Limited**
**Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**
*(All amounts are in INR Lakhs unless stated otherwise)*
**58. Additional Information as per Companies Act 2013:**

Name of the Entity	2022-23				2021-22			
	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	Amount	As % of consolidated Net Assets	Amount	As % of consolidated Profit and	Amount
<b>Parent Company</b>								
Simpson & co. Ltd	12.19%	2,00,034.97	7.99%	17,219.59	13.34%	1,89,326.95	9.97%	16,882.98
<b>Total of Parent Company (A)</b>	<b>12.19%</b>	<b>2,00,034.97</b>	<b>7.99%</b>	<b>17,219.59</b>	<b>13.34%</b>	<b>1,89,326.95</b>	<b>9.97%</b>	<b>16,882.98</b>
<b>Indian Subsidiaries:</b>								
Addison & Company Limited	1.05%	17,189.78	0.86%	1,846	1.13%	15,978.29	1.27%	2,148.70
Alpump Limited	0.11%	1,788.64	0.05%	101.16	0.12%	1,687.49	0.03%	51.74
Amalgamations Repco Limited	0.14%	2,320.07	0.11%	243.84	0.15%	2,136.21	0.21%	349.90
Amco Batteries Limited	(0.16)%	(2,678.80)	0.04%	83.11	(0.20)%	(2,772.08)	(0.31)%	(531.34)
George Oakes Limited	0.35%	5,790.83	0.31%	669.00	0.36%	5,124.57	0.26%	438.15
India Pistons Limited	(0.05)%	(845.28)	(2.98)%	(6,422.47)	0.36%	5,109.95	(1.20)%	(2,027.68)
IP Rings Ltd	0.33%	5,409.46	0.04%	84.61	0.38%	5,427.15	0.24%	400.39
Simpson & General Finance Company Limited	0.25%	4,139.56	0.18%	381.29	0.26%	3,690.22	0.20%	331.88
Southern Tree Farms Limited	0.06%	1,035.08	0.04%	89.60	0.06%	920.26	0.06%	108.37
Sri Rama Vilas Service Limited	0.27%	4,381.99	0.00%	10.30	0.31%	4,394.69	0.07%	123.98
Stanes Amalgamated Estates Limited	0.01%	136.73	(0.03)%	(75.40)	0.01%	207.46	(0.04)%	(73.07)
Stanes Motors (South India) Limited	0.02%	338.86	0.01%	32.10	0.02%	309.54	0.02%	33.02
T. Stanes and Company Limited	0.57%	9,319.11	0.52%	1,114.77	0.63%	8,993.50	0.66%	1,115.64
TAFE Access Limited	0.69%	11,356.11	0.79%	1,696.38	0.69%	9,745.06	0.73%	1,231.85
TAFE Motors and Tractors Limited	19.05%	3,12,629.54	16.61%	35,793.50	19.79%	2,80,853.77	19.49%	33,015.66
TAFE Reach Limited	0.00%	5.79	0.00%	0.17	0.00%	5.62	0.00%	0.14
Tractors and Farm Equipments Limited	42.07%	6,90,353.30	34.86%	75,118.90	43.10%	6,11,840.83	31.72%	53,718.27
TAFE Properties Limited	0.01%	135.14	0.00%	8.38	0.01%	126.76	0.01%	13.00
Vidagara Tech Park Private Limited	0.77%	12,597.17	0.00%	(4.71)	1.12%	15,893.40	(0.06)%	(93.35)
<b>Total Of Indian Subsidiaries (B)</b>	<b>65.63%</b>	<b>10,77,093.63</b>	<b>51.40%</b>	<b>1,10,770.20</b>	<b>68.31%</b>	<b>9,69,672.68</b>	<b>53.35%</b>	<b>90,355.24</b>
<b>Foreign Subsidiaries of Subsidiary</b>								
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	1.54%	25,213.52	9.18%	19,787.06	0.37%	5,316.99	(0.38)%	(649.73)
TAFE Tractors Changshu Company Limited, China	0.21%	3,469.27	0.00%	0.47	0.19%	2,746.59	(0.10)%	(177.11)
TAFE Advanced AG	0.01%	120.52	0.01%	18.10	0.00%	0.00	0.00	0.00
Precision AG-Tech	0.16%	2,589.31	0.00%	6.08	0.00%	0.00	0.00	0.00
<b>Total of Foreign Subsidiaries (C)</b>	<b>1.91%</b>	<b>31,392.62</b>	<b>9.19%</b>	<b>19,811.71</b>	<b>0.57%</b>	<b>8,063.58</b>	<b>(0.49)%</b>	<b>(826.84)</b>
<b>Minority Interest in all Subsidiaries (D)</b>	<b>18.97%</b>	<b>3,11,376.69</b>	<b>20.71%</b>	<b>44,622.83</b>	<b>18.80%</b>	<b>2,66,848.09</b>	<b>19.79%</b>	<b>33,516.88</b>

**Simpson & Company Limited**
**Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**
*(All amounts are in INR Lakhs unless stated otherwise)*
**58. Additional Information as per Companies Act 2013 (Contd):-**

Name of the Entity	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 Profit and Loss	Amount	As % of consolidated Profit and Loss	Amount
<b>Associates:</b>								
Bimetal Bearings Limited	0.61%	9,959.26	0.22%	478.75	0.67%	9,567.39	0.11%	183.37
L.M.Van Moppes Diamond Tools India Private Limited	0.07%	1,147.88	0.06%	139.34	0.07%	1,027.99	0.09%	160.13
The United Nilgiri Tea estates Company Limited	0.29%	4,818.11	0.14%	311.97	0.34%	4,863.61	0.17%	285.52
Amalgamations Valeo Clutch Pvt. Limited	0.30%	4,989.12	0.56%	1,201.37	0.33%	4,680.84	0.41%	694.04
IPL Shaw Solutions Private Limited	0.02%	255.66	(0.03)%	(65.96)	0.01%	174.62	-0.01%	(21.38)
<b>Associates of Subsidiary:</b>								
ACGO Corporation (Foreign Associate)	25.18%	4,13,175.65	22.27%	47,984.81	25.14%	3,56,777.23	23.90%	40,478.03
E-Farmer B.V. Netherland (Foreign Associate)	0.13%	2,169.02	(0.02)%	(41.21)	0.00%	0.00	0.00%	0.00
<b>Total of Associates (E)</b>	<b>26.60%</b>	<b>4,36,514.70</b>	<b>23.21%</b>	<b>50,009.06</b>	<b>26.57%</b>	<b>3,77,091.68</b>	<b>23.43%</b>	<b>41,779.70</b>
<b>Joint Venture:</b>								
BBL Daido Private Limited (Share of 30%)	0.10%	1,657.01	0.20%	433.29	0.10%	1,437.92	0.00	109.97
<b>Joint Venture of Subsidiary:</b>								
IPR Eminox Technologies Private Limited	0.00%	44.50	0.00%	3.32	0.00	23.70	(0.00)%	(0.91)
<b>Total of Joint Venture (F)</b>	<b>0.10%</b>	<b>1,701.51</b>	<b>0.20%</b>	<b>436.61</b>	<b>0.12%</b>	<b>1,461.63</b>	<b>0.00</b>	<b>109.06</b>
<b>Total (G= A+B+C+D+E+F)</b>	<b>125.42%</b>	<b>20,58,114.12</b>	<b>112.71%</b>	<b>2,42,870.01</b>	<b>127.69%</b>	<b>18,12,464.60</b>	<b>107.35%</b>	<b>1,81,817.02</b>
<b>Consolidation Adjustment (H)</b>	<b>25.42%</b>	<b>4,17,073.05</b>	<b>12.71%</b>	<b>27,379.74</b>	<b>27.69%</b>	<b>3,93,034.12</b>	<b>6.98%</b>	<b>12,445.06</b>
<b>Total (I)= (G)-(H)</b>	<b>100.00%</b>	<b>16,41,041.07</b>	<b>100.00%</b>	<b>2,15,490.27</b>	<b>100.00%</b>	<b>14,19,430.48</b>	<b>100.00%</b>	<b>1,69,371.96</b>

## **Simpson & Company Limited**

### **Explanatory Notes to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2023**

*(All amounts are in INR Lakhs unless stated otherwise)*

#### **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 one 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*

R. VIJAYARAGHAVAN (DIN: 00026763)  
*Directors*

For R.G.N. PRICE & CO.  
Chartered Accountants  
FR.No.002785S  
Mahesh Krishnan  
Partner  
M.No.206520  
UDIN: 23206520BGXGHI2968

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

S. SRINIVASARAGHAVAN  
*Chief Financial Officer &  
Company Secretary*

Chennai, 05<sup>th</sup> September, 2023

**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 / Associates / Joint Venture

(Amount ₹ in lakhs)

S.No.	Name of the Subsidiary	Reporting period	Reporting currency and Exchange rate	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Investments	Turnover	Profit/Loss before Taxation	Tax Expense / (Credit)	Profit / (Loss) after Taxation	Proposed Dividend	Effective Percentage of Share holding
1	Addison & Company Limited	31-Mar-23	INR	540.00	16,649.78	5,081.90	22,271.68	187.85	34,329.86	2,386.68	(541.01)	1,845.67	270.00	100.00%
2	AMCO Batteries Limited	31-Mar-23	INR	330.00	(3,094.70)	5,752.22	2,987.52	152.19	193.22	1,863.59	(1,777.82)	85.77	-	96.89%
3	Amalgamations Repco Limited	31-Mar-23	INR	94.70	3,303.17	6,740.47	10,138.34	100.87	21,450.94	517.58	160.46	357.12	71.02	68.28%
4	George Oakes Limited	31-Mar-23	INR	250.00	5,540.83	8,893.35	14,684.18	-	36,427.94	928.16	259.16	669.00	125.00	100.00%
5	India Pistons Limited	31-Mar-23	INR	7,500.00	(8,345.28)	37,582.61	36,737.33	1,675.97	27,031.48	(8,684.01)	(2,261.54)	(6,422.47)	-	100.00%
6	Simpson & General Finance Company Limited	31-Mar-23	INR	200.00	3,939.56	450.49	4,590.05	2,117.95	566.33	502.65	121.37	381.28	40.00	100.00%
7	Sri Rama Vilas Service Limited	31-Mar-23	INR	125.00	4,256.99	1,838.19	6,220.18	1,447.34	2,721.43	26.73	16.43	10.30	62.50	100.00%
8	Tractors & Farm Equipment Limited	31-Mar-23	INR	1,153.90	8,69,514.99	1,72,942.74	10,43,611.63	6,88,090.11	8,08,050.50	1,40,058.98	31,221.24	1,08,837.74	10,038.93	79.29%
9	TAFE Motors & Tractors Limited	31-Mar-23	INR	1,000.00	3,93,286.18	1,00,057.09	4,94,343.27	3,65,407.13	4,06,959.11	57,246.50	12,103.98	45,142.52	2,550.00	79.29%
10	TAFE Access Limited	31-Mar-23	INR	411.60	14,218.64	3,775.83	18,406.07	5,187.02	72,124.96	2,979.37	793.91	2,185.46	152.30	77.62%
11	Southern Tree Farms Limited	31-Mar-23	INR	189.99	1,115.46	271.62	1,577.08	80.53	1,306.34	143.81	30.80	113.01	-	79.29%
12	TAFE Reach Limited	31-Mar-23	INR	450.00	(442.70)	0.77	8.07	-	-	0.28	0.07	0.21	-	79.29%
13	TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	31-Mar-23	TRY Millions TRY Ex Rate 4.275	2,572.92	22,664.29	15,583.74	40,820.95	-	52,301.42	18,512.87	1,543.16	16,969.71	-	79.29%
14	Alpump Limited	31-Mar-23	INR	450.00	1,805.82	4.92	2,260.74	1,329.08	74.50	117.76	(9.82)	127.58	-	79.29%
15	TAFE Tractors Changshu Company Limited, China	31-Mar-23	CNY Millions CNY Ex Rate 11.9475	4,894.20	(1,424.93)	7.34	3,476.61	-	211.55	(0.10)	0.00	(0.10)	-	79.29%
16	TAFE Properties Ltd	31-Mar-23	INR	100.00	70.44	4,232.52	4,402.96	-	254.20	16.39	5.83	10.56	-	79.29%
17	Vidagara Tech Park Private Ltd	31-Mar-23	INR	99.98	15,787.47	11.34	15,898.79	-	-	(5.94)	-	(5.94)	-	79.29%
18	TAFE Advanced AG Solutions Ltd	31-Mar-23	GBP EX RATE 101.6475	101.65	18.87	242.01	362.53	-	468.01	18.87	-	18.87	-	79.29%
19	Precision AG-Tech Technologies, B.V., Netherlands	31-Mar-23	EURO EX Rate 89.4425	2,583.10	6.21	447.21	3,036.52	2,788.82	17.89	6.21	-	6.21	-	79.29%
20	T. Stanes & Company Limited	31-Mar-23	INR	236.62	16,197.17	7,444.61	23,878.40	2,698.38	46,013.44	2,605.93	684.29	1,921.64	177.46	59.87%
21	Stanes Motors (South India) Limited	31-Mar-23	INR	150.00	415.92	528.23	1,094.15	119.30	2,320.03	79.24	26.15	53.09	-	59.87%
22	Stanes Amalgamated Estates Limited	31-Mar-23	INR	110.75	308.78	721.53	1,141.06	133.65	1,372.42	(234.39)	(3.03)	(231.36)	-	32.59%
23	IP Rings Limited	31-Mar-23	INR	1,267.59	9,831.01	20,502.41	31,601.01	101.77	32,329.56	238.62	65.02	173.60	126.75	48.74%

Note: Reporting Period for all our Subsidiaries are: April 2022 to March 2023

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

R. VIJAYARAGHAVAN (DIN: 00026763)  
Directors

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

S. SRINIVASARAGHAVAN  
Chief Financial Officer  
& Company Secretary

For R.G.N. PRICE & CO.  
Chartered Accountants  
FR.No.0027855  
Mahesh Krishnan  
Partner  
M.No.206520  
Chennai, 05th September 2023  
UDIN: 23206520BGXGHI2968

## Form AOC-1 Part "B"

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

(Amount ₹ in lakhs)

S.No	Name of Associates/ Joint Ventures	Associate companies					Joint venture
		Amalgamations Valeo Clutch Pvt. Ltd	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Ltd	IPL Shaw Solutions Private Ltd	L.M.Van Moppes Diamond Tools India Pvt. Ltd	BBL Daido Pvt. Ltd
1	Latest audited Balance Sheet Date	31st March 2023	31st March 2023	31st March 2023	31st March 2023	31st March 2023	31st March 2023
2	Shares of Associate/Joint Ventures held by the company on the year end						
	i) No.of.Shares	97,05,252	61,506	18,74,136	16,80,000	1,98,450	48,00,000
	ii) Amount of Investment in Associates/Joint Venture	2,851.76	9.23	731.38	168.00	14.62	1,200.00
	Extent of effective holding including subsidiaries %	28.00%	25.8%	49.49%	49.00%	49.00%	30.00%
3	Description of how there is significant influence	Voting Rights	Voting Power through Subsidiaries	Voting Rights	Voting Rights	Voting Rights	Voting Rights
4	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	4,988.92	4,818.11	9,958.70	255.66	1,147.88	1,657.01
6	Profit / Loss for the year	4,262.30	1,369.45	1,097.83	(134.61)	285.19	1,435.21
	i) Considered in Consolidation	1,192.68	352.69	536.28	(65.95)	137.63	430.56
	ii) Not Considered in Consolidation	3,069.62	1,016.76	561.55	(68.66)	147.56	1,004.65

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

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

R. VIJAYARAGHAVAN (DIN: 00026763)  
Directors

S. SRINIVASARAGHAVAN  
Chief Financial Officer  
& Company Secretary

For R.G.N. PRICE & CO.  
Chartered Accountants  
FR.No.002785S  
Mahesh Krishnan  
Partner  
M.No.206520  
Chennai, 05th September 2023  
UDIN: 23206520BGXGHI2968