

# 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

CIN: U65991 TN1925PLC002345

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

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NOTICE is hereby given that the Ninety Seventh Annual General Meeting of the Company will be held on the Thursday, the 29th September, 2022 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, 2022 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, 2022 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, 2022 and if thought fit, to pass the following resolution as Ordinary Resolution.  
"RESOLVED THAT the total dividend of ₹. 18,750/-per equity share (750%) (including interim dividend of ₹. 13,125/- per equity share (525%) already declared and paid) on the paid up Equity Shares be declared for the financial year ended 31st March 2022."
3. To appoint a Director in place of Dr. R. Mahadevan (DIN: 00001690), who retires by rotation and eligible for re-appointment pursuant to Section 152 of the Companies Act, 2013 and if thought fit, to pass the following resolution as Ordinary Resolution.  
"RESOLVED THAT Dr. R. Mahadevan (DIN: 00001690) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director."
4. To appoint auditors and fix their remuneration and to pass the following resolution as an Ordinary Resolution.  
"RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 including any amendments, as may be applicable and pursuant to the recommendation of the Audit committee R.G.N. PRICE & CO., CHARTERED ACCOUNTANTS, (Firm Registration Number: 002785S), having office at 861, Anna Salai, Chennai-600 002, be and are hereby appointed as Auditors of the Company to hold office for a period of 5 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 and the Board of Directors be and is hereby authorized to fix the remuneration payable as may be mutually agreed between them."

### Special Business:

5. To ratify the remuneration of the Cost auditors for the financial year 2022-23 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 2022-23 as recommended by the Audit Committee be and is hereby ratified"

Place : CHENNAI - 600 002  
Date : 06<sup>th</sup> September, 2022

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

## NOTES:-

1. In view of continuing social distancing norms due to Covid-19, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, the latest being 2/2022 dated 5th May, 2022 (collectively referred to as "MCA Circulars") have allowed the companies to conduct AGM through VC / OAVM till 31st December 2022 without physical presence of members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars issued by MCA, 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 2021-22 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 authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to participate in the Annual General Meeting through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [kannan.lalitha@gmail.com](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 24<sup>th</sup> September, 2022.
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.5 is annexed hereto.
5. The Register of Members and the Share Transfer Book of the Company will remain closed between Friday, the 23<sup>rd</sup> September, 2022 to Thursday, the 29<sup>th</sup> September, 2022 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 29<sup>th</sup> September, 2022. 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 23<sup>rd</sup> September, 2022. 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 23<sup>rd</sup> September, 2022.
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 23<sup>rd</sup> September, 2022.

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. 23<sup>rd</sup> September, 2022 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 97<sup>th</sup> Annual General Meeting of the company dated 29<sup>th</sup> September, 2022. 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 220902106**

- **The voting period begins on 26<sup>th</sup> September, 2022 at 10.00 A.M and ends on 28<sup>th</sup> September, 2022 till 5 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e 23<sup>rd</sup> September, 2022. 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 URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit [www.cdslindia.com](http://www.cdslindia.com) and click on Login icon and select New System Myeasi.
  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.
  3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
  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 or click on <https://evoting.cdslindia.com/Evoting/EvotingLogin>. 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) (email id) 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 23<sup>rd</sup> September, 2022. 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.

If you have any queries or issues regarding 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

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 at toll free no. 1800 22 55 33

14. M/s. L.K. & Associates has been appointed by the Board of Directors as the Scrutinizer for voting at 97th Annual General Meeting to scrutinize both e-voting during AGM and remote e-voting process pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 for conducting the remote e-voting process and e-voting on the day of the AGM, in accordance with the law and in a fair and transparent manner.
15. The Scrutinizers shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any. The consolidated report will be submitted to the Chairman/Company Secretary not later than three days of the conclusion of the meeting.
16. The Chairman/Company Secretary will declare the results of voting forthwith upon receipt of report from Scrutinizer and the same shall be immediately placed on the Company's website [www.simpsons.in](http://www.simpsons.in).
17. Any documents referred to in this Notice of Annual General Meeting and the Statement of Material Facts shall be open for inspection by electronic mode only upto the date of the 97<sup>th</sup> Annual General Meeting of the Company.

Place : CHENNAI - 600 002  
Date : 06<sup>th</sup> September, 2022

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.5**

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 2022-23.

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. 5 of the Notice is required for the remuneration payable to the Cost Auditors for the Financial year 2022-23.

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. 5 of the Notice.

The Board recommends the Ordinary Resolution set out in the Item No. 5 of the Notice for approval by the Shareholders.

Place : CHENNAI - 600 002  
Date : 06<sup>th</sup> September, 2022

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

# SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

## REPORT OF THE DIRECTORS

### to be presented to the Shareholders at the Nine Seventh 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, 2022.

<b>FINANCIAL HIGHLIGHTS (STANDALONE)</b>	<b>31.03.2022</b>	31.03.2021
	<b>(₹ Crores)</b>	(₹ Crores)
Profit before Finance charges, Depreciation and Tax	<b>238.48</b>	251.31
Less: Finance Charges	<b>2.75</b>	3.05
Depreciation	<b>19.99</b>	18.20
Profit Before tax	<b>215.74</b>	230.06
Less: Tax (including deferred tax & net of adjustments)	<b>29.68</b>	35.81
Profit After tax	<b>186.06</b>	194.25
Other Comprehensive Income / (Loss)	<b>0.80</b>	0.14
Total Comprehensive Income	<b>186.86</b>	194.40

### DIVIDEND & TRANSFER TO RESERVES

The Board had declared and paid an interim dividend of 525% (₹.13,125 per share) during the year 2021-22. Subject to approval by shareholders, the Board recommends a Final Dividend of 225% (₹.5,625/-per share) making the total dividend at 750% (₹.18,750 per share) for the year ended 31<sup>st</sup> March, 2022 and recommends a sum of ₹.125 crores be transferred to General Reserve.

### OPERATIONS

The Company recorded a production of 1,73,523 engines during the year with operational revenue of ₹.1,711.07 crores compared to 1,62,839 engines with revenue of ₹.1,440.60 crores in 2020-21.

### OUTLOOK

The Company successfully managed the effects of the pandemic with support from all stakeholders. On the back of good monsoon and Government's focus on spending on infrastructure development, the Company foresees sustained demand for its products.

The company is confident of addressing concerns caused by commodity price inflation and supply chain disruptions with close co-ordination with its customers and suppliers and expects the commodity prices to soften during second half this year.

The development of new products to meet regulatory and market requirements are continuing in all segments of our activity including Spare Parts and Paints divisions.

### 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

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

### CONSOLIDATION OF SHARES

The consolidation of the original shares of face value of Rs. 10/- each has been completed except fractional shares on consolidation to the extent detailed in Note 50.6 to the Standalone Financial Statements.

## DISCLOSURE UNDER SECTION 197 OF THE COMPANIES ACT

The disclosure in relation to remuneration paid by the Company to its Chairman & Managing Director (CMD), has been furnished in Form No. MGT-9 available in the website of the Company. The subsidiary companies, M/s. Addison & Co. Ltd and M/s. T. Stanes & Co. Ltd. have provided for payment of commission of ₹. 12 lakhs and ₹.8 lakhs respectively for the year ended 31.03.2022 to the CMD, 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, 2022 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, 2022 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 2021-22, Six Board meetings were held on the following days, Viz. 30<sup>th</sup> June, 2021, 16<sup>th</sup> July, 2021, 06<sup>th</sup> September, 2021, 02<sup>nd</sup> December, 2021 and 02<sup>nd</sup> March, 2022.

The attendance by the Directors at Board meetings:

Name of the Director	No of Meetings
Mr. A. Krishnamoorthy, Chairman & Managing Director	5
Mr. P.S. Rajamani, Whole-time Director	5
Dr. R. Mahadevan, Director	5
Mr. R. Vijayaraghavan, Independent Director	5
Dr. Sandhya Shekhar, Independent Director	5

Two Audit Committee Meetings were held during the year 2021-22, on 30<sup>th</sup> June, 2021 and 02<sup>nd</sup> December, 2021. 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 30th June, 2021 and all the members of the committee viz. Dr. R. Mahadevan, Mr. Vijayaraghavan and Dr. Sandhya shekhar attended the meeting.

One CSR Committee Meeting was held on 02<sup>nd</sup> March, 2022 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 2021-22 is annexed with this Report as Annexure III.

### **EXTRACT OF ANNUAL RETURN**

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

Messrs. R.G.N Price & Co., Chartered Accountants (Firm Registration No.002785S) term ends at the close of this Annual General Meeting and are eligible for re-appointment. The Company has received consent for the same and confirmation from R.G.N Price & Co., Chartered Accountants regarding their eligibility under Section 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

The Audit Committee and the Board of Directors have recommended the appointment of M/s R.G.N Price & Co., as the Auditors from the financial year 2022-23 for a period of 5 years subject to approval of shareholders in the ensuing Annual General Meeting. The necessary resolution is being placed before the members for approval in the ensuing Annual General meeting.

### **COST AUDIT**

Pursuant to Section 148 of the Companies Act, 2013 and as recommended by the Audit Committee, the Board of Directors had appointed M/s A.N. Raman & Associates, practicing Cost Accountants as Cost Auditors of the Company for the year 2022-23. The remuneration payable to them is subject to ratification by the members in the Annual General Meeting as set out in the agenda. The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

### **SECRETARIAL AUDIT**

Pursuant to provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s. L.K. & Associates, Practicing Company Secretaries firm to conduct the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2022. The Secretarial Audit Report dated 09<sup>th</sup> June, 2022 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.

### **RESPONSE TO QUALIFICATION / REMARKS IN THE AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

The Auditor's qualification with regard to recognition of Net Deferred Tax Asset of 3 subsidiaries and their remarks in Annexure- A referred to in Report on Other Legal and Regulatory Requirements are self-explanatory and considered by the Board.

### **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  
06<sup>th</sup> September, 2022

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, 2022.

### 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                             | 29,65,20,000/- |
| (b) Revenue                             | 19,62,14,000/- |
| (c) Total                               | 49,27,34,000/- |
| (d) Total (as a percentage of turnover) | 2.88%          |

### 3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- |                               |                   |
|-------------------------------|-------------------|
| (i) Foreign Exchange Earnings | ₹. 33,65,50,023/- |
| (ii) Foreign Exchange Outgo   | ₹. 32,46,81,193/- |

# 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  
forming part to the Directors' Report for the year ended 31st March 2022.

S.No.	Name	Designation	Age	Remuneration (Gross) ₹	Qualifications	Last employment Experience	Total (Years)	Date of joining
	<b>Employed Throughout the Year</b>							
1	Mr. P. S. Rajamani	Whole-time Director	72	2,75,00,000	B.Tech.(Met), PGD in SQC & OR, M.B.A	Metallurgist Shardlow India Ltd.	50	23/09/1977
2.	Mr. S. Srinivasaraghavan	Chief Financial Officer and Company Secretary	71	1,40,00,000	B.Sc., A.C.A, A.C.S., A.C.M.A	Executive Director Amalgamations Repco Ltd.	48	02/02/1996
	<b>Employed for a part of the Year</b>							
3.	Mr. Balavijayan Nagarejan	President	54	1,49,75,000	B.E., M.B.A	VP- SCM Tata Hitachi Construction Machinery Company Ltd	33	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	Mrs. 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. 115.73 crores
7. (a) Two percent of average net profit of the company as per section 135 (5) : Rs. 2.32 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. 2.32 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. 2.32	-	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	Promoting health care including preventive health care	7(1) (i)	No	Chennai	Tamil Nadu	NA	10.00	10.00	NIL	DIREC	NIL	NIL
2	Promotion of education	7(1) (ii)	No	Trichy, Tirunelveli, Tenkasi, Chennai	Tamil Nadu	NA	222.00	222.00	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.2.32 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)	2.32
(ii)	Total amount spent for the financial year	2.32
(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  
06<sup>th</sup> September, 2022

## ANNEXURE - IV TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2022.

### Secretarial Audit Report

(For the Financial year ended on March 31, 2022)

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

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

To

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Simpson and Company Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Simpson and Company Limited ("**The Company**") for the financial year ended on March 31, 2022 according to the provisions of:
  - I. The Companies Act, 2013 and the Rules made thereunder to the extent notified by Ministry of Corporate Affairs
  - II. Foreign Exchange Management Act, 1999 ('**FEMA**') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

2. We further report that based on the information received and records maintained there are adequate systems and processes in place to monitor and ensure compliance with the below mentioned laws and also all other applicable laws, rules, regulations and guidelines.
  - (a) Factories Act, 1948
  - (b) Payment of Wages Act, 1936, and rules made thereunder,
  - (c) The Minimum Wages Act, 1948, and rules made thereunder,
  - (d) Employees' State Insurance Act, 1948, and rules made thereunder,
  - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  - (f) The Payment of Bonus Act, 1965, and rules made thereunder,
  - (g) Payment of Gratuity Act, 1972, and rules made thereunder,
  - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  - (i) *Sexual Harassment of Women at Workplace* (Prevention, Prohibition and Redressal) Act, 2013

3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder to the extent they were notified by the Ministry of Corporate Affairs with regard to:
- (a) maintenance of various statutory registers and documents and making necessary entries therein;
  - (b) closure of the Register of Members.
  - (c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government, except for one form which was not filed with the Registrar of Companies, due to oversight and has since been filed as on the date of issue of this Certificate;
  - (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - (e) issuing notice of Board meetings and Committee meetings of Directors;
  - (f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - (g) the conduct of the 96<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2021
  - (h) maintenance of minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
  - (l) appointment and remuneration of Secretarial Auditors and Cost Auditors;
  - (m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
  - (n) declaration and payment of dividends;
  - (o) investment of the Company's funds including investments and loans to others;
  - (p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
  - (q) Directors' report to the shareholders;
  - (r) contracts, common seal, registered office and publication of name of the Company;
  - (s) Generally, all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder to the extent notified by the Ministry of Corporate Affairs.

**4. We further report that**

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

5. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board, General Meetings and Dividend, as applicable.
6. During the financial year ended 31.03.2022 the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act were not applicable to the Company since the securities are not listed in any Stock Exchange.
7. We further report that, during the financial year ended 31.03.2022, the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder were complied by the company.
8. Compliance with the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings did not arise since there is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the period under report.
9. We further report that, during the financial year ended 31.03.2022, the provisions of the Securities Exchange Board of India Act, 1992 and the various guidelines framed thereunder were not applicable to the Company since the Company's securities are not listed in any Stock Exchange.

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

For L K & Associates  
Company Secretaries

LALITHA KANNAN  
C.P. 1894  
UDIN: A008304D000476937

Place : Chennai  
Date : 09-06-2022

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

**ANNEXURE 'A'**

To

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. 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.

For L K & Associates  
Company Secretaries

LALITHA KANNAN  
C.P. 1894

UDIN: A008304D000476937

Place : Chennai  
Date : 09-06-2022

**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: 30 <sup>th</sup> June, 2021. 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 31.03.2022)	

Chennai  
06<sup>th</sup> September, 2022

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

29<sup>th</sup> June, 2022

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Simpson & Company Limited**

**Report on the Audit of the Ind AS Standalone Financial Statements**

**Opinion**

We have audited the financial statements of **Simpson & Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, 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 Ind AS Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2022, 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 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 Ind AS 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 Ind AS Standalone and Consolidated Financial Statements and our auditor's reports thereon. The said other information is expected to be made available to us after the date of this auditor's report.

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

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

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.

**Managements Responsibility for the Ind AS Standalone Financial Statements**

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

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

In preparing the Ind AS Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibility for the Audit of Ind AS Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Standalone Financial Statements, including the disclosures, and whether the Ind AS Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **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 Ind AS Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act.
- (e) On the basis of the written representations received from the directors taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 Ind AS 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 Ind AS 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 remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 read with Schedule-V to the Act.

- (h) With respect to other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations gives to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Standalone Financial Statements in Note 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 dividend during the year which is in compliance with section 123 of the Act.

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

Membership No. 206520  
UDIN : 22206520ALYBDA3941

Place: Chennai  
Date : 29<sup>th</sup> June, 2022

**Annexure – “A” referred to in paragraph 1 of ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Ind AS Standalone Financial Statements of Simpson & Company Limited (the “Company”) for the year ended 31st March 2022**

- (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 Ind AS Standalone Financial Statements, are held in the name of the Company as at the balance sheet date.
- (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:

	<b>Guarantees</b>	<b>Loans</b>
<b>Rs. in Lakhs</b>		
<b>Aggregate amount granted/ provided during the year</b>		
Subsidiaries	4,210.00	3,250.00
<b>Balance outstanding as at balance sheet date in respect of above cases</b>		
Subsidiaries	38,535.00	10,600.00

- (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 not regular.
- (d) 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.
- (e) A loan of Rs. 400 Lakhs given by the Company in an earlier year to its subsidiary fell due during the current year and the same has been extended for another 194 days. This Loan constitutes around 12% 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 Companies Act, 2013 applies.
- (b) The Company has complied with the provisions of section 186 of Companies Act, 2013 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 Income Tax, Central Sales Tax, Goods and Service Tax, Customs Duty, cess and any other statutory dues which have not been deposited on account of any dispute as at 31st March 2022, except as under:

Name of Statute	Nature of dues	Amount (₹ in lakhs)	Period to which relates (Assessment Year)	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax	1.24	1999-00	Appellate Deputy Commissioner(CT) – Mumbai
		3.73	2000-01	
1.95	2001-02			
		3.11	2013-14	Sales Tax Appellate Tribunal, Chennai
Bombay Sales Tax Act, 1959	Tax, Interest & Penalty	31.02	2002-03	Joint Commissioner of Sales Tax (Appellate), Mumbai
		1.36	2003-04	
		4.33	2004-05	
Income Tax Act, 1961	Tax	545.02	2016-17 2018-19	Commissioner of Income Tax Appeals

- (viii) In our opinion and according to the information and explanations given to us, there are no transactions not 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 wilful 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 utilised 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 Companies Act, 2013 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 realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS 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 : 29<sup>th</sup> June, 2022

For R. G. N. PRICE & CO.,  
*Chartered Accountants*  
FR No. 002785S  
MAHESH KRISHNAN  
*Partner*  
Membership No. 206520  
UDIN : 22206520ALYBDA3941

**Annexure – “B” referred to in Clause 2(f) of Paragraph on ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Ind AS standalone financial statements of the Company for the year ended 31st March, 2022**

We have audited the internal financial controls with reference to the Ind AS Standalone Financial Statements of **Simpson & Company Limited** (“the Company”) as at March 31, 2022 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

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

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

A Company’s internal financial controls with reference to the Ind AS 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 Ind AS Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the Ind AS 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 Ind AS Standalone Financial Statements and such internal financial controls with reference to the Ind AS Standalone Financial Statements were operating effectively as at March 31, 2022 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 : 22206520ALYBDA3941

Place: Chennai  
Date : 29<sup>th</sup> June, 2022

# SIMPSON & COMPANY LIMITED

## BALANCE SHEET AS AT

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31-03-2022	31-03-2021
<b>A. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	19,495.95	19,232.90
(b) Capital Work-in-progress	1(a)	594.52	298.08
(c) Investment Property	2	9,010.35	9,011.07
(d) Intangible Assets	3	1,430.60	76.98
(e) Intangible assets under development	3(a)	4,165.06	2,814.73
(f) Financial Assets			
(i) Investments	4	111,112.86	76,666.95
(ii) Loans	5	9,903.33	7,116.19
(g) Other Non-Current Assets	6	1,502.68	1,026.63
<b>Total Non-Current Assets</b>		<b>157,215.35</b>	<b>116,243.53</b>
<b>2. Current Assets</b>			
(a) Inventories	7	10,639.11	10,391.97
(b) Financial Assets			
(i) Investments	8	12,049.01	39,640.40
(ii) Trade Receivables	9	41,195.83	45,251.61
(iii) Cash and Cash Equivalents	10 (i)	1,067.07	651.51
(iv) Bank balances other than (iii) above	10 (ii)	-	2,000.00
(v) Loans	11	557.50	5,400.00
(vi) Others	12	902.10	620.85
(c) Contract Assets	38a	376.04	1,703.70
(d) Current Tax Assets (net)	13	1,117.68	475.22
(e) Other Current Assets	14	5,131.43	4,258.89
<b>Total Current Assets</b>		<b>73,035.77</b>	<b>110,394.15</b>
<b>TOTAL ASSETS</b>		<b>230,251.12</b>	<b>226,637.68</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share Capital	15	736.97	737.75
(b) Other Equity	16	200,697.05	189,117.49
<b>Total Equity</b>		<b>201,434.02</b>	<b>189,855.24</b>
<b>LIABILITIES</b>			
<b>2. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	671.57	670.26
(b) Provisions	18	492.19	546.02
(c) Deferred Tax Liabilities (Net)	19	3,381.03	2,737.95
<b>Total Non-Current Liabilities</b>		<b>4,544.79</b>	<b>3,954.23</b>
<b>3. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	2,600.00	2,600.00
(ii) Trade Payables	21		
- Total outstanding dues of micro and small enterprises		1,285.94	1,944.00
- Total outstanding dues of creditors other than micro and small enterprises		16,356.82	24,112.13
(iii) Other Financial Liabilities	22	3,410.29	3,185.81
(b) Other Current Liabilities	23	334.60	598.28
(c) Provisions	24	284.66	387.99
<b>Total Current Liabilities</b>		<b>24,272.31</b>	<b>32,828.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>230,251.12</b>	<b>226,637.68</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

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

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

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

S. SRINIVASARAGHAVAN  
Chief Financial Officer & Company Secretary

Chennai, 29th June, 2022



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

Particulars	Note	31-03-2022	31-03-2021
<b>Revenue from operations</b>	25	171,106.98	144,060.22
Other income	26	14,188.99	14,163.53
<b>Total Income</b>		<u>185,295.97</u>	<u>158,223.75</u>
<b>Expenses :</b>			
(a) Cost of materials consumed	27	129,095.77	104,492.99
(b) Purchases of stock-In-trade	28	10,143.69	8,562.85
(c) Changes in inventories of finished goods, Stock-in-trade & WIP	29	(662.72)	544.71
(d) Employee Benefits Expense	30	10,810.10	9,718.19
(e) Finance Costs	31	274.71	305.37
(f) Depreciation and Amortization Expense	1	1,999.42	1,819.99
(g) Other Expenses	32	12,060.95	9,773.62
<b>Total Expenses</b>		<u>163,721.92</u>	<u>135,217.72</u>
Profit / (loss) before tax		<u>21,574.05</u>	<u>23,006.03</u>
<b>Tax Expense:</b>			
(a) Current tax		2,750.00	3,250.00
(b) Deferred tax		218.28	330.87
<b>Total Tax Expense</b>		<u>2,968.28</u>	<u>3,580.87</u>
Profit / (loss) for the year		<u>18,605.77</u>	<u>19,425.16</u>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	33	96.45	22.78
(ii) Income tax relating to items that will not be reclassified to profit or loss		24.27	5.73
B (i) Items that will be reclassified to profit or loss	34	5.10	(3.51)
(ii) Income tax relating to items that will be reclassified to profit or loss		(2.81)	(0.88)
<b>Total Comprehensive Income for the Year</b>		<u>18,685.86</u>	<u>19,439.58</u>
<i>Earnings per equity share of face value - Rs 2500/-</i>			
<i>Basic &amp; Diluted (Profit/ Loss for the Year / No. of Equity Shares)</i>	35	63,115.33	65,894.91

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

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

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

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

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

S. SRINIVASARAGHAVAN  
*Chief Financial Officer & Company Secretary*

Chennai, 29th June, 2022

# SIMPSON & COMPANY LIMITED

## Statement of Changes in Equity for the Year Ended March 31, 2022

(All amounts are in INR lakhs unless otherwise stated)

(a) Equity Share Capital	Balance at the beginning of the reporting period		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	
2020 – 21 Face value of ₹. 10/-	737.75	–	737.75	–	–	737.75
2021 – 22 Converted to ₹. 2,500/-	737.75	–	737.75	(0.78)	–	736.98
(b) Other Equity	Reserves and Surplus			Effective Portion of Cash Flow Hedges	Actuarial Gains/Losses on Defined Benefit Plan for Employees Benefit	Total
	General Reserve	Capital Redemption Reserve	Retained Earnings			
<b>Balance as at 1st April 2020</b>	<b>156,188.50</b>	<b>12.25</b>	<b>17,512.15</b>	<b>9.40</b>	<b>22.64</b>	<b>173,744.93</b>
Adjustments	-	-	-	(9.40)	-	<b>(9.40)</b>
Total Comprehensive Income for the Year	-	-	19,425.16	(2.63)	17.05	<b>19,439.58</b>
Dividends (Interim & Final)	-	-	(4,057.62)	-	-	<b>(4,057.62)</b>
Transfer to Retained Earnings / General Reserves	12,500.00	-	(12,500.00)	-	-	-
<b>Balance as at 31st March 2021</b>	<b>168,688.50</b>	<b>12.25</b>	<b>20,379.68</b>	<b>(2.63)</b>	<b>39.69</b>	<b>189,117.49</b>
Adjustments	-	-	(427.60)	(0.50)	-	<b>(428.10)</b>
Total Comprehensive Income for the Year	-	-	18,605.77	7.91	72.16	<b>18,685.84</b>
Dividends (Interim & Final)	-	-	(5,527.32)	-	-	<b>(5,527.32)</b>
Transfer to Capital Redemption Reserve	-	0.78	(0.78)	-	-	-
Payment towards Fractional Shares	-	-	(1,150.88)	-	-	<b>(1,150.88)</b>
Transfer to Retained Earnings / General Reserves	12,500.00	-	(12,500.00)	-	-	-
<b>Balance as at 31st March 2022</b>	<b>181,188.50</b>	<b>13.03</b>	<b>19,378.88</b>	<b>4.78</b>	<b>111.85</b>	<b>200,697.05</b>

The accompanying notes are an integral part of the financial statements

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

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

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

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

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

S. SRINIVASARAGHAVAN  
Chief Financial Officer & Company Secretary

Chennai, 29th June, 2022



# SIMPSON & COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2022		31-03-2021	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax		21,574.05		23,006.03
<b>Adjustments for:</b>				
Fair valuation gain on investments	(4,419.57)		(6,066.50)	
Fair valuation gain on long term loans	28.88		268.93	
Depreciation	1,999.42		1,819.99	
Interest and Finance Charges	274.71		305.37	
Interest Income	(1,034.21)		(1,246.08)	
Dividend Income	(7,825.67)		(6,265.87)	
Profit on sale of investment	(350.08)		(617.01)	
(Profit)/Loss on sale of Property, Plant and Equipment	(8.30)		(5.65)	
Adjustment in OCI reserve	(0.50)		(9.40)	
Provision no longer required	(158.85)		(6.73)	
Provision for bad and doubtful debts	65.81		47.71	
Effective portion of cash flow hedges	5.10		(3.51)	
Actuarial Gain / Loss on Defined benefit obligation (Gratuity)	96.45		22.78	
Bad Debts	-		8.46	
		(11,326.81)		(11,747.51)
<b>Adjustments for changes in working capital:</b>				
(Increase)/ Decrease in Trade receivables	5,334.87		(15,743.53)	
(Increase)/Decrease in other receivables	(1,629.81)		(757.47)	
(Increase)/Decrease in Inventories	(247.14)		(1,456.81)	
Increase/ (Decrease) in Current liabilities & Provisions	(8,595.50)	(5,137.59)	10,358.24	(7,599.57)
<b>Cash generated from operations</b>		5,109.65		3,658.95
Direct Taxes paid	(3,416.75)	(3,416.75)	(3,731.72)	(3,731.72)
<b>Net cash from operating activities (A)</b>		1,692.90		(72.77)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES:</b>				
Purchase of Property Plant and Equipment	(5,287.39)		(2,338.02)	
Proceeds from Sale of PPE	33.56		12.94	
Purchase of Investments	(50,482.68)		(31,562.28)	
Sale of Investments	48,532.81		27,679.20	
(Increase)/Decrease in Loans	(2,950.00)		750.00	
Interest Income	1,010.69		1,244.55	
Dividend Income	7,825.67		6,265.87	
Increase/Decrease in Inter corporate deposit	5,000.00		(1,000.00)	
(Increase)/Decrease in Term deposits	2,000.00		4,000.00	
<b>Cash from investment activities (B)</b>		5,682.64		5,052.27

# SIMPSON & COMPANY LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2022		31-03-2021	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Interest/Finance charges on borrowings	(281.02)		(312.49)	
Dividend paid	(5,527.31)		(4,057.63)	
Payment towards fractional shares	(1,151.65)		-	
<b>Cash from financing activities (C)</b>		<b>(6,959.98)</b>		<b>(4,370.12)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>		<b>415.56</b>		<b>609.38</b>
Cash and Cash Equivalents (Opening Balance)		651.51		42.13
Cash and Cash Equivalents (Closing Balance)		<b>1,067.07</b>		<b>651.51</b>
<b>Cash and cash equivalents : (Refer note no: 10(i))</b>				
Balances with banks :				
(a) in current accounts		903.66		413.41
(b) in unclaimed dividend account ( not available for operational use)		158.01		234.70
Cash on hand		5.40		3.40
		<b>1,067.07</b>		<b>651.51</b>

The accompanying notes are an integral part of the financial statements

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

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

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

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

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

S. SRINIVASARAGHAVAN  
Chief Financial Officer & Company Secretary

Chennai, 29th June, 2022

**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	Additions	Disposals	Adjustments	As at 31-03-2022	As at 01.04.2021	For the year	Withdrawn	Adjustments	As at 31-03-2022	As at 31-03-2022	As at 31-03-2022	As at 31-03-2021		
<b>1. PROPERTY, PLANT AND EQUIPMENT:</b>															
Land-Freehold	6,207.60	17.95	-	(1.11)	6,224.44	-	-	-	-	-	6,224.44	6,207.60			
Buildings:															
on Freehold land	2,974.37	7.96	-	-	2,982.33	1,003.36	71.70	-	-	1,075.06	1,907.27	1,971.00			
on leasehold land	49.95	-	-	4.94	54.89	49.25	-	-	4.94	54.19	0.70	0.70			
Plant and Machinery	26,519.10	1,785.42	156.27	3.20	28,151.45	15,858.84	1,576.23	148.49	3.12	17,289.70	10,861.75	10,660.26			
Electrical Installation	375.46	5.45	1.53	-	379.38	289.19	17.01	1.08	-	305.12	74.26	86.27			
Furniture and Fixtures	386.93	46.34	4.17	-	429.10	251.39	23.71	3.96	-	271.14	157.96	135.55			
Office Equipments	146.02	15.08	0.08	-	161.03	96.64	18.16	0.07	-	114.73	46.30	49.38			
Vehicles	310.47	153.30	55.87	(3.20)	404.70	188.34	35.27	39.06	(3.12)	181.43	223.27	122.13			
<b>Total (A)</b>	<b>36,969.89</b>	<b>2,031.50</b>	<b>217.92</b>	<b>3.83</b>	<b>38,787.32</b>	<b>17,737.00</b>	<b>1,742.08</b>	<b>192.66</b>	<b>4.94</b>	<b>19,291.37</b>	<b>19,495.95</b>	<b>19,232.90</b>			
<b>1a. CAPITAL WORK-IN-PROGRESS :</b> <i>(Refer Note no: 44(A)(a))</i>											594.52	298.08			
<b>2. INVESTMENT PROPERTY :</b>															
Land-Freehold	8,951.40	-	-	1.11	8,952.51	-	-	-	-	-	8,952.51	8,951.40			
Buildings:															
on Freehold land	86.67	-	-	-	86.67	27.00	1.83	-	-	28.83	57.84	59.67			
on leasehold land	4.94	-	-	(4.94)	-	4.94	-	-	(4.94)	-	-	-			
<b>Total (B)</b>	<b>9,043.01</b>	<b>-</b>	<b>-</b>	<b>(3.83)</b>	<b>9,039.18</b>	<b>31.94</b>	<b>1.83</b>	<b>-</b>	<b>(4.94)</b>	<b>28.83</b>	<b>9,010.35</b>	<b>9,011.07</b>			
<b>3. OTHER INTANGIBLE ASSETS :</b>															
Computer Software	688.50	12.00	-	-	700.50	611.52	40.23	-	-	651.75	48.75	76.98			
New Product Development (internally generated)	2,282.92	1,597.14	-	-	3,880.06	2,282.92	215.29	-	-	2,498.21	1,381.85	-			
<b>Total (C)</b>	<b>2,971.42</b>	<b>1,609.14</b>	<b>-</b>	<b>-</b>	<b>4,580.56</b>	<b>2,894.43</b>	<b>255.51</b>	<b>-</b>	<b>-</b>	<b>3,149.95</b>	<b>1,430.60</b>	<b>76.98</b>			
<b>3(a). INTANGIBLES UNDER DEVELOPMENT :</b> <i>(Refer Note no: 44(A)(a))</i>															
											4,165.06	2,814.73			

Refer Note no.50.1 & 54 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)

**PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK		
	As at 01-04-2020	Additions	Disposals	As at 31-03-2021	As at 01.04.2020	For the period	Withdrawn	Adjustments	As at 31-03-2021	As at 31-03-2020
<b>1. PROPERTY, PLANT AND EQUIPMENT:</b>										
Land-Freehold	6,207.60	-	-	6,207.60	-	-	-	-	-	6,207.60
Buildings:										
on Freehold land	2,974.37	-	-	2,974.37	928.72	74.64	-	-	1,003.36	2,045.65
on leasehold land	49.95	-	-	49.95	49.25	-	-	-	49.25	0.70
Plant and Machinery	25,268.84	1,704.75	454.49	26,519.10	14,718.05	1,588.67	447.88	-	15,858.84	10,550.77
Electrical Installation	375.87	0.70	1.11	375.46	272.39	17.91	1.11	-	289.19	103.48
Furniture and Fixtures	376.48	11.62	1.17	386.93	230.80	21.73	1.15	-	251.38	145.68
Office Equipments	137.48	9.12	0.58	146.02	76.04	21.16	0.56	-	96.64	61.45
Vehicles	319.77	-	9.30	310.47	170.74	26.25	8.65	-	188.34	149.02
<b>Total (A)</b>	<b>35,710.36</b>	<b>1,726.19</b>	<b>466.65</b>	<b>36,969.89</b>	<b>16,445.99</b>	<b>1,750.36</b>	<b>459.35</b>	<b>-</b>	<b>17,737.00</b>	<b>19,264.35</b>
<b>1a. CAPITAL WORK-IN-PROGRESS</b>										
: (Refer Note no: 44(A)(a))									298.08	351.71
<b>2. INVESTMENT PROPERTY :</b>										
Land-Freehold	8,951.40	-	-	8,951.40	-	-	-	-	-	8,951.40
Buildings:										
on Freehold land	86.67	-	-	86.67	25.17	1.83	-	-	27.00	61.50
on leasehold land	4.94	-	-	4.94	4.94	-	-	-	4.94	-
<b>Total (B)</b>	<b>9,043.01</b>	<b>-</b>	<b>-</b>	<b>9,043.01</b>	<b>30.11</b>	<b>1.83</b>	<b>-</b>	<b>-</b>	<b>31.94</b>	<b>9,012.90</b>
<b>3. INTANGIBLE ASSETS :</b>										
Computer Software	648.10	40.40	-	688.50	543.71	67.81	-	-	611.52	104.41
New Product Development (Internally generated)	2,282.92	-	-	2,282.92	2,282.92	-	-	-	2,282.92	-
<b>Total (C)</b>	<b>2,931.02</b>	<b>40.40</b>	<b>-</b>	<b>2,971.42</b>	<b>2,826.63</b>	<b>67.80</b>	<b>-</b>	<b>-</b>	<b>2,894.43</b>	<b>104.41</b>
<b>3(a). INTANGIBLES UNDER DEVELOPMENT</b>										
: (Refer Note no: 44(A)(a))									2,814.73	2,189.66

Refer Note no.50.1 & 54 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 31-03-2022	As at 31-03-2021
<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)	19,650.94	19,629.23
Fully Convertible Preference Shares (Unquoted)	3,000.00	3,000.00
<b>(B) Investments in Associates (At cost)</b>		
Equity Shares (Quoted)	6,896.10	6,896.10
Equity Shares (Unquoted)	2,962.38	2,866.38
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)	1,154.23	495.29
Equity Shares (Unquoted) (At cost)	29.49	29.49
<b>Total (i)</b>	39,969.30	39,192.63
<b>(E) Investments in Debt instruments</b>		
Tax free Interest Bonds (At Amortised Cost)	722.68	872.59
Zero Coupon Bonds (At Fair Value)	2,514.11	606.86
<b>Total (ii)</b>	3,236.79	1,479.45
<b>(F) Investments in Mutual funds (At Fair value)</b>		
Debt Funds - Fixed Maturity Plans	-	4,527.34
Debt Funds - Open ended	50,484.03	26,111.54
Equity Funds	17,422.75	5,355.99
<b>Total (iii)</b>	67,906.77	35,994.86
<b>Grand Total (i) + (ii) + (iii)</b>	111,112.86	76,666.95

# 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 31-03-2022		As at 31-03-2021	
		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>					
I.P Rings Ltd.	10	3,767,000	3,951.19	3,767,000	3,951.19
			<u>3,951.19</u>		<u>3,951.19</u>
<b>Unquoted, fully paid up -</b>					
Addison & Co. Ltd	100	540,000	28.00	540,000	28.00
Amalgamations Repco Ltd.	10	497,235	530.44	496,985	529.47
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
IPL Green Power Ltd *	10	-	-	1,350,000	135.00
Shardlow India Ltd.	10	30,000,000	2,992.02	30,000,000	2,992.02
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	1,695	0.27	1,695	0.26
Tractors and Farm Equipment Ltd.	10	9,149,100	511.99	9,149,100	511.99
T.Stanes & Co. Ltd	10	1,377,860	254.85	1,373,040	234.10
Wheel & Precision Forgings India Ltd.	10	150,000	13.75	150,000	13.75
			<u>20,442.97</u>		<u>20,556.23</u>
Less : Impairment Provision					
Shardlow India Ltd			(792.02)		(792.02)
IPL Green Power Ltd			-		(135.00)
			<u>19,650.95</u>		<u>19,629.22</u>
* Wound up vide NCLT order dated: 23rd November, 2021					
<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 India Pistons Ltd.	10	7,500,000	750.00	7,500,000	750.00
8% 10 year Fully convertible cumulative Preference shares of Shardlow India Ltd.	10	6,000,000	600.00	6,000,000	600.00
7% 10 year Fully convertible cumulative Preference shares of Shardlow India Ltd.	10	9,000,000	900.00	9,000,000	900.00
7% 5 year Compulsorily convertible cumulative Preference shares of India Pistons Ltd.	100	750,000	750.00	750,000	750.00
			<u>3,000.00</u>		<u>3,000.00</u>
<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
			<u>6,896.10</u>		<u>6,896.10</u>
<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	960,000	96.00	-	-
			<u>2,962.38</u>		<u>2,866.38</u>
<b>(ii) In Fully Convertible Preference Shares : (At cost)</b>					
<b>Unquoted, fully paid up -</b>					
8% Fully Convertible Cumulative Preference shares of Amalgamations Valeo Clutch Private Ltd.	10	11,249,719	1,124.97	11,249,719	1,124.97
			<u>1,124.97</u>		<u>1,124.97</u>

**SIMPSON & COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2022		As at 31-03-2021	
		No. of shares	Amount	No. of shares	Amount
<b>(C) INVESTMENTS IN JOINT VENTURES</b>					
<b>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
			<u>1,200.00</u>		<u>1,200.00</u>
<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	0.78	4,266	0.70
Cummins India Ltd.	2	12,000	134.86	12,000	110.35
Mahindra & Mahindra Ltd	5	4,000	32.23	4,000	31.80
TATA Motors Ltd.	2	8,201	35.55	8,201	24.75
State Bank of India	1	11,473	56.61	6,500	23.68
HDFC Bank Ltd.	1	3,980	58.50	2,000	29.87
Infosys Ltd.	5	4,520	86.21	2,200	30.09
Larsen & Toubro Ltd.	2	2,595	45.87	1,250	17.73
ITC Ltd.	1	1,000	2.51	1,000	2.19
ICICI Bank Ltd.	2	12,778	93.31	6,100	35.46
SBI Life Insurance Company Ltd.	10	6,224	69.72	4,000	35.22
Reliance Industries Ltd.	10	1,975	52.02	1,000	20.03
Deepak Nitrite Ltd.	2	2,005	45.00	1,000	16.57
Bharti Airtel Ltd.	5	6,693	50.56	3,200	16.55
Dr.Reddys Laboratories Ltd.	5	400	17.22	400	18.06
Persistent Systems Ltd.	10	1,710	81.58	800	15.35
Kotak Mahindra Bank Ltd.	5	2,420	42.46	800	14.03
Gujarat Gas Ltd.	2	6,150	30.91	2,800	15.39
ICICI Lombard General Insurance Company Ltd.	10	1,590	21.12	800	11.49
Bajaj Finance Ltd.	2	894	64.90	200	10.30
UPL Ltd.	2	3,780	29.09	1,800	11.56
Kaveri seed Company Ltd.	2	800	4.37	800	4.11
Tech Mahindra Ltd.	5	3,206	48.07	-	-
Tata Steel Ltd.	10	3,885	50.78	-	-
			<u>1,154.23</u>		<u>495.29</u>
<b>In Equity Shares : (At Cost)</b>					
<b>Unquoted, fully paid up -</b>					
Arkay Energy (Rameswarm) Ltd.	10	175,000	17.50	175,000	17.50
MSE Financial Services Limited (formerly Madras Enterprises Ltd.)	1	656,093	11.99	455,620	11.99
Madras Enterprises Private Limited (formerly MEL Edutech Services Private Limited)	10	48,418	-	-	-
			<u>29.49</u>		<u>29.49</u>
<b>Total</b>			<u>39,969.31</u>		<u>39,192.63</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 31-03-2022		As at 31-03-2021	
		No. of shares	Amount	No. of shares	Amount
<b>(E) INVESTMENTS IN DEBT INSTRUMENTS</b>					
<b>In Tax Free Interest Bonds : (At Amortised cost)</b>					
<b>Quoted, fully paid up</b>					
8.00% 8.00% Tranche - 1 Series I Tax Free Bonds 80th Series of Indian Railway Finance Corporation Ltd.	1000	4,350	-	4,350	43.50
8.20% Tranche - 1 Series I Tax Free Bonds of Power Finance Corporation Ltd.	1000	5,696	-	5,696	56.96
7.11% Tranche - 1 Series IA Tax Free Bonds of Power Finance Corporation Ltd.	1000	514	5.14	514	5.14
8.20% Tranche - 1 Series I Tax Free Bonds of National Highways Authority of India	1000	4,945	-	4,945	49.45
7.14% Tranche - 1 Series IA Tax Free Bonds of National Highways Authority of India	1000	5,714	57.14	5,714	57.14
8.51% Tranche - II Series I A Tax Free Bonds of Housing and Urban Development Corporation Limited	1000	20,000	200.00	20,000	200.00
8.23% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd	1000	20,000	200.00	20,000	200.00
7.07% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd.	1000	6,040	60.40	6,040	60.40
8.41% Tranche - II Series I A Tax Free Bonds of India Infrastructure Finance Company Ltd.	1000	20,000	200.00	20,000	200.00
<b>Subtotal</b>			<u>722.68</u>		<u>872.59</u>
Bajaj Finance Limited - Zero coupon Bonds	1000000	-	-	50	606.86
Axis Finance Limited - Zero coupon Bonds	1000000	55	495.11	-	-
HDB Financial Services Limited - Zero coupon Bonds	1000000	100	1,001.60	-	-
Aditya Birla Finance Limited - Zero coupon Bonds	1000000	100	1,017.40	-	-
<b>Subtotal</b>			<u>2,514.11</u>		<u>606.86</u>
<b>Total</b>			<u>3,236.79</u>		<u>1,479.45</u>



# 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 31-03-2022		As at 31-03-2021	
		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>Aditya BirlaSunlife</b>					
Series PU (1463 Days) - Regular - Growth	10	-	-	2,000,000	259.92
Series PV (1462 Days) - Regular - Growth	10	-	-	2,000,000	260.30
Series PY (1409 Days) - Regular - Growth	10	-	-	2,000,000	257.32
Series SN (1099 Days) - Regular - Growth	10	-	-	2,000,000	238.53
Series SO (1099 Days) - Regular - Growth	10	-	-	2,000,000	233.69
<b>HDFC</b>					
1434 Days - May 2018 (1) - Regular - Growth	10	-	-	2,100,000	270.29
<b>ICICI Prudential</b>					
Series 86 1099 Days Plan A - Regular - Growth	10	-	-	4,000,000	475.48
<b>IDFC</b>					
Series 152 - Regular - Growth	10	-	-	4,000,000	501.96
<b>Kotak</b>					
Series 226 - Regular - Growth	10	-	-	2,000,000	260.17
Series 230 - Regular - Growth	10	-	-	2,000,000	250.73
<b>Nippon India</b>					
XXXVII - Series 6 - Regular - Growth	10	-	-	2,000,000	259.95
<b>PGIM India</b>					
Series BA - Regular - Growth	1000	-	-	20,000	255.01
<b>State Bank of India</b>					
Series 7 (1175 Days) - Regular - Growth	10	-	-	2,000,000	236.78
<b>UTI</b>					
Series XXIX - IV (1422 Days) - Regular - Growth	10	-	-	4,000,000	515.19
Series XXIX - VI (1135 Days) - Regular - Growth	10	-	-	2,000,000	252.05
<b>TOTAL(A)</b>					
			-		<b>4,527.34</b>
<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	3,173.47	1,508,037	1,295.47
Aditya Birla SunLife CRISIL SDL Plus AAA PSU Apr 2027 60:40					
Index Fund - Regular - Growth	10	2,997,692	299.99	-	-
Aditya Birla SunLife Nifty SDL Plus PSU Bond Sep 2026 60:40					
Index Fund - Regular - Growth	10	5,998,471	609.91	-	-
Axis AAA Bond Plus SDL ETF - 2026 Maturity - Regular - Growth	10	4,979,959	525.88	-	-

# 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 31-03-2022		As at 31-03-2021	
		No. of Units	Amount	No. of Units	Amount
Axis AAA Bond Plus SDL ETF - 2026 Maturity - Fund of Fund - Regular - Growth	10	2,948,516	299.99	-	-
Axis Banking & PSU Debt - Regular - Growth	10	24,882	532.65	10,689	220.13
Axis Corporate Debt - Regular - Growth	10	7,716,995	1,061.59	6,216,864	819.10
BHARAT Bond FOF - April 2025 - Regular - Growth	10	6,824,869	738.66	1,959,169	200.50
BHARAT Bond FOF - April 2030 - Regular - Growth	10	18,217,012	2,187.21	18,217,012	2,063.88
DSP Corporate Bond Fund - Regular - Growth	10	1,957,900	258.29	-	-
DSP Floater Fund - Regular - Growth	10	7,769,153	813.23	-	-
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index - Regular - Growth	10	2,991,474	299.99	-	-
Edelweiss NIFTY PSU Bond Plus SDL Index - 2026 - Regular - Growth	10	9,352,364	1,002.90	1,987,202	200.87
Edelweiss NIFTY PSU Bond Plus SDL Index - 2027 - Regular - Growth	10	5,999,460	611.88	-	-
HDFC Banking and PSU Debt - Regular - Growth	10	9,674,746	1,803.60	8,291,597	1,479.01
HDFC Corporate Bond - Regular - Growth	10	10,237,380	2,675.34	4,272,030	1,064.93
ICICI Prudential Banking & PSU Debt - Regular - Growth	10	8,367,393	2,186.80	8,367,393	2,090.29
ICICI Prudential Corporate Bond - Regular - Growth	10	18,922,838	4,476.35	6,822,882	1,547.98
IDFC Banking & PSU Debt - Regular - Growth	10	8,349,735	1,671.32	8,349,735	1,606.05
IDFC Corporate Bond - Regular - Growth	10	37,350,542	5,876.96	31,096,456	4,671.62
IDFC Gilt 2027 Index - Regular - Growth	10	14,280,085	1,504.75	3,997,024	400.73
IDFC Gilt 2028 Index - Regular - Growth	10	9,331,814	980.46	3,997,702	400.62
Kotak Corporate Bond Standard - Regular - Growth	1000	48,324	1,466.08	31,220	905.57
L&T Banking and PSU Debt - Regular - Growth	10	6,007,667	1,213.56	6,007,667	1,165.75
L&T Triple Ace Bond - Regular - Growth	10	1,074,060	640.85	1,074,060	610.09
Nippon India Banking & PSU Debt - Regular - Growth	10	3,176,051	535.32	1,374,674	221.52
Nippon India Dynamic Bond - Regular - Growth	10	10,873,374	3,258.80	-	-
Nippon India Floating Rate - Regular - Growth	10	4,963,083	1,798.12	4,963,083	1,720.11
Nippon India ETF Nifty SDL - 2026	10	1,000,000	1,069.00	-	-
Nippon India ETF Nifty CPSE Bond Plus SDL - 2024	10	460,000	498.04	-	-
SBI Corporate Bond Fund - Regular - Growth	10	24,666,148	3,102.90	22,618,761	2,732.82
SBI Floating Rate Debt Fund - Regular - Growth	10	2,371,118	251.83	-	-
Tata Floating Rate Fund - Regular - Growth	10	2,478,359	254.09	-	-
UTI Corporate Bond Fund - Regular - Growth	10	21,165,580	2,804.25	5,467,702	694.51
<b>TOTAL(B)</b>			<b>50,484.03</b>		<b>26,111.54</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 31-03-2022		As at 31-03-2021	
		No. of Units	Amount	No. of Units	Amount
<b>Unquoted, fully paid up</b>					
<b>Equity Funds (Growth Scheme)</b>					
Axis Focused 25 - Regular - Growth	10	1,726,532	744.31	-	-
Canara Robeco Flexi Cap - Regular - Growth	10	53,736	119.21	-	-
DSP Flexi Cap - Regular - Growth	10	810,838	512.50	401,566	220.71
Franklin India Flexi Cap - Regular - Growth	10	71,126	675.46	71,126	546.62
Franklin India Focused Equity - Regular - Growth	10	1,007,373	654.49	1,007,373	527.83
HDFC Dividend Yield - Regular - Growth	10	6,119,486	869.70	1,999,900	218.59
HDFC Flexi Cap - Regular - Growth	10	92,618	936.64	64,449	513.95
HDFC Multi Cap - Regular - Growth	10	2,999,850	296.96	-	-
ICICI Prudential Balanced Advantage - Regular - Growth	10	471,819	233.79	471,819	208.73
ICICI Prudential Equity Savings - Regular - Growth	10	12,473,178	2,145.39	-	-
ICICI Prudential Flexi cap - Regular - Growth	10	2,517,576	267.62	-	-
IDFC Core Equity - Regular - Growth	10	832,936	569.56	442,832	251.26
IDFC Flexi Cap - Regular - Growth	10	203,925	274.59	-	-
IDFC Multi Cap - Regular - Growth	10	1,999,900	203.59	-	-
Invesco India Contra - Regular - Growth	10	811,802	612.42	398,486	251.17
Kotak Emerging Equity - Regular - Growth	10	901,335	643.54	459,622	263.74
Kotak Equity Opportunities - Regular - Growth	10	600,918	1,178.53	-	-
Kotak Flexicap - Regular - Growth	10	523,492	272.06	523,492	235.37
Kotak Flexicap - Regular - Growth	10	1,568,768	815.30	-	-
L&T India Value - Regular - Growth	10	542,064	312.61	542,064	247.52
L&T Large and Mid cap - Regular - Growth	10	-	-	401,075	231.26
L&T Mid cap - Regular - Growth	10	133,793	271.56	-	-
Mirae Asset Focused - Regular - Growth	10	5,161,991	984.96	-	-
Mirae Asset Large Cap - Regular - Growth	10	480,470	371.95	750,813	491.82
Nippon India Equity Hybrid (Segregated Portfolio) - Regular - Growth	10	-	0.25	-	0.25
Nippon India Large Cap - Regular - Growth	10	-	-	563,146	228.20
Nippon India Multicap - Regular - Growth	10	58,122	87.96	-	-
Nippon India Multicap - Regular - Growth	10	298,748	452.14	106,058	119.45
Nippon India Vision - Regular - Growth	10	-	-	10,165	68.04
SBI Large & Mid cap - Regular - Growth	10	147,192	538.70	-	-
TATA Equity P/E - Regular - Growth	10	-	-	145,320	238.70
TATA Flexi Cap - Regular - Growth	10	10,476,859	1,626.80	3,666,091	492.79
UTI Value Opportunities - Regular - Growth	10	759,037	750.16	-	-
<b>TOTAL(C)</b>			<u>17,422.75</u>		<u>5,355.99</u>
<b>Total Non-Current Investments (A+B+C)</b>			<u>67,906.77</u>		<u>35,994.86</u>
<b>Aggregate amount of :</b>					
Quoted Investments			12,724.20		12,215.17
Unquoted Investments			98,388.66		64,451.78
Market Value of Quoted Investments			15,645.21		10,714.72

**SIMPSON & COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

Particulars	As at 31-03-2022	As at 31-03-2021
<b>5. FINANCIAL ASSETS - LONG TERM LOANS (Refer Note No. 50.3)</b>		
<b>Secured, considered good</b>		
Loan to related party (Refer Note no.52)	3,800.00	3,100.00
Add : Fair value adjustment	(43.42)	(61.15)
(Secured by second charge on Immovable properties)	<u>3,756.58</u>	<u>3,038.85</u>
<b>Unsecured</b>		
<b>Loans receivable which have significant increase in credit risk</b>		
Loan to related party (Refer Note no.52)	6,242.50	4,150.00
Add : Fair value adjustment	(95.75)	(72.66)
	<u>6,146.75</u>	<u>4,077.34</u>
	<u>9,903.33</u>	<u>7,116.19</u>
<b>6. OTHER NON-CURRENT ASSETS</b>		
Security deposits	257.82	249.09
Duties/taxes and other amounts paid under protest	19.04	30.82
Capital advances	1,225.82	746.72
	<u>1,502.68</u>	<u>1,026.63</u>
<b>7. INVENTORIES</b>		
Raw materials and components	5,827.89	6,201.00
Intermediate components	905.49	559.52
Work in progress	871.30	1,365.88
Finished goods	1,264.05	1,204.46
Stock-in-trade	1,654.46	902.73
Stores and spares	96.33	121.40
Loose tools	19.59	36.98
	<u>10,639.11</u>	<u>10,391.97</u>
Goods in transit included in :		
- Raw materials and components	376.18	293.97
- Finished goods	24.18	8.70
Note : Obsolete inventory written off during the year - Rs. 30,14,676/- (PY : Rs.37,96,823)		

**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 31-03-2022		As at 31-03-2021	
		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>					
Franklin India Savings Retail Option - Growth	10	643,312	259.70	-	-
HDFC Arbitrage - Wholesale plan - Regular - Growth	10	871,992	216.72	871,992	209.08
HDFC Short Term Debt - Regular - Growth	10	6,360,298	1,634.13	6,360,298	1,562.55
ICICI Prudential Equity Arbitrage - Growth	10	1,872,207	521.08	-	-
ICICI Prudential Money Market - Growth	10	171,925	523.06	-	-
IDFC Arbitrage - Regular - Growth	10	871,569	230.01	1,636,608	416.93
Kotak Bond Short-term - Regular - Growth	10	5,879,029	2,503.73	5,167,938	2,111.35
Nippon India Arbitrage - Growth	10	2,011,892	435.26	2,011,892	419.04
UTI Arbitrage - Regular - Growth	10	2,252,411	640.16	2,252,411	616.49
UTI Short term Income - Regular - Growth	10	843,726	215.98	-	-
<b>TOTAL (A)</b>			<b>7,179.81</b>		<b>5,335.44</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>					
<b>(Due for maturity in the next 12 months)</b>					
<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	-	-
Series OX (1234 Days) - Regular - Growth	10	-	-	4,000,000	502.70
Series OY (1218 Days) - Regular - Growth	10	-	-	2,000,000	252.33
Series OZ (1187 Days) - Regular - Growth	10	-	-	2,000,000	251.00
Series PA (1177 Days) - Regular - Growth	10	-	-	2,000,000	251.23
Series PB (1190 Days) - Regular - Growth	10	-	-	2,000,000	251.17
Series PC (1169 Days) - Regular - Growth	10	-	-	2,000,000	251.64
Series PD (1177 Days) - Regular - Growth	10	-	-	2,000,000	251.28
Series PE (1159 Days) - Regular - Growth	10	-	-	2,000,000	250.51
Series PF (1148 Days) - Regular - Growth	10	-	-	2,000,000	250.56
Series PG (1148 Days) - Regular - Growth	10	-	-	2,000,000	251.13
Series PH (1143 Days) - Regular - Growth	10	-	-	2,000,000	250.38
Series PI (1140 Days) - Regular - Growth	10	-	-	2,000,000	250.24
Series PJ (1135 Days) - Regular - Growth	10	-	-	2,000,000	250.34
Series PK (1132 Days) - Regular - Growth	10	-	-	2,000,000	249.63
Series PO (1140 Days) - Regular - Growth	10	-	-	2,000,000	249.02
Series PT (1100 Days) - Regular - Growth	10	-	-	2,000,000	246.56
Series PW (1100 Days) - Regular - Growth	10	-	-	2,000,000	249.22
Series QB (1113 Days) - Regular - Growth	10	-	-	2,000,000	250.26
Series QE (1101 Days) - Regular - Growth	10	-	-	2,000,000	247.65
Series QK (1099 Days) - Regular - Growth	10	-	-	2,000,000	245.96
Series QL (1099 Days) - Regular - Growth	10	-	-	2,000,000	246.39
<b>Canara Robeco</b>					
Series 8 - Regular - Growth	10	-	-	1,000,000	123.28

# 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 31-03-2022		As at 31-03-2021	
		No. of units	Amount	No. of units	Amount
<b>DSP BlackRock</b>					
Series 217-40M - Regular - Growth	10	-	-	2,000,000	250.33
Series 218-40M - Regular - Growth	10	-	-	2,000,000	249.00
Series 219-40M - Regular - Growth	10	-	-	2,000,000	249.04
Series 220-40M - Regular - Growth	10	-	-	2,000,000	250.72
Series 221-40M - Regular - Growth	10	-	-	2,000,000	249.72
Series 224-39M - Regular - Growth	10	-	-	2,000,000	248.89
Series 226-39M - Regular - Growth	10	-	-	2,000,000	249.44
Series 232-36M - Regular - Growth	10	-	-	2,000,000	249.56
Series 233-36M - Regular - Growth	10	-	-	2,000,000	248.50
Series 236-36M - Regular - Growth	10	-	-	2,000,000	248.57
Series 237-36M - Regular - Growth	10	-	-	2,000,000	247.51
<b>Franklin India</b>					
Series 2 Plan A (1224 Days) - Regular - Growth	10	-	-	2,000,000	251.08
Series 2 Plan B (1224 Days) - Regular - Growth	10	-	-	2,000,000	251.43
Series 2 Plan C (1205 Days) - Regular - Growth	10	-	-	2,000,000	251.42
Series 3 Plan A (1157 Days) - Regular - Growth	10	-	-	2,000,000	251.37
Series 3 Plan B (1139 Days) - Regular - Growth	10	-	-	2,000,000	251.16
Series 3 Plan C (1132 Days) - Regular - Growth	10	-	-	2,000,000	249.65
Series 3 Plan D (1132 Days) - Regular - Growth	10	-	-	2,000,000	249.25
Series 3 Plan E (1104 Days) - Regular - Growth	10	-	-	2,000,000	250.67
Series 3 Plan F (1098 Days) - Regular - Growth	10	-	-	2,000,000	250.32
Series 4 Plan A (1098 Days) - Regular - Growth	10	-	-	2,000,000	248.87
<b>HDFC</b>					
1434 Days - May 2018 (1) - Regular - Growth	10	2,100,000	280.84	-	-
1099 Days - June 2018 (1) - Regular - Growth	10	-	-	2,000,000	248.51
1113 Days - June 2018 (1) - Regular - Growth	10	-	-	2,000,000	249.99
1119 Days - June 2018 (1) - Regular - Growth	10	-	-	2,000,000	250.88
1122 Days - July 2018 (1) - Regular - Growth	10	-	-	2,000,000	249.59
1134 Days - May 2018 (1) - Regular - Growth	10	-	-	2,000,000	250.95
1143 Days - March 2018 (1) - Regular - Growth	10	-	-	2,000,000	249.31
1145 Days - March 2018 (1) - Regular - Growth	10	-	-	2,000,000	248.52
1147 Days - March 2018 (1) - Regular - Growth	10	-	-	2,000,000	248.78
1150 Days - March 2018 (1) - Regular - Growth	10	-	-	4,000,000	497.98
1158 Days - February 2018 (1) - Regular - Growth	10	-	-	2,000,000	250.73
1181 Days - April 2018 (1) - Regular - Growth	10	-	-	2,000,000	250.53
1183 Days - April 2018 (1) - Regular - Growth	10	-	-	2,000,000	247.51
<b>HSBC</b>					
Series 131 - Direct - Growth	10	-	-	1,000,000	122.54
Series 134 - Regular - Growth	10	-	-	2,000,000	219.95
<b>ICICI Prudential</b>					
Series 86 1099 Days Plan A - Regular - Growth	10	4,000,000	494.46	-	-
Series 82 1119 Days Plan X - Regular - Growth	10	-	-	2,000,000	247.93
Series 82 1135 Days Plan U - Regular - Growth	10	-	-	2,000,000	249.68
Series 82 1141 Days Plan Y - Regular - Growth	10	-	-	2,000,000	250.25
Series 82 1175 Days Plan Q - Regular - Growth	10	-	-	2,000,000	250.02
Series 82 1185 Days Plan I - Regular - Growth	10	-	-	2,000,000	251.94
Series 82 1185 Days Plan M - Regular - Growth	10	-	-	2,000,000	252.03

**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 31-03-2022		As at 31-03-2021	
		No. of units	Amount	No. of units	Amount
Series 82 1185 Days Plan N - Regular - Growth	10	-	-	2,000,000	250.52
Series 82 1199 Days Plan L - Regular - Growth	10	-	-	2,000,000	251.81
Series 82 1203 Days Plan K - Regular - Growth	10	-	-	2,000,000	251.74
Series 82 1215 Days Plan H - Regular - Growth	10	-	-	2,000,000	252.60
Series 82 1217 Days Plan C - Regular - Growth	10	-	-	2,000,000	251.53
Series 82 1219 Days Plan D - Regular - Growth	10	-	-	2,000,000	252.23
Series 82 1223 Days Plan E - Regular - Growth	10	-	-	4,000,000	502.93
Series 82 1223 Days Plan G - Regular - Growth	10	-	-	2,000,000	251.80
Series 82 1225 Days Plan B - Regular - Growth	10	-	-	4,000,000	503.94
Series 82 1236 Days Plan A - Regular - Growth	10	-	-	4,000,000	504.26
Series 83 1100 Days Plan O - Regular - Growth	10	-	-	2,000,000	248.83
Series 83 1105 Days Plan A - Regular - Growth	10	-	-	2,000,000	249.39
Series 83 1105 Days Plan F - Regular - Growth	10	-	-	2,000,000	249.65
Series 83 1107 Days Plan Q - Regular - Growth	10	-	-	2,000,000	249.31
Series 83 1108 Days Plan H - Regular - Growth	10	-	-	2,000,000	251.04
Series 83 1111 Days Plan Y - Regular - Growth	10	-	-	2,000,000	248.74
<b>IDFC</b>					
Series 152 - Regular - Growth	10	4,000,000	523.73	-	-
Series 140 - Regular - Growth	10	-	-	2,000,000	249.97
Series 142 - Regular - Growth	10	-	-	2,000,000	249.23
Series 144 - Regular - Growth	10	-	-	2,000,000	248.85
Series 154 - Regular - Growth	10	-	-	2,000,000	249.69
Series 156 - Regular - Growth	10	-	-	2,000,000	249.31
Series 160 - Regular - Growth	10	-	-	2,000,000	248.83
<b>Kotak</b>					
Series 226 - Regular - Growth	10	2,000,000	271.35	-	-
Series 212 - Regular - Growth	10	-	-	2,000,000	250.33
Series 213 - Regular - Growth	10	-	-	2,000,000	250.57
Series 215 - Regular - Growth	10	-	-	2,000,000	252.91
Series 216 - Regular - Growth	10	-	-	2,000,000	253.96
Series 217 - Regular - Growth	10	-	-	2,000,000	253.54
Series 219 - Regular - Growth	10	-	-	1,000,000	124.79
Series 221 - Regular - Growth	10	-	-	2,000,000	247.98
Series 228 - Regular - Growth	10	-	-	2,000,000	251.74
<b>L&amp;T</b>					
Series XVI Plan A (1223 Days) - Regular - Growth	10	-	-	2,000,000	250.80
<b>Nippon</b>					
XXXVII - Series 6 - Regular - Growth	10	2,000,000	270.27	-	-
XXXV - Series 11 - Regular - Growth	10	-	-	4,000,000	506.34
XXXV - Series 12 - Regular - Growth	10	-	-	2,000,000	253.28
XXXV - Series 13 - Regular - Growth	10	-	-	2,000,000	252.83
XXXV - Series 14 - Regular - Growth	10	-	-	2,000,000	252.84
XXXV - Series 6 - Regular - Growth	10	-	-	2,000,000	252.91
XXXV - Series 7 - Regular - Growth	10	-	-	4,000,000	505.85
XXXVI - Series 3 - Regular - Growth	10	-	-	1,000,000	125.13
XXXVI - Series 7 - Regular - Growth	10	-	-	2,000,000	250.86
XXXVII - Series 10 - Regular - Growth	10	-	-	2,000,000	251.87



# 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 31-03-2022		As at 31-03-2021	
		No. of units	Amount	No. of units	Amount
XXXVII - Series 12 - Regular - Growth	10	-	-	2,000,000	251.59
XXXVII - Series 15 - Regular - Growth	10	-	-	2,000,000	249.82
XXXVIII - Series 1 - Regular - Growth	10	-	-	2,000,000	249.54
XXXVIII - Series 3 - Regular - Growth	10	-	-	2,000,000	248.86
<b>PGIM India</b>					
Series BA - Regular - Growth	1000	20,000	265.12	-	-
Series AU - Regular - Growth	1000	-	-	10,000	112.48
Series AZ - Regular - Growth	1000	-	-	20,000	212.78
<b>State Bank of India</b>					
Series 7 (1175 Days) - Regular - Growth	10	2,000,000	246.41	-	-
Series C-10 (1150 Days) - Regular - Growth	10	-	-	2,000,000	249.11
Series C-12 (1122 Days) - Regular - Growth	10	-	-	2,000,000	243.16
Series C-14 (1122 Days) - Regular - Growth	10	-	-	2,000,000	242.37
Series C-16 (1100 Days) - Regular - Growth	10	-	-	2,000,000	249.24
Series C-18 (1100 Days) - Regular - Growth	10	-	-	2,000,000	248.82
Series C-19 (1100 Days) - Regular - Growth	10	-	-	2,000,000	247.59
Series C-20 (1100 Days) - Regular - Growth	10	-	-	2,000,000	247.16
Series C-21 (1100 Days) - Regular - Growth	10	-	-	2,000,000	243.12
Series C-7 (1190 Days) - Regular - Growth	10	-	-	2,000,000	249.20
Series C-8 (1175 Days) - Regular - Growth	10	-	-	2,000,000	249.00
Series C-9 (1150 Days) - Regular - Growth	10	-	-	2,000,000	249.00
<b>TATA</b>					
Series 53 Scheme A - Regular - Growth	10	-	-	2,000,000	249.58
Series 53 Scheme B - Regular - Growth	10	-	-	2,000,000	248.96
Series 55 Scheme A - Regular - Growth	10	-	-	2,000,000	250.80
Series 55 Scheme D - Regular - Growth	10	-	-	2,000,000	245.66
<b>UTI</b>					
Series XXIX - IV (1422 Days) - Regular - Growth	10	4,000,000	535.54	-	-
Series XXIX - VII (1135 Days) - Regular - Growth	10	-	-	2,000,000	246.53
Series XXIX - VIII (1127 Days) - Regular - Growth	10	-	-	2,000,000	250.98
Series XXIX - XIV (1131 Days) - Regular - Growth	10	-	-	2,000,000	249.30
Series XXVIII - IV (1204 Days) - Regular - Growth	10	-	-	2,000,000	252.16
Series XXVIII - IX (1168 Days) - Regular - Growth	10	-	-	2,000,000	252.28
Series XXVIII - VI (1190 Days) - Regular - Growth	10	-	-	2,000,000	251.85
Series XXVIII - XI (1161 Days) - Regular - Growth	10	-	-	2,000,000	251.64
Series XXVIII - XII (1154 Days) - Regular - Growth	10	-	-	2,000,000	251.16
Series XXVIII - XIV (1147 Days) - Regular - Growth	10	2,000,000	-	2,000,000	249.87
<b>TOTAL (B)</b>			<b>4,188.80</b>		<b>34,304.96</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	-	-
<b>TOTAL (C)</b>			<b>680.40</b>		<b>-</b>
<b>Total Current Investments (A+B+C)</b>			<b>12,049.01</b>		<b>39,640.40</b>



# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>9. TRADE RECEIVABLES - (Refer Note no.43(B))</b>		
Considered good - Unsecured *	41,195.83	45,251.61
Credit impaired	324.37	275.80
	41,520.20	45,527.41
Less : Credit impaired	324.37	275.80
	41,195.83	45,251.61
<i>* includes related party transactions- Refer Note no.52</i>		
<b>Note :</b> There are no Trade receivables which have significant increase in credit risk		
<b>10. (i) CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents :		
Balances with banks :		
(a) in current accounts	903.66	413.41
(b) Dividend account *	158.01	234.70
Cash on hand	5.40	3.40
<b>Total cash and cash equivalents</b>	1,067.07	651.51
<b>10. (ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
(a) Bank deposits with maturity of three months to twelve months	-	2,000.00
<b>Total bank balances other than cash and cash equivalents</b>	-	2,000.00
<i>* Includes Unclaimed Payment for Fractional Shares of Rs. 1,57,07,020/-</i>		
<b>11. FINANCIAL ASSETS - SHORT TERM LOANS (Refer Note no.50.3 &amp; 56)</b>		
<b>(Secured and Considered Good)</b>		
Inter-corporate deposit	-	5,000.00
<b>Loans receivable which have significant increase in credit risk</b>		
Loans to related parties (Refer Note no.52)	557.50	400.00
	557.50	5,400.00
<b>12. FINANCIAL ASSETS - OTHERS</b>		
Interest Receivable	25.83	171.99
Dividend Receivable	0.74	22.07
Non-trade receivables	819.59	340.40
Sales tax advances	52.91	53.85
Others	3.03	32.54
	902.10	620.85
<b>13. CURRENT TAX ASSETS (NET)</b>		
Prepayment of taxes	35,581.86	32,165.12
Less: Provision for taxes	34,464.18	31,689.90
	1,117.68	475.22
<b>14. OTHER CURRENT ASSETS</b>		
Balance with statutory/government authorities	1,689.52	1,260.20
Customs duty paid in advance	106.02	45.06
<b>Advance to suppliers :</b>		
- Related parties (Refer Note no.52)	2,551.00	2,300.00
- Others	319.43	90.17
Duty Drawback receivable	19.10	26.03
Prepaid expenses	288.79	341.70
Others	157.57	195.74
	5,131.43	4,258.89

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2022	As at 31-03-2021	
<b>15. EQUITY SHARE CAPITAL</b>			
<b>Authorised</b>			
44000 equity shares (PY: 11000000 equity shares) of Rs 2500/- (PY: 10/-) 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 (PY : 7377500 equity shares) of Rs 2500 (PY : 10/-) each	736.97	737.75	
	<u>736.97</u>	<u>737.75</u>	
<b>15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :</b>			
Particulars	No. of Shares	No. of Shares	
Equity shares at the beginning of the year	7,377,500	7,377,500	
Movement during the year (Refer Note no:50.6)	(7,750)	Nil	
Equity shares outstanding before conversion	7,369,750	-	
Equity shares outstanding at the end of the period (FV-Rs.10/- converted to Rs.2500/-)	29,479	7,377,500	
<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/- (P.Y - Rs.10/-) per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013			
<b>15.4 Shares held by holding company and its associate</b>			
Particulars	31-03-2022	31-03-2021	
a) Amalgamations Private Limited, Holding Company 28944 (31st March 2021:7236034) equity shares of Rs.2500/- (P.Y: 10/-) each fully paid	723.60	723.60	
b) United Nilgiri Tea Estates Company Ltd, the Associate of the Holding company 65 (31st March 2021:16333) equity shares of Rs.2500/- (PY: 10/-) each fully paid	1.63	1.63	
<b>15.5 The Details of shareholders holding more than 5% shares in the company</b>			
	31-03-2022	31-03-2021	
<b>Equity shares of Rs. 2500/- (P.Y: 10/-) each fully paid</b>			
Amalgamations Private Limited			
- Nos	28,944	72,36,034	
- % of Holding	98.19	98.08	
<b>15.6 Shareholding of Promoters</b>			
	No. of Shares	% of Total Shares	% change during the year
Amalgamations Private Limited			
For 2021-22 (Face Value of Rs. 2500/-per share)	28,944	98.19	0.11
For 2020-21 (Face Value of Rs. 10/-per share)	7,236,034	98.08	-

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>16. OTHER EQUITY</b>		
<b>General Reserve</b>		
As per last balance sheet	168,688.50	156,188.50
Add: Transfer from Statement of profit and loss	12,500.00	12,500.00
	181,188.50	168,688.50
<b>Capital Redemption Reserve</b>		
Transfer from General Reserve	12.25	12.25
Add:- Transfer from Retained Earnings	0.78	-
	13.03	12.25
<b>Retained Earnings</b>		
As per last balance sheet	20,379.68	17,512.15
Less: Adjustment on account of Deferred Tax Liability on R&D Assets claimed as deduction u/s 35(1)(iv)	427.60	-
Profit for the year	18,605.77	19,425.16
	38,557.85	36,937.31
Less: Appropriations		
Interim dividend paid @ 525% (PY-425%)	3,869.12	3,135.44
Final dividend paid during the year @225% (PY- 125%)	1,658.19	922.19
Transfer to Capital Redemption Reserve	0.78	-
Payment towards fractional shares	1,150.88	-
Transfer to General reserve	12,500.00	12,500.00
<b>Net Surplus in the Retained Earnings Account</b>	19,378.88	20,379.68
<b>Effective Cash Flow Hedges reserve</b>		
As per last balance sheet	(2.63)	9.40
Less: Adjustment on account of hedging	0.50	9.40
Add: Transfer from Other Comprehensive Income	7.91	(2.63)
	4.78	(2.63)
<b>Actuarial Gains on Defined Benefit Plan reserve</b>		
As per last balance sheet	39.69	22.64
Add: Transfer from Other Comprehensive Income	72.16	17.05
	111.85	39.69
<b>Total Other Equity</b>	200,697.05	189,117.49

**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.

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2022	As at 31-03-2021
<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	3.43	4.74
	<b>671.57</b>	<b>670.26</b>
<b>18. LONG TERM PROVISIONS</b>		
<b>Provision for Employee benefits :</b>		
Provision for Compensatory absences (Refer Note No.51)	492.19	546.02
	<b>492.19</b>	<b>546.02</b>
<b>19. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities due to</b>		
Tax Deduction claimed on R&D Assets	2,123.52	786.31
Accumulated Depreciation on Other Assets	434.68	440.48
Fair valuation gain on Investments	1,076.61	1,797.52
Fair valuation gain on long term loans	(35.03)	(33.68)
	<b>3,599.78</b>	<b>2,990.63</b>
<b>Deferred Tax Assets arising out of</b>		
Provision for Doubtful debts	81.64	69.41
Provision for Compensatory absences	133.04	147.82
Voluntary Retirement Scheme	1.10	1.25
Provision for impairment of investments	-	33.98
Fair valuation gain on Borrowings	0.86	1.19
Effective portion of cash flow hedges	(0.27)	(3.08)
Others	2.38	2.11
(Refer Note no.41(a))	<b>218.75</b>	252.68
Net Deferred Tax Liabilities	<b>3,381.03</b>	<b>2,737.95</b>
<b>20. SHORT TERM BORROWINGS</b>		
Inter-corporate deposit from holding company ( <b>Unsecured</b> ) (Refer Note No.52)	2,600.00	2,600.00
	<b>2,600.00</b>	<b>2,600.00</b>
<b>21. TRADE PAYABLES</b>		
Micro and Small Enterprises	1,285.94	1,944.00
Trade Creditors * - Refer Note no.43(A) & 53(E)(d)	16,356.82	24,112.13
	<b>17,642.76</b>	<b>26,056.13</b>
* includes related party transactions - Refer Note no.52		
21.1 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdues to parties on account of the principal amount. Consequently no interest is payable, and accordingly no additional disclosures are required.		

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2022	As at 31-03-2021
<b>22. OTHER FINANCIAL LIABILITIES</b>		
Interest accrued but not due on borrowings from Holding Company	111.40	119.01
Unclaimed dividends (Includes Unclaimed Payment for Fractional Shares of Rs. 157.07 Lakhs)	158.01	0.09
<b>Other Payables</b>		
- Managerial remuneration payable	1,837.61	1,939.71
- Accrued salaries & benefits	1,303.27	1,127.00
	3,410.29	3,185.81
<b>23. OTHER CURRENT LIABILITIES</b>		
Advance from customers (Contract Liabilities)	8.57	39.66
Security deposit from customers	70.11	94.92
Statutory dues payable	250.60	462.72
Others	5.32	0.98
	334.60	598.28
<b>24. SHORT TERM PROVISIONS</b>		
<b>Provision for Employee benefits (Refer Note no.51)</b>		
Provision for gratuity	35.25	106.69
Provision for Compensatory absences	36.41	41.30
	71.66	147.99
<b>Other Provisions</b>		
Provision for warranty	213.00	240.00
	213.00	240.00
	284.66	387.99
<b>24.1 Movement of Product Warranty Provision</b>		
Carrying amount at the beginning of the year	240.00	156.00
Provision made / charged to statement of profit and loss during the year	188.61	336.73
Amount incurred during the year	215.61	252.73
Carrying amount at the end of the year	213.00	240.00

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
<b>25. REVENUE FROM OPERATIONS</b>		
Sale of products [Refer Note no. 38(b)]	170,012.45	143,181.62
Sale of services	99.02	73.04
<b>Other Operating Income</b>		
Sale of scrap	986.58	740.09
Export Incentive	8.93	65.47
	<b>171,106.98</b>	<b>144,060.22</b>
<b>26. OTHER INCOME</b>		
Interest income		
- Deposits	49.98	511.16
- Loans	639.62	663.74
- Tax free bonds	69.34	71.18
- Others	275.27	20.44
Dividend income		
- Long-term investments	7,825.67	6,265.87
Profit on sale of investments (Net)		
- Current investments	153.75	255.88
- Long-term investments	196.33	361.13
Fair valuation gain on long term loans	(28.88)	(268.93)
Fair valuation gain on Investments	4,419.57	6,066.51
Exchange Gain (Net)	59.76	4.46
Other non-operating income	528.58	212.10
	<b>14,188.99</b>	<b>14,163.53</b>
<b>26.1 Dividend received from subsidiary companies</b>	<b>7,224.23</b>	<b>5,778.67</b>
<b>27. COST OF MATERIALS CONSUMED</b>		
Opening stock	6,201.00	4,222.45
Add : Purchases	128,722.66	106,471.54
Less : Closing stock	5,827.89	6,201.00
<b>Cost of materials consumed</b>	<b>129,095.77</b>	<b>104,492.99</b>
<b>28. PURCHASES OF STOCK-IN-TRADE</b>		
Engine spare parts & others	10,143.69	8,562.85
	<b>10,143.69</b>	<b>8,562.85</b>

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
<b>29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>	<b>Closing Inventory</b>	Closing Inventory
<b>Opening stock</b>		
Intermediate components	559.52	647.14
Finished goods	1,204.46	2,001.30
Work-in-progress	1,365.88	964.27
Stock-in-trade	902.72	964.58
<b>Total (a)</b>	<b>4,032.58</b>	<b>4,577.29</b>
<b>Closing stock</b>		
Intermediate components	905.49	559.52
Finished goods	1,264.05	1,204.46
Work-in-progress	871.30	1,365.88
Stock-in-trade	1,654.46	902.72
<b>Total (b)</b>	<b>4,695.30</b>	<b>4,032.58</b>
<b>Total (a-b)</b>	<b>(662.72)</b>	<b>544.71</b>
<b>29.1 DETAILS OF INVENTORY</b>	<b>Closing Inventory</b>	<b>Closing Inventory</b>
<b>Intermediate components</b>		
Diesel engine components	905.49	559.52
<b>(a)</b>	<b>905.49</b>	<b>559.52</b>
<b>Finished goods</b>		
Diesel engines	287.06	216.87
Engine parts - manufactured	8.62	23.28
Paints, Varnishes and allied products	968.37	964.31
<b>(b)</b>	<b>1,264.05</b>	<b>1,204.46</b>
<b>Work-in-progress</b>		
Engine components	783.30	1,276.73
Paints, Varnishes and allied products	88.00	89.15
<b>(c)</b>	<b>871.30</b>	<b>1,365.88</b>
<b>Stock-in-trade</b>		
Engine spare parts & others	1,654.46	902.72
<b>(d)</b>	<b>1,654.46</b>	<b>902.72</b>
<b>(a)+(b)+(c)+(d)</b>	<b>4,695.30</b>	<b>4,032.58</b>
<b>30. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Managerial remuneration	10,208.61	9,517.49
Contribution to Provident and Other Funds	514.70	457.74
Staff welfare expenses	1,149.95	706.94
	<b>11,873.26</b>	10,682.17
Less: Recoveries for common service & employees seconded	1,063.16	963.98
	<b>10,810.10</b>	<b>9,718.19</b>

# SIMPSON & COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
<b>31. FINANCE COSTS</b>		
Interest	235.59	258.63
Other borrowing costs	39.12	46.74
	274.71	305.37
<b>32. OTHER EXPENSES</b>		
Stores consumed	1,854.67	1,313.37
Packing and Forwarding	2,490.44	2,056.16
Power and Fuel	959.94	808.11
Repairs and Maintenance		
Buildings	665.91	396.05
Machinery	1,107.94	828.59
Others	242.35	202.39
Insurance	190.94	172.63
Rent	211.97	203.63
Rates and Taxes	75.76	78.47
Auditors' Remuneration		
Audit Fee	40.00	40.00
Tax Audit Fee	5.05	4.80
Other Services	9.65	5.19
Reimbursement of expenses	0.25	0.04
Product development expenses	672.55	539.47
Expenditure on Corporate Social Responsibility (Refer Note no.46)	232.00	298.92
Miscellaneous expenses	3,301.53	2,825.80
	12,060.95	9,773.62
<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)	96.45	22.78
Total	96.45	22.78
<b>34. OTHER COMPREHENSIVE INCOME</b>		
Items that will be reclassified to profit or loss		
Effective Portion of Cash Flow Hedges	5.10	(3.51)
Total	5.10	(3.51)
<b>35. Earnings Per Share</b>		
(1) Profit after Tax as per Statement of Profit and Loss	18,605.77	19,425.16
(2) Weighted Average No. Equity Shares (Nos.)	29,479	29,479
(3) Nominal Value per Share *	2,500.00	2,500.00
(4) Basic and diluted Earnings per Share	63,115.33	65,894.91
* Consequent to the consolidation of Equity shares (Refer note no: 50.6) the Basic & Diluted EPS have been retrospectively recomputed based on the current nominal value per share of ₹. 2,500/- as against previous value of ₹. 10/- per share		



**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(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 for Agricultural, Industrial and Power segments. It also has a division, which is into manufacture of paints for domestic and industrial applications. 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, 2022**  
*(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 – 10 years
- Furniture and Fixtures – 8 to 10 years
- Office Equipment – 5 years
- Vehicles – 8 years.

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

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

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

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

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

**Impairment**

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

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

**Borrowing costs**

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**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.

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

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

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

**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.

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

**(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.

**(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 financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**(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.

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

**Other Long-Term Employee Benefits:**

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

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



**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

**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 31st March 2022 (Rs. Lakhs)	As at 31st March 2021 (Rs. Lakhs)
Contract Assets - Unbilled Revenue	376.04	1,703.70
Contract Liabilities-Advances received from Customers for goods and services (pending supplies)	8.57	39.66

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

Particulars	For the year ended 31st March 2022 (Rs. Lakhs)	For the year ended 31st March 2021 (Rs. Lakhs)
Revenue by Manufacturing / Trading :		
<b>Manufacturing goods</b>		
- Engines	1,53,707.95	1,29,747.26
- Parts	89.53	249.22
- DG Sets	30.78	11.36
- Paints, Varnishes and allied Products	4,039.90	2,885.16
	<u>1,57,868.16</u>	<u>1,32,893.00</u>
<b>Traded goods</b>		
- Engine Spare parts and others	12,144.29	10,288.62
<b>Services &amp; other operating income</b>	1,094.53	878.60
<b>Total</b>	<u>1,71,106.98</u>	<u>1,44,060.22</u>

**39. RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED**

Particulars	For the year ended 31st March 2022 (Rs. Lakhs)	For the year ended 31st March 2021 (Rs. Lakhs)
<b>Capital</b>	2,965.20	796.20
<b>Sub-total</b>	2,965.20	796.20
<b>Revenue</b>		
- Salaries & Wages	404.85	376.32
- Materials, Consumables and Spares	174.09	92.97
- Other Expenditure	1,383.20	1,022.84
<b>Sub-total</b>	<u>1,962.14</u>	<u>1,492.13</u>
<b>Grand Total</b>	<u>4,927.34</u>	<u>2,288.33</u>

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40. (a) TAX EXPENSES									
Particulars					FYE 31-03-2022 (Rs. Lakhs)	FYE 31-03-2021 (Rs. Lakhs)			
<b>Tax expense in the statement of profit and loss</b>									
- Current Tax					2,750.00				3,250.00
- Deferred Tax					218.28				330.87
<b>Total</b>					<b>2,968.28</b>				<b>3,580.87</b>
<b>Tax expense in other comprehensive Income</b>									
- Current Tax (Remeasurement of Defined Benefit Obligation)					24.27				5.73
- Deferred Tax (Effective Portion of Cash Flow Hedge)					(2.81)				(0.88)
<b>Total</b>					<b>21.46</b>				<b>4.85</b>
<b>Total Tax Expenses</b>					<b>2,989.74</b>				<b>3,585.72</b>
40. (b) THE RECONCILIATION OF TAX EXPENSE AND BOOK PROFIT MULTIPLIED BY TAX RATE									
Details					2021-22	2020-21			
<b>Book Profits before Income Taxes</b>					<b>21,574.05</b>				<b>23,006.03</b>
Applicable Tax Rate					25.17%				25.17%
<b>Tax if the applicable Tax rate is applied</b>					<b>5,429.76</b>				<b>5,790.16</b>
<b>Tax Effects of the following adjustments in calculating taxable income</b>									
Dividend Income Deductible under Sec 80M					(1,641.40)				(1,438.57)
Fair Value Gains in Investments (Unrealized)					(1,112.32)				(1,526.82)
Tax Benefits Under Depreciation and R&D					256.30				(172.34)
Interest on Tax free Bond					(17.45)				(17.91)
Donation and Corporate Social Responsibility Expenditure					59.16				75.41
Expenses Disallowable/(Allowable) on payment basis					15.48				(0.29)
Change in Income tax rate					96.23				29.68
Others					(96.02)				846.41
<b>Total Tax Expenses</b>					<b>2,989.74</b>				<b>3,585.72</b>
Effective tax Rate					13.86%				15.59%
41 MOVEMENT OF NET DEFERRED TAX LIABILITY									
Particulars	Balance as at March 2020	Recognised in		Other Equity	Balance as at March 2021	Recognised in		Other Equity	Balance as at March 2022
		Profit & Loss	OCI			Profit & Loss	OCI		
<b>DEFERRED TAX LIABILITIES</b>									
Deductions claimed on R&D Assets	857.86	(71.55)	-	-	786.31	909.61	-	427.60	2,123.52
Accumulated Depreciation on Assets - Other than R&D	463.98	(23.49)	-	-	440.49	(5.81)	-	-	434.68
Fair Valuation on Investment and Loans	1,304.82	459.02	-	-	1,763.84	(722.26)	-	-	1,041.59
<b>Total</b>	<b>2,626.66</b>	<b>363.97</b>	-	-	<b>2,990.63</b>	<b>181.54</b>	-	<b>427.60</b>	<b>3,599.78</b>
<b>DEFERRED TAX ASSETS</b>									
Expenses allowable for tax on payment basis & others	218.76	34.54	-	-	253.32	(36.26)	-	-	217.06
Fair valuation gain on Borrowings	(2.69)	(0.09)	0.88	-	(1.90)	(0.32)	2.81	-	0.59
Employee benefits	2.61	(1.35)	-	-	1.26	(0.16)	-	-	1.10
<b>Total</b>	<b>218.68</b>	<b>33.10</b>	<b>0.88</b>	-	<b>252.68</b>	<b>(36.74)</b>	<b>2.81</b>	-	<b>218.75</b>
<b>Net Deferred Tax Liabilities</b>	<b>2,407.98</b>	<b>330.87</b>	<b>(0.88)</b>	-	<b>2,737.95</b>	<b>218.28</b>	<b>(2.81)</b>	<b>427.60</b>	<b>3,381.03</b>



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<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. Lakhs)	Buildings (Rs. Lakhs)	Total (Rs. Lakhs)
<b>Carrying value as of April 1, 2020</b>	8,951.41	91.61	9,043.02
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying value as of March 31, 2021</b>	8,951.41	91.61	9,043.02
<b>Accumulated depreciation as of April 1, 2020</b>	-	30.11	30.11
Depreciation charge during the year	-	1.83	1.83
Disposals	-	-	-
<b>Accumulated depreciation as of March 31, 2021</b>	-	31.94	31.94
<b>Net carrying value as of March 31, 2021</b>	8,951.41	59.67	9,011.08
<b>Gross carrying amount</b>			
Carrying value as of April 1, 2021	8,951.41	91.61	9,043.02
Additions	-	-	-
Transfers	1.11	(4.94)	(3.83)
Disposals	-	-	-
<b>Gross carrying value as of March 31, 2022</b>	8,952.52	86.67	9,039.19
<b>Accumulated depreciation as of April 1, 2021</b>	-	31.94	31.94
Depreciation charge during the year	-	1.83	1.83
Transfers	-	(4.94)	(4.94)
Disposals	-	-	-
<b>Accumulated depreciation as of March 31, 2022</b>	-	28.83	28.83
<b>Net carrying value as of March 31, 2022</b>	8,952.52	57.84	9,010.36
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 year ended 31st March 2022 (Rs. Lakhs)	For year ended 31st March 2021 (Rs. Lakhs)	
Rental income	28.05	25.48	
Direct operating expenses (including repairs and maintenance) that generated rental income	(1.33)	(21.94)	
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(0.10)	(0.29)	
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	26.61	3.26	
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>	24.78	1.42	
<b>Fair value of Investment Properties</b>	12,992.24	12,528.29	

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**Notes:**

1. The company's Investment Properties consists 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 31.03.2022 and 31.03.2021

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

**Ageing for trade payables outstanding as at March 31, 2022**

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	1,285.94	-	-	-	-	1,285.94
Others	15,115.29	1,199.47	16.52	20.03	5.52	16,356.83
<b>Total</b>	<b>16,401.23</b>	<b>1,199.47</b>	<b>16.52</b>	<b>20.03</b>	<b>5.52</b>	<b>17,642.77</b>

**Ageing for trade payables outstanding as at March 31, 2021**

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	1,944.00	-	-	-	-	1,944.00
Others	22,224.62	1,734.15	69.48	23.41	60.47	24,112.13
<b>Total</b>	<b>24,168.62</b>	<b>1,734.15</b>	<b>69.48</b>	<b>23.41</b>	<b>60.47</b>	<b>26,056.13</b>

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

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

Particulars	Outstanding for following periods from due date of payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	21,825.91	19,223.59	74.79	41.10	16.73	-	41,182.12
Undisputed Trade receivables - Credit impaired	-	-	5.72	23.75	46.54	148.01	224.03
Disputed Trade receivables - Considered good	-	-	-	0.11	13.61	-	13.71
Disputed Trade receivables - Credit impaired	-	-	-	0.11	25.71	74.52	100.34
<b>Total</b>	<b>21,825.91</b>	<b>19,223.59</b>	<b>80.51</b>	<b>65.06</b>	<b>102.59</b>	<b>222.54</b>	<b>41,520.20</b>
Less : Credit impaired as on 31.03.22							324.37
<b>Net trade receivables as on 31.03.22</b>							<b>41,195.83</b>

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Ageing for trade receivables outstanding as at March 31, 2021 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	25,539.55	19,560.60	56.54	43.27	10.57	-	45,210.54
Undisputed Trade receivables - Credit impaired	-	-	5.08	39.71	30.36	145.89	221.04
Disputed Trade receivables - Considered good	-	-	0.19	22.20	18.68	-	41.07
Disputed Trade receivables - Credit impaired	-	-	0.02	14.65	20.71	19.39	54.76
<b>Total</b>	<b>25,539.55</b>	<b>19,560.60</b>	<b>61.84</b>	<b>119.83</b>	<b>80.32</b>	<b>165.27</b>	<b>45,527.41</b>
Less : Credit impaired as on 31.03.21							275.80
<b>Net trade receivables as on 31.03.21</b>							<b>45,251.61</b>
<b>44. ADDITIONAL REGULATORY INFORMATION</b>							
(A) Capital-Work-in Progress (CWIP)/ Intangible assets under development							
(a) <b>Capital-Work-in Progress (CWIP)</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			
<b>PROJECTS IN PROGRESS:</b>	594.52	-	-	-	594.52		
<b>Total</b>	<b>594.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>594.52</b>		
Ageing for Capital-Work-in-progress as at March 31, 2021 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			
<b>PROJECTS IN PROGRESS:</b>	245.60	9.78	42.70	-	298.08		
<b>Total</b>	<b>245.60</b>	<b>9.78</b>	<b>42.70</b>	<b>-</b>	<b>298.08</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, 2022 is as follows:							
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			
<b>PROJECTS IN PROGRESS:</b>	2,466.06	623.53	202.38	873.08	4,165.06		
<b>Total</b>	<b>2,466.06</b>	<b>623.53</b>	<b>202.38</b>	<b>873.08</b>	<b>4,165.06</b>		
Ageing for Intangible assets under development as at March 31, 2021 is as follows:							
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			
<b>PROJECTS IN PROGRESS:</b>	625.06	398.12	1,564.60	226.95	2,814.73		
<b>Total</b>	<b>625.06</b>	<b>398.12</b>	<b>1,564.60</b>	<b>226.95</b>	<b>2,814.73</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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<b>(B) RATIOS</b>					
<b>Particulars</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Year ended March 31,2022</b>	<b>Year ended March 31,2021</b>	<b>Variance</b>
Current Ratio (in times)	Current assets	Current liabilities	3.01	3.36	(10.52)
Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.02	0.02	–
Debt Service Coverage Ratio (in times)	Earnings available for debt service (EBITDA)	Debt Service	6.80	7.12	(4.46)
Return on Equity Ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	9.51	10.66	(10.82)
Inventory Turnover Ratio (in times)	Sale of products	Average Inventory	16.17	14.82	9.12
Trade Receivables turnover ratio (in times)	Revenue from Operations (inclusive of GST)	Average Trade Receivable	4.74	4.61	2.74
Trade payables turnover ratio (in times)	Purchases of goods, services Operations and other expenses (inclusive of GST)	Average Trade Payables	8.50	7.56	12.40
Net capital turnover ratio (in times)	Revenue from Operations	Average Working Capital	2.71	2.40	12.80
Net profit ratio (in %)	Net Profit	Total Revenue	10.04	12.28	(18.21)
Return on Capital Employed (in%)	Earnings before interest and taxes	Capital Employed*	10.50	11.90	(11.78)
Return on Investment (in %)	Income generated from Investments	Average Investments	10.58	11.73	(9.81)

\*Capital employed = Tangible Net worth + Total Debt + Deferred Tax Liabilities

**C) OTHER INFORMATION**

- (i) 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.
- (ii) 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.
- (iii) No proceedings have been initiated during the year or are pending against the company as at March 31,2022 for holding any benami property under the Benami Transactions (Prohibition) Act (as amended in 2016) and the rules made thereunder.
- (iv) The Company has no borrowings/working capital facility availed from Banks or Financial Institution. 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.
- (v) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (vi) The Company had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (viii) 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
- (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

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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**

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

The disclosures as required by Ind AS 28 read with Ind AS 112 on "Financial Reporting of Interests in Joint 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.2.32 crores (31st March, 2021 – Rs.2.84 Cr). 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				<b>232.00</b>
(b) Amount spent during the year on:		<b>In cash</b>	<b>Yet to be paid</b>	<b>Total</b>
(i)	Construction/ acquisition of any Asset	–	–	–
(ii)	On purposes other than (i) above	<b>232.00</b>	–	<b>232.00</b>
(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**

(Rs. in Lakhs)

Particulars		For year ended 31-03-2022	For year ended 31-03-2021
A.	Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital accounts not provided for in the accounts (net of advances)	2,224.07	3,365.77
B.	Contingent Liabilities		
1.1	Claims against the company not acknowledged as debts		
(a)	Sales Tax matters under appeal	24.28	24.28
(b)	Demands raised by TNEB under appeal.	10.47	22.25
(c)	Income Tax matters under appeal	674.29	855.31
1.2	Other contingent liabilities		
(a)	Letters of credit & bank guarantee	8.08	135.95
(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.	14,451.87	16,911.06

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**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 09.09.1994 & the renewal of lease is pending thereafter.

The Government issued GO.Ms.40 dated 15.10.2018, demanding arrears of rent of Rs.79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of Rs.75.33 lakhs paid by the Company for that period.

Aggrieved by the demand, disputing the adoption of area (without considering the acquisition by NHAI) and the guideline value not in accordance with GO 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 460 of 1998, out of rent of Rs.79.91 lakhs demanded in the said GO.Ms.40.

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

**48. VALUE OF EXPORTS/DEEMED EXPORTS**

Particulars	For year ended 31-03-2022	For year ended 31-03-2021
Earnings in Foreign Currency:		
- Exports on FOB Basis	3,365.50	1,969.55
Deemed Exports:		
- SEZ Supplies	6,004.90	3,072.86
<b>Total</b>	<b>9,370.40</b>	<b>5,042.41</b>

**49. VALUE OF IMPORTS ON CIF BASIS**

Particulars	For year ended 31-03-2022	For year ended 31-03-2021
Component & Spares	2,353.42	1,091.15
Capital Goods	241.83	52.93
<b>Total</b>	<b>2,595.25</b>	<b>1,144.08</b>

**NOTES:**

**50. OTHER NOTES:**

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

**50.2** 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 Rs. Nil (2021-Nil).

**50.3** Loans have been given to Subsidiaries (Ref Note 5 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.

**50.4** The Company has taken various commercial premises, computers under non- cancellable operating leases. The lease payments of Rs. 209.86 lakhs. (March 31, 2021 – Rs. 201 lakhs) are payable not later than one year.

**50.5** Intangible assets under development includes the following amounts incurred during the current year: Materials – Rs. 45.88 Lakhs; Salary – Rs. 81.11 Lakhs; Other Expenses – Rs.19.90 Lakhs

**50.6** The Company consolidated its Equity shares into face value of Rs. 2500/-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 1456 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. 2500/- are to be allotted to the Trust, being consolidation of 1250 fractional shares out of the above 1456 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 have also been kept in a separate bank account.

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

**50.7 Ind AS 116 – Lease Accounting**

Effective April 1, 2019, the company has adopted Ind AS 116 ‘Leases’ which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on- balance sheet model. The company has opted for modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 is “nil” as all our leases are of short term and low value nature. There are no ROU (Right of Use) assets and Lease Liabilities as there are no qualifying assets. Short-term lease assets are Rs.209.86 Lakhs.

**50.8 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 off Rs.492.19 lakhs (March 31, 2021 –Rs. 546.02 lakhs) is presented as Non-Current and Provision of Rs. 36.42 lakhs (March 31, 2021 – Rs.41.30 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 administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation

Particulars	31st March 2022 (Rs. in Lakhs)	31st March 2021 (Rs. in Lakhs)
Provident Fund	356.73	298.65
Super Annuation Fund	17.34	19.54

**Defined Benefit Plan – Gratuity**

As per Ind AS 19 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below



**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
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<b>Defined Benefit Plan – Gratuity:</b>		
<b>As per Ind AS 19 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below :</b>		
<b>Defined Benefit Plans</b>	<b>31-03-2022 (Rs. Lakhs)</b>	<b>31-03-2021 (Rs. Lakhs)</b>
<b>Gratuity (Funded)</b>		
<b>Change in Defined Benefit Obligation</b>		
Defined Benefit Obligation at the beginning of the Year	1,923.27	1,819.38
Interest Cost	129.69	117.28
Current Service Cost	139.36	131.35
Past Service Cost	–	–
Benefits Paid	(125.05)	(122.12)
Actuarial (Gain) / Loss	(100.89)	(22.62)
Defined Benefit Obligation at the end of the Year	1,966.38	1,923.27
<b>Changes in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the year	1,816.59	1,563.34
Interest Income on Plan Assets	126.36	109.08
Contributions	117.69	266.45
Benefits Paid	(125.05)	(122.12)
Actuarial (Gain) / Loss	(4.45)	(0.16)
Fair Value of Plan Assets at the end of the year	1,931.14	1,816.59
<b>Amounts Recognized in the Balance Sheet</b>		
Defined Benefit Obligation at the end of the Year	1,966.38	1,923.27
Fair Value of Plan Assets at the end of the year	1,931.14	1,816.59
Net Liability/ (Asset) recognized in the Balance Sheet		
*included under short-term provisions (Note 24)	35.24	106.68
<b>Expenses Recognized in the Statement of Profit and Loss and Other Comprehensive Income</b>		
Current Service Cost	139.36	131.35
Past Service Cost	–	–
Interest Cost	129.69	117.28
Interest Income on Plan Assets	(126.36)	(109.08)
Expenses Recognized in the Statement of Profit and Loss (Note 30)	142.69	139.55
Re-measurement - Actuarial (Gain) / Loss recognized in Other Comprehensive Income (Note 33)	(96.45)	(22.78)
Total Defined Benefit Cost recognized in Profit & Loss and Other Comprehensive Income		
*included under Contribution to Provident & Other Funds	46.24	116.76
<b>Composition of Plan Assets</b>		
Insurer Managed Funds	1,926.65	1,816.34
With Scheduled Bank	4.49	0.25
<b>Actuarial Assumptions</b>		
Discount rate	0.07	0.07
Interest Income on Plan Assets	0.07	0.07
Salary escalation	0.08	0.08
<b>Sensitivity Analysis DBO end of Period</b>		
Discount rate - 50 basis points	2,094.40	2,052.82
Discount rate + 50 basis points	1,849.23	1,805.10
Salary growth - 50 basis points	1,851.74	1,807.92
Salary growth + 50 basis points	2,089.93	2,048.17
<b>Expected Cash Flows for following years</b>		
Year – 1	30.16	33.41
Year – 2	115.19	106.52
Year – 3	95.29	109.52
Year – 4	108.75	91.09
Year – 5	99.88	101.26
Next 5 years	589.50	551.35



**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

**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

**(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, 2021: 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.

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

Particulars	As at 31st March 2022 (Rs. in Lakhs)	As at 31st March 2021 (Rs. in Lakhs)				
Gross carrying amount	41,520.20	45,527.41				
Expected credit losses (Loss allowance provision)	324.37	275.80				
Loss allowance rate	0.78%	0.60%				
Carrying amount of trade receivables (net of impairment)	41,195.83	45,251.61				
<b>Reconciliation of loss allowance provision – Trade receivables</b>		<b>230.15</b>				
Changes in loss allowance		45.65				
<b>Loss allowance on March 31, 2021</b>		<b>275.80</b>				
Changes in loss allowance		48.57				
<b>Loss allowance on March 31, 2021</b>		<b>324.37</b>				
<b>(B) Liquidity Risk:</b>						
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.						
<b>(C) Market Risk:</b>						
<b>Foreign currency risk:</b>						
The Company Exports Diesel Engines and Parts. Also, for the manufacture of these engines, some components are imported as per the requirements. Therefore, the company is exposed to foreign exchange risks as the foreign transaction currencies are different from the functional currency of the company which is Indian Rupee. To cover this risk, the company has been taking forward contracts for all major Exports and Imports transactions of the company. Only exports of Parts to foreign customers and miscellaneous claims like freight are not covered as they are of small value with variable realization dates.						
The company's exposure to Foreign Currency risk at the end of the reporting period are given below						
Financial / Derivative Assets	As at 31-03-2022			As at 31-03-2021		
	USD	EUR	JPY	USD	EUR	JPY
<b>Financial Assets</b>						
Trade Receivables	5,49,097	-	-	5,39,583	-	-
<b>Derivative Assets</b>						
Foreign exchange forward contracts Sell foreign currency (No. of Contracts outstanding 2)	4,11,285	-	-	5,06,883	-	-
Net exposure to foreign currency risk (assets)	1,37,812	-	-	32,700	-	-
<b>Financial Liabilities</b>						
Trade Payables	2,89,743	9,340	-	1,49,059	-	2,78,044
<b>Derivative Assets</b>						
Foreign exchange forward contracts Buy foreign currency	-	-	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>2,89,743</b>	<b>9,340</b>	<b>-</b>	1,49,059	-	2,78,044

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

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

**(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	Liability	Assets	Liability			
<b>Cash Flow Hedge</b>	<b>USD</b>		<b>Rs. Lakhs</b>				
Foreign exchange forward contracts	4,11,285	–	1.09	–	5th April, 2022 to 24th May, 2022	1:1	76.47

**(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 31-03-2022	As at 31-03-2021
Variable rate borrowings	–	–
Total Borrowings	3,271.57	3,270.26
% of variable rate borrowings on total borrowings	0.00%	0.00%
Sensitivity Analysis*		
Sensitivity		
Increase in interest rate by 1%	(32.75)	(32.75)
Decrease in interest rate by 1%	32.75	32.75

**(c) Liquidity risk**

Prudential 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.

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

53. RISK MANAGEMENT DISCLOSURES UNDER IND AS 107 (FINANCIAL RISK MANAGEMENT) – (Contd.)				
(F) Financial Risk Management – Contractual Maturities of Financial Liabilities as at 31 March 2022:				
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>				
Trade Payables	17,642.76	-	-	17,642.76
<b>Other financial liabilities:</b>				
Current Maturity of long-term borrowings	-	-	-	-
Others – Current	3,410.29			3,410.29
Others - Non-Current	-	-	-	-
<b>Borrowings:</b>				
Current	2,600.00	-	-	2,600.00
Non-Current	-	675.00	-	675.00
<b>Total</b>	<b>23,653.05</b>	<b>675.00</b>	<b>-</b>	<b>24,328.05</b>
<b>54. ASSETS PLEDGED AS SECURITY</b> <span style="float: right;">Amt in Rs. Lakhs.</span>				
Particulars	As on 31st March 2022 (Rs. in Lakhs)	As on 31st March 2021 (Rs. in Lakhs)		
<b>Current: (as Hypothecation)</b>				
Inventories	10,639.11	10,391.97		
Trade Receivables	41,195.83	45,251.61		
<b>Total current assets hypothecated</b>	<b>51,834.94</b>	<b>55,643.58</b>		
<b>Non-Current: (as Collateral Security)</b>				
Land & Buildings	1.11	1.11		
Plant & Machinery	10,861.75	10,660.26		
Furniture & Fixtures	157.96	135.54		
Others	343.83	257.80		
<b>Total Non-Current assets provided as Collateral Security</b>	<b>11,364.65</b>	<b>11,054.71</b>		
<b>Total Assets pledged as security</b>	<b>63,199.59</b>	<b>66,698.29</b>		
<b>55. OPERATING SEGMENTS</b>				
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 31st March 2022		As on 31st March 2021	
	Amount	% Share	Amount	% Share
India	1,67,683.08	98.00%	1,42,052	98.61%
USA	3,017.58	1.76%	1,540	1.07%
Others	406.32	0.24%	469	0.33%
<b>Total</b>	<b>1,71,106.98</b>	<b>100.00</b>	<b>1,44,061</b>	<b>100.00%</b>
There are 3 customer groups who individually contribute more than 10% of the business of the company and together their share of the total business is 79.12%.				

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

56. FINANCIAL ASSETS – CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) (As on 31st March 2022)					
Financial Assets	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value
<b>Investments</b>					
<b>(Other than subsidiaries, associates and Joint Ventures)</b>					
Equity Shares Quoted	1	–	1,154.23	–	1,154.23
Equity Shares Un quoted	3		29.49		29.49
Bonds (Tax Free)	3	722.68	–	–	722.68
Bonds (Zero Coupon)	1	–	3,194.51	–	3,194.51
Mutual Funds	1		79,275.38		79,275.38
Trade Receivables	*	41,195.83	–	–	41,195.83
Cash and Cash Equivalents	*	1,067.07	–	–	1,067.07
Other Bank Balances	*	–	–	–	–
Loans - Non-Current	2	9,903.33	–	–	9,903.33
Loans Current	*	557.50	–	–	557.50
Derivates Financial Asset	1			1.09	1.09
Others	3	902.10	–	–	902.10
<b>Total – Current &amp; Non-Current</b>		<b>54,348.51</b>	<b>83,653.61</b>	<b>1.09</b>	<b>1,38,003.21</b>
<b>Financial Liabilities:</b>					
Long-term Borrowings	2	671.57	–	–	671.57
Short - Term Borrowings	*	2,600.00	–	–	2,600.00
Trade Payables	*	17,642.76	–	–	17,642.76
Others	*	3410.29	–	–	3410.29
<b>Total – Current &amp; Non-Current</b>		<b>24,324.62</b>	<b>–</b>	<b>–</b>	<b>24,324.62</b>
<b>FINANCIAL LIABILITIES</b>					
<b>56. FINANCIAL ASSETS – CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) (As on 31st March 2021)</b>					
Financial Assets	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value
<b>Investments</b>					
<b>(Other than subsidiaries, associates and Joint Ventures)</b>					
Equity Shares Quoted	1	-	495.29	-	495.29
Equity Shares Unquoted	3	-	29.49	-	29.49
Bonds	3	1,479.45	-	-	1,479.45
Mutual Funds	1	-	75,635.26	-	75,635.26
Receivables	*	45,251.61	-	-	45,251.61
Cash and Cash Equivalents	*	651.51	-	-	651.51
Other Bank Balances	*	2,000.00	-	-	2,000.00
Loans - Non-Current	2	7,116.19	-	-	7,116.19
Loans Current*		5,400.00	-	-	5,400.00
Derivates Financial Asset	1	-	-	-3.51	-3.51
Others	3	620.85	-	-	620.85
<b>Total – Current &amp; Non-Current</b>		<b>62,519.61</b>	<b>76,160.04</b>	<b>-3.51</b>	<b>1,38,676.14</b>
<b>Financial Liabilities</b>					
Long-term Borrowings	2	670.26	-	-	670.26
Short - Term Borrowings	*	2,600.00	-	-	2,600.00
Trade Payables	*	26,056.13	-	-	26,056.13
Others	*	3,185.81	-	-	3,185.81
<b>Total – Current &amp; Non-Current</b>		<b>32,512.20</b>	<b>–</b>	<b>–</b>	<b>32,512.20</b>

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

Investment in Subsidiaries, Associates and Joint Venture is measured at cost and hence not considered for categorisation.

**Hierarchy:**

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

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

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

\*The carrying amounts of trade receivables, trade payables, cash and cash equivalents, Other Bank Balances, 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.

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.2500/- each, aggregating to Rs. 1658.19 lakhs, which is based on the relevant share capital as on 31st March 2022. 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 2022 were approved for issue by the Board of Directors on 29<sup>th</sup> June 2022.

The accompanying notes are an integral part of the financial statements

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

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

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

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

S. SRINIVASARAGHAVAN  
*Chief Financial Officer & Company Secretary*

Chennai, 29th June, 2022

# SIMPSON & COMPANY LIMITED

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

- (i) Holding Company**
  - (1) Amalgamations Pvt. Ltd.
- (ii) Subsidiaries**
  - (1) Addison & Co. Ltd.
  - (2) Amalgamations Repco Ltd.
  - (3) Amco Batteries Ltd.
  - (4) George Oakes Ltd.
  - (5) India Pistons Ltd.
  - (6) I.P. Rings Ltd.
  - (7) Shardlow India Ltd.
  - (8) Simpson & General Finance Co. Ltd.
  - (9) Sri Rama Vilas Service Ltd.
  - (10) Tractors and Farm Equipment Ltd.
  - (11) TAFE Access Ltd.
  - (12) TAFE Reach Ltd.
  - (13) Southern Tree Farms Ltd.
  - (14) TAFE Motors & Tractors Ltd.
  - (15) ALPUMP Ltd
  - (16) TAFE International Traktor VE Tarim Ekipmani Sanayi VE Ticaret Limited Sirketi
  - (17) TAFE Tractors Changshu Company Ltd., China
  - (18) TAFE Advanced AG Solutions Ltd.
  - (19) TAFE Properties Limited
  - (20) Vidagara Techpark Private Limited
  - (21) T.Stanes & Company Ltd.
  - (22) Stanes Motor (South India) Ltd
  - (23) Stanes Amalgamated Estates Ltd.
  - (24) Wheel & Precision Forgings India Ltd.
- (iii) Fellow Subsidiaries**
  - (1) Associated Printers (Madras) Pvt. Ltd.
  - (2) Associated Publishers (Madras) Pvt. Ltd.
  - (3) Higginbothams Pvt. Ltd.
  - (4) Speed-A-Way Pvt. Ltd.
  - (5) The Madras Advertising Company Pvt. Ltd.
  - (6) Wallace Cartwright & Company Ltd.
  - (7) W.J. Groom & Company Limited
- (iv) Associates**
  - (1) Amalgamations Valeo Cluch Pvt. Ltd.
  - (2) Bimetal Bearings Ltd.
  - (3) L.M. Van Moppes Diamond Tools India Pvt. Ltd.
  - (4) The United Nilgiri Tea Estates Company Limited
  - (5) IPL Shaw Solutions Private Limited.
- (v) Associates of Subsidiary**
  - (1) AGCO Corporation USA (Associates)
  - (2) TAFE Foundation (Section 8 Company)
  - (3) IPR Eminox Technologies Private Limited (Joint Ventures)
- (vi) Joint Ventures**
  - (1) BBL Daido Pvt. Ltd.
- (vii) Key Managerial Personnel**
  - (1) Sri. A. Krishnamoorthy - Chairman & Managing Director
  - (2) Sri. P.S.Rajamani - Whole-time Director
  - (3) Sri. S. Srinivasaraghavan - Chief Financial Officer & Company Secretary
- (viii) Relatives of Key Managerial Personnel**
  - (1) Smt. Bhavani Krishnamoorthy (Wife of Sri. A. Krishnamoorthy)
  - (2) Smt. Sita Venkataramani (Sister of Sri. A. Krishnamoorthy)
- (ix) Other Related Parties**
  - (1) Simpson & Co. Ltd Employees Gratuity Fund
  - (2) Simpson & Co. Ltd Senior Executives Super Annuation Fund

# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

## IND AS - 24 Related Party Disclosures 2021-22 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
<b>Transactions during the year</b>									
Sale of goods	2021-22 2020-21	12.66 10.65	115,486.12 102,183.58	671.78 760.50	2.02 2.36	- -	- -	- -	- -
Rendering of service	2021-22 2020-21	358.29 344.54	1,002.02 793.34	152.08 131.17	74.58 53.30	- -	- -	- -	- -
Dividend Received	2021-22 2020-21	- -	7,164.21 5,778.67	- -	596.80 481.68	- -	- -	- -	- -
Interest Received on Loans	2021-22 2020-21	- -	616.10 662.21	- -	- -	- -	- -	- -	- -
Cash Discount received	2021-22 2020-21	- -	51.12 176.27	- -	0.34 -	- -	- -	- -	- -
Sale of Assets	2021-22 2020-21	- -	- 0.10	- -	- -	- -	- -	- -	- -
Purchase of Goods	2021-22 2020-21	- -	21,923.15 19,493.39	214.79 158.69	611.99 482.96	- -	- -	- -	- -
Receiving of Service	2021-22 2020-21	253.56 194.60	894.17 537.68	47.89 30.93	11.79 29.79	- -	- -	- -	- -
Loans (repaid)/disbursed in cash/kind	2021-22 2020-21	- -	2,950.00 (750.00)	- -	- -	- -	- -	- -	- -
Advance (repaid)/disbursed in cash/kind	2021-22 2020-21	- -	250.59 172.91	- -	(1.48) -	- -	- -	- -	- -
Dividend Paid	2021-22 2020-21	5,427.00 3,979.82	- -	- -	12.19 8.98	- -	19.31 14.11	12.94 9.29	- -
Interest Paid on loans	2021-22 2020-21	182.64 199.65	- -	- -	- -	- -	48.29 55.17	- -	- -
Guarantees & Commitment Charges	2021-22 2020-21	35.44 35.96	- -	- -	- -	- -	- -	- -	- -
Refund of Security Deposit	2021-22 2020-21	- -	1.80 -	- -	0.10 -	- -	- -	- -	- -
Managerial Remuneration	2021-22 2020-21	- -	- -	- -	- -	- -	1,915.00 1,928.00	- -	- -
Acquisition of Shares	2021-22 2020-21	- -	4,250.00 -	- -	96.00 -	- -	- -	- -	- -
Additional Investment	2021-22 2020-21	- -	21.72 -	- -	- -	- -	- -	- -	- -
Payment towards Fractional Shares	2021-22 2020-21	5.05 -	- -	- -	12.33 -	- -	- -	21.70 -	- -
Acquisition of Assets	2021-22 2020-21	- -	27.32 43.07	1.14 12.99	- -	- -	- -	- -	- -
Guarantees given	2021-22 2020-21	- -	14,451.89 16,911.06	- -	- -	- -	- -	- -	- -
Contributions made during the year	2021-22 2020-21	- -	- -	- -	- -	- -	- -	- -	135.03 285.67



# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2021-22 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
<b>Balance at Year end</b>									
Sundry Debtors	2021-22 2020-21	0.99 36.64	28,176.36 35,978.31	295.82 176.51	13.79 12.98	- -	- -	- -	- -
Sundry Creditors	2021-22 2020-21	108.38 126.26	1,609.52 3,108.17	59.90 17.36	79.36 113.89	- -	- -	- -	- -
Loans given	2021-22 2020-21	- -	10,600.00 7,650.00	- -	- -	- -	- -	- -	- -
Advances	2021-22 2020-21	- -	2,551.00 2,300.41	- -	1.48	- -	- -	- -	- -
Loans taken	2021-22 2020-21	2,600.00 2,600.00	- -	- -	- -	- -	675.00 675.00	- -	- -

# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

## IND AS - 24 Related Party Disclosures 2021-22 Annexure 1 (Refer Note:- 52)

<b>Notes :</b>		
<b>Material Related Party Transactions :</b>		
<b>Material Related party transactions are disclosed below (Rs. in Lakhs)</b>		
Particulars	Current Year 31st March 2022 (Rs. in Lakhs)	Previous Year 31st March 2021 (Rs. in Lakhs)
<b>1. Sale of goods</b>		
(a) Tractors and Farm Equipment Limited	93,648.21	82,893.30
(b) TAFE Motors and Tractors Limited	21,123.97	18,544.67
<b>2. Rendering of Service</b>		
(a) Amalgamations Private Limited	358.29	344.54
(b) India Pistons Limited	323.12	229.64
(c) Tractors and Farm Equipment Limited	273.11	214.08
(d) Shardlow India Limited	220.25	188.06
<b>3. Dividend Received</b>		
(a) Tractors and Farm Equipment Limited	6,404.37	5,077.75
<b>4. Interest Received on Loans</b>		
(a) India Pistons Limited	367.30	410.86
(b) Shardlow India Limited	242.95	238.91
<b>5. Cash Discount Received</b>		
(a) Shardlow India Limited	23.49	89.03
(b) Addison & Company Limited	-	60.84
(c) India Pistons Limited	27.62	28.72
<b>6. Purchase of Goods</b>		
(a) Addison & Company Limited	13,046.55	10,834.57
(b) India Pistons Limited	4,736.21	4,580.11
(c) Shardlow India Limited	3,426.81	3,876.44
<b>7. Receiving of Services</b>		
(a) Sri Rama Vilas Service Limited	463.64	404.98
(b) Amalgamations Private Limited	253.56	194.60
(c) Shardlow India Limited	172.72	143.05
(d) Simpson & General Finance Company Limited	163.66	39.39
<b>8. Loans (Repaid)/ Disbursed in Cash/Kind</b>		
(a) India Pistons Limited	2,250.00	250.00
(b) Shardlow India Limited	700.00	1000.00
(c) Simpson & General Finance Company Limited	-	400.00
<b>9. Advance (Repaid)/ Disbursed in Cash/Kind</b>		
(a) India Pistons Limited	100.00	175.00
(b) Shardlow India Limited	151.00	-
<b>10. Dividend Paid</b>		
(a) Amalgamations Private Limited	5427.00	3,979.82
<b>11. Interest Paid on loans</b>		
(a) Amalgamations Private Limited	182.64	199.65
(b) Sri A. Krishnamoorthy	48.29	55.17
<b>12. Guarantees and Commitment Charges</b>		
(a) Amalgamations Private Limited	35.44	35.96
<b>13. Managerial Remuneration</b>		
(a) Shri A. Krishnamoorthy	1,500.00	1,578.00
(b) Shri P.S. Rajamani	275.00	225.00

# SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

## IND AS - 24 Related Party Disclosures 2021-22 Annexure 1 (Refer Note:- 52)

Notes :		
Material Related Party Transactions :		
Material Related party transactions are disclosed below (Rs. in Lakhs)		
Particulars	Current Year 31st March 2022 (Rs. in Lakhs)	Previous Year 31st March 2021 (Rs. in Lakhs)
<b>14. Acquisition of Shares</b>		
(a) IPL Shaw Solutions Private Ltd.	96.00	-
<b>15. Additional Investments</b>		
(a) T.Stanes & Co. Ltd.	20.75	-
<b>16. Payment towards Fractional Shares</b>		
(a) Amalgamations Private Limited	5.05	-
(b) The United Nilgiri Tea Estates Ltd.	12.33	-
(c) Smt. Bhavani Krishnamoorthy (Relatives of KMP)	16.05	-
(c) Smt. Sita Venkataramani	5.65	-
<b>17. Acquisition of Assets</b>		
(a) Sri Rama Vilas Service Limited	5.31	21.53
(b) Addison & Co Limited	22.01	14.42
(c) The Madras Advertising Company Private Limited	-	12.99
(d) IP Rings Limited	-	7.00
<b>18. Guarantees Given</b>		
(a) India Pistons Limited	9,569.21	7,955.03
(b) Addison & Co. Limited	-	4,060.48
(c) Shardlow India Limited	3,851.82	3,724.01
<b>19. Contributions made during the year</b>		
(a) Simpson & Co. Ltd. Employees Gratuity Fund	117.69	266.13
(b) Simpson & Co. Ltd. Sr. Executive Super Ann Fund	17.34	19.54
<b>Material Related Party Balances:</b>		
<b>Material Related party balances at year end are disclosed below (Rs. in Lakhs)</b>		
Particulars	Current Year 31st March 2022 (Rs. in Lakhs)	Previous Year 31st March 2021 (Rs. in Lakhs)
<b>1. Sundry Debtors</b>		
(a) Tractors and Farm Equipment Limited	20684.73	28,105.60
(b) TAFE Motors and Tractors Limited	6,571.70	7,577.12
<b>2. Sundry Creditors</b>		
(a) Addison & Co. Limited	1,230.53	2,812.41
(b) Sri Rama Vilas Service Limited	249.21	131.51
<b>3. Loans given</b>		
(a) India Pistons Limited	6,800.00	4,550.00
(b) Shardlow India Limited	3,800.00	3,100.00
<b>4. Advances</b>		
(a) India Pistons Limited	1,600.00	1,500.00
(b) Shardlow India Limited	951.00	800.00
<b>5. Loans taken</b>		
(a) Amalgamations Private Limited	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 31st MARCH 2022**

# 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

06th September 2022

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

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

#### Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Simpson & Company Limited (hereinafter referred to as "the Parent Company") and its Subsidiaries (the Parent Company and its Subsidiaries together referred to as "the Group"), its Associates and Joint Venture, which comprises the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, including a summary of significant accounting policies, notes to the Consolidated Financial Statements and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the Subsidiaries, Associates and Joint Venture referred to in the Other Matters Paragraph, except for the effects of matters described in the Basis for Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, 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, 2022, 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 for Qualified Opinion

Included in the Consolidated Financial Statements are the Standalone Financial Statements of three subsidiaries (Previous year (PY): 3) which have been qualified by their respective auditors with regard to recognition of Net Deferred Tax Asset amounting to INR 10680.38 lakhs (PY INR 10,949.16 lakhs) as at the date of the Balance Sheet as recognition of this Net Deferred Tax Asset does not satisfy the reasonable certainty principle laid down in Indian Accounting Standard - 12 on Income Taxes, due to lack of reasonable certainty of future taxable income. Consequently, the consolidated profit after tax including Other Comprehensive Income for the year is understated by INR 268.78 lakhs, Non-Current Assets and the Other Equity are overstated by INR 10680.38 lakhs (PY profit after tax was overstated by INR 148.15 lakhs and PY Non-Current assets and Other Equity was overstated by INR 10,949.16 lakhs).

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

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

Four subsidiaries, having total Revenue of INR 51,652.96 lakhs, net loss (including Other Comprehensive Income) of INR 4,215.44 lakhs and net worth of INR 1,274.56 lakhs as at March 31<sup>st</sup>, 2022 (Of which two subsidiaries having total Revenue of INR 19,398.46 lakhs, net loss (including Other Comprehensive Income) of INR 536.65 lakhs and net worth of INR (2,853.96) lakhs have been audited by us) have been incurring substantial operating losses, delays in repayments of term loans and cash losses during the year and earlier year's resulting in erosion of its net worth.

The auditors of the said company have indicated the existence of material uncertainty about subsidiaries' ability to continue as going concern which is dependent upon achievement of the action plans indicated by the respective company's Board and have not modified their audit reports. The financial statements of these subsidiaries have been prepared on a going concern basis for the reasons stated in Note 56(a) to the Consolidated Financial Statement.

We have considered the adequacy of disclosure made in Note 56(a) to the Consolidated Financial Statements, wherein the management of the respective components has highlighted the issue of "Going Concern" and the ability to continue as a going concern would depend upon the fructifying of efforts/various plans laid down by the respective management including continuing financial support of the Parent and other Group Companies which would enable the Subsidiaries to continue its operation and settle its obligation as and when they fall due.

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 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**

We did not audit the financial statements and other financial information of 17 (PY:16) Subsidiaries whose financial statements and other financial information reflect total assets of INR15,41,620.54 lakhs (PY INR 14,55,452.12 lakhs) and total net assets INR12,19,020.20 lakhs as at 31<sup>st</sup> March, 2022 (PY INR 10,95,200.69 lakhs), total revenues of INR13,79,281.68 lakhs (PY : INR 11,99,269.63 lakhs ) and net cash inflows amounting to INR 345.64 lakhs (PY : INR 28,083.56 lakhs) for the year ended 31st March 2022, as considered in the Consolidated Financial Statements. The Consolidated Financial Statement also reflects the Group's share of profit (Including OCI) of INR1,633.45 lakhs (PY: INR 1,189.19 lakhs), INR110.23 lakhs (PY: INR (11.24) lakhs), INR (1.87) lakhs (PY: Nil) and INR 86,615.67



(PY: INR 8,924.12 lakhs) in respect of 4 Associates (PY:3), a joint venture, a joint venture of subsidiary and an associate of subsidiary respectively for the year ended 31<sup>st</sup> March, 2022 whose financial statements have not been audited by us. These Financial Statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management.

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

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

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(xxi) 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 separate / 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) Except for the matter described in the Basis for Qualified Opinion section of our report, in our opinion, proper books of account as required by law have been kept by the respective companies in so far as it appears from our examination of those books and our reliance on the audit report of the components not audited by us.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the consolidated other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) Except for the matter described in the Basis for Qualified Opinion section of our report, in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act
  - (e) On the basis of the written representations received from the Directors of the Parent Company taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its Subsidiary, Associates and Joint Venture incorporated in India, none of the Directors of the Group companies, including its Associate and Joint Venture incorporated in India is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls 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 components in the Group including its Associates and Joint Venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.
  - (g) With respect to the matter to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such Subsidiary, Associates and Joint Venture incorporated in India which were not audited by us, the remuneration paid (if any) during the current year is in accordance with the provisions of section 197 of the Act.
  - (h) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section above.

- (i) With respect to 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 financial position in its Ind AS Standalone Financial Statements in Note 52.
  - (ii) The Group, its Associates and Joint Venture 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 Parent Company.
  - (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 (a) and (b) 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.

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

MAHESH KRISHNAN  
Partner

Membership No. 206520  
UDIN: 22206520ARBSMV5370

Place : Chennai  
Date : 06<sup>th</sup> September 2022

**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(ii)(b) 3(iii)(d) 3(iii)(e)	1 2(a) 2(d)
2	Simpson & General Finance Company Limited	U65190TN1938PLC002355	Subsidiary	3(iii)(d) 3(iii)(f)	2(b) 2(c)
3	Amalgamations Repco Ltd.	U35999TN1967PLC005566	Subsidiary	3(i)(c) 3(vii)(a) 3(ix)(a)	3 4(a) 5
4	Tractors and Farm Equipment Ltd.	U29129TN1960PLC004337	Subsidiary	3(i)(c) 3(iii)(f)	3 2(c)
5	Addison & Co. Ltd.	U28939TN1914PLC000008	Subsidiary	3(ii)(b) 3(vii)(a)	1 4(a)
6	Southern Tree Farms Ltd	U01132TN1986PLC013469	Subsidiary	3(vii)(a)	4(a)
7	Alpump Ltd	U27209TN1976PLC007164	Subsidiary	3(vii)(a)	4(a)
8	IP Rings Ltd	L28920TN1991PLC020232	Subsidiary	3(vii)(a)	4(a)
9	TAFE Properties Ltd	U70109TN2017PLC119698	Subsidiary	3(vii)(a)	4(a)
10	Bimetal Bearing Ltd	L29130TN1961PLC004466	Associate	3(vii)(a)	4(a)
11	IPL Shaw Solutions Private Ltd	U29100TN2021PTC144601	Associate	3(vii)(a)	4(a)
12	India Pistons Ltd	U35999TN1949PLC000951	Subsidiary	3(ii)(b) 3(vii)(a) 3(ix)(a) 3(xvii) 3(xix)	1 4(b) 5 6 7
13	Sri Rama Vilas Service Ltd.	U29214TN1938PLC002346	Subsidiary	3(vii)(a) 3(ix)(a)	4(a) 5
14	Shardlow India Ltd.	U35990TN1960PLC004235	Subsidiary	3(ii)(b) 3(vii)(a) 3(xvii)	1 4(a) 6
15	Vidagara tech park pvt. Ltd.	U74999TN2018PTC125504	Subsidiary	3(vii)(a) 3(xvii)	4(a) 6
16	AMCO Batteries Ltd.	U31400TN1955PLC080755	Subsidiary	3(xvii) 3(xix)	6 7

Note:

1. 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.
2. In respect of Loans, Advances in nature of Loans, Guarantees, Security & Investments - Given by Company:
  - (a) In respect of loans granted by the Parent Company, in our opinion and according to information and explanation given to us, INR 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.
  - (b) In respect of loans granted by one of the subsidiaries, there are overdue amounts of more than ninety days amounting to the extent of INR 27.51 lakhs remaining outstanding as at the balance sheet date. Reasonable steps have been taken by the Subsidiary Company for recovery of principal and interest.
  - (c) According to the information and explanation made available to us, the details of loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted during the year is tabulated below:

Particulars	Tractors and Farm Equipment Ltd. (INR in lakhs)	Simpson & General Finance Company Limited (INR in lakhs)
Aggregate amount of loans/ advances in nature of loans		
– Repayable on demand	135	108
– Agreement does not specify any terms or period of repayment	–	–
Percentage of loans/advances in nature of loans to the total loans	27.66%	1.90%

- (d) In respect of loans granted by Parent Company in an earlier year to its subsidiary, amount of Rs. 400 lakhs which fell due during the year was extended. This loan constitutes around 12% of the aggregated loans granted by the Parent Company during the year.
3. Refer Note No. 56(f) to the Consolidated Financial Statements relating to the title deeds of immovable properties not held in the name of the components.
4. (a) 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.
- (b) In respect of the component mentioned in serial no. 12, it has not been regular in depositing amounts of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax and Goods and Service tax with the appropriate authorities.
5. The components have defaulted in repayment of interest on loans or other borrowings thereon to the lenders:

Nature of borrowing, including debt securities	Amount not paid on due date (INR in lakhs)	Nature of dues	No. of days delay
Amalgamations Repco Limited: Term loan from bank	5.69	Interest	2
	5.28		7
	5.11		2
	4.54		1
	4.68		3
Sri Rama Vilas Service Ltd.: Term loan from bank	50.72	Interest	365
India Pistons Ltd.			
– Term loans	0.45	Interest	3
– Guaranteed Emergency credit loan-from banks	0.54		31
– Guaranteed Emergency credit loan- from others	12.6		1-16

6. The components have incurred cash losses during the year and in the immediately preceding financial year, wherever applicable.
7. 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.

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

MAHESH KRISHNAN  
Partner

Membership No. 206520  
UDIN: 22206520ARBSMV5370

Place : Chennai  
Date : 06<sup>th</sup> September 2022

**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, 2022, we have audited the internal financial controls of Simpson & Company Limited (hereinafter referred to as the "Parent Company") and its Subsidiaries, its Associates and Joint Venture, as applicable, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Parent Company, its Subsidiaries, its Associates and Joint Venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control 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, 2022, 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 15 Subsidiaries, 4 Associates and a Joint Venture where internal financial control over financial reporting is applicable and incorporated in India, is based on the corresponding reports of the auditors of such Companies.

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

Place : Chennai  
Date : 06<sup>th</sup> September 2022

For R. G. N. PRICE & CO.,  
Chartered Accountants  
FR No. 002785S  
MAHESH KRISHNAN  
Partner  
Membership No. 206520  
UDIN: 22206520ARBSMV5370



# SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

## CONSOLIDATED BALANCE SHEET AS AT

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31st March 2022	31st March 2021
<b>A ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	169,779.11	144,493.51
(b) Capital Work-in-progress		4,935.04	13,263.04
(c) Right of Use Assets	51	5,887.45	6,838.69
(d) Investment Property	1	959.49	6,350.66
(e) Intangible Assets		2,517.29	1,288.13
(f) Intangible assets under development		7,593.34	6,178.74
(g) Financial Assets			
(i) Investments	2	867,565.53	469,429.40
(ii) Loans	3	385.14	859.47
(iii) Others	4	2,977.84	3,722.45
(h) Other Non-current assets	6	4,548.01	7,231.16
Assets held for Sale	44	5,589.72	456.30
<b>Total Non-Current Assets</b>		<u>1,072,737.95</u>	<u>660,111.55</u>
<b>2. Goodwill on consolidation</b>		4,877.47	4,907.23
<b>3. Current Assets</b>			
(a) Inventories	7	143,912.19	149,140.32
(b) Financial Assets			
(i) Investments	8	284,765.88	592,490.12
(ii) Trade Receivables	9	141,851.65	111,294.26
(iii) Cash and Cash Equivalents	10(i)	39,496.33	38,080.96
(iv) Bank balances other than (iii) above	10(ii)	7,743.28	7,228.42
(v) Loans	11	1,153.48	7,212.22
(vi) Others	12	2,952.99	2,046.15
(c) Current Tax Assets (net)	13	3,893.04	4,028.26
(d) Other Current Assets	14	30,457.74	29,288.48
<b>Total Current Assets</b>		<u>656,226.58</u>	<u>940,809.19</u>
<b>TOTAL ASSETS</b>		<u>1,733,842.00</u>	<u>1,605,827.97</u>
<b>B. EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(i) <b>Owner's equity</b>			
(a) Share Capital	15	736.97	737.75
(b) Other Equity	16	1,156,321.64	1,026,950.53
(ii) <b>Non controlling interest</b>		266,848.09	234,733.04
<b>Total Equity</b>		<u>1,423,906.70</u>	<u>1,262,421.32</u>
<b>2. Capital Reserve on Consolidation</b>		3,325.07	3,325.07
<b>LIABILITIES</b>			
<b>3. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	7,699.22	5,215.09
(ii) Others	18	8,050.26	7,531.10
(iii) Lease Liabilities	51	3,512.30	4,030.19
(b) Deferred Tax Liabilities (Net)	5	25,243.63	10,282.56
(c) Provisions	19	4,986.95	4,912.62
(d) Other Non-current Liabilities	20	769.14	843.44
<b>Total Non-Current Liabilities</b>		<u>50,261.50</u>	<u>32,815.00</u>
<b>4. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	27,930.69	29,183.23
(ii) Trade Payables			
– Micro & small enterprises	22	7,614.62	11,690.94
– Other than Micro & small enterprises		159,248.69	205,035.24
(iii) Others	23	26,908.09	29,547.64
(iv) Lease Liabilities	51	998.35	1,332.73
(b) Other Current Liabilities	24	26,239.77	22,722.70
(c) Provisions	25	7,408.52	7,754.10
<b>Total Current Liabilities</b>		<u>256,348.73</u>	<u>307,266.58</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,733,842.00</u>	<u>1,605,827.97</u>

The accompanying notes are an integral part of the financial statements

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

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

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

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

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

S. SRINIVASARAGHAVAN  
Chief Financial Officer & Company Secretary

Membership No. 206520  
Chennai, 06th September, 2022



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

Particulars	Note	31st March 2022	31st March 2021
<b>Revenue from operations</b>	26	1,312,564.52	1,207,091.57
Other income	27	33,401.73	34,464.13
<b>Total Income</b>		<u>1,345,966.25</u>	<u>1,241,555.70</u>
<b>Expenses :</b>			
(a) Cost of materials consumed	28	712,411.31	635,097.51
(b) Cost of Goods Sold		22,152.10	16,279.15
(c) Purchases of stock-In-trade	29	160,798.12	117,426.98
(d) Changes in inventories of finished goods, Stock-in-trade & Work in progress	30	16,536.55	20,232.65
(e) Employee Benefits Expense	31	110,335.68	103,282.90
(f) Finance Costs	32	4,713.83	4,428.62
(g) Depreciation and Amortization Expense	33	21,702.62	19,441.28
(h) Other Expenses	34	171,909.27	136,667.66
<b>Total Expenses</b>		<u>1,220,559.47</u>	<u>1,052,856.75</u>
Profit/(loss) before Exceptional Items and tax		125,406.78	188,698.94
Exceptional Items (Refer Note 39)	39	1,189.75	2,061.66
Profit/(loss) before tax		<u>126,596.53</u>	<u>190,760.60</u>
<b>Tax Expense:</b>			
(a) Current tax		39,947.04	45,786.87
(b) Deferred tax		1,167.13	2,220.23
(c) Tax refund/provision relating to earlier years		(234.76)	(57.57)
Profit/(Loss) for the period from Continuing operations		<u>85,717.13</u>	<u>142,811.07</u>
Share of profit from Associates & Joint ventures		83,434.38	35,485.17
Profit /(loss) for the year after tax		<u>169,151.51</u>	<u>178,296.24</u>
<b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss (Net of tax)	35A	3,855.84	(14,331.09)
B. Items that will be reclassified to profit or loss (Net of tax)	35B	(2,163.77)	(1,538.98)
<b>Total Comprehensive Income for the Year</b>		<u>170,843.58</u>	<u>162,426.17</u>
(a) Profit attributable to			
Owners of the Company		135,634.64	143,623.28
Non-Controlling Interest		33,516.88	34,672.96
(b) OCI attributable to			
Owners of the Company		1,421.06	(12,298.39)
Non-Controlling Interest		271.01	(3,571.68)
<b>Total Comprehensive Income for the Year attributable to</b>			
Owners of the Company		137,055.69	131,324.89
Non-Controlling Interest		33,787.89	31,101.28
Earnings per equity share (face value - ₹.2 500/- per share)			
Basic & Diluted (In Rs.)	36	460,105.96	487,205.39

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

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

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

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

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

S. SRINIVASARAGHAVAN  
Chief Financial Officer & Company Secretary

Membership No. 206520  
Chennai, 06th September, 2022

# SIMPSON & COMPANY LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THE ENDED 31st MARCH, 2022

(All amounts are in INR lakhs unless otherwise stated)

(₹ in Lakhs)

A. Equity share capital	Balance at the beginning of the reporting period Balance	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							
	737.75	-	737.75	-	737.75							
2020-2021	737.75	-	737.75	-	737.75							
2021-2022	737.75	-	737.75	(0.78)	736.98							
(FV-Rs.10/- converted to Rs. 2,500/-)												
B. Other equity	Attributable to Owners of the Company											
	Reserves and Surplus			Other reserves								
	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	Capital reserve on consolidation	Non-controlling interests
Balance as at 31st March 2020	155,955.13	12.25	271.38	762,055.40	(22,149.82)	(1,156.33)	1,622.15	5,007.48	9.33	901,626.97	3,325.07	234,106.81
Profit for the year 2020-21	-	-	-	143,623.28	-	-	-	-	-	143,623.28	-	34,672.96
Other Comprehensive Income	-	-	-	-	(15,282.40)	(1,218.15)	4,145.15	59.64	(2.63)	(12,298.39)	-	(3,571.68)
Adjustments	-	-	-	-	-	-	-	(13.32)	(9.40)	(22.72)	-	(1,424.29)
Buy-back Consideration (for amount in excess of Face value of shares)	(30,679.95)	-	-	-	-	-	-	-	-	(30,679.95)	-	-
Change in Ownership Interest	-	-	-	29,050.76	-	-	-	-	-	29,050.76	-	(29,050.76)
Consolidation Adjustments	-	-	-	(249.30)	-	-	-	-	-	(249.30)	-	-
Others	-	-	-	(42.49)	-	-	-	-	-	(42.49)	-	-
Transfer to Reserves	12,453.90	46.10	-	(12,500.00)	-	-	-	-	-	-	-	-
Transfer to Statutory Reserves	-	-	44.70	(44.70)	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-
- Interim dividend	-	-	-	-	-	-	-	-	-	-	-	-
- Final dividend	-	-	-	(3,135.44)	-	-	-	-	-	(3,135.44)	-	-
- Distribution tax on dividend	-	-	-	(922.19)	-	-	-	-	-	(922.19)	-	-
Balance as at 31st March 2021	137,729.08	58.35	316.08	917,835.32	(37,432.22)	(2,374.48)	5,767.30	5,053.80	(2.70)	1,026,950.53	3,325.07	234,733.04

**SIMPSON & COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2022**  
*(All amounts are in INR lakhs unless otherwise stated)*

(₹ in Lakhs)

B. Other equity	Attributable to Owners of the Company											Non-controlling interests		
	Reserves and surplus					Other reserves								
	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	Capital reserve on consolidation			
Profit for the year 2021-22	-	-	-	135,634.64	-	-	-	-	-	-	-	135,634.64	-	33,516.88
Other Comprehensive Income	-	-	-	-	3,078.48	(1,721.89)	(393.90)	450.46	7.91	-	-	1,421.06	-	271.01
Buy-back Consideration / Payment towards fractional shares	(6.67)	-	-	(1,150.88)	-	-	-	-	-	-	-	(1,157.55)	-	-
Change in Ownership Interest and Merger effect	-	-	-	51.74	-	-	-	-	-	-	-	51.74	-	(8.56)
Consolidation and other Adjustments	-	-	-	(1,050.96)	-	-	-	-	(0.50)	-	-	(1,051.46)	-	(1,664.28)
Transfer to Reserves	12,500.00	0.78	66.38	(12,567.15)	-	-	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	(3,869.12)	-	-	-	-	-	-	-	(3,869.12)	-	-
- Interim dividend	-	-	-	(1,658.19)	-	-	-	-	-	-	-	(1,658.19)	-	-
- Final dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2022</b>	<b>150,222.41</b>	<b>59.13</b>	<b>382.46</b>	<b>1,033,225.40</b>	<b>(34,353.74)</b>	<b>(4,096.37)</b>	<b>5,373.40</b>	<b>5,504.26</b>	<b>4.71</b>	<b>1,156,321.66</b>	<b>3,325.07</b>	<b>266,848.09</b>		

The accompanying notes are an integral part of the financial statements

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

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

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

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

S. SRINIVASARAGHAVAN  
 Chief Financial Officer & Company Secretary

Membership No. 206520  
 Chennai, 06th September, 2022

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

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

Particulars	31st March 2022	31st March 2021
<b>A. Cash flow from Operating Activities</b>		
Profit attributable to the owners of the company	135,634.64	143,623.28
Add: Provision For Tax (including deferred tax)	55,840.46	53,078.55
Depreciation of property, plant and equipment and Investment property	21,702.62	19,441.28
Actuarial Gains/(Losses) transferred to OCI	457.28	37.32
Finance Cost	4,713.83	4,428.62
Interest Income	(1,891.73)	(1,485.61)
Dividend Income	(243.12)	(133.64)
Fair Value Gain on Investments	(9,225.14)	(15,024.12)
Profit on Sale of Investments	(16,437.81)	(15,282.51)
Exchange gain/loss	(312.44)	(370.17)
<b>Operating Profit Before Working Capital Changes</b>	<b>190,238.57</b>	<b>188,313.00</b>
Working Capital Changes		
Increase/ (Decrease) in Financial Assets	1,218.93	(35.57)
Decrease / (Increase) in Other non-current assets & current assets	1,513.90	(906.16)
Decrease / (Increase) in Inventories	5,228.13	(9,002.04)
(Decrease)/Increase in trade and other payables	(52,459.64)	72,375.36
(Decrease)/Increase in provisions	(314.02)	(1,016.10)
Decrease/(Increase) in loans and advances	6,058.73	(1,655.39)
Decrease/(Increase) in trade and other receivables	(31,464.22)	4,064.75
(Decrease)/Increase in Non Current Liabilities	3,961.92	5,386.41
<b>Cash generated from Operations</b>	<b>123,982.31</b>	<b>257,524.26</b>
Less: Taxes Paid	40,744.18	46,263.21
<b>Cash flow from Operating Activities</b>	<b>83,238.12</b>	<b>211,261.05</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of PPE/Adjustments in PPE	(45,416.41)	(17,474.70)
Proceeds from sale of PPE	10,446.13	425.11
Movement in Non current assets held for sale	(5,133.42)	261.02
(Purchase)/Sale of Short Term Investments	333,699.63	(150,262.42)
(Purchase)/Sale of Long term Investments	(397,166.03)	(6,643.32)
Interest Income earned	1,891.73	1,485.61
Dividend Income	243.12	133.64
Changes in bank balance -Other than cash & cash equivalents	(749.55)	3,921.49
<b>Cash used in Investing activity</b>	<b>(102,184.80)</b>	<b>(168,153.57)</b>

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

Particulars	31st March 2022	31st March 2021
<b>C. Cash flow From Financing Activity</b>		
Interest / Finance Charges on Borrowings	(4,713.83)	(4,428.62)
Changes in group structure	31,145.17	29,351.70
Buy back consideration Paid	(1,156.00)	(30,679.95)
Proceeds from / (Repayment) of Long Term Borrowings (Net)	2,484.13	(665.34)
Proceeds from / (Repayment) of Short Term Borrowings (Net)	(1,252.54)	(3,113.70)
Payment of Lease Liabilities	(852.27)	(576.32)
Dividend Paid (Including Dividend Tax)	(5,527.31)	(4,057.63)
<b>Cash used in Financing Activity</b>	<b>20,127.35</b>	<b>(14,169.86)</b>
Net Increase / (Decrease) in Cash	1,180.67	28,937.62
Opening Cash & Cash Equivalents	38,315.66	9,143.34
Closing Cash & Cash Equivalents	39,496.33	38,080.96
<b>Reconciliation</b>		
Cash on hand	50.58	51.29
Cheque on hand/transit	2,919.34	4,886.88
Balances with banks :		
(a) in current accounts	32,441.51	28,329.22
(b) in deposits with original maturity of less than three months	4,084.91	4,813.57
<b>Balance as per Statement of cash flows</b>	<b>39,496.34</b>	<b>38,080.96</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*

Dr. R. MAHADEVAN (DIN: 00001690)  
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*

Membership No. 206520  
Chennai, 06th September, 2022





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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>2. NON-CURRENT INVESTMENTS</b>		
<b>Quoted Investments</b>		
<b>In Equity shares</b>		
Associates	14,076.28	13,448.24
Associates of Subsidiary	449,964.98	392,967.20
Others	16,808.00	16,192.59
<b>In Bonds &amp; debt instruments</b>	3,236.79	2,579.45
<b>Unquoted Investments</b>		
<b>In Equity shares</b>		
Associates	4,701.91	4,133.11
Associates of Subsidiary	51.13	-
Joint Venture	1,437.92	1,327.69
Others	-	503.99
<b>In Preference shares</b>		
Associates	1,124.97	1,124.97
Joint Venture	-	-
<b>In Bonds &amp; debt instruments</b>	21.42	16.35
<b>In Govt. Securities</b>	2.26	2.28
<b>In Mutual Funds</b>	376,139.86	37,132.53
	<u>867,565.53</u>	<u>469,429.40</u>
Refer Note 49 for Fair Value Hierarchy & Disclosure.		



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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>3. FINANCIAL ASSETS - LONG TERM LOANS</b>		
<b>Secured, considered good</b>		
Loans		
– Employees	46.50	48.50
– Others	188.99	307.96
<b>Unsecured, considered good</b>		
Loans		
– Employees	20.27	12.43
– Vendors	60.22	393.36
Loans to Others	69.16	97.22
	<b>385.14</b>	<b>859.47</b>
<b>4. NON CURRENT FINANCIAL ASSETS - OTHERS</b>		
Security Deposits - Unsecured	2,313.83	2,324.61
Bank Deposits with maturity of more than twelve months	167.58	618.30
Other Deposits – Unsecured	496.42	778.69
Others	–	0.85
	<b>2,977.84</b>	<b>3,722.45</b>
<b>5. DEFERRED TAX (NET)</b>		
<b>Deferred Tax Liabilities arising out of</b>		
Accumulated Depreciation on Assets	8,195.79	7,937.48
Fair value change on investments	36,411.58	22,651.81
Others	28.52	30.62
	<b>44,635.89</b>	<b>30,619.91</b>
<b>Deferred Tax Assets arising out of</b>		
Provision for Obsolete Stock	139.94	116.00
Provision for doubtful debts and advances	758.04	1,115.16
Unabsorbed tax Loss/Depreciation	11,849.11	12,563.92
Investment Properties	1,881.75	1,703.18
Provision for employee related expenses	1,545.77	2,308.66
Capital Gains on Joint Development of Property	1,205.97	984.12
MAT Credit	892.09	717.92
Others	1,119.59	828.39
	<b>19,392.26</b>	<b>20,337.35</b>
Net Deferred Tax Assets/(Liabilities)	<b>(25,243.63)</b>	<b>(10,282.56)</b>
<b>6. OTHER NON CURRENT ASSETS</b>		
Capital Advances	3,778.31	6,517.18
Duties/taxes and other amounts paid under protest	46.37	42.66
Balance with statutory/government authorities	147.36	160.93
Others	575.97	510.39
	<b>4,548.01</b>	<b>7,231.16</b>

**SIMPSON & COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>7. INVENTORIES</b>		
(a) Raw materials and components	62,541.63	59,911.93
(b) Stores and spares	10,622.30	2,770.02
(c) Dies jigs & loose tools	1,278.87	1,489.97
(d) Closing Stock :		
Intermediate components	905.49	559.52
Work in progress	14,507.99	15,505.40
Finished goods	34,020.08	54,292.40
Stock-in-trade	20,035.82	14,611.08
	<u>143,912.19</u>	<u>149,140.32</u>
Goods-in-transit included in inventories comprise of :		
– Raw materials and components	7,468.87	4,739.06
– Finished goods	488.07	473.80
– Stock in trade	1,332.16	308.90
For Assets pledged as security refer Note 54		
<b>8. FINANCIAL ASSETS - CURRENT INVESTMENTS</b>		
Mutual funds		
– Debt	11,368.61	39,640.40
– Equity	271,576.02	552,161.36
Equity Shares	40.85	–
Bonds	1,780.40	688.36
<i>Refer Note 49 for Fair Value Hierarchy &amp; Disclosure.</i>	<u>284,765.88</u>	<u>592,490.12</u>
<b>9. TRADE RECEIVABLES</b>		
Considered good - secured	5,420.00	11,652.58
Considered good - Unsecured	136,500.12	99,706.26
Receivables which have significant increase in credit risk	422.00	412.71
Credit Impaired	2,702.57	3,453.53
	<u>145,044.69</u>	<u>115,225.08</u>
Less : Allowance for trade Receivables	3,193.05	3,930.82
	<u>141,851.65</u>	<u>111,294.26</u>
<i>For Assets pledged as security, refer Note 54, For RPT Refer Note 55</i>		
<b>10.(f) CASH AND CASH EQUIVALENTS</b>		
Balances with banks :		
(a) in current accounts	32,441.51	28,329.22
(b) in deposits with original maturity of less than three months	4,084.91	4,813.57
Cash on hand	50.58	51.29
Cheques on hand / in transit	2,919.34	4,886.88
	<u>39,496.33</u>	<u>38,080.96</u>
<b>10.(ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Bank deposits with maturity of three to twelve months	6,699.95	6,190.37
Unclaimed dividend account	685.30	811.59
Earmarked balances	0.19	–
Margin Money with Bank	357.84	226.46
	<u>7,743.28</u>	<u>7,228.42</u>

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>11. FINANCIAL ASSETS - SHORT TERM LOANS</b>		
<b>Secured, considered good</b>		
Others	380.70	456.11
<b>Unsecured, considered good</b>		
Loans to related parties	123.69	25.31
Corporate deposit	15.71	5,018.43
Others	633.39	1,712.37
	<b>1,153.48</b>	<b>7,212.22</b>
<b>12. CURRENT FINANCIAL ASSETS - OTHERS</b>		
Interest Receivable	248.51	302.11
Claims Receivable	259.32	324.04
Other Deposits - Unsecured	228.29	247.23
Others ( <i>Refer Note: 55 for Related Party Transaction</i> )	2,216.87	1,172.77
	<b>2,952.99</b>	<b>2,046.15</b>
<b>13. CURRENT TAX ASSETS (NET)</b>		
Prepayment of taxes	56,097.86	459,134.71
Less: Provision for taxes	52,204.82	455,106.45
	<b>3,893.04</b>	<b>4,028.26</b>
<b>14. OTHER CURRENT ASSETS</b>		
Balance with statutory/government authorities	14,015.69	13,622.67
Advance to Suppliers	11,646.91	11,784.78
Prepaid expenses	1,208.18	1,021.50
Others	3,586.96	2,859.53
	<b>30,457.74</b>	<b>29,288.48</b>
<b>15. SHARE CAPITAL</b>		
<b>Authorised</b>		
44 000 equity shares (PY: 110,00,000 equity shares) of Rs 2,500 (PY: Rs 10/-) each	1,100.00	1,100.00
1,00,000 Redeemable Preference shares of Rs 100/- each	100.00	100.00
<b>Issued,subscribed and fully paid-up</b>		
29,479 equity shares (PY : 73,77,500 equity shares) of Rs. 2,500 (PY : Rs 10/-) each	736.97	737.75
	<b>736.97</b>	<b>737.75</b>

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :</b>		
Equity shares at the beginning of the year	7,377,500	7,377,500
Movement during the year	(7,750)	–
Equity shares outstanding before consolidation	7,369,750	
Equity shares outstanding at the end of the period (FV – ₹.10/- consolidated to ₹.2500/-)	29,479	7,377,500
<b>15.2 Buy back of shares</b>		
The Company bought back 1,22,500 Equity shares of Face value ₹.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 ₹.2500/- (P.Y - ₹.10/-) per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013		
The Company consolidated its Equity shares into face value of ₹.2500/-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 1456 fractional shares of ₹.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 ₹.2500/- are to be allotted to the Trust, being consolidation of 1250 fractional shares out of the above 1456 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. The Company has 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.		
<b>15.4 Shares held by holding company and its associate</b>		
(a) Amalgamations Private Limited, Holding Company 28944 (31st March 2021: 7236034) equity shares of ₹.2500/- (P.Y: 10/-) each fully paid	72,360,340	72,360,340
(b) United Nilgiri Tea Estates Company Ltd, the associate of the holding company 65 (31st March 2021:16333) equity shares of ₹.2500/- (PY: 10/-) each fully paid	163,330	163,330
<b>15.4 The Details of shareholders holding more than 5% shares in the company Equity shares of ₹.2500/- (P.Y: 10/-) each fully paid</b>		
Amalgamations Private Limited		
– Nos	28,944	7,236,034
– % of Holding	98.19	98.08

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>16. OTHER EQUITY</b>		
<b>Capital reserve on Consolidation</b>	3,325.07	3,325.07
	<u>3,325.07</u>	<u>3,325.07</u>
<b>Other Reserves</b>		
<b>General Reserve</b>		
As per last balance sheet	137,729.08	155,955.13
Add: Transfer from Retained earnings	12,500.00	12,500.00
Less: Buy-back Consideration (for amount in excess of Face value of shares)	(6.67)	(30,679.95)
Less: Transfer to Capital Redemption Reserve	-	(46.10)
	<u>150,222.41</u>	<u>137,729.08</u>
<b>Statutory Reserve</b>		
As per last balance sheet	316.08	271.38
Transfer from Retained earnings	66.38	44.70
	<u>382.46</u>	<u>316.08</u>
<b>Capital Redemption Reserve</b>		
As per last balance sheet	58.35	12.25
Transfer from General Reserve	0.78	46.10
	<u>59.13</u>	<u>58.35</u>
<b>Retained Earnings</b>		
As per last balance sheet	917,835.32	762,055.40
Change in Ownership Interest	51.74	29,050.76
Consolidation Adjustment	(623.36)	(249.30)
Net Profit for the year	135,634.63	143,623.28
Adjustment	(427.60)	(42.49)
Balance after adjustment	<u>1,052,470.73</u>	934,437.65
Less: Appropriations		
Interim dividend paid	(3,869.12)	(3,135.44)
Final dividend paid	(1,658.19)	(922.19)
Payment Towards fractional shares	(1,150.88)	-
Transfer to Capital Redemption Reserve	(0.78)	-
Transfer to General reserve	(12,500.00)	(12,500.00)
Transfer to Statutory reserve	(66.38)	(44.70)
<b>Net Surplus in the Retained Earnings Account</b>	<u>1,033,225.39</u>	<u>917,835.32</u>

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>16. OTHER EQUITY – (Contd.)</b>		
<b>Share of Other comprehensive income of Associates</b>		
As per last balance sheet	(37,432.22)	(22,149.82)
Add: Transfer from Other Comprehensive Income	3,078.48	(15,282.40)
	<u>(34,353.74)</u>	<u>(37,432.22)</u>
<b>Exchange differences on translating financial statements of foreign operations</b>		
As per last balance sheet	(2,374.48)	(1,156.33)
Add: Additions during the year	(1,721.89)	(1,218.15)
	<u>(4,096.38)</u>	<u>(2,374.48)</u>
<b>Equity Instruments through FVTOCI reserve</b>		
As per last balance sheet	5,767.30	1,622.15
Add : Transfer from Other Comprehensive Income	(393.90)	4,145.15
	<u>5,373.41</u>	<u>5,767.30</u>
<b>Effective Cash Flow Hedges reserve</b>		
As per last balance sheet	(2.70)	9.33
Add : Adjustment	(0.50)	(9.40)
Add : Transfer from Other Comprehensive Income	7.91	(2.63)
	<u>4.71</u>	<u>(2.70)</u>
<b>Actuarial Gains on Defined Benefit Plan reserve</b>		
As per last balance sheet	5,053.80	5,007.48
Add : Adjustment	–	(13.32)
Add : Transfer from Other Comprehensive Income	450.46	59.64
	<u>5,504.26</u>	<u>5,053.80</u>
<b>Total Other Equity</b>	<u>1,156,321.64</u>	<u>1,026,950.53</u>
<b>17. FINANCIAL LIABILITIES - LONG TERM BORROWINGS</b>		
Secured		
– Loans from banks	6,498.16	4,532.83
UnSecured		
– Loan from Directors and their relatives	671.57	670.26
– Others	529.40	12.00
	<u>7,699.22</u>	<u>5,215.09</u>
<i>For terms of repayment, refer Note 46, Note 55 for Related party transaction</i>		
<b>18. NON CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Security deposits	7,560.42	7,049.95
Advance received for Joint Development of Property	483.38	449.81
Others	6.46	31.34
	<u>8,050.26</u>	<u>7,531.10</u>

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>19. LONG TERM PROVISIONS</b>		
Provision for gratuity	0.63	19.13
Provision for compensated absences	3,922.65	3,806.49
Provision for product warranty	1,063.67	1,087.00
	<u>4,986.95</u>	<u>4,912.62</u>
<b>20. OTHER NON CURRENT LIABILITIES</b>		
Deferred Income		
– Government Grants	222.21	283.45
– Other deferred income	525.91	546.09
Others	21.02	13.90
	<u>769.14</u>	<u>843.44</u>
<b>21. FINANCIAL LIABILITIES - SHORT TERM BORROWINGS</b>		
<b>Loans repayable on demand</b>		
From Banks		
– Working capital demand loan ( <i>Secured</i> )	1,160.00	1,460.00
– Cash credit ( <i>Secured</i> )	2,533.29	2,315.82
– Others*	20,013.25	21,411.29
* Includes secured loans to the extent of Rs. 10,140.96 lakhs (PY : Rs.12,823.72 lakhs)		
From Others	1,624.14	896.12
From Related Parties ( <i>Unsecured</i> )	2,600.00	3,100.00
	<u>27,930.69</u>	<u>29,183.23</u>
For terms of repayment, refer Note 46, Note 55 for Related Party transaction		
<b>22. TRADE PAYABLES</b>		
Micro and Small Enterprises	7,614.62	11,690.94
Acceptances	260.52	3,044.70
Others	158,988.17	201,990.54
	<u>166,863.31</u>	<u>216,726.18</u>
Refer Note 55 for Related Party Transaction.		
<b>23. CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Interest accrued but not due on borrowings	165.81	202.14
Interest accrued and due on borrowings	67.43	109.65
Unclaimed dividends	685.30	58.18
Current maturities of long term debt	–	3,353.48
Due to ultimate holding company	1,259.80	1,091.92
Other Payables		
– Managerial remuneration payable	1,837.61	1,939.71
– Accrued salaries & benefits	19,727.65	18,659.51
Security deposits	1,060.31	943.89
Others	2,104.18	3,189.16
	<u>26,908.09</u>	<u>29,547.64</u>

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

Particulars	As at 31st March 2022	As at 31st March 2021
<b>24. OTHER CURRENT LIABILITIES</b>		
Deferred income	499.94	522.42
Advance from customers	20,448.18	16,848.65
Security deposit from customers	70.11	94.40
Statutory dues payable	3,489.14	3,453.95
Others	1,732.39	1,803.28
	<u>26,239.77</u>	<u>22,722.70</u>
<b>25. SHORT TERM PROVISIONS</b>		
Provision for gratuity	1,022.74	1,554.65
Provision for Compensated absences	1,156.86	1,065.01
	<u>2,179.60</u>	<u>2,619.66</u>
<b>Other Provisions</b>		
Provision for warranty	4,881.89	4,820.42
Provision for Contingencies	71.97	219.07
Others	275.06	94.95
	<u>5,228.93</u>	<u>5,134.44</u>
	<u>7,408.52</u>	<u>7,754.10</u>
	<b>(a)</b>	<b>2,619.66</b>
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	<b>(a+b)</b>	<b>7,754.10</b>
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	<b>(a)</b>	<b>2,619.66</b>
	<b>(b)</b>	<b>5,134.44</b>
	<b>(a+b)</b>	<b>7,754.10</b>



**SIMPSON & COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>26. REVENUE FROM OPERATIONS</b> (Refer Note 50)		
Sale of products	1,277,719.65	1,175,082.82
Sale of services	15,561.09	15,678.92
Other Operating Income	19,283.78	16,329.83
	<u>1,312,564.52</u>	<u>1,207,091.57</u>
<b>27. OTHER INCOME</b>		
Interest income		
– Long-term investments	69.34	71.18
– Measurement of deposits at amortised cost	369.14	439.22
– Deposits and others	1,453.26	975.21
Dividend income		
– Long-term investments	229.27	117.00
– Current investments	13.85	16.64
Profit on sale of investments (Net)	16,437.81	15,282.51
Fair valuation gain on Investments	9,225.14	15,024.12
Exchange Gain (Net)	312.44	370.17
Other non-operating income	5,291.48	2,168.08
	<u>33,401.73</u>	<u>34,464.13</u>
<b>28. COST OF MATERIALS CONSUMED</b>		
Opening Stock	55,172.88	26,629.28
Add:Purchases	712,329.54	663,646.48
Less:Closing Stock	(55,072.76)	(55,172.88)
Less:Capitalised	(18.35)	(5.37)
	<u>712,411.31</u>	<u>635,097.51</u>
<b>29. PURCHASES OF STOCK-IN-TRADE</b>		
Purchase of Stock in trade	160,798.12	117,426.98
	<u>160,798.12</u>	<u>117,426.98</u>
<b>30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening stock</b>		
Intermediate components	559.52	647.14
Finished goods	53,818.59	71,013.89
Work-in-progress	15,505.40	17,570.57
Stock-in-trade	14,302.19	15,186.74
	<u>84,185.70</u>	<u>104,418.34</u>
	(a)	
<b>Closing 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	14,302.18
	<u>67,649.15</u>	<u>84,185.69</u>
	(b)	
	<u>16,536.55</u>	<u>20,232.65</u>
	(a-b)	

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

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>31. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages & Managerial remuneration	98,474.09	93,307.37
Contribution to Provident and Other Funds <i>(Refer Note 42)</i>	5,850.83	5,349.17
Staff welfare expenses	7,303.47	5,792.64
	<u>111,628.39</u>	<u>104,449.18</u>
Less: (i) Recoveries for common service & employees seconded	1,063.16	963.98
(ii) Transfer to captive consumption/Expenses capitalised	229.55	202.30
	<u>110,335.68</u>	<u>103,282.90</u>
<b>32. FINANCE COSTS</b>		
Interest	3,548.33	3,368.78
Interest on fair valuation of loans/deposits	2.55	32.21
Interest on lease liability	487.74	527.65
Other borrowing costs	682.29	503.85
Less : Expenses capitalised	(7.09)	(3.87)
	<u>4,713.83</u>	<u>4,428.62</u>
<b>33. DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on tangible assets / Investment Property	19,308.88	16,217.98
Depreciation on Right of use Assets	1,634.85	2,032.55
Amortisation of intangible assets	758.88	1,190.75
	<u>21,702.62</u>	<u>19,441.28</u>
<b>34. OTHER EXPENSES</b>		
Stores consumed	20,979.20	15,140.14
Packing & Forwarding	5,316.68	4,899.73
Power and Fuel	13,954.41	12,242.43
Subcontract charges	15,304.19	10,940.18
Repairs and Maintenance		
– Buildings	2,756.67	2,609.45
– Machinery	6,360.60	5,583.30
– Others	3,987.93	3,469.53
Insurance	2,063.31	1,822.98
Rent	3,011.47	1,393.93
Rates and Taxes	920.17	736.96
Freight & Handling charges	27,520.94	19,523.62
Auditors' Remuneration including other services		
Statutory Audit Fees	40.00	40.00
Tax Audit Fees	5.05	4.80
Others	9.65	5.19
Reimbursement of Expenses	0.25	0.04
Travelling Expenses	9,611.55	5,849.16
Advertisement & Sales promotion expenses	25,815.19	20,453.13
Professional Consultancy charges	392.73	376.22
Expenditure on Corporate Social Responsibility	4,766.70	4,160.41
Miscellaneous expenses	29,498.78	27,901.06
Less : Expenses capitalised	(406.21)	(484.60)
	<u>171,909.27</u>	<u>136,667.66</u>

**SIMPSON & COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>35A. OTHER COMPREHENSIVE INCOME</b>		
(i) <b>Items that will not be reclassified to profit or loss</b>		
Actuarial Gain / (Loss) on Defined Benefit Plan - Gratuity (Funded)	728.29	37.32
Changes in fair value of investments	(443.11)	5,131.60
Share of other comprehensive income (net) of associates	5,174.09	(25,302.02)
	<u>5,459.27</u>	<u>(20,133.10)</u>
(ii) <b>Income tax relating to items that will not be reclassified to profit or loss</b>	1,603.43	(5,802.01)
	<u>1,603.43</u>	<u>(5,802.01)</u>
<b>35B. OTHER COMPREHENSIVE INCOME</b>		
(i) <b>Items that will be reclassified to profit or loss</b>		
Exchange differences on translating financial statements of foreign operations	(2,171.68)	(1,536.35)
Effective Portion of Cash Flow Hedges	5.10	(3.51)
	<u>(2,166.58)</u>	<u>(1,539.86)</u>
(ii) <b>Income tax relating to items that will be reclassified to profit or loss</b>	(2.81)	(0.88)
	<u>(2.81)</u>	<u>(0.88)</u>
<b>36. EARNINGS PER SHARE</b>		
(1) Profit after tax as per Consolidated Statement of Profit and Loss	135,634.64	143,623.28
(2) Weighted Average No. Equity Shares (Nos.)	29,479.00	29,479
(3) Nominal Value per Share (Rs.)	2,500.00	2500.00
(4) Basic and diluted Earnings per Share (Rs.)	460,105.96	487,205.39

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 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 98.08% of ordinary equity shares of the Parent company as at 31st March, 2022 and has the ability to control its operating and financial policies.

The consolidated financial statements were approved by the Board of Directors on 6th September 2022.

#### 38. SIGNIFICANT ACCOUNTING POLICIES

##### Basis of preparation

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

The consolidated financial statements of the Company have been prepared on the historical cost basis, except for certain equity financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below and certain other financial instruments which are fair valued using amortized cost method, which is disclosed separately. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly 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.

(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.

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

**COMPANY OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES – (Contd.)**

**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, 2022 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 GAAP”) for the years ended December 31, 2020 and December 31, 2021. 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, 2021 and March 31, 2022, 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, 2020 and December 31, 2021 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 31-03-2022	FYE 31-03-2021
Profit on transfer of leasehold rights	–	1,472.38
Profit on transfer of immovable property – Note 1	1,397.61	–
Provision towards disputed sales tax – Note 2	(183.98)	–
Relocation const incurred – Note 3	(23.88)	–
Vivad Se Viswas	–	648.91
Voluntary Retirement Scheme pursuant to closure of operations at assembly plant	–	(59.63)
Total	1,189.75	2,061.66

**Notes :**

1. The exceptional income of Rs 1397.61 lakhs relates to sale of Land and Building at Maraimalainagar.
2. Provision has been created towards sales tax Rs 183.98 Lakhs on account of C Forms not received from the customers.
3. Relocation cost incurred relates to cost of relocating/ redeploying various Plant & Equipment from one division to another recognised in statement of Profit & Loss.

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

Particulars	FYE 31-03-2022	FYE 31-03-2021
<b>40. Tax Expenses :</b>		
Profit before tax	1,26,596.53	1,90,760.60
<b>Tax Expenses :</b>		
Current Tax	39,947.04	45,786.87
Deferred Tax	1,167.13	2,220.23
Tax refund / provision relating to earlier years	(234.76)	(57.57)
<b>Total</b>	40,879.40	47,949.53
<b>Applicable tax percentage (%)</b>	25.17%	25.17%
Tax Rate	22.00%	22.00%
Surcharge	10.00%	10.00%
Education cess	4.00%	4.00%
<b>Effective Tax Rate</b>	32.29%	25.14%
<b>Tax effect of amounts which are not deductible (taxable) in Calculating taxable income:</b>		
Tax as per Applicable Tax Rate	31,864.35	48,010.63
Expenses that are not deductible in determining taxable profit	17,206.56	1,371.69
Admissible Deductions	(5,813.89)	(2,144.22)
Benefits of weighted deduction under Income Tax Act	-	(355.51)
Others	(2,377.62)	1,066.94
<b>Total Tax Expenses</b>	40,879.40	47,949.53

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts are in INR lakhs unless otherwise stated)

(₹ in Lakhs)

### 40(a) Deferred Tax Movement

PARTICULARS	Balance as at 31st March 2020	Recognised in		Other Equity	Foreign Currency Translation Reserve	Balance as at 31st March 2021	Recognised in		Other Equity	Foreign Currency Translation Reserve	Balance as at 31st March 2022
		Profit & Loss	OCI				Profit & Loss	OCI			
<b>Transactions during the year</b>											
Accumulated Depreciation on Assets – Other than R&D	7,796.20	175.04	–	–	(33.76)	7,937.48	(118.45)	–	427.60	(50.84)	8,195.79
Fair Valuation on Investment and Loans *	17,328.24	11,133.79	(5,810.22)	–	–	22,651.81	12,368.52	1,391.25	–	–	36,411.58
Others	32.08	(4.64)	3.18	–	–	30.62	(9.29)	7.19	–	–	28.52
<b>Total</b>	<b>25,156.51</b>	<b>11,304.18</b>	<b>(5,807.04)</b>	<b>–</b>	<b>(33.76)</b>	<b>30,619.90</b>	<b>12,240.79</b>	<b>1,398.44</b>	<b>427.60</b>	<b>(50.84)</b>	<b>44,635.89</b>
<b>Deferred Tax Assets</b>											
Allowance for doubtful debts	1,183.53	3.39	–	–	(71.76)	1,115.16	(169.50)	–	–	(187.62)	758.04
Capital Gains on Joint Development of Property	924.62	59.50	–	–	–	984.12	221.85	–	–	–	1,205.97
Provision for employee related expense	1,888.88	459.95	(36.38)	–	(3.79)	2,308.66	(594.20)	(179.01)	–	10.33	1,545.77
Unabsorbed depreciation and unabsorbed business loss	12,837.00	(273.09)	–	–	–	12,563.92	(714.81)	–	–	–	11,849.11
Provision for obsolete stock	100.50	15.50	–	–	–	116.00	23.94	–	–	–	139.94
Others	856.46	(114.76)	19.36	–	67.34	828.39	60.85	6.31	–	224.04	1,119.59
Investment properties	1,569.25	133.93	–	–	–	1,703.18	178.57	–	–	–	1,881.75
MAT Credit	648.72	69.20	–	–	–	717.92	174.17	–	–	–	892.09
<b>Total</b>	<b>20,008.95</b>	<b>353.62</b>	<b>(17.02)</b>	<b>–</b>	<b>(8.21)</b>	<b>20,337.34</b>	<b>(819.13)</b>	<b>(172.70)</b>	<b>–</b>	<b>46.75</b>	<b>19,392.26</b>
<b>Net Deferred Tax Liabilities</b>	<b>5,147.56</b>	<b>10,950.57</b>	<b>(5,790.02)</b>	<b>–</b>	<b>(25.55)</b>	<b>10,282.56</b>	<b>13,059.91</b>	<b>1,571.14</b>	<b>427.60</b>	<b>(97.59)</b>	<b>25,243.63</b>

\* Above includes deferred tax liability on share of profit from associates Rs.11,892.78 Lakhs (P.Y.-Rs.8,730.34 Lakhs).

41. Research & development expenditure	Particulars		FYE 31-03-2021
	FYE 31-03-2022	FYE 31-03-2021	
<b>Capital expenditure:</b>			
– New Product Development & Other Assets	3,236.25	966.78	966.78
<b>Total Capital Expenditure</b>	<b>3,236.25</b>	<b>966.78</b>	<b>966.78</b>
<b>Revenue Expenditure:</b>			
– Salaries, wages and bonus	4,276.45	6,509.17	6,509.17
– Materials, consumables and spares	5,575.00	3,179.07	3,179.07
– Other expenditure	7,763.40	5,295.83	5,295.83
<b>Total Revenue expenditure</b>	<b>17,614.85</b>	<b>14,984.07</b>	<b>14,984.07</b>
<b>Total</b>	<b>20,851.10</b>	<b>15,950.85</b>	<b>15,950.85</b>

**SIMPSON & COMPANY LIMITED**  
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*(All amounts are in INR lakhs unless otherwise stated)*

Particulars	FYE 31-03-2022	FYE 31-03-2021
<b>42(a). Employee Benefit Expenses</b>		
<b>A. Gratuity (Funded)</b>		
<b>Actuarial Assumptions:</b>		
Discounted Rate	6.77% – 7.41%	6.5% – 7.25%
Expected return on plan assets	7% – 12.88%	6.9% – 7.34%
Salary Escalation	3% – 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	15,029.94	14,606.96
Interest Cost	927.79	897.72
Current Service Cost	1,160.49	1,179.15
Past Service Cost	–	–
Change in financial assumption	–	–
Benefits Paid	(1,269.46)	(1,691.36)
Actuarial (Gain)/Loss	(156.71)	49.14
Exchange Difference	(20.81)	(11.67)
<b>Defined benefit obligation at the end of the year</b>	<b>15,671.23</b>	<b>15,029.94</b>
<b>Change in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the end of the prior period	13,183.64	12,296.28
Expected Return of Plan Assets	861.98	795.26
Contributions	1,085.36	1,691.69
Benefits Paid	(1,205.71)	(1,686.05)
Plan Assets Transferred	–	–
Actuarial Gain/(Loss)	571.57	86.46
<b>Fair Value of Plan Assets at the end of the year</b>	<b>14,496.83</b>	<b>13,183.64</b>
<b>Amount recognised in Balance Sheet</b>		
Defined Benefit Obligation at the end of the year	15,671.23	15,029.93
Fair Value of plan assets at the end of the year	14,496.83	13,183.64
<b>Funded status surplus</b>	<b>1,174.40</b>	<b>1,846.29</b>
<b>Expenses recognised in the Statement of Profit &amp; Loss &amp; OCI</b>		
Current Service Cost	1,160.48	1,179.15
Interest Cost	844.74	897.72
Past Service Cost	2.35	–
Expected Return on plan assets	(611.77)	(795.26)
Expenses recognised in the Profit & Loss Account	1,395.80	1,281.60
Re-measurement- Actuarial (Gain)/Loss recognised in OCI	(728.29)	(37.32)
<b>Total Defined Benefit Obligation Cost recognised in Profit &amp; Loss and OCI</b>	<b>667.51</b>	<b>1,244.28</b>
<b>Composition of plan assets</b>		
GOI Securities	–	–
Insurer managed funds	14,491.92	13,183.23
With Scheduled Bank	4.91	0.42
Others	–	–
<b>Total</b>	<b>14,496.83</b>	<b>13,183.64</b>
<b>B. Provident Fund</b>	<b>3,394.18</b>	<b>3,057.56</b>
<b>C. Super Annuation</b>	<b>1,060.80</b>	<b>878.95</b>
<b>D. Others</b>	<b>0.05</b>	<b>131.06</b>
<b>Total Employee Benefits</b>	<b>5,850.83</b>	<b>5,349.17</b>



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

<b>42(a). Employee Benefit Expenses – (Contd.)</b>		
<b>Sensitivity Analysis * :</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
<b>Discount Rate</b>		
Increase by 0.5%	14,570.34	14,052.37
Decrease by 0.5%	16,596.16	16,006.18
<b>Salary Escalation Rate</b>		
Increase by 0.5%	16,491.75	15,931.03
Decrease by 0.5%	14,674.75	14,127.52
Expected Cash Flow for following years		
Less than a year	1,924.81	1,878.24
Between 1 – 2 years	1,477.77	1,412.84
Between 2 – 5 years	4,719.19	4,317.90
Over 5 years	7,654.66	7,060.16
<b>43. Property, Plant and Equipment Adjustments</b>		
1. Adjustments include amounts pertaining to Foreign currency translation adjustment, transfer to/from investment property / Right to Use ("ROU") and other adjustments.		
<b>Other Notes</b>		
1. Refer Assets Pledged Note for details of charge and hypothecation of Property Plant & Equipment.		
2. Additions during the year include cost of materials ₹.18.35 Lakhs (2021: ₹.5.37 lakhs) and employee expenses ₹.3.22 Lakhs (2021: ₹.10.94 Lakhs) capitalised.		
3. Additions to Forging dies include expenses capitalised aggregating to 575.16 Lakhs (2021: ₹. 618.86 lakhs)		
4. Building on leasehold land includes ₹.54.17 lakhs (Previous year ₹.54.17 Lakhs) for which lease deed is awaiting renewal.		
5. 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.		
<b>44. Non Current assets held for sale</b>		
<b>Particulars</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Land*	5,272.40	83.89
Building	129.26	175.82
Plant & Machinery	–	7.00
Other	188.06	189.59
<b>Total</b>	<u>5,589.72</u>	<u>456.30</u>
*Land held for sale of ₹.5,188.51 Lakhs has subsequently been sold on 18-04-2022		
<b>Particulars</b>	<b>FYE 31-03-2022</b>	<b>FYE 31-03-2021</b>
<b>45. Investment Property</b>		
Rental income	231.05	158.72
Direct operating expenses (including repairs and maintenance) that generated rental income	9.22	8.12
Direct operating expenses (including repairs and maintenance) that did not generate rental income	4.38	5.17
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>217.45</b>	<b>145.43</b>
Depreciation for the year	15.16	20.84
Indirect expenses for the year	0.65	–
<b>Profit arising from investment properties after depreciation and indirect expenses</b>	<b>201.64</b>	<b>124.59</b>

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

<b>45. Investment Property – (Conted.)</b>		
<b>Fair Value of Investment Properties ;</b>		
Particulars	FYE 31-03-2022	FYE 31-03-2021
Fair value	9,311.31	12,230.40
<b>Notes:</b>		
<p>1. The Company's Investment Properties consist of land and buildings let out to third parties and meant for investment purpose.</p> <p>2. 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.</p> <p>3. In respect of valuation of Investment Properties, it has been reckoned as follows:</p> <p>(a) In respect of Land, ₹.8,871.60 Lakhs, as at 31<sup>st</sup> March 2022 ₹.6382.37 Lakhs is valued as per fair valuation by the registered valuer and remaining ₹.2489.23 Lakhs is valued at guideline value.</p> <p>(b) In respect of Buildings, at Book Value ₹.439.72 lakhs as on 31st March 2022</p>		
<b>46. Terms of repayment for the long-term/Short term borrowings and security provided in respect of the secured other borrowings</b>		
Loan Description	Terms of repayment and security	
Term Loans from Banks - Rs .10,789.43Lakhs	<p>The term loans are availed for:</p> <p>(a) Purchase of assets relating to Capital Projects secured by hypothecation of specific assets purchased out of the said loan</p> <p>(b) Purchase of vehicles secured by hypothecation of vehicles purchased out of said loan</p> <p>(1) Tenure of Loans : Loans are repayable in 9-16 quarterly instalments</p> <p>(2) Rate of interest of these loan is 7.71 % and 8.5 % per annum respectively</p>	
Term loan from Bank - Rs .625 Lakhs	<p>The term loan is availed from the HDFC Bank Limited and is secured by plant and machinery.</p> <p>(1) Tenure of loan: 59 months and is repayable in 16 equal quarterly instalments after one year of moratorium.</p> <p>(2) The term loan carries interest rate of 8%</p>	
Secured term loan from Bank - Rs .7,386.59 Lakhs	<p>Secured term loan from banks -TL2 and GECL from bank</p> <p>(1) Tenure of loan : Loan is repayable in 18-48 monthly instalments</p> <p>(2) Interest is charged at MCLR+spread</p>	
Guaranteed emergency credit loan Rs. 218 Lakhs	<p>(1) Loan is repayable in 18-48 monthly instalments</p> <p>(2) Interest is payable at LTLR+spread</p>	
Loan from financial institution - Rs .41.52 Lakhs	<p>Loan is secured from M/S Sundaram finance</p> <p>(1) Tenure of loan: Loan is repayable in 47 monthly instalments from July 2021– May 2025</p> <p>(2) Interest is charged at the rate of 4.22 %</p>	
Loan from financial institution - Rs .15.73 Lakhs	<p>Loan is availed from TATA capital financial services</p> <p>(1) Loan is repayable in monthly instalments</p> <p>(2) Interest is charged at the rate of 10.75 %</p>	
Demand Loans from bank - Rs .3,000 Lakhs	<p>(a) Rs .2,000 Lakhs – Unsecured loan, (b) Rs.1,000 Lakhs – Secured loan</p> <p>(1) Loans are repayable on demand, (2) Interest is payable at the rate of 7.2% – Secured loan, 6.75% – Unsecured loan</p>	
Other Fixed deposit - Rs .170 Lakhs	<p>Deposit is repayable in 1 to 32 months as per terms of the individual deposit. Deposit carries interest rate of 7%-8.25%</p>	
<b>Deposit/Loan from directors /Related parties</b>	<p>Fixed rate of Interest @7% P.A repayable after three years</p>	
Loan from director - Rs .675 Lakhs	<p>Fixed rate of interest @7% per annum, repayable at the end of one year from date of deposit.</p>	
Loan from Ultimate Holding company Rs.2600 lakhs		

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

<b>47. Capital Management</b>							
The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. Capital management and funding requirements is met through equity, internal accruals and long and short term debt instruments.							
Particulars		As at 31-03-2022			As at 31-03-2021		
Non - Current Borrowings		7,699.22			5,215.09		
Current Borrowings		27,930.69			29,183.23		
<b>Total Debt</b>		<b>35,629.91</b>			<b>34,398.32</b>		
<b>Total Equity</b>		<b>14,23,906.70</b>			<b>1,262,421.32</b>		
<b>Total Capital</b>		<b>14,59,536.61</b>			<b>1,296,819.64</b>		
Equity to Capital		97.56%			97.35%		
Debt to Capital		2.44%			2.65%		
<b>48. Financial Instrument by Category and Hierarchy :</b>							
Particulars	Hierarchy	31st March, 2022			31st March, 2021		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
<b>Financial assets</b>							
<b>Non-Current</b>							
Investments							
– Equity instruments - Quoted*	1	–	16,808.00	–	–	16,192.59	–
– Equity instruments - Unquoted*	3	–	–	–	–	503.99	–
– Bonds & Debt Instruments	1	3,236.79	21.42	–	–	16.35	2,579.45
– Preference Shares	3	–	–	1,124.97	–	–	1,124.97
– Mutual funds	1	3,76,139.86	–	–	37,132.53	–	–
– Government securities	1	–	–	2.26	–	–	2.27
Loans	3	–	–	385.14	–	–	859.47
Other financial assets	#	–	–	2,977.84	–	–	3,722.45
<b>Current</b>							
Trade receivables	3	–	–	1,41,851.65	–	–	1,11,294.27
Investments - Equity Shares	2	–	40.85	–	–	–	–
Mutual Funds	2	2,82,944.63	–	–	5,91,750.50	51.26	–
Bonds	1	–	–	1,780.40	–	–	688.36
Cash and cash equivalents	#	–	–	39,496.33	–	–	38,315.66
Bank balances other than cash and cash equivalents	#	–	–	7,743.28	–	–	6,993.72
Loans	3	–	–	1,153.48	–	–	7,212.22
Other financial assets	#	–	–	2,952.99	–	–	2,046.15
<b>Total Financial Assets</b>		<b>6,62,321.29</b>	<b>16,870.27</b>	<b>1,99,468.35</b>	<b>6,28,883.03</b>	<b>16,764.19</b>	<b>1,74,838.99</b>
<b>Financial liabilities</b>							
<b>Non-Current</b>							
Borrowings	2	–	–	7,699.22	–	–	5,215.09
Other financial liabilities	#	–	–	8,050.26	–	–	7,531.10
Lease Liabilities	3	–	–	3,512.30	–	–	4,030.19
<b>Current</b>							
Borrowings	3	–	–	27,930.69	–	–	29,183.23
Trade payables	#	–	–	1,66,863.31	–	–	2,16,726.18
Other financial liabilities	#	–	–	26,908.09	–	–	29,547.64
Lease Liabilities	3	–	–	998.35	–	–	1,332.73
<b>Total Financial Liabilities</b>		<b>–</b>	<b>–</b>	<b>2,41,962.22</b>	<b>–</b>	<b>–</b>	<b>2,93,566.16</b>
* Excludes Investments in Associates and Joint venture [₹.4,70,232.22 Lakhs (Previous year ₹.4,11,877.24 Lakhs)] measured at cost using Equity Method.							
# The carrying amounts of Cash and cash equivalents, Bank balances other than cash and cash equivalents, other financial assets, other financial liabilities are considered to be the fair value due to short term nature.							
There are no transfers between level 1, level 2 and level 3 during the year.							

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**48. Financial Instrument by Category and Hierarchy :**

**Hierarchy:**

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

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

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

**49. Financial risk Management:**

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

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, bank balances other than cash & cash equivalents, Investments in equity instruments, Trade receivables.	Ageing analysis, Credit ratings	Diversification of bank deposits and review of credit ratings, credit limits and letters of credit.
Liquidity Risk	Trade payables, Borrowings and other liabilities	Rolling cash flow forecast	Availability of committed credit lines
Market Risk - Foreign exchange	Export Trade receivables and Import Trade payables	Sensitivity analysis of exchange rate	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.

**(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.

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**49 Financial Risk Management**

**As at 31st March 2022:**

- (a) The financial assets consisting of current investments in mutual funds, loans and other deposits measured at amortized cost aggregating to ₹.2,96,932.52 lakhs (Previous year - ₹.6,47,057.87 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	As at 31-03-2022	As at 31-03-2021
Gross carrying amount	1,45,044.69	1,15,225.08
Loss allowance rate	2.20%	3.41%
Expected credit loss	3,193.05	3,930.82
Net Carrying amount of trade receivables	<u>1,41,851.65</u>	<u>1,11,294.26</u>

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

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

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

<b>Loss allowance on 31st March 2020</b>	<b>4,468.37</b>
Changes in loss allowance	537.55
<b>Loss allowance on 31st March 2021</b>	<b>3,930.82</b>
Changes in loss allowance	737.77
<b>Loss allowance on 31st March 2022</b>	<b>3,193.05</b>

**(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 31-03-2022	FYE 31-03-2021
Variable rate borrowings	19,382.63	29,183.23
Total Borrowings	35,629.91	34,398.32
% of variable rate borrowings on total borrowings	54%	85%

**Sensitivity Analysis\***

Sensitivity	FYE 31-03-2022
Increase in interest rate by 1%	193.83
Decrease in interest rate by 1%	(193.83)

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

**(C) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash equivalents, liquid mutual funds and the availability of funding through an adequate amount of internal financing by way of daily cash flow projection to meet obligations. Due to the dynamic nature of the underlying businesses, the Group's treasury maintains flexibility in funding by maintaining availability of funds.

Management monitors daily forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

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<b>49. Financial Risk Management – (Contd.)</b>				
<b>Contractual maturities of financial liabilities:</b>				
Particulars	Due in less than 1st year	Due from 2nd to 5th year	Due after 5 years	Carrying amount
<b>As at 31 March, 2022:</b>				
Trade payables	1,66,863.31	–	–	1,66,863.31
Other financial liabilities				
– Current	26,908.00	–	–	26,908.00
– Non Current	–	7,947.54	252.72	8,050.26
Lease Liabilities				
– Current*	998.35	–	–	998.35
Borrowings				
– Current	27,930.69	–	–	27,930.69
– Non Current	–	5,868.58	1,830.64	7,699.22
* For Non-current lease liabilities Refer Note 51				
Particulars	Due in less than 1st year	Due from 2nd to 5th year	Due after 5 years	Carrying amount
<b>As at 31 March, 2021:</b>				
Trade payables	2,16,726.18	–	–	2,16,726.18
Other financial liabilities				
– Current (including current maturity of long term borrowings)	29,547.64	–	–	29,547.64
– Non Current	–	7,531.10	–	7,531.10
Lease Liabilities				
– Current*	1,332.73	–	–	1,332.73
Borrowings				
– Current	29,183.23	–	–	29,183.23
– Non Current	–	5,215.09	–	5,215.09
* For Non-current lease liabilities Refer Note 51				
<b>(D) Foreign Currency Risk – Currency</b>				
<p>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.</p> <p><b>Receivables :</b> 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.</p> <p><b>Payables :</b> The group companies manage their foreign currency exposure on Imports either by taking forward contracts or by following the strategy of tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favourable.</p>				

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49. Financial Risk Management – (Contd.)							
Foreign Currency Risk		FYE 31-03-2022					
		Liabilities	Assets	Derivative Liabilities	Derivative Assets	Net (unhedged)	
USD		2,91,570.60	10,27,060.27	-	4,11,285.00	3,24,204.67	
EUR		9,480.43	7,065.93	-	-	(2,414.50)	
GBP		98.07	358.23	-	-	260.16	
JPY		88.27	7.20	-	-	(81.07)	
TRY		1,691.96	1,393.29	-	-	(298.67)	
AED		-	-	-	-	-	
AUD		-	11.83	-	-	11.83	
CAD		-	-	-	-	-	
CNY		21.82	-	-	-	(21.82)	
SGD		-	-	-	-	-	
ZAR		-	-	-	-	-	
Others		-	-	-	5.03	(5.03)	
Foreign Currency Risk		FYE 31-03-2021					
		Liabilities	Assets	Derivative Liabilities	Derivative Assets	Net (unhedged)	
USD		2,895.96	4,20,717.83	-	370.87	4,17,451.00	
EUR		319.22	7,908.52	-	-	7,589.30	
GBP		143.21	330.79	-	-	187.58	
JPY		116.29	12.81	-	-	(103.48)	
TRY		1,982.79	8,356.66	-	-	(6,373.87)	
AED		-	-	-	-	-	
AUD		-	-	-	-	-	
CAD		-	-	-	-	-	
CNY		-	-	-	-	-	
SGD		52.02	-	-	-	(52.02)	
ZAR		-	-	-	-	-	
Others		19.45	-	-	35.52	(54.97)	
<b>Hedge Accounting :</b>							
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	Liability	Assets	Liability			
Cash Flow Hedge	USD	-	(Rs. Lakhs)		-	-	-
Foreign exchange forward contracts	4,11,285.00	-	1.09	-	5th April, 2022 to 24th May, 2022	01 : 01	76.47

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<b>50. Revenue from contracts with customers :</b>				
Particulars	FY 31-3-2022	FY 31-3-2021		
<b>1. Disclosure of Contract assets and Contract liabilities :</b>				
Contract Assets	1,469.30	965.01		
Contract Liabilities	1,294.77	1,250.46		
<b>2. Disclosure of Disaggregated Revenue Information :</b>				
Manufactured Goods	12,02,270.34	11,39,296.93		
Traded Goods	2,48,526.20	1,96,038.83		
Rendering of services	17,763.76	15,873.29		
Others	16,916.80	15,187.80		
Less : Effects of Elimination (Simpson consol)	1,72,912.58	1,59,305.28		
<b>Total</b>	<u>13,12,564.52</u>	<u>12,07,091.57</u>		
<b>Revenue by Location wise :</b>				
India	11,00,187.33	10,57,750.31		
Outside India	2,12,377.19	1,49,341.26		
<b>Reconciliation of Revenue recognised with Contract Price :</b>				
Contract price	13,05,714.14	12,10,490.74		
Adjustments For :				
Discounts & Rebates	(3,091.00)	(1,506.16)		
Cost of Loyalty Rewards Points	(414.25)	(1,195.17)		
Incentives	5,444.62	(115.80)		
Others	4,911.01	(582.04)		
<b>Revenue Recognised *</b>	<u>13,12,564.52</u>	<u>12,07,091.57</u>		
<b>Timing of revenue recognition :</b>				
At a point in time				
– Sale of products	12,93,629.44	11,90,052.08		
– Revenue from Services - Job Work	18,875.89	16,959.04		
– Income from Joint Development Agreement	59.19	80.45		
<b>Total revenue from contract with customers</b>	<u>13,12,564.52</u>	<u>12,07,091.57</u>		
<b>51. Right of use Assets - Disclosure under Ind AS 116</b>				
<b>As lessee</b>				
<b>A. Carrying value of right of use assets at the end of reporting period by class</b>				
Particulars	Leasehold Land	Land & Machine, Server & Storage	Leasehold Buildings/ Stockyards	Total
<b>Reclassification from property, plant &amp; equipment</b>				
Opening gross carrying amount	3,078.73	284.43	7,464.12	10,827.28
Accumulated depreciation	205.84	82.76	3,700.00	3,988.60
<b>Net carrying amount as on 1st April 2021</b>	<u>2,872.89</u>	<u>201.67</u>	<u>3764.12</u>	<u>6,838.68</u>
<b>Recognition on account of IND AS 116</b>				
Balance as on 01st April 2021	2,872.89	201.67	3,764.12	6,838.68
Additions during the year	16.23	–	1,052.38	1,068.61
Disposal during the year	–	–	384.98	384.98
Depreciation charged for the year	141.53	14.78	1,478.54	1,634.85
<b>Balance as on 31st March 2022</b>	<u>2,747.59</u>	<u>186.89</u>	<u>2,952.98</u>	<u>5,887.46</u>



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<b>B. Movement in lease liabilities</b>		
Particulars	FYE 31-3-2022	FYE 31-3-2021
Balance at the beginning of the year	5,362.92	5,939.25
Additions	703.96	1,402.85
Finance costs accrued during the period	420.46	475.25
Deletions	90.31	61.93
Payment of Lease liabilities	1,886.34	2,392.48
Balance as at year end	4,510.66	5,362.92
Classified as:		
Current	998.35	1,332.74
Non-Current	3,512.30	4,030.18
<b>C. Measurement analysis of lease liabilities</b>		
Particulars	FYE 31-3-2022	FYE 31-3-2021
<b>Maturity analysis-Contractual undiscounted cash flows</b>		
Less than one year	1,725.68	1,835.59
One to five years	3,982.59	4,559.87
More than five years	2,018.23	2,563.10
<b>Total undiscounted lease liabilities at 31st March 2022</b>	<u>7,726.50</u>	<u>8,958.56</u>
<b>D. Amount recognised in profit and loss</b>		
Particulars	FYE 31-3-2022	FYE 31-3-2021
Interest on lease liabilities	426.42	475.25
Expenses relating to short term leases	2,548.32	1,393.93
<b>E. Amount recognised in cash flows</b>		
Particulars	FYE 31-3-2022	FYE 31-3-2021
Total cash outflows for leases	1,886.34	2,392.48
<b>52. Contingent Liabilities and Capital Commitments</b>		
<b>A. Contingent Liabilities</b>		
Particulars	FYE 31-3-2022	FYE 31-3-2021
<b>A. Claims against the Group not acknowledged as Debt (under appeal) :</b>		
(i) Income Tax	1,004.49	1,277.07
(ii) Sales Tax/VAT	1,178.17	127.62
(iii) Central Excise and Service tax	379.11	1,457.61
(iv) Customs authorities	416.84	416.84
(v) Demands by TNEB	20.66	22.25
(vi) Provident fund	61.86	61.86
(vii) Provision for bonus, not recognised as liability	55.13	55.13
<b>B. Other Matters for which the Group is contingently liable:</b>		
Bills discounted	460.41	379.38
<b>C. Bank Guarantee &amp; Letter of Credit</b>	3,402.11	3,001.76
<b>D. Guarantee provided to Foreign VAT Authorities</b>	46.53	450.84
<b>Total</b>	<u>7,025.31</u>	<u>7,791.21</u>
<b>B. Capital Commitments</b>		
<b>A. Estimated value of contracts in capital account remaining to be executed</b>	3,212.55	10,670.87

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**53. Contingent Liabilities and Capital Commitments – (Contd.)**

**Other Notes forming part of Contingent liabilities and Capital Commitments**

1. In respect of one of the subsidiary, 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 Subsidiary has made representations from time to time for fixation of fair lease rent. The Subsidiary received a communication from Tahsildar, Madhavaram Taluk, Tamilnadu vide letter dated 12th July 2021 demanding ₹.2420.23 Lakhs as lease rent for the period from 13th July 1989 till 12th July 2022. The Subsidiary 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 Subsidiary 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 ₹.280.24 lakhs made so far. Till 31st March 2020, the Company carried a total provision of ₹.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.

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 Subsidiary Company is pending.

2. In respect of Land and Building leased to the Parent Company by the Department of MSME, Government of Tamil Nadu, the lease period was renewed till 09.09.1994 & the renewal of lease is pending thereafter.

The Government issued GO.Ms.40 dated 15.10.2018, demanding arrears of rent of ₹.79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of ₹.75.33 lakhs paid by the Company for that period.

Aggrieved by the demand, disputing the adoption of area (without considering the acquisition by NHAI) and the guideline value not in accordance with GO 460, the Company has filed a Writ petition before the Hon'ble High Court of Madras challenging the above said GO.

However, the Parent Company paid the admitted rent of ₹.36.49 lakhs in accordance with GO 460 of 1998, out of rent of ₹.79.91 lakhs demanded in the said GO.Ms.40.

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

3. One of the Subsidiary Company had imported Plant and Machinery (Capital Goods) during the year 2012-13 using 2 licenses at a concessional rate of duty under the Export Promotion Capital Goods (EPCG) Scheme, resulting in savings of Basic Customs duty. As per the scheme, the export obligation of Rs 708.70 lakhs (representing eight times the duty saved) is to be met within eight years (extended from eight to ten years vide letter dated 7th October 2020) from the date of issue of authorisation by Director General of Foreign trade (DGFT). Accordingly the company has to meet incremental export obligation of ₹.271.65 lakhs by August 2020 and ₹.437.05 lakhs by September 2020 (extended during the year by two years), over and above average export of ₹.549.84 lakhs per annum with respect to the above. In terms of the clarification issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India (ICAI) and the provisions of Ind AS 20 'Government Grants and Disclosure of Government Assistance', the exemption of Customs Duty under EPCG Scheme as at April 1,2017 aggregating ₹.88.59 lakhs is treated as a Government Grant. Accordingly, the grant received to compensate the import cost of assets (subject to export obligations prescribed in the EPCG Scheme) is set up as Deferred Income to be recognised in the Statement of Profit and Loss upon fulfilment of the associated obligations.

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<b>54. Assets pledged as security – (Contd.)</b>		
The carrying amount of assets pledged as security for current and non-current borrowings are:		
Particulars	FYE 31-03-2022	AFYE 31-03-2021
<b>Current</b>		
<b>Financial assets</b>		
<b>First Charge</b>		
Inventories	25,593.51	21,614.21
Trade receivables	25,236.99	23,211.91
Other assets	1,536.28	3,712.29
<b>Floating charge</b>		
Inventories	-	-
Trade receivables	-	-
<b>Hypothecation</b>		
Loans provided	-	481.15
Inventories	18,420.49	19,409.93
Trade receivables	44,974.54	50,444.62
Other fixed asset	-	28.06
<b>Total current assets pledged as security</b>	<u>52,366.78</u>	<u>48,538.41</u>
<b>Total current assets hypothecated</b>	<u>63,395.03</u>	<u>70,363.76</u>
<b>Non-Current</b>		
<b>First Charge</b>		
Machinery	11,657.35	11,664.48
Land	351.97	8.19
Building	1,574.83	672.32
Others	1,111.02	507.62
Forging Dies	1,742.37	1,987.23
<b>Hypothecation</b>		
Loans provided	6,086.59	307.96
Vehicle	66.13	85.43
Plant and Machinery	11,366.77	10,560.13
<b>Total Non-current assets pledged as security</b>	<u>16,437.54</u>	<u>14,839.84</u>
<b>Total Non-current assets hypothecated</b>	<u>17,519.49</u>	<u>10,953.53</u>
<b>Total assets pledged as security</b>	<u>1,49,718.83</u>	<u>1,44,695.53</u>

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

**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*	Fellow Subsidiary**
Higginbothams Private Limited	Fellow Subsidiary**
IPL Shaw Solutions Private Limited*	Fellow Subsidiary**
L.M Van Moppes Diamond Tools India Private Limited*	Fellow Subsidiary**
Speed-A-Way Private Limited	Fellow Subsidiary**
The Madras Advertising Company Private Limited	Fellow Subsidiary**
Wallace Cartwright & Company Limited	Fellow Subsidiary**
W.J Groom & Company Limited	Fellow Subsidiary**
Amalgamations Valeo Clutch Private Limited	Associate
The United Niligiri Tea Estates Company Limited	Associate
BBL Daido Private Limited	Joint Venture
AGCO Corporation USA	Associate of Subsidiary
TAFE Foundation***	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
*These companies are also Associates of Simpson & Co Ltd	
**Fellow subsidiaries are Subsidiaries of Holding Company i.e., Amalgamations Private Limited.	
***Company incorporated under Section 8 of the Companies Act, 2013 and is a not-for-profit company.	
<b>Note 1:</b>	TAFE Advanced AG Solutions Limited, UK - Subsidiary of TAFE – The Company is an overseas company incorporated during the year 2021-22 and there were no business activities undertaken by the company. The subsidiary company has not been considered for preparing the consolidated financial statements for the year ended March 31, 2022.
<b>Note 2:</b>	Transactions with respect to contribution to the employee trusts is mentioned in notes relating to Employee benefits.

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts are in INR lakhs unless otherwise stated)

(₹ in Lakhs)

PARTICULARS	Years	Ultimate Holding Company	Fellow Subsidiaries	Associated	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties	Grand Total
<b>Transactions during the year</b>									
Sale of goods & fuel	2021-22 2020-21	17.67 10.65	4,314.17 4,014.30	153.70 164.95	8.49 -	- -	- -	30,082.41 17,528.90	34,576.45 21,718.81
Rendering of service	2021-22 2020-21	372.92 359.17	279.38 261.81	196.75 197.34	- -	- -	- -	- -	849.05 818.32
Dividend Received	2021-22 2020-21	- -	- -	621.04 505.55	- -	- -	- -	1,672.30 5,745.07	2,293.34 6,250.62
Interest Received/Receivable on Loans	2021-22 2020-21	- -	10.60 1.14	- -	- -	- -	- -	- -	10.60 1.14
Discount received	2021-22 2020-21	- -	- -	15.16 10.68	- -	- -	- -	- -	15.16 10.68
Purchase of Goods	2021-22 2020-21	- -	368.91 379.20	2,312.40 1,909.26	- -	- -	- -	- -	2,681.31 2,288.45
Receiving of Service	2021-22 2020-21	827.48 753.02	100.00 71.24	225.01 275.24	- -	- -	- -	263.54 120.30	1,416.03 1,219.81
Loan (Repaid)/disbursed in cash/Kind	2021-22 2020-21	- -	(92.00) 65.00	- -	- -	- -	- -	- -	(92.00) 65.00
Advance (Repaid)/disbursed in cash/Kind	2021-22 2020-21	- -	- -	(1.48) -	- -	- -	- -	- -	(1.48) 15.00
Loans Recovered	2021-22 2020-21	- -	10.03 40.00	- -	- -	- -	- -	- -	10.03 40.00
Refund of Security Deposit	2021-22 2020-21	- -	- 2.02	- 0.10	- -	- -	- -	- -	- 2.12
Dividend Paid	2021-22 2020-21	5,481.99 4,023.90	0.42 0.33	18.28 6.04	- -	19.31 14.11	34.63 9.29	1,672.30 1,480.34	7,226.93 5,534.01
Interest Paid on loans/bills discounted	2021-22 2020-21	182.64 199.65	35.35 35.00	- -	- -	48.29 55.17	- -	- -	266.28 289.82
Guarantees & Commitment Charges	2021-22 2020-21	153.52 161.31	- -	- -	- -	- -	- -	- -	153.52 161.31
Managerial Remuneration	2021-22 2020-21	- -	- -	- -	- -	1,924.35 1,986.27	- -	- -	1,924.35 1,986.27
Acquisition of Assets	2021-22 2020-21	- -	1.14 -	- -	- -	- -	- -	- -	1.14 -
Guarantee & Collaterals given	2021-22 2020-21	- -	- -	- -	- -	- -	- -	- -	- -
Guarantee & Collaterals Received	2021-22 2020-21	17,342.72 17,935.02	- -	- -	- -	- -	- -	- -	17,342.72 17,935.02

# SIMPSON & COMPANY LIMITED

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(All amounts are in INR lakhs unless otherwise stated)

(₹ in Lakhs)

PARTICULARS	Years	Ultimate Holding Company	Fellow Subsidiaries	Associated	Joint Venture (BBL Daido)	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties	Total
<b>Balance at Year end</b>									
Trade Receivables	2021-22 2020-21	1.64 36.96	684.08 537.41	119.47 57.52	1.07 1.88	- -	- -	7,987.52 5,305.54	8,793.78 5,939.31
Trade Payables	2021-22 2020-21	285.49 285.60	174.01 83.56	273.02 411.97	- -	- -	- -	113.43 192.60	845.95 973.73
Loans Receivable	2021-22 2020-21	- -	123.69 -	- -	- -	- -	- -	- -	123.69 -
Advances Receivable	2021-22 2020-21	- -	- -	- 1.48	- -	- -	- -	- -	- 1.48
Loans Payable	2021-22 2020-21	2,600.00 2,600.00	300.00 600.00	- -	- -	675.00 675.00	- -	- -	3,575.00 3,875.00
Dealer Deposit Given	2021-22 2020-21	- -	- -	137.81 -	- -	- -	- -	- -	137.81 -
Dealer Deposit Received	2021-22 2020-21	- -	165.00 145.00	- -	- -	- -	- -	- -	165.00 145.00
Rental Deposit payable	2021-22 2020-21	- -	- 2.85	- -	- -	- -	- -	- -	- 2.85
Other Current Liabilities / Other Financial Liabilities	2021-22 2020-21	1,259.80 1,091.92	- 2.78	- -	- -	- -	- -	- -	1,259.80 1,094.70
Other Receivables	2021-22 2020-21	- -	93.75 25.31	7.68 135.89	- -	- -	- -	23.37 -	124.80 161.20

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

<b>55. Related Party Disclosures</b>							
<b>C. Compensation of Key Managerial Personnel</b>							
<b>Category</b>		<b>FYE 31-3-2022</b>	<b>FYE 31-3-2021</b>				
(i)	Short-term benefits	1,915.00	1,928.00				
(ii)	Post employment benefits	-	-				
(iii)	Other long term benefits	-	-				
(iv)	Termination benefits	-	-				
(v)	Share-based benefits	-	-				
<b>Total</b>		<b>1,915.00</b>	<b>1,928.00</b>				
<b>56. Other Significant Disclosures</b>							
<b>(A) Going Concern</b>							
<p>(i) With respect to four subsidiaries (Subsidiary 1 having turnover ₹. 23 856.14 Lakhs, having Net loss of ₹.1,472.62 Lakhs, negative net worth Rs 5109.95 Lakhs. Subsidiary 2 having turnover of ₹. 19,060.10 Lakhs, Net Loss of ₹.536.83 Lakhs, negative Net worth of ₹.2,861.06 Lakhs. Subsidiary 3 having turnover of ₹.7,989.35, net loss ₹.2,206.17 Lakhs, negative Net worth of ₹.981.43 Lakhs. Subsidiary 4 having Net Loss of ₹.0.18 Lakhs, Net worth of Rs. 7.09 Lakhs) despite having continued losses and negative net worth thereare 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 &amp; 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 four subsidiary companies, the material uncertainties have been suitably addressed and accordingly the financial statements have been prepared on a going concern basis.</p>							
<b>(B) Merger</b>							
<p>The scheme of amalgamation of IP Pins &amp; Liners Limited and IPL Engine Components Private Limited ("Transferor Companies") with the company India Pistons Limited has been approved by Regional Director and the merger order was passed on December 30, 2021, with appointed date as 01 April 2020. This Common control business combination has been accounted as per the scheme and in accordance with Ind AS 103 "Business Combination" notified under the Companies Act, 2013.</p>							
<b>(C) Trade Receivables Ageing Schedule</b>							
<b>Ageing for trade receivables outstanding as at March 31, 2022 is as follows</b>							
<b>Particulars</b>	<b>Outstanding for following periods from due date of payments</b>						
	<b>Not Due</b>	<b>Less than 6 months</b>	<b>6 months - 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Undisputed Trade receivables – considered good	67,256.77	67,712.40	1,848.63	454.81	210.20	1,018.67	<b>138,501.48</b>
Undisputed Trade Receivables – which have significant increase in credit risk	-	1,725.07	438.47	352.14	719.66	984.26	<b>4,219.60</b>
Undisputed Trade receivables – Credit impaired	-	1,132.38	167.85	196.16	190.49	213.14	<b>1,900.03</b>
Disputed Trade receivables – Considered good	-	-	-	0.11	13.95	54.00	<b>68.06</b>
Disputed Trade Receivables – which have significant increase in credit risk	-	3.86	-	5.47	5.62	14.51	<b>29.46</b>
Disputed Trade receivables – Credit impaired	-	23.40	18.00	105.34	36.71	123.90	<b>307.35</b>
<b>Total</b>	<b>67,256.77</b>	<b>70,597.11</b>	<b>2,472.95</b>	<b>1,114.02</b>	<b>1,176.64</b>	<b>2,408.49</b>	<b>145,025.98</b>
Less : Credit impaired as on 31-03-22							3,174.33
<b>Net trade receivables as on 31-03-22</b>							<b>141,851.65</b>

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

<b>56. Other Significant Disclosures</b>							
<b>(C) Trade Receivables Ageing Schedule</b>							
Ageing for trade receivables outstanding as at March 31, 2021 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	55,376.74	49,286.11	1,810.91	334.97	324.00	1,080.57	108,213.31
Undisputed Trade Receivables – which have significant increase in credit risk	–	2,190.60	560.90	134.10	721.70	328.62	3,935.92
Undisputed Trade receivables – Credit impaired	–	395.09	30.59	50.80	36.37	183.52	696.37
Disputed Trade receivables – Considered good	–	–	0.19	22.55	19.19	126.57	168.50
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables – Credit impaired	–	471.51	237.05	1,059.62	273.30	157.56	2,199.03
<b>Total</b>	<b>55,376.74</b>	<b>52,343.31</b>	<b>2,639.65</b>	<b>1,602.04</b>	<b>1,374.55</b>	<b>1,876.84</b>	<b>115,213.13</b>
Less : Credit impaired as on 31-03-21							3,918.87
<b>Net trade receivables as on 31-03-21</b>							<b>111,294.27</b>
<b>(D) Trade Receivables Ageing Schedule</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	
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
MSME	6,262.13	1,010.64	281.61	56.33	3.91	7,614.62	
Others	100,946.52	54,537.78	1,698.51	562.22	1,503.66	159,248.69	
<b>Total</b>	<b>107,208.65</b>	<b>55,548.42</b>	<b>1,980.12</b>	<b>618.55</b>	<b>1,507.57</b>	<b>166,863.32</b>	
Ageing for trade payables outstanding as at March 31, 2021 is as follows:							
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	10,632.02	812.21	219.34	8.55	18.83	11,690.94	
Others	148,350.12	53,234.96	2,441.37	587.26	421.52	205,035.24	
<b>Total</b>	<b>158,982.14</b>	<b>54,047.17</b>	<b>2,660.71</b>	<b>595.81</b>	<b>440.35</b>	<b>216,726.18</b>	
<b>(E) Capital-Work-in Progress (CWIP) Ageing/ Intangible under development Ageing</b>							
<b>(i) Capital-Work-in Progress (CWIP) Ageing</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>	



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

<b>56. Other Significant Disclosures</b>						
<b>(E) Capital-Work-in Progress (CWIP) Ageing/ Intangible under development Ageing</b>						
<b>(i) Capital-Work-in Progress (CWIP) Ageing</b>						
Ageing for Capital-Work-in-progress as at March 31, 2021 is as follows:						
<b>CWIP</b>	<b>Amount in CWIP for the period of</b>					
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>	
Projects In Progress	5,557.79	4,466.64	1,933.41	1,225.12	13,182.96	
Add: CWIP less than 10% of the respective balance sheet item in CFS					80.08	
<b>Total</b>					<b>13,263.04</b>	
<b>(ii) Intangible Assets Under Development (Ageing)</b>						
Ageing for Intangible assets under development as at March 31, 2022 is as follows:						
<b>Intangible assets under development</b>	<b>Amount in CWIP for the period of</b>					
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>	
Projects in Progress	2,533.03	652.41	202.38	4,205.51	7,593.33	
<b>Total</b>	<b>2,533.03</b>	<b>652.41</b>	<b>202.38</b>	<b>4,205.51</b>	<b>7,593.33</b>	
Ageing for Intangible assets under development as at March 31, 2021 is as follows:						
<b>Intangible assets under development</b>	<b>Amount in CWIP for the period of</b>					
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>	
Projects in Progress	656.63	398.12	4,897.04	226.95	6,178.74	
<b>Total</b>	<b>656.63</b>	<b>398.12</b>	<b>4,897.04</b>	<b>226.95</b>	<b>6,178.74</b>	
<b>(F) SCHEDULE III – NOTES</b>						
(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:						
<b>Subsidiary 1</b>						
<b>Relevant line item in the Balance Sheet</b>	<b>Description of item of the property</b>	<b>Gross carrying value</b>	<b>Title deeds held in the name of</b>	<b>Whether the deed holder is a promoter, director or relative of a promoter/director or employee of promoter/director</b>	<b>Property held since which date</b>	<b>Reason for not being held in the name of the company**</b>
Property, Plant and Equipment	Building	14.00	Karnataka Industrial Areas Development Board (KIADB)	No	Dec 2005	KIADB has not yet transferred the title.
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
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
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
<b>Subsidiary 2</b>						
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.						
(ii) The Group 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, except in the case of one subsidiary:-						
Loans & Advances in the nature of loans granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:						

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

<b>56. Other Significant Disclosures</b>							
<b>(F) SCHEDULE III – NOTES</b>							
<b>Subsidiary 2</b>							
<b>Type of Borrower</b>		<b>Amount of loan or advance in the nature of loan outstanding</b>		<b>Percentage to the total Loans and Advances in the nature of loans</b>			
Promoters		–		–			
Directors		–		–			
KMPs		–		–			
Related Parties		123.69		2.18%			
<p>(iii) No proceedings have been initiated during the year or are pending against the group as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act (as amended in 2016) and the rules made thereunder.</p> <p>(iv) The Group has no borrowings/working capital facility availed from Banks or Financial Institution. However, the Group 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 group 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 group, except in the following subsidiary:-</p>							
<b>Quarter Ended</b>	<b>Aggregate Working Capital Sanctioned Limit</b>	<b>Amount Utilised During the Year</b>	<b>Quarter Ended</b>	<b>Category</b>	<b>Amount Disclosed as per Quarterly Return/Statement</b>	<b>Amount as per Books of Account</b>	<b>Difference</b>
Central Bank of India	1325	1	01-Jun-21	Stock	3,991.00	3,991.00	–
			01-Jun-21	Debtors	4,420.00	4,215.00	205.00
			01-Sep-21	Stock	4,411.00	4,379.00	32.00
			01-Sep-21	Debtors	3,966.00	3,966.00	–
Axis Bank	4940	1	01-Dec-21	Stock	4,538.00	4,535.00	3.00
			01-Dec-21	Debtors	5,192.00	5,137.00	55.00
			01-Mar-22	Stock	4,918.00	5,051.00	(133.00)
			01-Mar-22	Debtors	4,588.00	4,588.00	–
<p>(v) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.</p> <p>(vi) The group had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, except in the following:-</p>							
<b>Name of struck off Company</b>		<b>Nature of transactions with struck off Company</b>		<b>Balance outstanding</b>		<b>Relationship with the Struck off company, if any, to be disclosed</b>	
Exquisite Logistics Pvt. Ltd.		Payables		2.16		NA	
Chetan Motors Pvt. Ltd.		Receivables		0.01		NA	
<p>(vii) 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.</p> <p>(viii) 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).</p> <p>(ix) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.</p>							

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

<b>57(a) The following Subsidiary/Associate/Joint Venture companies are considered in the Consolidated Financial Statements</b>			
Name of the Subsidiary	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2022	% of holding either directly or through subsidiaries as on March 2021
Addison & Company Limited	India	100.00%	100.00%
Alpump Limited	India	79.29%	79.29%
Amalgamations Repco Limited	India	68.28%	68.13%
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 Pins and Liners Limited *	India	–	100.00%
IPL Engine Components Private Limited *	India	–	100.00%
IPL Green Power Limited **	India	–	75.81%
IP Rings Ltd	India	48.74%	48.74%
Shardlow India Limited	India	100.00%	100.00%
Simpson & General Finance Company Limited	India	100.00%	100.00%
Sri Rama Vilas Service Limited	India	100.00%	100.00%
T. Stanes & Company Limited	India	59.83%	59.63%
Stanes Amalgamated Estates Limited	India	32.54%	32.44%
Stanes Motors (South India) Limited	India	59.83%	59.63%
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%
Vidagara Tech Park Private Limited	India	79.29%	–
Wheel & Precision Forgings India Limited	India	100.00%	100.00%
* The company has been merged with India Pistons Limited vide order dated Decemeber 30, 2021.			
** The company has been liquidated vide order dated Novemeber 23, 2021.			
<b>Details of Associates consolidated:</b>			
<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%	25.72%
Amalgamations Valeo Clutch Private Limited	India	28.00%	28.00%
IPL Shaw Solutions Private Limited	India	49.00%	–
<b>Associates of Subsidiary</b>			
TAFE Foundation (Section 8 Company)	India	23.79%	–
AGCO Corporation	United States of America	12.94%	12.85%
<b>Details of Joint Venture consolidated:</b>			
<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%	–

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

57(b). Information relating to Subsidiaries :								
Name of the subsidiary	Principal Activity						Date of Acquisition	
Addison & Company Limited	Manufacture of Metal Cutting Tools						30-Apr-57	
Amalgamations Repco Limited	Manufacture of Auto ancillary parts						01-Aug-89	
AMCO Batteries Limited	Manufacturing and Trading of Industrial and Automobile Batteries						30-Apr-57	
George Oakes Limited	Trading of Automobile parts and spares						30-Apr-57	
India Pistons Limited & Subsidiaries	Manufacture of Auto ancillary parts						30-Apr-57	
Shardlow India Limited	Manufacture of Crank Shaft						19-Dec-61	
Simpson & General Finance Company Limited	Non Banking Finance Company						01-Feb-38	
Sri Rama Vilas Service Limited	Trading of Auto parts and Transportation services						30-Apr-57	
Tractors & Farm Equipment Limited & Subsidiaries	Manufacture of Tractor and related parts						27-Dec-61	
T. Stanes & Company Limited & Subsidiaries	Manufacturer of Agro products						01-Oct-64	
Wheel & Precision Forgings India Limited	Manufacture of Auto ancillary parts						30-Apr-57	
Stanes Amalgamated Estates Limited	Tea Estate						31-Mar-83	
IP Rings Limited	Manufacture of Auto ancillary parts						24-Feb-17	
57(c) Information relating to Associates and Joint Ventures :								
Name of the Associate	Associates					Associates of Subsidiary	Joint Venture	Joint Venture 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	BBL Daido Pvt. Ltd.	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	Manufacture of Bearings	Manufacture of metals & chemicals
Place of Incorporation	India	India	India	India	India	USA	India	India
% of holding	28.00%	25.75%	49.49%	49.00%	49.00%	12.94%	30.00%	24.37%
For each of the above:								
(a) Non-Current Asset	21,638.40	14,383.50	12,909.33	905.29	430.10	3,158,823.00	8,119.74	10.44
(b) Current Asset	22,082.60	4,302.69	11,192.89	1,713.16	325.27	3,800,061.04	6,647.04	127.98
(c) Non-Current Liability	2007.20	447.86	834.29	72.69	291.37	1,730,413.68	2,564.29	-
(d) Current Liability	24,996.50	711.80	3,935.97	447.83	107.63	2,618,500.44	7,409.41	41.16
(e) Revenue	63,952.50	7,565.76	19,692.85	2,202.32	21.88	8,233,967.56	11,496.09	6.06
(f) Profit for the year	2,478.70	1,028.91	370.51	326.80	(43.63)	666,432.20	366.58	(3.74)
(g) OCI for the year	(16.40)	77.80	683.62	(2.80)	-	29,200.30	0.86	-
(h) Dividend paid to Holding company	427.35	1.66	149.93	17.86	-	-	-	-

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

57(d). Particulars of Investment in Associate Companies as at 31st March, 2022 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	7,209.41	9,555.64			
2	The United Nilgiri Tea Estates Limited	267.61	25.87	4,227.16	4,520.63			
	<b>Total</b>	<b>1,009.11</b>	<b>1,630.60</b>	<b>11,436.57</b>	<b>14,076.28</b>			
<b>Unquoted</b>								
1	Amalgamation Valeo Clutch Private Limited	2,851.76	(1,881.24)	2,532.94	3,503.47			
2	LM Van Moppes Diamond Tools (India) Private Limited	14.62	5.23	1,003.98	1,023.82			
3	IPL Shaw Solutions Private Limited	196.00	–	(21.38)	174.62			
	<b>Total</b>	<b>3,062.38</b>	<b>(1,876.01)</b>	<b>3,515.54</b>	<b>4,701.91</b>			
58. Additional Information as per Companies Act 2013 :								
Name of the Entity	2021 – 22				2020 – 21			
	Net Assets		Share in Profit or Loss		Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
<b>Parent Company</b>								
Simpson & Co. Ltd	14.15%	201,434.02	11.00%	18,605.77	15.02%	189,664.05	10.79%	19,233.97
<b>Total of Parent Company (A)</b>	<b>14.15%</b>	<b>201,434.02</b>	<b>11.00%</b>	<b>18,605.77</b>	<b>15.02%</b>	<b>189,664.05</b>	<b>10.79%</b>	<b>19,233.97</b>
<b>Indian Subsidiaries:</b>								
Addison & Company Limited	1.12%	15,978.29	1.27%	2,148.70	1.13%	14,218.40	0.59%	1,053.22
Alpump Limited	0.12%	1,687.49	0.03%	51.74	0.13%	1,635.71	0.03%	50.18
Amalgamations Repco Limited	0.02%	349.90	0.28%	468.62	0.14%	1,813.84	0.17%	298.09
Amco Batteries Limited	(0.19)%	(2,772.08)	(0.31)%	(531.34)	(0.18)%	(2,252.02)	(0.08)%	(139.59)
George Oakes Limited	0.36%	5,124.57	0.26%	438.15	0.37%	4,687.41	0.20%	357.74
India Pistons Limited	0.36%	5,109.95	(1.20)%	(2,027.68)	0.52%	6,541.51	(0.53)%	(950.16)
IP Pins and Liners Limited	–	–	–	–	(0.10)%	(1,232.16)	(0.01)%	(21.52)
IPL Engine Components Private Limited	–	–	–	–	(0.14)%	(1,800.33)	(0.07)%	(118.98)
IPL Green Power Limited	–	–	–	–	–	26.84	–	(0.88)
IP Rings Ltd	0.38%	5,427.15	0.24%	400.39	0.41%	5,137.33	0.14%	242.17
Shardlow India Limited	(0.07)%	(981.43)	(1.31)%	(2,207.93)	0.10%	1,224.74	(1.23)%	(2,195.44)
Simpson & General Finance Company Ltd.	0.26%	3,690.22	0.20%	331.88	0.28%	3,490.17	0.13%	223.51
Southern Tree Farms Limited	0.06%	920.26	0.06%	108.37	0.07%	838.24	0.07%	128.47
Sri Rama Vilas Service Limited	0.31%	4,394.69	0.07%	123.98	0.34%	4,262.89	0.04%	79.62
Stanes Amalgamated Estates Limited	0.01%	207.46	(0.04)%	(73.07)	0.02%	279.71	0.02%	41.76
Stanes Motors (South India) Limited	0.02%	309.52	0.02%	33.07	0.02%	273.99	0.01%	13.00
T. Stanes and Company Limited	0.68%	9,688.83	0.92%	1,556.55	0.64%	8,102.82	0.61%	1,090.90
TAFE Access Limited	0.67%	9,539.81	0.71%	1,205.90	0.67%	8,420.89	0.59%	1,050.13
TAFE Motors and Tractors Limited	19.72%	280,853.77	19.52%	33,015.66	19.92%	251,471.97	22.88%	40,787.68
TAFE Reach Limited	–	5.62	0.00%	0.14	–	5.49	–	0.17
Tractors and Farm Equipments Limited	42.97%	611,840.83	31.76%	53,718.27	43.92%	554,449.84	32.30%	57,581.91
TAFE Properties Limited	0.01%	126.76	0.01%	13.00	0.01%	113.76	0.01%	18.16
Vidagara Tech Park Private Limited	1.12%	15,893.40	(0.06)%	(93.35)	–	–	–	–
Wheel & Precision Forgings India Limited	0.07%	1,022.10	0.05%	88.69	0.07%	935.05	0.07%	116.03
<b>Total Of Indian Subsidiaries (B)</b>	<b>68.01%</b>	<b>968,417.09</b>	<b>52.48%</b>	<b>88,769.72</b>	<b>68.33%</b>	<b>862,646.06</b>	<b>55.92%</b>	<b>99,706.18</b>

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

58. Additional Information as per Companies Act 2013 –(Contd.)								
Name of the Entity	2021 – 22				2020 – 21			
	Net Assets		Share in Profit or Loss		Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
<b>Foreign Subsidiaries of Subsidiary</b>								
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	0.37%	5,316.99	(0.38)%	(649.73)	0.68%	8,617.34	1.15%	2,043.49
TAFE Tractors Changshu Company Limited, China	0.19%	2,746.59	(0.10)%	(177.11)	0.22%	2,732.33	(0.09)%	(160.21)
TAFE USA Inc (Upto November 27, 2019)	–	–	–	–	–	–	–	–
<b>Total of Foreign Subsidiaries (C)</b>	<b>0.57%</b>	<b>8,063.58</b>	<b>(0.49)%</b>	<b>(826.84)</b>	<b>0.90%</b>	<b>11,349.67</b>	<b>1.06%</b>	<b>1,883.28</b>
<b>Minority Interest in all Subsidiaries (D)</b>	<b>18.74%</b>	<b>266,848.09</b>	<b>19.81%</b>	<b>33,516.88</b>	<b>18.59%</b>	<b>234,733.04</b>	<b>19.45%</b>	<b>34,672.96</b>
<b>Associates:</b>								
Bimetal Bearings Limited	0.67%	9,567.39	0.11%	183.37	0.73%	9,196.62	0.11%	195.22
L.M.Van Moppes Diamond Tools India Private Limited	0.07%	1,027.99	0.09%	160.13	0.07%	887.09	0.05%	81.14
The United Nilgiri Tea estates Company Ltd.	0.34%	4,863.61	0.17%	285.52	0.33%	4,169.97	0.17%	308.47
Amalgamations Valeo Clutch Pvt. Limited	0.33%	4,680.84	0.41%	694.04	0.35%	4,425.42	0.02%	40.35
IPL Shaw Solutions Private Limited	0.01%	174.62	(0.01)%	(21.38)	–	–	–	–
<b>Associates of Subsidiary:</b>								
ACGO Corporation (Foreign Associate)	4.09%	58,225.47	3.91%	6,605.95	4.00%	50,506.76	2.73%	4,870.18
<b>Total of Associates (E)</b>	<b>0.06</b>	<b>78,539.92</b>	<b>4.44%</b>	<b>7,907.63</b>	<b>0.05</b>	<b>69,185.86</b>	<b>3.08%</b>	<b>5,495.35</b>
<b>Joint Venture:</b>								
BBL Daido Private Limited (Share of 30%)	0.10%	1,437.92	–	109.97	0.11%	1,327.69	(0.01)%	(11.98)
<b>Joint Venture of Subsidiary:</b>								
IPR Eminox Technologies Private Limited	–	11.85	–	(0.46)	–	–	–	–
<b>Total of Joint Venture (F)</b>	<b>0.11%</b>	<b>1,449.78</b>	<b>–</b>	<b>109.52</b>	<b>0.11%</b>	<b>1,327.69</b>	<b>(0.01)%</b>	<b>(11.98)</b>
<b>Total (G= A+B+C+D+E+F)</b>	<b>107.08%</b>	<b>1,524,752.47</b>	<b>87.54%</b>	<b>148,082.67</b>	<b>108.43%</b>	<b>1,368,906.37</b>	<b>90.29%</b>	<b>160,979.76</b>
<b>Consolidation Adjustment (H)</b>	<b>7.08%</b>	<b>100,845.76</b>	<b>(11.82)%</b>	<b>(21,068.85)</b>	<b>8.43%</b>	<b>106,485.05</b>	<b>(9.71)%</b>	<b>(17,316.48)</b>
<b>Total (I)= (G)-(H)</b>	<b>100.00%</b>	<b>1,423,906.70</b>	<b>100.00%</b>	<b>169,151.51</b>	<b>100.00%</b>	<b>1,262,421.32</b>	<b>100.00%</b>	<b>178,296.24</b>

**SIMPSON & COMPANY LIMITED**  
**EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**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*

Dr. R. MAHADEVAN (DIN: 00001690)  
R. VIJAYARAGHAVAN (DIN: 00026763)  
*Directors*

For R.G.N. PRICE & CO.,  
Chartered Accountants,  
FR No. 002785S  
MAHESH KRISHNAN  
*Partner*  
Membership No. 206520  
Chennai, 06th September, 2022

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

S. SRINIVASARAGHAVAN  
*Chief Financial Officer & Company Secretary*



# 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**

(₹ in Lakhs)

S. No.	Name of the Subsidiary	Date since when the subsidiary was acquired	Reporting period	Reporting Currency and Exchange rate	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Investments	Turnover	Profit/Loss before Taxation	Tax Expenses / (Credit)	Profit / (Loss) after Taxation	Proposed Dividend	Effective Percentage of Shareholding
1	Addison & Company Limited	30.04.1957	31-Mar-22	INR	540.00	15,438.29	7,577.92	23,556.11	198.18	29,627.63	2,201.42	52.73	2,148.69	270.00	100.00%
2	AMCO Batteries Limited	30.04.1957	31-Mar-22	INR	330.00	(3,191.06)	8,824.16	5,963.10	2,661.41	19,060.10	(139.36)	409.04	(548.40)	-	96.89%
3	Amalgamations Repco Limited	01.08.1989	31-Mar-22	INR	94.70	3,033.89	5,567.67	8,696.26	98.79	19,177.46	686.32	173.87	512.45	94.70	66.28%
4	George Oakes Limited	30.04.1957	31-Mar-22	INR	250.00	4,874.57	7,624.82	12,749.39	-	27,636.29	648.09	209.94	438.15	-	100.00%
5	India Pistons Limited	30.04.1957	31-Mar-22	INR	7,500.00	(2,390.04)	29,237.25	34,347.21	2,002.66	23,856.14	(2,258.85)	(231.17)	(2,027.68)	-	100.00%
6	Shardlow India Limited	19.12.1961	31-Mar-22	INR	4,500.00	(5,481.43)	11,907.47	10,926.04	-	7,989.35	(2,156.13)	51.80	(2,207.93)	-	100.00%
7	Simpson & General Finance Company Limited	01.02.1938	31-Mar-22	INR	200.00	3,490.22	397.94	4,088.16	2,007.75	511.31	441.15	109.28	331.87	40.00	100.00%
8	Sri Rama Vijas Service Limited	30.04.1957	31-Mar-22	INR	125.00	4,269.69	2,384.49	6,779.18	1,403.75	3,660.09	229.25	105.26	123.99	12.50	100.00%
9	Tractors & Farm Equipment Limited	27.12.1961	31-Mar-22	INR	1,153.90	770,495.59	143,234.43	914,883.92	654,661.73	724,026.54	104,288.26	24,646.38	79,641.88	6,634.93	79.29%
10	TAFE Motors & Tractors Limited	24.02.2005	31-Mar-22	INR	1,000.00	353,210.80	78,434.30	432,645.10	333,295.78	356,450.17	52,279.57	10,640.46	41,639.11	2,400.00	79.29%
11	TAFE Access Limited	28.09.1992	31-Mar-22	INR	411.60	12,143.10	3,537.78	16,092.48	4,105.01	52,396.00	2,196.66	609.67	1,586.99	102.90	77.62%
12	Southern Tree Farms Limited	01.04.1994	31-Mar-22	INR	189.99	970.62	327.10	1,487.72	67.36	1,355.15	180.46	43.79	136.67	-	79.29%
13	TAFE Reach Limited	07.11.2003	31-Mar-22	INR	450.00	(442.91)	0.97	8.06	-	-	0.23	0.06	0.17	-	79.29%
14	TAFE International Traktor Ve Tairm Ekipmanlari Sarayl Ve Ticaret, Sirketi	27.08.2008	31-Mar-22	TRY Millions TRY Ex Rate 5.16	3,105.56	3,600.19	11,265.88	17,971.63	-	9,162.47	386.85	50.08	336.77	-	79.29%
15	Alpump Limited	11.06.2005	31-Mar-22	INR	450.00	1,678.24	13.05	2,141.29	1,199.81	74.65	87.56	22.31	65.25	-	79.29%
16	TAFE Tractors Changshu Company Limited, China	31.03.2012	31-Mar-22	RMB Millions RMB Ex Rate 11.9575	4,888.57	(1,424.59)	27.15	3,491.13	-	95.78	(231.96)	0.96	(232.92)	-	79.29%
17	TAFE Properties Ltd	27.11.2017	31-Mar-22	INR	100.00	59.87	4,209.24	4,369.11	-	246.00	24.48	8.09	16.39	-	79.29%
18	Vidagara Tech Park Private Ltd		31-Mar-22	INR	99.98	15,793.42	2.88	15,896.08	-	-	(9.33)	-	(9.33)	-	79.29%
19	T. Stanes & Company Limited	31.03.1961	31-Mar-22	INR	236.62	15,281.04	7,610.19	23,127.85	3,260.33	44,702.29	2,581.76	656.42	1,925.34	118.31	59.83%
20	Stanes Motors (South India) Limited	31.03.1961	31-Mar-22	INR	150.00	367.33	363.41	822.93	65.39	1,943.37	75.73	20.46	55.27	-	59.83%
21	Stanes Amalgamated Estates Limited	31.03.1983	31-Mar-22	INR	110.75	526.82	228.32	1,090.63	155.95	1,378.30	(209.86)	14.70	(224.56)	-	32.54%
22	Wheel & Precision Forgings India Limited	30.04.1957	31-Mar-22	INR	15.00	1,007.10	85.32	1,107.42	558.76	124.98	99.04	10.35	88.69	4.50	100.00%
23	IP Rings Limited	24.02.2017	31-Mar-22	INR	1,267.59	9,917.80	18,885.41	30,070.80	51.76	27,271.49	1,105.03	283.55	821.48	253.51	48.74%

Note: Reporting Period for all our Subsidiaries are: April 2021 to March 2022



# SIMPSON & COMPANY LIMITED

Form AOC-1 Part "B"

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

S. No.	Name of Associates / Joint Ventures	Associate Companies					Joint Venture
		Amalgamations Valeo Clutch Private Limited	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Limited	IPL Shaw Solutions Private Ltd	L.M.Van Moppes Diamond Tools India Private Limited	
1	Latest audited Balance Sheet Date	31st March 2022	31st March 2022	31st March 2022	31st March 2022	31st March 2022	31st March 2022
2	Shares of Associate/Joint Ventures held by the company on the year end						
	(i) No.of Shares	9,705,252	61,506	1,874,136	960,000	198,450	4,800,000
	(ii) Amount of Investment in Associates/Joint Venture	2,851.76	9.23	731.38	96.00	14.62	1,200.00
	Extent of effective holding including subsidiaries %	28.00%	25.75%	49.49%	49.00%	49.00%	30.00%
3	Description of how there is significant influence	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries
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	4,680.66	4,513.08	9,566.85	174.62	1,027.99	1,437.92
6	Profit / Loss for the year	2,462.30	1,106.70	1,054.13	(43.63)	324.00	367.44
	(i) Considered in Consolidation	688.50	284.99	517.40	(21.38)	156.72	110.23
	(ii) Not Considered in Consolidation	1,773.80	821.71	536.72	(22.25)	167.28	257.21