

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

DIRECTORS

Mr. A. KRISHNAMOORTHY
Chairman & Managing Director

Mr. P.S. RAJAMANI
Whole-time Director

Dr. R. MAHADEVAN
Director

Mr. R. VIJAYARAGHAVAN
Independent Director

Mrs. RASHMI URDHWARESHE
Independent Director (From 4th September, 2024)

AUDITORS

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

BANKERS

CENTRAL BANK OF INDIA
HDFC BANK LTD.

REGISTRAR & TRANSFER AGENTS

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

REGISTERED OFFICE

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

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

NOTICE TO THE SHAREHOLDERS FOR THE HUNDREDTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Hundredth Annual General Meeting of the Company will be held on Friday, the September 26, 2025 at 4.00 P.M through video conferencing ("VC")/ other audio visual means ("OAVM), to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Financial Statements (including Consolidated Financial Statements) for the year ended 31st March, 2025 and the Reports of the Directors and the Auditors thereon and if thought fit, to pass the following resolution as Ordinary resolution.

"RESOLVED THAT the Audited Financial Statements of the Company (including Consolidated Financial Statements) for the year ended 31st March, 2025 and the Reports of the Directors and the Auditors thereon be and are hereby received and adopted."

2. To declare dividend for the financial year ended 31st March, 2025 and if thought fit, to pass the following resolution as Ordinary resolution.

"RESOLVED THAT the total dividend of Rs. 25,000/-per equity share (1000%) (including interim dividend of Rs. 18,750/- per equity share (750%) already declared and paid) on the paid up Equity Shares be declared for the financial year ended 31st March, 2025."

3. To appoint a Director in place of Mr. P S Rajamani (DIN:01560303), who retires by rotation and eligible for re-appointment pursuant to Section 152 of the Companies Act, 2013 and if thought fit, to pass the following resolution as Ordinary resolution.

"RESOLVED THAT Mr. P S Rajamani (DIN:01560303) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director."

Special Business:

4. To ratify the remuneration of the Cost auditors for the financial year 2025-26 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 2025-26 as recommended by the Audit Committee be and is hereby ratified and the Board be hereby given powers to modify the remuneration if required."

Place : CHENNAI - 600 002

Date : 3rd September, 2025

By Order of the Board

S. SRINIVASARAGHAVAN

Chief Financial Officer &

Company Secretary

NOTES:-

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated 8 April, 2020 issued by the Ministry of Corporate Affairs ("MCA") followed by Circular No.17/2020 dated 13th April, 2020, Circular No.20/2020 dated 5th May, 2020, Circular No.02/2021 dated 13th January, 2021, Circular No. 02/2022 dated 5th May, 2022, Circular No. 10/2022 dated 28th December, 2022, Circular No. 09/2023 dated 25th September, 2023 and Circular No. 09/2024 dated 19th September, 2024 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical attendance of the Members at a common venue till 30th September, 2025. In compliance with the provisions of the Companies Act, 2013 (the "Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. **Notice of the AGM is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Registrars/Depositories. Members may note that the Notice and Annual Report 2024-25 will be available on the Company's website www.simpsons.in.**

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

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to participate in the Annual General Meeting through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to kannan.lalitha@gmail.com and sta@gnsaindia.com with copy marked to the Company at secretarial@simpson.co.in not later than seven days before the date of the meeting, i.e., on or before 4.00 p.m. on 19th September, 2025.

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 number 4 is annexed hereto.
5. The Register of Members and the Share Transfer Book of the Company will remain closed between Friday, the 19th September, 2025 to Friday, the 26th September, 2025 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 26th September, 2025. 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 19th September, 2025. 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 19th September, 2025.
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. 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 19th September, 2025.

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 with copy to 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. 19th September, 2025 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 100th Annual General Meeting of the company dated 26th September, 2025. The Company has appointed 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 250828038

The voting period begins on 23rd September, 2025 at 10.00 A.M and ends on 25th September, 2025 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 -19th September, 2025. may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09 911

- **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.
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 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:

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

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 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.
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 and to the Company at the email address viz; secretarial@simpson.co.in and sta@gnsaindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 and secretarial@simpson.co.in. on or before 5.00 p.m. on Friday, the 19th September, 2025. 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.
2. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
14. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09 911.
15. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09 911.
16. M/s. L K & Associates has been appointed by the Board of Directors as the Scrutinizer for voting at 100th Annual General Meeting to scrutinize both e-voting during AGM and remote e-voting process pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 for conducting the remote e-voting process and e-voting on the day of the AGM, in accordance with the law and in a fair and transparent manner.
17. The Scrutinizers shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any. The consolidated report will be submitted to the Chairman/Company Secretary not later than three days of the conclusion of the meeting.
18. The Chairman/Company Secretary will declare the results of voting forthwith upon receipt of report from Scrutinizer and the same shall be immediately placed on the Company's website www.simpsons.in.
19. Any documents referred to in this Notice of Annual General Meeting and the Statement of Material Facts shall be open for inspection by electronic mode only upto the date of the 100th Annual General Meeting of the Company.

By Order of the Board

S. SRINIVASARAGHAVAN
Chief Financial Officer &
Company Secretary

Place : CHENNAI

Date : 3rd September, 2025

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

ITEM NO. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the Financial year 2025-26.

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

Accordingly, the consent of the members as set out at Item No. 4 of the Notice is required for the remuneration payable to the Cost Auditors for the Financial year 2025-26.

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

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

**DISCLOSURES PURSUANT TO SECRETARIAL STANDARDS – 2 ISSUED BY THE INSTITUTE OF
COMPANY SECRETARIES OF INDIA:**

Name of the Director	Sri. P S Rajamani
Director Identification Number	01560303
Age	75
Qualification / Occupation	B.Tech. Degree from IIT, Chennai, Masters Degree in Business Administration from Madras University. Diploma in Statistical Quality Control & Operations Research from Indian Statistical Institute.
Experience	Has a working experience for more than 3 decades in the fields of Quality, Materials, Manufacturing, General Management etc. Has been a member of CII's Southern Regional Council and Tamil Nadu State Council for more than five terms and held various executive positions therein. He is also a member of the Executive Committee of Society of Indian Automobiles Manufacturers (SIAM), New Delhi. Was the president of Madras Metallurgical Society and served as a Treasurer in the National Institute for Quality & Reliability (NIQR).
Terms and conditions of appointment	He was re-appointed as a Whole-Time Director for a period of three years from 29 th January, 2024 to 28 th January, 2027.
Remuneration sought to be paid	As approved by the Shareholders at their Extra-ordinary General meeting held on 27 th September, 2024.
Remuneration last drawn in Rupees	3,25,00,000/-
Date of first appointment on the Board	29/01/2011
Shareholding in the Company	Nil
Relationship with other Directors / Manager / Key Managerial Personnel	Nil
Number of Meetings of the Board during the FY 24-25	6
Other Directorships	<ul style="list-style-type: none"> - Amco Batteries Limited - Addison & Co Limited - Bimetal Bearings Limited - IPL Shaw Solutions Private Limited - Amalgamations Valeo Clutch Private Limited - BBL Daido Private Limited - India Pistons Limited
Membership / Chairmanship of Committees of other Boards	<ul style="list-style-type: none"> - Audit Committee and Nomination & Remuneration Committee of Bimetal Bearings Limited - Audit Committee of India Pistons Limited - Audit Committee and Nomination & Remuneration Committee of Addison & Co Limited

By Order of the Board

Place : CHENNAI
Date : 3rd September, 2025

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

REPORT OF THE DIRECTORS

to be presented to the Shareholders at the Hundredth Annual General Meeting (“AGM”)

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 March 31, 2025

FINANCIAL HIGHLIGHTS (STANDALONE)

	31.03.2025 (Rs.Crores)	31.03.2024 (Rs. Crores)
Profit before Finance charges, Depreciation and Tax	333.72	305.03
Less: Finance Charges	3.23	3.90
Less: Depreciation	44.33	41.59
Profit Before Tax	286.16	259.54
Less: Tax (including deferred tax & net of adjustments)	54.60	23.64
Profit After Tax	231.56	235.90
Other Comprehensive Income / (Loss)	0.21	1.00
Total Comprehensive Income	231.77	236.90

DIVIDEND & TRANSFER TO RESERVES

The Board had declared and paid an interim dividend of 750% (Rs. 18,750/-per share) during the year 2024-25. Subject to approval by shareholders, the Board recommends a Final Dividend of 250% (Rs. 6,250/-per share) making the total dividend at 1000% (Rs. 25,000/- per share) for the year ended March 31, 2025.

The Board has decided to transfer a sum of Rs. 125 Crores to the General Reserve for the year ended March 31, 2025. Both proposed final dividend and transfer to General Reserve will be accounted in the financial year 2025-26 in accordance with Ind-AS-10 – “Events after the reporting period”.

OPERATIONS:

The Company recorded a production of 1,73,706 engines during the year with an operational revenue of Rs. 1960.89 crores compared to 1,66,936 engines with revenue of Rs. 1780.45 crores in 2023-24. The Company made 9279 CPCB 4+ compliant engines with cool pack for power generation segment and also commenced commercial production of BS CEV V compliant engines for Industrial Segment.

OUTLOOK:

The demand for the Company's products from various key segments it serves is robust. On the back of beneficial monsoon and Government's focus on agriculture and infrastructure development the Company foresees sustained demand for CPCB 4 + compliant engines with cool pack for generator sets.

The development of new products to meet market requirements are continuing in respect of Engines, Small Agricultural Machines, E-drives and Paints.

The Company will introduce 82, 5 KVA, CPCB IV+ compliant 3.7L engine with cool pack for power generation and compact 2.1 L, four cylinder engine meeting EU stage V for agricultural and industrial segment.

The Small Agricultural Machines Division will introduce low cost weeder and complete development of E tiller. The E-drive division will complete development of drives up to 25KW and commence supply for 3 wheeler and tractor segment.

The Paints division will complete development of products for Auto refinish segment and commercialize them.

HOLDING AGM THROUGH VIDEO CONFERENCING:

Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA) and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, companies are allowed to hold AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM), without the physical presence of members at a common venue. In compliance with the said Circulars, the company's Annual General Meeting is being conducted through VC/OAVM without the physical presence of Members.

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:

During the financial year 2024-25, Dr. Sandhya Shekhar (DIN: 06986369) ceased to be an Independent Director of the Company due to conclusion of her second and final term of office of Independent Director on 22nd July 2024 pursuant to Section 149(11) of The Companies Act, 2013. The Board wishes to acknowledge and thank Dr. Sandhya Shekhar for her contribution to the growth of the Company and catering to the interests of the Stakeholders.

During the financial year 2024-25, Mrs. Rashmi Urdhwarshie (DIN: 08668140) was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 4th September 2024 and subsequently been appointed as an Independent Director by the Shareholders of the Company at their Meeting held on 27th September 2024 for a period of 2 consecutive years effective from 4th September 2024. In the opinion of the Board, she has the requisite Independence, Integrity, Expertise and Experience for the position of Independent Director.

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

DECLARATION BY THE INDEPENDENT DIRECTORS:

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

DISCLOSURE UNDER SECTION 197 (14) OF THE COMPANIES ACT, 2013:

The subsidiary companies, M/s. Addison & Co. Ltd, M/s. T. Stanes & Co. Ltd and M/s. Amalgamations Repco Ltd have provided for payment of commission of Rs.24.5 Lakhs, Rs.20 lakhs and Rs.10 lakhs respectively for the year ended March 31, 2025 to our Chairman & Managing Director, Mr. A Krishnamoorthy (DIN: 00001778) who is on their Board as a non-executive director. M/s. Addison & Co Ltd have provided for payment of commission of Rs. 6 Lakhs for the year ended March 31, 2025 to Whole-time Director, Mr. P S Rajamani (DIN: 01560303) 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 March 31, 2025 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 March 31, 2025 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 2024-25, Six Board meetings were held on the following days, Viz. 17th May 2024, 12th July 2024, 4th September 2024, 18th November 2024, 23rd January 2025 and 26th March 2025 respectively.

The attendance by the Directors at Board meetings:

Name of the Director	No of Meetings
Mr. A. Krishnamoorthy, Chairman & Managing Director (DIN: 00001778)	6
Mr. P.S. Rajamani, Whole-time Director (DIN: 01560303)	6
Dr. R. Mahadevan, Director (DIN: 00001690)	6
Mr. R.Vijayaraghavan, Independent Director(DIN: 00026763)	6
Mrs. Rashmi Urdhwareshe, Independent Director (from 4 th September 2024) (DIN: 08668140)	4
Dr. Sandhya Shekhar, Independent Director (upto 22 nd July 2024) (DIN: 06986369)	2

Two Audit Committee Meetings were held during the year 2024-25, on 12th July 2024 and 18th November 2024 respectively. 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
Mrs. Rashmi Urdhwareshe, Member (from 4 th September 2024)	1
Dr. Sandhya Shekhar, Member (upto 22 nd July 2024)	1

Two Nomination & Remuneration Committee Meetings were held during the year 2024-25, on 12th July 2024 and 4th September 2024 respectively. The attendance of the same is given below:

Name of the Director	No of Meetings
Dr. R. Mahadevan, Chairperson of the Committee	2
Mr. R.Vijayaraghavan, Member	2
Mrs. Rashmi Urdhwareshe, Member (from 4 th September 2024)	1
Dr. Sandhya Shekhar, Member (upto 22 nd July 2024)	1

One Corporate Social Responsibility Committee Meeting was held on 26th March 2025 and all the members of the Committee Viz. Mr. A. Krishnamoorthy (Chairperson of the Committee), Mr. R. Vijayaraghavan (Member) and Mrs. Rashmi Urdhwareshe (Member from 4th September 2024) attended the meeting.

CORPORATE SOCIAL RESPONSIBILITY

Annual report on CSR Activities undertaken by the Company for the Financial Year 2024-25 is annexed with this Report as Annexure III.

ANNUAL RETURN

As required under Section 92(3) read with Section 134(3) of the Companies Act, 2013 and Rule 12 of the companies (Management and Administration) Rules, 2014, Annual Return in Form No. MGT-7 is available in the website of the Company www.simpsons.in.

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.

STATUTORY AUDITORS

The members of the Company in their Ninety Seventh Annual General Meeting have appointed M/s. R G N Price & Co. (Firm Registration Number: 002785S), Chartered Accountants, as Statutory Auditors of the Company, to hold office for a term of 5 consecutive financial years from the conclusion of 97th Annual General Meeting until the conclusion of the 102nd Annual General Meeting of the Company.

STATUTORY AUDITOR'S REPORT:

The Statutory Audit Report issued by the Statutory Auditors on the standalone financial statements and consolidated financial statements for the financial year ended 31st March 2025 does not contain any qualifications, reservations or adverse remarks.

COST AUDIT & COST RECORDS:

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 (Firm Registration Number: 102111), practicing Cost Accountants as Cost Auditors of the Company for the year 2025-26. The remuneration payable to them is subject to ratification by the members in the Annual General Meeting as set out in the agenda. The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

SECRETARIAL AUDIT:

Pursuant to provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s. B. Ravi & Associates (Firm Registration Number: P2016TN052400), Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year ended 31st March 2025. The Secretarial Audit Report dated 6th May 2025 is annexed with this Report as Annexure IV and it does not contain any qualifications, reservations or adverse remarks.

CONSOLIDATED FINANCIAL STATEMENTS:

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

DISCLOSURE ON PUBLIC DEPOSITS AS PER CHAPTER V OF THE COMPANIES ACT, 2013:

Public Deposits accepted during the financial year 24-25 –NIL

Remained unpaid or unclaimed as at the end of the financial year 24-25 – NIL

Whether there has been any default in repayment of deposits or payment of interest thereon during the financial year 24-25 – NO

The details of deposits which are not in compliance with the requirements of Chapter V of the Act – Not Applicable

CHANGE IN THE NATURE OF BUSINESS:

During the financial year under review, there was no change in the nature of business activity of the Company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED SINCE 31.03.2025 TILL THE DATE OF THIS REPORT:

There have been no material changes and commitments which affect the financial position of the company which have occurred between the end of the financial year i.e., from 31.03.2025 to which the financial statements relate until the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year, there are no significant and/or material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

DISCLOSURE UNDER SECTION 134(3)(e) OF THE COMPANIES ACT, 2013:

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 is available on the website of the Company, www.simpsons.in.

DISCLOSURE UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8 (3) (xi) & (xii) OF THE COMPANIES (ACCOUNTS) RULES, 2014 RELATING TO INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

- (a) **Details of application made / proceedings pending under IBC Code, 2016 during the year and their status as at the end of financial year 2024-2025:**

Not Applicable

- (b) **Details of difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:**

Not Applicable

- (c) **Details of one time settlement, if any:**

Not Applicable

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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.

Number of complaints of sexual harassment received in the year 24-25:**NIL**

Number of complaints disposed off during the year 24-25:**NIL**

Number of cases pending for more than ninety days:**NIL**

DISCLOSURE UNDER THE MATERNITY BENEFIT ACT, 1961:

The Company has duly complied with the provisions under The Maternity Benefit Act, 1961 with respect to Women employees in the Company.

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Chennai
03rd September, 2025

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

ANNEXURE – I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2025

1. CONSERVATION OF ENERGY:

- (a) Energy conservation measures undertaken:
- Power Factor Management.
 - Implemented Roof top Solar system (1.1 MW) at a plant with more than 65% Green power
 - Monitoring and analyzing consumption of electricity
 - Upgrade of high energyconsuming machines& utilities
 - Implementation of energy audit recommendations
- (b) Additional Investment and proposals, if any, being implemented for the reduction of consumption of energy:
- Engine testing cycle time reduction
 - Upgrade of RMV unit
 - Upgrade of compressors and chillers
- (c) Impact of measures taken for conservation of energy has resulted in exercising control over total energy consumption.

2. TECHNOLOGY ABSORPTION :

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D is carried out by the Company

Development of engines for tractor, power generation and industrial applications (Compact series, 3.7 Ltr platform, CNG, ED5)meeting future emission norms for both domestic and export markets.

Development of new products relating to Small Agricultural Machines, E-Drives and Paints businesses.

2. Benefits derived because of the above

Availability of products to customers meeting the market requirement, giving the following advantages:

- (i) New emission compliant engines, including Tier 4 Final certified to EPA & CARB norms, CPCB4+, Stage V & TREM IV & V
- (ii) New Market opportunity
- (iii) Access to export markets
- (iv) New applications in Industrial Segment

3. Future plan of action

To keep in line with the market and emission requirements and development of engines using alternate fuels such as H2, Ethanol & Hybrid. Enlarging scope of new products relating to Small Agricultural Machines, E-Drives and Paints businesses.

4. Expenditure on R & D

Rs.

(a) Capital	44,44,80,871/-
(b) Revenue	18,48,22,864/-
(c) Total	62,93,03,735/-
(d) Total (as a percentage of turnover)	3.21%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(i) Foreign Exchange Earnings	Rs. 43,31,00,035/-
(ii) Foreign Exchange Outgo	Rs.. 26,31,27,628/-

SIMPSON & COMPANY LIMITED

Annexure II

Information as required under Rule 5(2) & 5(3) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014
read with Sec 134(3) & 197(12) of the Companies Act, 2013 forming part to the Directors' Report for the year ended 31st March 2025.

S.No.	Name	Designation	Age	Remuneration (Gross) Rs.	Qualifications	Last employment Experience	Total Experience (Years)	Date of joining
1	Mr. P.S. Rajamani	Whole-time Director	75	3,25,00,000	B.Tech.(Met), PGD in SQC & OR, M.B.A	Metallurgist Shardlow India Ltd.	53	23/09/1977
2.	Mr. S. Srinivasaraghavan	Chief Financial Officer and Company Secretary	74	1,85,00,000	B.Sc., A.C.A., A.C.S., A.C.M.A	Executive Director Amalgamations Repco Ltd.	51	02/02/1996
3.	Mr. Balavijayan Nagarajan	President	57	2,16,81,000	B.E., M.B.A	VP- SCM Tata Hitachi Construction Machinery Company Ltd.	36	26/05/2021

Notes: 1. Gross remuneration includes salary, contributions, 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 CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF THE COMPANY

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

The Company has a CSR policy to undertake CSR activities specified under Schedule VII of The Companies Act, 2013, which includes promoting education, eradicating hunger and poverty, promoting healthcare, rural development projects, disaster management including relief, rehabilitation and reconstruction activities and socio economic activities.

2. Composition of CSR Committee:

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

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

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

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

6. Average net profit of the company as per section 135 (5) : Rs. 82.04 crores

7. (a) Two percent of average net profit of the company as per section 135 (5) : Rs. 1.65 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. 1.65 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. 1.65	–	Not Applicable	Not Applicable	–	Not Applicable

(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	Items from 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 Rs. Lakhs)	Amount spent in the current financial year in (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per section 135 (6) (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District						Name	CSR Registration
1	Eradicating hunger poverty and malnutrition, Promoting health care including preventive health care	VII (i)	Yes	Chennai	Tamil Nadu	NA	5.00	5.00	NIL	DIRECT	NIL	NIL
2	Promotion of education	VII (ii)	No	Tirunelveli	Tamil Nadu	NA	135.00	135.00	NIL	DIRECT	NIL	NIL
			Yes	Chennai			20.00	20.00				
			No	Trichy			5.00	5.00				

- (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.1.65 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)	1.65
(ii)	Total amount spent for the financial year	1.65
(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)]	—

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
Chairman of the CSR Committee
3rd September, 2025

R. Vijayaraghavan
DIN: 00026763
Member of the CSR Committee

ANNEXURE - IV TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2025

SECRETARIAL AUDIT REPORT

(For the Financial Year Ended 31st March 2025)

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

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

To

The Members
Simpson and Company Limited
CIN: U65991TN1925PLC002345
861/862, Anna Salai,
Chennai
Tamil Nadu
600 002.

Dear Members,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SIMPSON AND COMPANY LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us on a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2025** according to the provisions of:

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

- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (h) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018.
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The following industry specific law applicable to the Company during the period under review:
 - (a) Air (Prevention and Control of Pollution) Act, 1981.
 - (b) Water (Prevention and Control of Pollution) Act, 1974
 - (c) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
 - (d) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
 - (e) The Explosives Act, 1884
 - (f) The Petroleum Act, 1934 and Petroleum Rules, 2002
 - (g) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
 - (h) Bureau of Indian Standards Act 1986
 - (i) The Electricity Act 2003 and rules framed thereunder
 - (j) Gas Cylinder Rules 2016
 - (k) The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

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

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

Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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

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

Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The company had convened its meetings of Committees and Board physically and through Video Conferencing in compliance with the requirements of the Act.

We have examined the circular resolutions passed during the year and the company has duly complied with the provisions of the Act.

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

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

We further report that during the audit period:-

1. The Board of directors at their meeting held on 17.05.2024, accorded approval to provide financial assistance to India Pistons Limited, wholly owned subsidiary of the company for Rs.29crores as Inter Corporate Deposits at an interest rate of 7.5% per annum.
2. The Board of Directors at their meeting held on 12.07.2024 approved the granting of fresh Corporate Guarantee to Central Bank of India
 - a. towards facility granted to India Pistons Limited for Rs.137.53 crores in cancellation of the existing guarantee.
 - b. towards facility granted to Sri Rama Vilas Services Limited for Rs.1.50 crores in cancellation of the existing guarantee.
3. The Board of directors at their meeting held on 18.11.2024:
 - a. Approved to extend Corporate Guarantee to Central Bank of India towards facilities granted to Simpson and General Finance Company Limited for Rs.3.10 crores
 - b. Approved the financial assistance to India Pistons Limited, wholly owned subsidiary of the company as Inter Corporate Deposits a sum of Rs.16 crores at an interest rate of 7.5% per annum
4. The company at its Annual General Meeting held on 27.09.2024,
 - a. has declared dividend at the rate of Rs.25,000/- per equity share (1000%) (Including interim dividend of Rs.18,750/- per equity (750%) already declared and paid) on the paid up Equity Shares for the financial year ended 31st March 2024.
 - b. Through Special resolution reappointed Mr. R. Vijayaraghavan (DIN: 00026763) as Independent director for a second term of five years with effect from 23.07.2024 to 22.07.2029.
 - c. Through Special resolution appointed Mrs. Rashmi Hemant Urdhwareshe (DIN: 08668140) as Independent director for a term of two years with effect from 04.09.2024 to 03.09.2026.
5. The company at its Extra Ordinary General Meeting held on 27.09.2024 through special resolutions
 - a. Approved the reappointment of Mr. A Krishnamoorthy (DIN: 00001778) as Chairman and Managing Director for a period of five years with effect from 11.10.2024 to 10.10.2029.
 - b. Approved the reappointment of Mr. P S Rajamani (DIN: 01560303) as Whole Time director of the company for a period of three years with effect from 29.01.2024 to 28.01.2027.
6. Has invested in the equity shares of its subsidiary companies.
7. The investment of 7,50,000 8% Compulsorily convertible preference shares of Rs 100 each made in India Pistons Limited during the financial year 2019-20 has been converted into 75,00,000 equity shares of Rs.10 each/-on 10.02.2025.
8. The Board of directors at their meeting held on 23.01.2025 have given their consent
 - a) For purchase of land to the extent of 4.71 acres with building located in Sembiam, from India Pistons Ltd, Wholly Owned Subsidiary of the company for a consideration which includes land

value of Rs 123.52 crores at Rs 6000 per sq feet and the value of building thereon which is estimated at 5 crores along with stamp duty and registration charges.

- b) for release of Rs 50 crores as financial assistance to India Pistons Limited, Wholly Owned Subsidiary of the Company by way of 7% 8 year non-cumulative redeemable preference shares to be issued by India Pistons Limited.

9. The Board of directors at their meeting held on 26.03.2025

- a. Declared an interim dividend of 750% on the paid up capital of Rs.7,36,97,500 of the company amounting to Rs.55,27,31,250 for the financial year ended 31.03.2025 to the shareholders whose names appear on the Register of members as on 21.03.2025.
- b. Approved revised consideration payable for the land purchased from India Pistons limited in October 2024, due to change in guideline value, The value was revised from Rs.10,32,00,000 to Rs.16,13,14,210 with applicable increase in stamp duty and registration fees.

Name of Company Secretary in practice: CS Dr. B Ravi
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 930/2020
UDIN:F001810G000278240

Place : Chennai
Date : 06.05.2025

ANNEXURE 'A'

To

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

Dear Members,

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Name of Company Secretary in practice: CS Dr. B Ravi
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400

Place : Chennai
Date : 06.05.2025

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.

Sl. No.	Particulars	Details
1.	Names of the related party & nature of relationship	Transactions are ongoing. Date of approval by Board: 12 th July, 2024. 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 st March 2025)	

Chennai
3rd September, 2025

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

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

Phone : 47873795 / 28413633
E-Mail : price@rgnprice.com
Offices at : Mumbai, Bengaluru, Kochi,
Kollam, Kozhikode

‘Akshaya Shanti’
1st Floor, No.27
Anna Salai,
Chennai - 600 002
price@rgnprice.com
1st July, 2025

INDEPENDENT AUDITOR’S REPORT

To the Members of Simpson & Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Simpson & Company Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2025, 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 material accounting policies and other explanatory information (hereinafter referred to as the Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Emphasis of Matter Paragraph

We draw attention to the Note 47(d) of the Standalone Financial Statements which explains the tax savings of the Company with reference to the merger of one of its 100% subsidiary in an earlier year which is contingent upon satisfaction of certain operational conditions therein, as per Indian Tax Laws.

Our opinion is not modified in respect of this matter.

Information Other than Financial Statements and Auditor’s Report Thereon

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

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

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

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

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

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

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 except for the matters stated in paragraphs 2(h)(vi) below on reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014.
- (c) The balance sheet, the statement of profit and loss account including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with in this report are in agreement with the books of account.
- (d) In our opinion, the Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act (Ind AS).
- (e) On the basis of the written representations received from the Directors taken on records by the Board of Directors, none of the Directors are disqualified as on March 31, 2025 from being appointed as a Director under section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Standalone Financial Statements.
- (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable 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) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2 (b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (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 Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements in Note 47 (B).
 - (ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, that were required to be transferred, to the Investors Education and Protection Fund by the Company.

- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person/ entity, including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person/ entity, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.

- (v) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.

As stated in Note 57 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- (vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 01 April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software, except for the instances mentioned below:

1. The feature of recording audit trail (edit log) facility was enabled from 24th February 2025 at the database level for accounting software and from 20th August 2024 at the application level and database level for payroll software.
2. Audit trail (edit log) facility was enabled at the application level for the modification by the system admin with privilege access from 10th January 2025.
3. Daily backup schedule logs for certain days could not be evidenced in accounting software due to technical issues and in payroll software due to storage issues.
4. Generic ID used in both accounting and payroll software.

Further, for the periods where audit trail (edit log) facility was enabled and operated during the year for the respective software, we did not come across any instances of the audit trail feature being tampered with. Except for the above provided instances, the audit trail, wherever enabled, has been preserved by the company as per the statutory requirements for record retention

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

MAHESH KRISHNAN
Partner
Membership No. 206520
UDIN : 25206520BIIFF4623

Place: Chennai
Date : 1st July, 2025

Annexure – “A” referred to in paragraph 1 of ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Standalone Financial Statements of Simpson & Company Limited (the “Company”) for the year ended 31st March 2025.

- (1) In respect of Company’s Property, Plant and Equipment and Intangible assets:
- (a) (A) The Company has maintained proper records for its property, plant and equipment showing full particulars including quantitative details and situation of those assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification to cover all items of property, plant and equipment on an annual basis, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and based on the examination of the sale deeds / title deeds/ bank confirmation provided to us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Standalone Financial Statements, are held in the name of the Company as at the balance sheet date, except that, in respect of one property amounting to Rs. 136.54 crores purchased towards the end of the year, the registration has been duly recorded by the appropriate authority, and the title deed possession is awaited.
- (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.
- (2) 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.
- (3) 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 and advance in the nature of loan to its subsidiary companies. The Company has not provided any security or advances in the nature of loans to any other 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:

Particulars	Guarantees	Loans
Aggregate amount granted/ provided during the year (Rs. in Lakhs)		
Subsidiaries	-	5,100
Balance outstanding as at balance sheet date in respect of above cases (Rs. in Lakhs)		
Subsidiaries	8,232	3,950

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

- b) In our opinion and according to information and explanation given to us, the investments made, guarantees provided, and the terms and conditions of the grant of all loans and guarantees provided are not prejudicial to the interest of the Company.
- c) In our opinion and according to information and explanation given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of interest are regular.
- d) In our opinion and according to information and explanation given to us, there is no overdue amount remaining outstanding for more than ninety days as at Balance sheet date.
- e) In our opinion and according to information and explanation given to us, no loans has been renewed 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.
- (4) (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 to which the provision of section 185 of the Companies Act, 2013 applies
- (b) In our opinion and according to information and explanation given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security wherever applicable. Included in the loans given by the Company to its wholly owned subsidiary is an amount of Rs. 18 Crores (of which Rs. 6.5 crores has been repaid during the year) which was subsequently ratified by the Board.
- (5) 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.
- (6) 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.
- (7) a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year for a period more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues in respect of above statutory dues referred to in sub clause (a) above, which have not been deposited on account of any dispute as at 31st March 2025, except as under

Name of the Statute	Nature of the Dues	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in lakhs)	Period to which the amount relates (AY)	Forum where dispute is pending
The Income Tax Act, 1961	Tax	21.39	20.20	2012-13 2016-17	Deputy Commissioner of Income Tax
The Central Sales Tax Act, 1956	Tax	4.68	3.51	2010-11	Additional Deputy Commissioner (CT), TN
	Tax	3.12	3.12	2013-14	Joint Commissioner
	Tax	0.12	0.09	2013-14	Commissioner (Appeals)
Goods & Service Act	Tax	28.94	27.57	2017-18	Appellate Authority
TN VAT Act, 2005	Tax	3.02	-	2012-13	Joint Commissioner

' Paid under protest - INR 1.19 Lakhs ^Paid under protest - INR 1.36 Lakhs
 *Paid under protest - INR 1.17 Lakhs ^^ Paid under protest - INR 3.02 Lakhs
 **Paid under protest - INR 0.03 Lakhs

- (8) In our opinion and according to the information and explanations given to us, there are no transactions recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (9) In respect of Loans taken by the Company:
- 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.
 - 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.
 - 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.
 - In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilized for long term purposes.
 - 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.
 - 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.
- (10) In respect of initial public offer, further public offer, preferential allotment or private placement of shares or convertible debentures:
- 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.
 - 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.
- (11) In respect of instances of Fraud, it's reporting and consideration of whistle-blower complaints:
- 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.
 - 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.
 - 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.
- (12) The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
- (13) 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.
- (14) In respect of Internal Audit Systems and Internal Auditors report:
- In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - 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.

- (15) The Company has not entered into any non- cash transactions with the Directors or persons connected with them. Accordingly, the provisions of section 192 of the Act are not applicable.
- (16) 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.
- (17) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (18) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
- (19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (20). In our opinion and according to the information and explanations given to us, there is no amount remaining unspent as at the year end under sub-section (5) of Section 135 of the Companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

MAHESH KRISHNAN
Partner
Membership No. 206520
UDIN : 25206520BMIIFF4623

Place: Chennai
Date : 1st July, 2025

Annexure – “B” referred to in Clause 2(f) of Paragraph on ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Standalone Financial Statements of the Company for the year ended 31st March 2025.

We have audited the internal financial controls with reference to the Standalone Financial Statements of **Simpson & Company Limited** (“the Company”) as at March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the Standalone Financial Statements is based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of internal financial controls over financial reporting and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. The Guidance Note and those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

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

Opinion

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2025 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
Firm Registration No. 002785S

MAHESH KRISHNAN
Partner
Membership No. 206520
UDIN : 25206520BMIIFF4623

Place: Chennai
Date : 1st July, 2025

**STANDALONE FINANCIAL STATEMENTS OF
SIMPSON & COMPANY LIMITED
FOR THE YEAR ENDED 31ST MARCH 2025**

SIMPSON & COMPANY LIMITED

STANDALONE BALANCE SHEET AS AT

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31-03-2025	31-03-2024
A. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	1	26,874.19	23,935.04
(b) Capital Work-in-progress	44(A)(a)	2,286.84	2,170.97
(c) Right of use Assets	42(B)(a)	27.97	-
(d) Investment Property	2	17,270.67	1,999.78
(e) Intangible Assets	3	1,801.01	2,459.44
(f) Intangible assets under development	44(A)(b)	7,741.17	5,189.97
(g) Financial Assets			
(i) Investments	4	1,33,881.80	1,24,668.73
(ii) Loans	5 (i)	3,688.66	10,801.48
(iii) Others	5 (ii)	-	850.00
(h) Other Non-Current Assets	6	1,555.34	1,594.77
Total Non-Current Assets		1,95,127.65	1,73,670.18
2. Current Assets			
(a) Inventories	7	15,617.12	15,610.55
(b) Financial Assets			
(i) Investments	8	6,134.60	4,580.85
(ii) Trade Receivables	9	49,922.58	49,264.70
(iii) Cash and Cash Equivalents	10 (i)	1,129.77	1,242.47
(iv) Bank balances other than (iii) above	10 (ii)	161.71	212.22
(v) Loans	11	100.00	100.00
(vi) Others	12	1,034.26	903.00
(c) Contract Assets	38(a)	155.05	228.10
(d) Current Tax Assets (net)	13	1,728.10	3,885.80
(e) Other Current Assets	14	4,154.50	5,199.72
Total Current Assets		80,137.69	81,227.41
TOTAL ASSETS		2,75,265.34	2,54,897.59
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	15	736.97	736.97
(b) Other Equity	16	2,31,598.67	2,15,792.48
Total Equity		2,32,335.64	2,16,529.45
LIABILITIES			
2. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	658.68	658.31
(ii) Lease Liability	42(B)(b)	13.93	-
(b) Provisions	18	787.49	736.01
(c) Deferred Tax Liabilities (Net)	19	5,838.69	3,621.47
Total Non-Current Liabilities		7,298.79	5,015.79
3. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Lease Liability	20	2,600.00	2,600.00
(iii) Trade Payables	42(B)(b)	15.30	-
- Total outstanding dues of micro and small enterprises	21	4,000.70	2,855.34
- Total outstanding dues of creditors other than micro and small enterprises		23,558.85	23,014.76
(iv) Other Financial Liabilities	22	4,614.97	3,745.15
(b) Contract Liabilities	38(a)	22.24	442.90
(c) Other Current Liabilities	23	426.89	366.63
(d) Provisions	24	391.96	327.57
Total Current Liabilities		35,630.91	33,352.35
TOTAL EQUITY AND LIABILITIES		2,75,265.34	2,54,897.59

The accompanying notes are an integral part of the financial statements This is the Standalone Balance Sheet referred to in our report of even date

A. KRISHNAMOORTHY (DIN: 00001778)

R. VIJAYARAGHAVAN (DIN: 00026763)

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

Chairman & Managing Director

Director

Chartered Accountants,

FR No. 002785S

MAHESH KRISHNAN

Partner

P. S. RAJAMANI (DIN: 01560303)

S. SRINIVASARAGHAVAN

Membership No. 206520

Whole-time Director

Chief Financial Officer & Company Secretary

Chennai, 1st July 2025

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

Particulars	Note	31-03-2025	31-03-2024
Revenue from operations	25	1,96,089.48	1,78,045.47
Other income	26	25,377.71	26,074.04
Total Income		2,21,467.19	2,04,119.51
Expenses :			
(a) Cost of materials consumed	27	1,46,839.29	1,32,236.61
(b) Purchases of stock-In-trade	28	8,508.43	11,329.45
(c) Changes in inventories of finished goods, Stock-in-trade & WIP	29	(279.35)	(598.61)
(d) Employee Benefits Expense	30	15,622.70	14,525.86
(e) Finance Costs	31	323.40	389.96
(f) Depreciation and Amortization Expense	1 & 42 (B) (a)	4,432.58	4,158.59
(g) Other Expenses	32	17,404.39	16,123.45
Total Expenses		1,92,851.44	1,78,165.31
Profit/ (loss) before tax		28,615.75	25,954.20
Tax Expense:			
(a) Current tax		3,243.13	1,268.25
(b) Deferred tax		2,217.10	1,199.47
(c) (Excess)/short provision relating to earlier years		-	(104.03)
Profit /(loss) for the year		23,155.52	23,590.51
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	33	27.31	126.17
(ii) Income tax relating to items that will not be reclassified to profit or loss		6.87	31.75
B (i) Items that will be reclassified to profit or loss	34	0.53	7.10
(ii) Income tax relating to items that will be reclassified to profit or loss		0.13	1.79
Total Comprehensive Income for the Year		23,176.36	23,690.24
Earnings per equity share (face value - Rs 2500 per share)			
<i>Basic & Diluted (Profit/ Loss for the Year / No. of Equity Shares) (In. Rs.)</i>	35	78,549.28	80,024.80

The accompanying notes are an integral part of the financial statements.

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Membership No. 206520
Chennai, 1st July 2025

SIMPSON & COMPANY LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in INR lakhs unless otherwise stated)

(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
2023-24	736.97		-	736.97	-	736.97
2024-25	736.97		-	736.97	-	736.97
(b) Other Equity	Reserves and Surplus			Retained Earnings	Effective Portion of Cash Flow Hedges	Total
	General Reserve	Capital Reserve	Capital Redemption Reserve			
Balance as at 1st April 2023	194,795.90	9.23	13.03	4,839.56	6.25	199,298.01
Total Comprehensive Income for the Year	-	-	-	23,590.51	5.31	23,690.24
Adjustments	-	-	-	-	(10.27)	(10.27)
Dividends (Interim & Final)	-	-	-	(7,185.51)	-	(7,185.51)
Transfer to Retained Earnings / General Reserves	10,000.00	-	-	(10,000.00)	-	-
Balance as at 31st March 2024	2,04,795.90	9.23	13.03	11,244.56	1.29	2,15,792.48
Adjustments	-	-	-	-	(0.41)	(0.41)
Total Comprehensive Income for the Year	-	-	-	23,155.52	0.39	23,176.35
Dividends (Interim & Final)	-	-	-	(7,369.75)	-	(7,369.75)
Transfer to Retained Earnings / General Reserves	12,500.00	-	-	(12,500.00)	-	-
Balance as at 31st March 2025	2,17,295.90	9.23	13.03	14,530.33	1.27	2,31,598.67
						Actuarial Gains/ Losses on Defined Benefit Plan for Employees Benefit

The accompanying notes are an integral part of the financial statements

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

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

R. VJAYARAGHAVAN (DIN: 00026763)
Director

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

MAHESH KRISHNAN
Partner
Membership No. 206520
Chennai, 1st July, 2025

SIMPSON & COMPANY LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2025		31-03-2024	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		28,615.75		25,954.20
Adjustments for:				
Fair valuation gain on investments	(6,384.14)		(9,883.78)	
Fair valuation gain on long term loans	(647.12)		751.18	
Depreciation	4,432.58		4,158.60	
Interest and Finance Charges	323.40		389.96	
Interest Income	(1,390.33)		(1,270.74)	
Dividend Income	(15,223.69)		(12,967.00)	
Profit on sale of investment	(1,046.93)		(2,192.73)	
(Profit)/Loss on sale of Property, Plant and Equipment	(5.04)		(87.27)	
Adjustment in OCI reserve	(0.41)		(10.27)	
Provision no longer required	(24.45)		(64.29)	
Provision for bad and doubtful debts	23.68		28.49	
Effective portion of cash flow hedges	0.53		7.10	
Actuarial Gain / Loss on Defined benefit obligation (Gratuity)	27.31		(126.17)	
		(19,914.61)		(21,014.58)
Adjustments for changes in working capital:				
(Increase)/ Decrease in Trade receivables	(605.26)		1,881.74	
(Increase)/Decrease in other receivables	1,853.90		1,404.50	
(Increase)/Decrease in Inventories	(6.59)		489.61	
Increase/ (Decrease) in Current liabilities & Provisions	2,365.36	3,607.41	(7,944.04)	(4,168.19)
Cash generated from operations		12,308.55		771.43
Direct Taxes paid	(1,092.31)	(1,092.31)	(1,692.73)	(1,692.73)
Net cash from operating activities (A)		11,216.24		921.30
B. CASH FLOW FROM INVESTMENT ACTIVITIES:				
Purchase of Property Plant and Equipment (including CWIP & Intangible assets under development)	(9,307.10)		(8,137.97)	
Purchase of Investment Property	(15,412.22)		-	
Proceeds from Sale of PPE	45.13		198.86	
Purchase of Investments	(26,118.28)		(17,799.44)	
Sale of Investments	22,782.53		20,523.67	
(Increase)/Decrease in Loans	7,900.00		(1,200.00)	
Interest Income	1,242.70		1,198.02	
Dividend Income	15,223.69		12,967.00	
Cash from investment activities (B)		(3,643.55)		7,750.14

SIMPSON & COMPANY LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2025		31-03-2024	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest/Finance charges on borrowings	(315.65)		(382.52)	
Dividend paid	(7,369.75)		(7,185.51)	
Cash from financing activities (C)		<u>(7,685.40)</u>		<u>(7,568.03)</u>
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)		<u>(112.71)</u>		<u>(739.19)</u>
Cash and Cash Equivalents (Opening Balance)		1,242.48		1,981.66
Cash and Cash Equivalents (Closing Balance)		<u>1,129.77</u>		<u>1,242.47</u>
Cash and cash equivalents : (Refer note no: 10(i))				
Balances with banks :				
(a) in current accounts		1,124.37		1,237.07
Cash on hand		5.40		5.40
		<u>1,129.77</u>		<u>1,242.47</u>

The accompanying notes are an integral part of the financial statements

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

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

For R.G.N. PRICE & CO.,
Chartered Accountants,
FR No. 002785S
MAHESH KRISHNAN
Partner
Membership No. 206520
Chennai, 1st July, 2025

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE 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 01-04-2024	Additions	Disposals	Adjust- ments	As at 31-03-2025	For the year	Withdrawn	Adjust- ments	As at 31-03-2025	As at 31-03-2024
1. PROPERTY, PLANT AND EQUIPMENT:										
Land-Freehold	3,276.22	-	-	132.41	3,408.63	-	-	-	3,408.63	3,276.22
Buildings:										
on Freehold land	4,336.24	1,121.18	17.46	7.66	5,447.62	153.47	7.32	0.30	1,607.68	2,875.01
on leasehold land	206.54	-	-	-	206.54	28.81	-	-	133.44	101.91
Plant and Machinery	39,804.32	4,790.37	283.54	-	44,311.15	2,912.65	255.13	-	25,492.53	16,969.31
Electrical Installation	486.33	19.92	3.36	-	502.89	25.66	3.23	-	399.73	109.03
Furniture and Fixtures	569.52	20.68	-	-	590.20	38.28	-	-	374.89	232.91
Office Equipments	219.44	54.52	-	-	273.96	19.69	-	-	182.76	56.37
Vehicles	539.14	64.06	27.75	-	575.45	52.72	26.36	-	251.22	314.28
Total (A)	49,437.75	6,070.73	332.11	140.07	55,316.44	3,231.28	292.04	0.30	28,442.25	23,935.04
2. INVESTMENT PROPERTY :										
Land-Freehold	1,957.75	15,139.95	-	(132.41)	16,965.29	-	-	-	16,965.29	1,957.75
Buildings:										
on Freehold land	69.18	272.27	-	(7.66)	333.79	1.56	-	(0.30)	28.41	42.03
on Leasehold land	-	-	-	-	-	-	-	-	-	-
Total (B)	2,026.93	15,412.22	-	(140.07)	17,299.08	1.56	-	(0.30)	17,270.67	1,999.78
3. OTHER INTANGIBLE ASSETS :										
Computer Software	2,408.17	114.79	-	-	2,522.96	589.40	-	-	1,909.33	1,088.24
New Product Development (internally generated)	4,612.89	411.27	-	2,282.92	2,741.24	595.09	-	2,282.92	1,553.86	1,371.20
Total (C)	7,021.06	526.06	-	2,282.92	5,264.20	1,184.48	-	2,282.92	3,463.18	2,459.44
Total (A+B+C)	58,485.74	22,009.02	332.11	2,282.92	82,445.57	4,417.32	292.04	2,282.92	31,933.84	28,394.26

Refer Note no. 50.1 regarding charge created on Property, Plant and Equipment

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE 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 01-04-2023	Additions	Disposals	Adjust- ments	As at 31-03-2024	For the Year	Withdrawn	Adjust- ments	As at 31-03-2024	As at 31-03-2024		
1. PROPERTY, PLANT AND EQUIPMENT:												
Land-Freehold	3,276.22	-	-	-	3,276.22	-	-	-	-	3,276.22		
Buildings:												
on Freehold land	3,647.73	688.51	-	-	4,336.24	131.96	-	-	1,461.23	2,875.01		
on leasehold land	206.54	-	-	-	206.54	75.82	-	-	104.63	101.91		
Plant and Machinery	36,530.30	4,294.65	1,020.92	0.29	39,804.32	2,897.82	925.15	0.20	22,835.01	16,969.31		
Electrical Installation	470.48	16.60	5.80	5.05	486.33	28.81	5.51	5.14	377.30	109.03		
Furniture and Fixtures	533.99	39.21	3.68	-	569.52	36.94	3.48	-	336.61	232.91		
Office Equipments	198.13	21.32	0.01	-	219.44	18.87	0.01	-	163.07	56.37		
Vehicles	451.69	138.77	51.32	-	539.14	49.23	36.02	-	224.86	314.28		
Total (A)	45,315.08	5,199.06	1,081.73	5.34	49,437.75	3,192.44	970.17	5.34	25,502.71	23,935.04		
2. INVESTMENT PROPERTY :												
Land-Freehold	1,957.75	-	-	-	1,957.75	-	-	-	-	1,957.75		
Buildings:												
on Freehold land	69.18	-	-	-	69.18	1.00	-	-	27.15	42.03		
on leasehold land	-	-	-	-	-	-	-	-	-	-		
Total (B)	2,026.93	-	26.70	-	2,026.93	1.00	-	-	27.15	1,999.78		
3. OTHER INTANGIBLE ASSETS :												
Computer Software	2,192.10	216.07	-	-	2,408.17	541.10	-	-	1,319.93	1,088.24		
New Product Development (internally generated)	3,880.07	732.82	-	-	4,612.89	424.05	-	-	3,241.69	1,371.20		
Total (C)	6,072.17	948.89	-	-	7,021.06	965.15	-	-	4,561.62	2,459.44		
Total (A+B+C)	53,414.18	6,147.95	1,081.73	5.34	58,485.75	4,158.59	970.17	5.34	30,091.48	28,394.26		

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2025	As at 31-03-2024
4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS (SUMMARY)		
(A) Investments in Subsidiaries (At cost)		
Equity Shares (Quoted)	5,091.19	5,091.19
Equity Shares (Unquoted)	25,694.44	29,944.36
Fully Convertible Preference Shares (Unquoted)	7,500.00	3,250.00
(B) Investments in Associates (At cost)		
Equity Shares (Quoted)	6,896.10	6,896.10
Equity Shares (Unquoted)	3,094.38	3,034.38
Fully Convertible Preference Shares (Unquoted)	1,124.97	1,124.97
(C) Investments in Joint Ventures (At cost)		
Equity Shares (Unquoted)	1,200.00	1,200.00
(D) Investments in Others		
Equity Shares (Quoted) (At Fair value through Profit or Loss)	3,588.70	3,094.15
Equity Shares (Unquoted) (At Fair value through Profit or Loss)	676.18	373.59
Total (i)	54,865.96	49,008.73
(E) Investments in Debt instruments		
Tax free Interest Bonds (At Amortised Cost)	-	122.68
Zero Coupon Bonds (At Fair value through Profit or Loss)	-	2,618.52
Total (ii)	-	2,741.20
(F) Investments in Mutual funds (At Fair value through Profit or Loss)		
Debt Funds	53,021.50	53,696.85
Equity Funds	25,994.34	19,221.95
Total (iii)	79,015.84	72,918.80
Grand Total (i) + (ii) + (iii)	1,33,881.80	1,24,668.73

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value (Rs.)	As at 31-03-2025		As at 31-03-2024	
		No. of shares	Amount	No. of shares	Amount
(A) INVESTMENTS IN SUBSIDIARIES					
(i) In Equity Shares : (At Cost) – Quoted, fully paid up IP Rings Ltd.	10	4,967,000	5,091.19	4,967,000	5,091.19
			5,091.19		5,091.19
(ii) Equity Shares : (At Cost) – Unquoted, fully paid up Addison & Co. Ltd.	100	540,000	28.00	540,000	28.00
Amalgamations Repco Ltd.	10	502,335	531.12	502,335	531.12
Amco Batteries Ltd.	100	280,500	12.75	280,500	12.75
George Oakes Ltd.	10	2,500,000	208.00	2,500,000	208.00
India Pistons Ltd.	10	142,500,000	23,970.89	135,000,000	23,220.89
Simpson & General Finance Co. Ltd.	10	2,000,000	152.00	2,000,000	152.00
Sri Rama Vilas Service Ltd.	10	1,250,000	18.00	1,250,000	18.00
Stanes Amalgamated Estates Ltd.	10	2,030	0.63	2,030	0.63
Tractors and Farm Equipment Ltd.	10	9,149,100	511.99	9,149,100	511.99
T.Stanes & Co. Ltd.	10	1,379,161	261.06	1,379,149	260.99
			25,694.44		24,944.36
(iii) Preference Shares : (At Cost) – Unquoted, fully paid up 7% 5 year Compulsorily convertible cumulative Preference shares of India Pistons Ltd.	100	–	–	750,000	750.00
7% 5 year Optionally convertible Non cumulative redeemable preference Shares of India Pistons Ltd.	100	2,500,000	2,500.00	2,500,000	2,500.00
7% 8 year Non cumulative redeemable Preference shares of India Pistons Ltd.	100	5,000,000	5,000.00	-	-
			7,500.00		3,250.00
(B) INVESTMENTS IN ASSOCIATES					
(i) Equity Shares : (At Cost) – Quoted, fully paid up 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
			6,896.10		6,896.10
(ii) Equity Shares : (At Cost) – Unquoted, fully paid up 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	2,280,000	228.00	1,680,000	168.00
			3,094.38		3,034.38
(iii) FPreference Shares : (At Cost) – Unquoted, fully paid up 8% 10 year Fully Convertible Cumulative Preference Shares of Amalgamations Valeo Clutch Private Ltd.	10	11,249,719	1,124.97	11,249,719	1,124.97
			1,124.97		1,124.97
(C) INVESTMENTS IN JOINT VENTURES					
(i) Equity Shares : (At Cost) – Unquoted, fully paid up BBL Daido Private Ltd.	10	4,800,000	1,200.00	4,800,000	1,200.00
			1,200.00		1,200.00

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value (Rs.)	As at 31-03-2025		As at 31-03-2024	
		No. of shares	Amount	No. of shares	Amount
(D) INVESTMENTS IN OTHERS					
(i) Equity Shares : (At Fair Value through Profit or Loss)					
– Quoted, fully paid up					
Ashok Leyland Ltd.	1	5000	10.21	5000	8.56
Axis Bank Ltd.	2	1000	11.02	-	-
Bajaj Finance Ltd.	2	1900	170.03	1750	126.71
Bharti Airtel Ltd.	5	7600	131.55	6693	82.26
Central Bank of India	10	100	0.04	100	0.06
CG Power and Industrial Solutions Ltd.	2	1500	9.57	-	-
Cummins India Ltd.	2	12600	384.30	12000	360.96
Deepak Nitrite Ltd.	2	2005	39.75	2005	42.54
Dr.Reddys Laboratories Ltd.	1	2000	22.88	400	24.62
Eicher Motors Ltd.	1	400	21.39	-	-
Gujarat Gas Ltd.	2	6150	25.37	6150	33.47
HDFC Bank Ltd.	1	20000	365.70	20000	289.64
Hero Motorcorp Ltd.	2	400	14.89	-	-
ICICI Bank Ltd.	2	30000	404.52	30000	328.76
ICICI Lombard General Insurance Company Ltd.	10	500	8.96	100	1.69
Infosys Ltd.	5	7900	124.06	7900	118.41
ITC Hotels Ltd.	1	450	0.89	-	-
ITC Ltd.	1	4500	18.44	4500	19.28
Jio Financial Services Ltd.	10	5000	11.37	2625	9.29
Kaynes Technology India Ltd.	10	400	18.96	-	-
Kirloskar Oil Engines Ltd.	2	1000	7.20	-	-
Kotak Mahindra Bank Ltd.	5	5000	108.57	5000	89.29
Larsen & Toubro Ltd.	2	7000	244.37	7000	264.19
Mahindra & Mahindra Ltd.	5	5100	135.98	4000	76.85
Maruti Suzuki India Ltd.	5	1750	201.63	1750	220.73
Persistent Systems Ltd.	5	6500	357.65	3000	242.80
Reliance Industries Ltd.	10	8000	102.00	4000	119.07
Samvardhana Motherson International Ltd.	1	4000	5.24	-	-
SBI Life Insurance Company Ltd.	10	6224	96.35	6224	93.23
State Bank of India	1	30000	231.48	30000	225.78
Swaraj Engines Ltd.	10	400	15.57	-	-
Tata Consultancy Services Ltd.	1	1900	68.48	1900	73.79
Tata Motors Ltd.	2	11000	74.15	11000	109.23
Tata Steel Ltd.	1	38850	59.93	38850	60.57
Titan Company Ltd.	1	1500	45.96	1500	57.07
Trent Ltd.	1	400	21.24	-	-
TVS Motor Company Ltd.	1	500	12.10	500	10.76
UPL Ltd. (fully paid up)	2	1000	6.36	1000	4.56
UPL Ltd. (Partly paid up)	1	125	0.54	-	-
			3,588.70		3,094.15

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value (Rs.)	As at 31-03-2025		As at 31-03-2024	
		No. of units	Amount	No. of units	Amount
(ii) Equity Shares : (At Fair value through Profit or Loss) – Unquoted, fully paid up					
Arkay Energy (Rameswaram) Ltd.	10	1,75,000	17.50	1,75,000	17.50
Madras Enterprises Private Ltd.	10	48,418	--	48,418	--
MSE Financial Services Ltd.	1	6,56,093	11.99	6,56,093	11.99
National Stock Exchange of India Ltd.	1	55,000	645.44	11,000	344.10
Santhi Renewable Energies Private Ltd.	100	1,250	1.25	-	-
			676.18		373.59
Total			54,865.96		49,008.73
(E) INVESTMENTS IN DEBT INSTRUMENTS					
(i) Tax free Bonds : (At Amortised cost) – Quoted, fully paid up					
7.11% Tranche - 1 Series IA Tax Free Bonds of Power Finance Corporation Ltd.	1000	--	--	514	5.14
7.07% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd.	1000	--	--	6040	60.40
7.14% Tranche - 1 Series IA Tax Free Bonds of National Highways Authority of India	1000	--	--	5714	57.14
		--	--		122.68
(ii) Zero Coupon Bonds : (At Fair Value through Profit or Loss)					
HDB Financial Services Ltd.	1000000	--	--	188	2,075.71
Kotak Mahindra Investments Ltd.	1000000	--	--	63	542.81
			--		2,618.52
Total			--		2,741.20
(F) INVESTMENTS IN MUTUAL FUNDS					
(At Fair Value through Profit or Loss)					
Unquoted, fully paid up					
(i) Debt Funds (Growth Scheme)					
Aditya Birla SunLife Corporate Bond - Regular - Growth	10	35,18,662	3,892.52	35,18,662	3,580.25
Aditya Birla SunLife CRISIL SDL Plus AAA PSU Apr 2027 60:40 Index - Regular - Growth	10	1,11,08,549	1,322.19	1,11,08,549	1,224.94
Aditya Birla SunLife Nifty SDL Plus PSU Bond Sep 2026 60:40 Index - Regular - Growth	10	85,17,546	1,028.78	85,17,546	954.18
Axis AAA Bond Plus SDL ETF - Apr 2026 - Regular - Growth	10	49,79,959	619.01	49,79,959	577.68
Axis AAA Bond Plus SDL ETF - Apr 2026 - Fund of Fund - Regular - Growth	10	29,48,516	351.38	29,48,516	328.68
Axis Banking & PSU Debt - Regular - Growth	10	24,882	641.73	24,882	594.19
Axis Corporate Debt - Regular - Growth	10	--	--	45,67,881	703.29
Bandhan Banking & PSU Debt - Regular - Growth	10	83,49,735	2,012.71	83,49,735	1,865.33
Bandhan Corporate Bond - Regular - Growth	10	2,38,05,656	4,477.63	2,38,05,656	4,136.52
Bandhan CRISIL IBX Gilt Jun 2027 Index - Regular - Growth	10	2,93,645	36.92	1,97,25,244	2,297.56
Bandhan CRISIL IBX Gilt Apr 2028 Index - Regular - Growth	10	7,26,765	91.90	1,00,58,578	1,175.54
Bandhan CRISIL IBX 90:10 SDL Plus Gilt Nov 2026 Index - Regular - Growth	10	--	--	20,00,320	219.55

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value (Rs.)	As at 31-03-2025		As at 31-03-2024	
		No. of units	Amount	No. of units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (At Fair Value through Profit or Loss)					
Bandhan CRISIL IBX 90:10 SDL Plus Gift Sep 2027					
Index - Regular - Growth	10	19,99,900	237.60	19,99,900	219.43
BHARAT Bond FOF - April 2025 - Regular - Growth	10	68,24,869	876.55	68,24,869	813.70
BHARAT Bond FOF - April 2030 - Regular - Growth	10	1,82,17,012	2,676.46	1,82,17,012	2,464.69
DSP Corporate Bond - Regular - Growth	10	22,27,389	347.48	22,27,389	322.37
DSP Floater - Regular - Growth	10	7,769,153	1,004.43	77,69,153	922.01
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index - Regular - Growth	10	--	--	29,91,474	334.86
Edelweiss NIFTY PSU Bond Plus SDL Index - Apr 2026 - Regular - Growth	10	93,52,364	1,188.00	93,52,364	1,104.48
Edelweiss NIFTY PSU Bond Plus SDL Index - Apr 2027 - Regular - Growth	10	59,99,460	726.41	59,99,460	672.55
HDFC Banking and PSU Debt - Regular - Growth	10	96,74,746	2,178.20	96,74,746	2,015.12
HDFC Corporate Bond - Regular - Growth	10	1,09,27,746	3,482.13	1,09,27,746	3,205.62
HDFC FMP 1162D Mar 2022 - Series 46 - Regular - Growth	10	--	--	9,99,950	111.00
HSBC Banking and PSU Debt - Regular - Growth	10	48,74,400	1,155.47	48,74,400	1,074.01
HSBC Corporate Bond - Regular - Growth	10	7,07,815	505.36	7,07,815	467.11
ICICI Prudential Banking & PSU Debt - Regular - Growth	10	83,67,393	2,681.34	83,67,393	2,481.44
ICICI Prudential Corporate Bond - Regular - Growth	10	2,13,52,708	6,231.49	2,13,52,708	5,753.81
Kotak Corporate Bond Standard - Regular - Growth	1000	48,324	1,782.42	48,324	1,642.95
Nippon India Banking & PSU Debt - Regular - Growth	10	31,76,051	644.93	31,76,051	596.65
Nippon India Dynamic Bond - Regular - Growth	10	1,08,73,374	3,960.65	1,08,73,374	3,639.87
Nippon India Floating Rate - Regular - Growth	10	28,50,678	1,258.03	28,50,678	1,161.60
Nippon India ETF Nifty SDL - Apr 2026	10	10,00,000	1,288.70	10,00,000	1,196.50
SBI Corporate Bond - Regular - Growth	10	1,69,48,270	2,570.09	1,69,48,270	2,373.22
SBI Floating Rate Debt - Regular - Growth	10	23,71,118	308.84	23,71,118	285.85
Tata Floating Rate - Regular - Growth	10	24,78,359	309.93	24,78,359	286.48
UTI Corporate Bond - Regular - Growth	10	1,95,39,870	3,132.22	1,95,39,870	2,893.82
TOTAL (i)			53,021.50		53,696.85

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value (Rs.)	As at 31-03-2025		As at 31-03-2024	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (At Fair Value through Profit or Loss)					
Unquoted, fully paid up					
(ii) Equity Funds (Growth Scheme)					
360 ONE Focused Equity - Regular - Growth	10	51,80,664	2,280.89	12,74,553	523.04
Axis Focused 25 - Regular - Growth	10	—	—	17,26,532	847.73
DSP Flexi Cap - Regular - Growth	10	8,10,838	779.25	8,10,838	685.99
Franklin India Flexi Cap - Regular - Growth	10	71,126	1,081.48	71,126	991.57
Franklin India Focused Equity - Regular - Growth	10	10,07,373	996.08	10,07,373	949.40
HDFC Dividend Yield - Regular - Growth	10	61,19,486	1,403.01	61,19,486	1,345.86
HDFC Flexi Cap - Regular - Growth	10	92,618	1,709.93	92,618	1,487.16
HDFC Focused 30 - Regular - Growth	10	5,18,787	1,109.89	—	—
HDFC Multi Cap - Regular - Growth	10	—	—	29,99,850	481.69
HDFC Nifty 200 Momentum 30 Index - Regular - Growth	10	9,99,950	93.98	9,99,950	103.06
ICICI Prudential Balanced Advantage - Regular - Growth	10	4,71,819	327.25	4,71,819	304.09
ICICI Prudential Equity Savings - Regular - Growth	10	39,37,851	859.24	39,37,851	797.81
ICICI Prudential India Opportunities - Regular - Growth	10	71,89,772	2,379.10	53,05,514	1,569.37
ICICI Prudential Nifty Next 50 Index - Regular - Growth	10	26,07,469	1,442.23	2,91,779	155.64
Invesco India Contra - Regular - Growth	10	17,06,046	2,114.13	8,11,802	882.19
Kotak Equity Opportunities - Regular - Growth	10	6,00,918	1,868.75	6,00,918	1,721.21
Kotak Flexicap - Regular - Growth	10	—	—	20,92,260	1,569.37
Mirae Asset Focused - Regular - Growth	10	—	—	67,98,035	1,478.84
Mirae Asset Large Cap - Regular - Growth	10	—	—	4,80,470	463.33
Motilal Oswal Nifty 500 Index - Regular - Growth	10	41,07,029	974.02	4,48,328	101.05
Nippon India Equity Hybrid (Segregated Portfolio) - Regular - Growth	10	—	—	—	0.25
Nippon India Multicap - Regular - Growth	10	—	—	3,56,870	872.95
Parag Parikh Flexi cap - Regular - Growth	10	32,25,763	2,544.59	3,76,521	261.00
UTI Nifty 50 Index - Regular - Growth	10	17,70,377	2,844.69	4,45,677	673.90
UTI Value Opportunities - Regular - Growth	10	7,59,037	1,185.83	759,037	1,030.34
TOTAL (ii)			25,994.34		19,221.95
Total Non-Current Mutual fund Investments (i+ii)			79,015.84		72,918.80
Aggregate amount of :					
Quoted Investments			15,576.00		17,822.63
Unquoted Investments			1,18,305.80		1,06,846.10
Market Value of Quoted Investments			18,071.56		24,043.81

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars		2024-25 Net	2023-24 Net
5	(i) FINANCIAL ASSETS - LONG TERM LOANS (Refer Note No 50.3 & 56)		
	Unsecured, Considered good		
	Loan to related party (IPL) (Refer Note No. 52)	3,850.00	11,750.00
	Add : Fair value adjustment	(161.34)	(948.52)
		<u>3,688.66</u>	<u>10,801.48</u>
	(ii) FINANCIAL ASSETS - OTHERS		
	Advance for Land (Refer Note No. 52)	—	850.00
		<u>—</u>	<u>313.50</u>
6.	OTHER NON-CURRENT ASSETS		
	Security deposits	550.31	505.54
	Duties/taxes and other amounts paid under protest	22.61	18.06
	Capital advances - Others	982.42	1,071.17
		<u>1,555.34</u>	<u>1,594.77</u>
7.	INVENTORIES		
	Raw materials and components	8,439.14	8,792.37
	Intermediate components	1,097.77	1,245.71
	Finished goods	4,184.96	4,052.34
	Stock-in-trade	1,496.78	1,202.11
	Stores and spares	306.74	217.13
	Loose tools	91.73	100.89
		<u>15,617.12</u>	<u>15,610.55</u>
	Goods in transit included in :		
	– Raw materials and components	29.14	38.46
	– Finished goods	—	34.61
	Note:- Obsolete inventory written off during the year – Rs. 2,85,68,717/- (PY – Rs. 68,13,824/-)		

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

8. CURRENT INVESTMENTS					
Description	Face Value (Rs.)	As at 31-03-2025		As at 31-03-2024	
		No. of Units	Amount	No. of Units	Amount
(A) INVESTMENTS IN SUBSIDIARIES					
Fully Convertible Preference Shares:					
(At Cost)-Unquoted, fully paid up					
(Due for maturity in the next 12 months)					
8% 5 year Compulsorily convertible Preference shares of India Pistons Ltd.	100	—	—	7,50,000	750.00
7% 5 year Compulsorily convertible cumulative Preference shares of India Pistons Ltd.	100	7,50,000	750.00	—	—
TOTAL (A)			750.00		750.00
(B) INVESTMENTS IN MUTUAL FUNDS					
(At Fair Value through Profit or Loss)					
Unquoted, fully paid up					
Debt funds (Growth Scheme)					
Nippon India ETF Nifty CPSE Bond Plus SDL - 2024	10	—	—	4,60,000	552.00
HDFC FMP 1162D Mar 2022 - Series 46 - Regular - Growth	10	9,99,950	118.91	—	—
HDFC Short Term Debt - Regular - Growth	10	63,60,298	1,991.37	63,60,298	1,837.20
SBI - Arbitrage - Opportunities - Regular - Growth	10	1,29,366	43.02	1,29,366	40.09
UTI Short duration fund (formerly UTI Short term Income fund) - Regular - Growth	10	8,43,726	261.83	8,43,726	242.86
TOTAL (B)			2,415.13		2,672.15
(C) INVESTMENTS IN TAX FREE BONDS					
(At Amortised Cost)					
(Due for maturity in the next 12 months)					
7.11% Tranche - 1 Series IA Tax Free Bonds of Power Finance Corporation Ltd.	1000	514	5.14	—	—
7.07% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd.	1000	6040	60.40	—	—
7.14% Tranche - 1 Series IA Tax Free Bonds of National Highways Authority of India	1000	5714	57.14	—	—
TOTAL (C)			122.68		—
(D) INVESTMENTS IN ZERO COUPON BONDS					
(At Fair Value through Profit or Loss)					
(Due for maturity in the next 12 months)					
Aditya Birla Finance Ltd.	1000000	—	—	100	1,158.70
HDB Financial Services Ltd.	1000000	188	2,267.28	—	—
Kotak Mahindra Investments Ltd.	1000000	63	579.51	—	—
TOTAL (D)			2,846.79		1,158.70
Total Current Investments (A+B+C)			6,134.60		4,580.85
Aggregate amount of :					
Quoted Investments			2,969.47		1,158.70
Unquoted Investments			3,165.13		3,422.15
Market Value of Quoted Investments			2,971.42		1,158.70

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2024-25 Net	2023-24 Net
9. TRADE RECEIVABLES (Refer Note No. 43(B))		
Considered good - Unsecured *	49,922.58	49,264.70
Credit impaired	368.18	347.74
	50,290.76	49,612.44
Less : Credit impaired	368.18	347.74
	49,922.58	49,264.70
* includes related party transactions (Refer Note No. 52)		
Note : There are no Trade receivables which have significant increase in credit risk		
10. (i) CASH AND CASH EQUIVALENTS		
Balances with banks :		
(a) Current accounts	1,124.37	1,237.07
Cash on hand	5.40	5.40
Total cash and cash equivalents	1,129.77	1,242.47
(ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
(a) Bank deposits with maturity of three months to twelve months	—	50.00
(b) Dividend account *	161.71	162.22
Total bank balances other than cash and cash equivalents	161.71	212.22
* Includes Unclaimed Payment for Fractional Shares of Rs. 1,57,07,020/-		
11. FINANCIAL ASSETS - SHORT TERM LOANS (Refer Note No 50.3 & 56)		
Unsecured, Considered Good		
Loans to related parties (Refer Note No. 52)	100.00	100.00
	100.00	100.00
12. FINANCIAL ASSETS - OTHERS		
Interest Receivable	6.22	6.20
Dividend Receivable	0.07	0.25
Non-trade receivables (Refer Note No. 52)	946.43	809.89
Sales tax advances	52.91	52.91
Others	28.63	33.75
	1,034.26	903.00
13. CURRENT TAX ASSETS (NET)		
Prepayment of taxes	38,318.00	37,225.70
Less: Provision for taxes	36,589.90	33,339.90
	1,728.10	3,885.80
14. OTHER CURRENT ASSETS		
Balance with statutory/government authorities	1,477.76	2,402.36
Customs duty paid in advance	53.12	109.39
Advance to suppliers :		
— Related parties (Refer Note No. 52)	1,629.00	1,860.00
— Others	329.38	307.83
Duty Drawback receivable	66.99	28.75
Prepaid expenses	589.94	445.10
Others	8.31	46.29
	4,154.50	5,199.72

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars		2024-25 Net	2023-24 Net
15. EQUITY SHARE CAPITAL			
Authorised			
44,000 equity shares of Rs. 2500/- each		1,100.00	1,100.00
1,00,000 Redeemable Preference shares of Rs. 100/- each		100.00	100.00
Issued, subscribed and fully paid-up			
29,479 equity shares of Rs. 2,500/- each		736.97	736.97
		736.97	736.97
15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :			
Particulars	No. of Shares	No. of Shares	
Equity shares at the beginning of the year	29,479	29,479	
Movement during the year	—	—	
Equity shares outstanding at the end of the period (FV-Rs.2,500/-)	29,479	29,479	
15.2 Terms/rights attached to equity shares			
The company has only one class of equity share having par value of Rs.2,500 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013			
15.3 Shares held by holding company and its associate			
Particulars	31-03-2024	31-03-2023	
(a) Amalgamations Private Limited, Holding Company 28,944 equity shares of Rs.2,500/- each fully paid	723.60	723.60	
(b) United Nilgiri Tea Estates Company Ltd, the associate of the holding company 65 equity shares of Rs.2,500/- each fully paid	1.63	1.63	
15.4 The Details of shareholders holding more than 5% shares in the company			
	31-03-2024	31-03-2023	
Equity shares of Rs. 2,500/- (P.Y.: Rs.2,500/-) each fully paid			
Amalgamations Private Limited			
– Nos	28,944	28,944	
– % of Holding	98.19	98.19	
15.5 Shareholding of Promoters			
Name of the Promoters	No. of Shares	% of Total Shares	% change during the year
Amalgamations Private Limited			
For 2024-25	28,944	98.19	—
For 2023-24	28,944	98.19	—

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2024-25 Net	2023-24 Net
16. OTHER EQUITY		
Capital reserve	9.23	9.23
General Reserve		
As per last balance sheet	2,04,795.90	1,94,795.90
Add: Transfer from Statement of profit and loss	12,500.00	10,000.00
	2,17,295.90	2,04,795.90
Capital Redemption Reserve		
Transfer from General Reserve	13.03	13.03
	13.03	13.03
Retained Earnings		
As per last balance sheet	11,244.56	4,839.55
Profit for the year	23,155.52	23,590.51
	34,400.08	28,430.06
Less: Appropriations		
Interim dividend paid @ 750% (PY-750%)	5,527.31	5,527.31
Final dividend paid during the year @250% (PY- 225%)	1,842.44	1,658.19
Transfer to General reserve	12,500.00	10,000.00
Net Surplus in the Retained Earnings Account	14,530.33	11,244.56
Effective Cash Flow Hedges reserve		
As per last balance sheet	1.29	6.25
Less: Adjustment on account of hedging	0.41	10.27
Add: Transfer from Other Comprehensive Income	0.39	5.31
	1.27	1.29
Actuarial Gains on Defined Benefit Plan reserve		
As per last balance sheet	(271.53)	(365.95)
Add: Transfer from Other Comprehensive Income	20.44	94.42
	(251.09)	(271.53)
Total Other Equity	2,31,598.67	2,15,792.48
<p>Nature and Purpose of Reserves :</p> <p>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.</p> <p>Capital Redemption Reserve Capital Redemption Reserve represents amount set aside on account of buy-back of equity shares & reduction on consolidation of Equity Shares</p> <p>Retained Earnings Retained Earnings are the profits of the Company earned till date net of appropriations</p> <p>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.</p> <p>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.</p>		

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2024-25 Net	2023-24 Net
17. LONG TERM BORROWINGS		
Unsecured		
Loan from related party (Refer Note No. 52)	675.00	675.00
Less : Fair value adjustment	16.32	16.69
	<u>658.68</u>	<u>658.31</u>
18. LONG TERM PROVISIONS		
Provision for Employee benefits :		
Provision for Compensatory absences (Refer Note No. 51)	787.49	736.01
	<u>787.49</u>	<u>736.01</u>
19. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities due to		
Tax Deduction claimed on R&D Assets	3,019.27	2,316.64
Accumulated Depreciation on Other Assets	129.65	131.34
Fair valuation gain on Investments	3,056.26	1,730.53
Fair valuation gain on long term loans	(40.61)	(238.72)
	<u>6,164.57</u>	<u>3,939.79</u>
Deferred Tax Assets arising out of		
Provision for Doubtful debts	92.66	87.52
Provision for Compensatory absences	212.84	202.95
Merger related expenses	2.47	3.70
Voluntary Retirement Scheme	16.28	23.46
Fair valuation gain on Borrowings	4.11	4.20
Effective portion of cash flow hedges	(2.69)	(2.56)
Others	0.21	(0.95)
	<u>325.88</u>	<u>318.32</u>
Net Deferred Tax Liabilities (Refer Note No. 41)	<u>5,838.69</u>	<u>3,621.47</u>
20. SHORT TERM BORROWINGS		
Inter-corporate deposit from holding company (Refer Note No.52)	2,600.00	2,600.00
	<u>2,600.00</u>	<u>2,600.00</u>
21. TRADE PAYABLES		
Micro and Small Enterprises	4,000.70	2,855.34
Trade Creditors *	23,558.85	23,014.76
	<u>27,559.55</u>	<u>25,870.10</u>
<i>includes related party transactions</i>		
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 STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2024-25 Net	2023-24 Net
22. OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on borrowings	107.42	107.60
Interest accrued but due on borrowings	–	63.71
Unclaimed dividends & Payment for Fractional shares	161.51	162.22
Other Payables		
– Managerial remuneration payable	2,473.23	1,712.36
– Accrued salaries & benefits	1,872.81	1,699.26
	<u>4,614.97</u>	<u>3,745.15</u>
23. OTHER CURRENT LIABILITIES		
– Security deposit from customers	88.21	57.80
– Statutory dues payable	334.26	304.25
– Others	4.42	4.58
	<u>426.89</u>	<u>366.63</u>
24. SHORT TERM PROVISIONS		
Provision for Employee benefits (Refer Note No. 51)		
Provision for gratuity	164.78	87.46
Provision for Compensatory absences	58.18	55.11
	<u>222.96</u>	<u>142.57</u>
Other Provisions		
Provision for warranty	169.00	185.00
	<u>169.00</u>	<u>185.00</u>
	<u>391.96</u>	<u>327.57</u>
24.1 Movement of Product Warranty Provision		
Carrying amount at the beginning of the year	185.00	241.00
Provision made / charged to statement of profit and loss during the year	253.65	97.22
Amount incurred during the year	269.65	153.22
Carrying amount at the end of the year	169.00	185.00
25. REVENUE FROM OPERATIONS		
Sale of products (Refer Note No. 38(b))	1,94,416.22	1,75,740.96
Sale of services	398.10	601.56
Other Operating Income		
Sale of scrap	1,245.18	1,680.56
Export Incentive	29.98	22.39
	<u>1,96,089.48</u>	<u>1,78,045.47</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2024-25 Net	2023-24 Net
26. OTHER INCOME		
Interest income		
– Deposits	3.47	6.68
– Loans	1,240.61	1,086.02
– Tax free bonds	8.72	53.16
– Others	137.52	124.88
Dividend income		
– Long-term investments	15,223.69	12,967.00
Profit on sale of investments (Net)		
– Current investments	101.46	40.92
– Long-term investments	945.47	2,151.81
Fair valuation gain / (loss) on long term loans	647.12	(751.18)
Fair valuation gain on Investments	6,384.14	9,883.78
Exchange Gain (Net)	36.88	37.65
Other non-operating income	648.63	473.32
	25,377.71	26,074.04
27. COST OF MATERIALS CONSUMED (Refer Note No. 50.5)		
Opening stock	8,792.37	9,884.28
Add : Purchases	1,46,486.06	1,31,144.70
Less : Closing stock	8,439.14	8,792.37
Cost of materials consumed	1,46,839.29	1,32,236.61
28. PURCHASES OF STOCK-IN-TRADE		
Engine spare parts & others	8,508.43	11,329.45
	8,508.43	11,329.45
29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening stock		
Intermediate components	1,245.71	1,589.27
Finished goods	4,052.34	2,436.78
Stock-in-trade	1,202.11	1,875.50
(a)	6,500.16	5,901.55
Closing stock		
Intermediate components	1,097.77	1,245.71
Finished goods	4,184.96	4,052.34
Stock-in-trade	1,496.78	1,202.11
(b)	6,779.51	6,500.16
(a-b)	(279.35)	(598.61)

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	2024-25 Net	2023-24 Net
30. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Managerial remuneration	15,265.50	13,969.20
Contribution to Provident and Other Funds	781.96	791.89
Staff welfare expenses	1,380.89	1,316.17
	<u>17,428.35</u>	<u>16,077.26</u>
Less: (i) Recoveries for common service & employees seconded	1,419.61	1,309.10
(ii) Capitalised as part of intangible assets under development	<u>386.04</u>	<u>242.30</u>
	<u>15,622.70</u>	<u>14,525.86</u>
31. FINANCE COSTS		
Interest	258.13	329.53
Interest on Lease Liability	4.00	-
Other borrowing costs	61.27	60.43
	<u>323.40</u>	<u>389.96</u>
32. OTHER EXPENSES		
Stores consumed	2,621.87	2,396.97
Packing and Forwarding	2,486.21	2,290.40
Power and Fuel	1,834.34	1,851.76
Repairs and Maintenance		
Buildings	1,285.47	1,437.18
Machinery	890.95	926.17
Others	676.44	725.33
Insurance	172.15	188.19
Rent	272.56	273.35
Rates and Taxes	386.01	589.56
Auditors' Remuneration		
Audit Fee	56.00	50.00
Tax Audit Fee	7.20	7.20
Other Services	7.74	7.26
Reimbursement of expenses	5.74	1.81
Product development expenses	751.70	362.99
Expenditure on Corporate Social Responsibility (Refer Note No. 46)	165.00	201.00
Miscellaneous expenses	5,785.01	4,814.28
	<u>17,404.39</u>	<u>16,123.45</u>
33. OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Actuarial Gain / (Loss) on Defined Benefit Plan -Gratuity (Funded)	27.31	126.17
Income Tax Relating to items that will not be reclassified to profit or loss	6.87	31.75
34. OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss		
Effective Portion of Cash Flow Hedges	0.53	7.10
Income Tax Relating to items that will be reclassified to profit or loss	0.13	1.79
35. Earnings Per Share		
(1) Profit after Tax as per Statement of Profit and Loss	23,155.54	23,590.51
(2) Weighted Average No. Equity Shares (Nos.)	29,479.00	29,479.00
(3) Nominal Value per Share	2,500.00	2,500.00
(4) Basic and diluted Earnings per Share	78,549.28	80,024.80

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

COMPANY OVERVIEW MATERIAL 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 (herein after referred to as 'the Group') are described below.

Principal Activities of the Company and its subsidiaries

The Company head quartered in Chennai, India, is in the business of manufacturing Diesel Engines and Parts for Agricultural, Industrial and Power segments. It also has other divisions, which are into manufacture of (i) Paints for domestic and industrial applications and (ii) Forgings and Machined Crankshafts. The company has commercialized the manufacture of Small Agricultural Machinery during the FY 2023-24. The E-Drive division is under development stage. 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. MATERIAL ACCOUNTING POLICIES

This Note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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. 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 its functional currency, namely Indian Rupees.

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, judgments and assumptions are recognized in the period in which the estimates are revised, and future periods are affected.

Key source of estimation of uncertainty, if any, 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.

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.

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 as per Ind As for accounting transitional provisions in this regard.

Other Income

Interest income is recognized based on effective interest rate method 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.

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

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.

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 except in case of Plant & Machinery, whose economic useful life is determined by the management based on technical evaluation.

- Buildings - 3 to 60 years.
- Plant & Machinery – 1 to 30 years
- Electrical Installation – 5 to 10 years
- Furniture and Fixtures – 5 to 10 years
- Office Equipment – 5 years
- Vehicles – 8 years.

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. 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.

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.

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

Financial instruments

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

(i) Cash and cash equivalents

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

(ii) Financial assets at amortized cost

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

(iii) Financial assets at fair value through 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 the statement of profit and loss.

(v) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination, which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(vi) Derivative financial instruments

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

(a) Cash flow hedge accounting

The Company has the following policy on 'Cash Flow Hedge Accounting'. The company would designate certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss.

If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve until the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

(vii) Derecognition of financial instruments

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

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

(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.

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.

Government Grants

The company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis (over the period the export obligations are fulfilled). Government grants related to revenue are recognized on a systematic basis in net profit in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

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.

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025
(All amounts are in INR lakhs unless otherwise stated)

(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.

The Company as a Lessor

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.

The Company as a Lessee

The Company's lease asset classes primarily consist of leases for land. 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.

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.

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.

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

38. (a) DISCLOSURE OF CONTRACT ASSETS AND CONTRACT LIABILITIES		
Particulars	As at 31-03-2025 (Rs. Lakhs)	As at 31-03-2024 (Rs. Lakhs)
Contract Assets - Unbilled Revenue	155.05	228.10
Contract Liabilities-Advances received from Customers for goods and services (pending supplies) and Others	22.24	442.90
38. (b) DISCLOSURE OF DISAGGREGATED REVENUE INFORMATION		
Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
Revenue by Manufacturing / Trading :		
Manufacturing goods		
– Engines	1,55,891.19	1,51,219.16
– Parts	89.72	92.88
– Power Products	19,915.40	3,643.81
– Paints, Varnishes and allied Products	6,758.52	6,363.67
– Forgings and Machined Crankshafts	1,694.11	2,303.81
– Small Agricultural Machineries	311.12	106.46
Traded goods		
– Engine Spare parts and others	9,756.14	12,011.17
Sale of Products	1,94,416.22	1,75,740.96
Sale of Service	398.10	601.56
Other Operating Income:		
Sale of Scrap	1,245.18	1,680.56
Export Incentive	29.98	22.39
Total	1,96,089.48	1,78,045.47
39. RESEARCH & DEVELOPMENT EXPENDITURE INCURRED		
Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
Manufacturing goods		
(I) Engine Division		
Capital	3,487.00	1,822.69
Sub-total	3,487.00	1,822.69
Revenue		
– Salaries & Wages	370.13	540.78
– Materials, Consumables and Spares	161.90	153.73
– Other Expenditure	1,316.19	890.82
Sub-total	1,848.22	1,585.33
(II) Small Agricultural Machinery Division		
Capital	54.33	176.56
Sub-total	54.33	176.56
(III) E Drive		
Capital	903.48	881.73
Sub-total	903.48	881.73
Grand Total	6,293.03	4,466.31

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

40. (a) TAX EXPENSES							
Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)					
Tax expense in the statement of profit and loss							
– Current Tax	3,243.13	1,268.25					
– Deferred Tax	2,217.10	1,199.47					
– (Excess)/short provision relating to earlier years	-	(104.03)					
Sub-total	5,460.23	2,363.69					
Tax expense in other comprehensive Income							
– Current Tax (Remeasurement of Defined Benefit Obligation)	6.87	31.75					
– Deferred Tax (Effective Portion of Cash Flow Hedge)	0.13	1.79					
Sub-total	7.00	33.54					
Total Tax Expenses	5,467.23	2,397.23					
40. (b) THE RECONCILIATION OF TAX EXPENSE AND BOOK PROFIT MULTIPLIED BY TAX RATE							
Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)					
Book Profits before Income Taxes	28,615.75	25,954.20					
Applicable Tax Rate	25.17%	25.17%					
Tax if the applicable Tax rate is applied	7,202.01	6,532.15					
Tax Effects of the following adjustments in calculating taxable income							
Dividend Distributed Deductible from Dividend Income under Sec 80M	(1,854.50)	(2,272.15)					
Fair Value Gains in Investments (Unrealized)	(281.03)	(1,588.89)					
Tax Benefits on R&D Assets	(174.98)	(204.69)					
Interest on Tax free Bond	(2.19)	(13.38)					
Expenses Disallowable/(Allowable) on payment basis	(41.57)	(155.82)					
Change in Income tax rate (due to differential rate for capital gains)	(398.36)	(413.36)					
Donation and Corporate Social Responsibility Expenditure	82.35	54.93					
Difference between Book Depreciation & IT Depreciation	251.55	237.30					
Other Disallowances	683.94	221.14					
Total Tax Expenses	5,467.23	2,397.23					
Effective tax Rate	19.11%	9.24%					
41. MOVEMENT OF NET DEFERRED TAX LIABILITY (Rs. in Lakhs)							
Particulars	As at 31-03-2023	Recognised in		As at 31-03-2024	Recognised in		As at 31-03-2025
		Profit & Loss	OCI		Profit & Loss	OCI	
DEFERRED TAX LIABILITIES							
Deductions claimed on R&D Assets	2,062.59	254.05	–	2,316.64	702.63	–	3,019.27
Accumulated Depreciation on Assets – Other than R&D	116.40	14.95	–	131.34	(1.69)	–	129.65
Fair Valuation of Investments and Loans	768.62	723.19	–	1,491.81	1,523.84*	–	3,015.65
Total	2,947.61	(992.18)	–	3,939.79	2,224.78	–	6,164.57
DEFERRED TAX ASSETS							
Expenses allowable for tax on payment basis & others	123.53	(34.03)	(1.79)	87.71	5.08	(0.13)	92.66
Fair valuation of Borrowings	0.51	3.69	–	4.20	(0.09)	–	4.11
Unabsorbed Depreciation	-	-	–	-	–	–	-
Employee benefits	403.35	(176.94)	–	226.41	2.70	–	229.11
Total	527.39	(207.28)	(1.79)	318.32	7.69	(0.13)	325.88
Net	2,420.22	1,199.46	1.79	3,621.47	2,217.10	0.13	5,838.69
*Consequent to the changes in rates of Capital gains tax and withdrawal of indexation benefit in the Finance Act 2024 effective 23rd July 2024, the deferred tax liabilities have been remeasured in respect of investments at Fair value in the Profit and Loss account. Accordingly, an increase of Rs. 886.12 Lakhs in Deferred Tax Liability has been recognised as Deferred Tax Expense in the Statement of Profit and loss for the year ended 31st March 2025.							

*Consequent to the changes in rates of Capital gains tax and withdrawal of indexation benefit in the Finance Act 2024 effective 23rd July 2024, the deferred tax liabilities have been remeasured in respect of investments at Fair value in the Profit and Loss account. Accordingly, an increase of Rs. 886.12 Lakhs in Deferred Tax Liability has been recognised as Deferred Tax Expense in the Statement of Profit and loss for the year ended, 31st March 2025.

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

42. (A) INVESTMENT PROPERTY

Details of operating income, expenses, depreciation and profits of the company's Investment Properties are presented below. The cumulative fair value of Investment properties held by the company is also disclosed.

Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
Rental income	238.65	226.91
Direct operating expenses (including repairs and maintenance) that generated rental income	(8.11)	(12.83)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(9.48)	(2.29)
Profit arising from investment properties before depreciation and indirect expenses	221.06	211.79
Depreciation for the year – Assets that generate rental income	-	(0.72)
Depreciation for the year – Assets that did not generate rental income	(1.56)	(0.28)
Profit arising from investment properties after depreciation and indirect expenses	219.50	210.79
Fair value of Investment Properties	58,120.79	23,958.61

Notes:

- The company's Investment Properties consist of land and buildings let out to group companies and meant for investment purpose.
- 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.
- In respect of valuation of Investment Properties it has been reckoned as follows:
 - 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.
 - In respect of Buildings, at Book Value reflected as at 31.03.2025 and 31.03.2024

42. (B) RIGHT OF USE ASSETS - DISCLOSURE UNDER Ind AS 116

a. Carrying value of right of use assets at the end of reporting period by class

Particulars	Leasehold Land
Recognition on account of IND AS 116	
Balance as on 01st April 2024	43.23
Additions during the year	-
Disposal during the year	-
Depreciation charged for the year	15.26
Balance as on 31st March 2025	27.97

b. Maturity Analysis of future lease payments

Particulars	2024-25	2023-24
Less than one year	15.30	-
One to five years	13.93	-
More than five years	-	-

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

c. Other Disclosures							
Particulars				2024-25	2023-24		
Carrying value of right of use (ROU) asset				27.97	-		
Depreciation charge for ROU asset				15.26	-		
Interest expense on lease liability				4.00	-		
Total Cashflow during the year for leases grouped in ROU				18.00	-		
Additions to ROU				-	-		
Lease commitments for short term leases				-	-		
Lease liability outstanding				29.22	-		
43. (A) TRADE PAYABLES AGEING SCHEDULE							
Ageing for trade payables outstanding as at March 31, 2025 is as follows :				(Rs. in Lakhs)			
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	4,000.70	-	-	-	-	4,000.70	
Others	18,112.45	5,411.61	27.85	3.82	3.12	23,558.85	
Total	22,113.15	5,411.61	27.85	3.82	3.12	27,559.55	
Ageing for trade payables outstanding as at March 31, 2024 is as follows :				(Rs. in Lakhs)			
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	2,855.34	-	-	-	-	2,855.34	
Others	19,407.57	3,417.01	75.07	31.98	83.13	23,014.76	
Total	22,262.91	3,417.01	75.07	31.98	83.13	25,870.10	
43. (B) TRADE RECEIVABLES AGEING SCHEDULE							
Ageing for trade receivables outstanding as at March 31, 2025 is as follows				(Rs. in Lakhs)			
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	31,503.89	18,304.37	54.92	50.71	8.69	-	49,922.58
Undisputed Trade receivables							
– Credit impaired	-	-	5.34	29.71	16.71	168.56	220.32
Disputed Trade receivables							
– Considered good	-	-	-	-	-	-	-
Disputed Trade receivables							
– Credit impaired	-	-	-	-	-	147.86	147.86
Total	31,503.89	18,304.37	60.26	80.42	25.40	316.42	50,290.76
Less : Credit impaired as on 31.03.2025							368.18
Net Trade receivables as on 31.03.2025							49,922.58

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

Ageing for trade receivables outstanding as at March 31, 2024 is as follows							(Rs. in Lakhs)
Particulars	Not Due	Outstanding for following periods from due date of payments					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
– Considered good	29,334.28	19,765.56	130.37	29.52	4.68	–	49,264.41
Undisputed Trade receivables							
– Credit impaired	–	–	12.69	16.07	10.77	156.63	196.16
Disputed Trade receivables							
– Considered good	–	–	–	–	0.29	–	0.29
Disputed Trade receivables							
– Credit impaired	–	–	–	–	0.87	150.71	151.58
Total	29,334.28	19,765.56	143.06	45.59	16.61	307.34	49,612.44
Less : Credit impaired as on 31.03.2024							347.74
Net Trade receivables as on 31.03.2024							49,264.70
44. ADDITIONAL REGULATORY INFORMATION							
(A) CAPITAL-WORK-IN PROGRESS (CWIP) / INTANGIBLE ASSETS UNDER DEVELOPMENT							
(a) Capital-Work-in Progress (CWIP)							
Ageing for Capital-Work-in-progress as at March 31, 2025 is as follows:							(Rs. in Lakhs)
CWIP	Amount in CWIP for the period of					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Projects in progress	1,261.71	715.21	309.02	0.91	2,286.84		
Total	1,261.71	715.21	309.02	0.91	2,286.84		
Note: Capital-Work In Progress completion schedule, whose completion is overdue compared to original plan.							(Rs. in Lakhs)
CWIP	To be completed in					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Heat Treatment Furnace – Shardlow Division*	305.62	–	–	–	305.62		
* Completed on 24.05.2025							
Ageing for Capital work-in-progress as at March 31, 2024 is as follows:							(Rs. in Lakhs)
CWIP	Amount in CWIP for the period of					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Projects in progress	1,840.27	329.79	0.91	–	2,170.97		
Total	1,840.27	329.79	0.91	–	2,170.97		
Note: Capital-Work In Progress completion schedule, whose completion is overdue compared to original plan.							(Rs. in Lakhs)
CWIP	To be completed in					Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
Heat Treatment Furnace – Shardlow Division	296.41	–	–	–	296.41		

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

(b) Intangible assets under development:						
Ageing for Intangible assets under development as at March 31, 2025 is as follows:						(Rs. in Lakhs)
Intangible assets under development	Amount in CWIP for the period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	3,224.65	826.85	525.84	3163.83		7,741.17
Total	3,224.65	826.85	525.84	3163.83		7,741.17
Note: Intangibles under development completion schedule, whose completion is overdue compared to original plan						(Rs. in Lakhs)
Intangible assets under development	To be capitalised in				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
SJV 437 Project	4,303.21	–	–	–		4,303.21
(b) Intangible assets under development:						
Ageing for Intangible assets under development as at March 31, 2024 is as follows:						(Rs. in Lakhs)
Intangible assets under development	Amount in CWIP for the period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	1,500.30	525.84	1,204.29	1,959.54		5,189.97
Total	1,500.30	525.84	1,204.29	1,959.54		5,189.97
Note: Intangibles under development completion schedule, whose completion is overdue compared to original plan						(Rs. in Lakhs)
Intangible assets under development	To be capitalised in				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
SJV 437 Project	4,025.25	–	–	–		4,025.25
(B) RATIOS						
						(Rs. in Lakhs)
Particulars	Numerator	Denominator	For the year ended 31-03-2025	For the year ended 31-03-2024	Variance %	Explanation for movement in Key ratios (exceeding 25%)
Current ratio (in times)	Current assets	Current liabilities	2.25	2.44	(7.82)	–
Debt Equity ratio (in times)	Total Debt	Shareholder's Equity	0.01	0.02	(29.87)	Increase in Net worth
Debt Service coverage ratio (in times)	Earnings available for debt service (EBITDA)	Debt Service	9.33	8.55	9.03	–
Return on Equity ratio (in %)	Net Profit after taxes	Average Shareholder's Equity	10.32	11.33	(8.94)	–
Inventory Turnover ratio (in times)	Cost of Goods Sold	Inventories	9.93	9.16	8.42	–
Trade Receivables turnover ratio (in times)	Revenue from Operations	Trade Receivables	3.93	3.61	8.79	–
Trade payables turnover ratio (in times)	Purchases of goods, services, Operations and other expenses	Trade Payables	6.22	6.09	2.19	–
Net capital turnover ratio (in times)	Revenue from Operations	Working Capital	4.41	3.72	18.44	–
Net profit ratio (in %)	Net Profit	Total Income	10.46	11.56	(9.55)	–
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed	13.82	13.65	1.26	–
Return on Investment (in %)	Income generated from	Investments	16.19	19.42	(16.64)	-
Note :						
1. Capital employed = Tangible Net worth+Total Debt+Deferred Tax Liabilities – Deferred Tax Assets.						

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(All amounts are in INR lakhs unless otherwise stated)

(C) OTHER INFORMATION:

- (i) 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.
- (ii) No proceedings have been initiated during the year or are pending against the company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act (as amended in 2016) and the rules made thereunder.
- (iii) 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.
- (iv) The Company has not been declared willful defaulter by any bank or financial institution or other lender.
- (v) The company had no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vi) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vii) 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.
- (viii) No funds have been advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries") with the understanding (whether recorded in writing or otherwise) that intermediary shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ix) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (x) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

45. FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE

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

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

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

As per Section 135 of the Act, 2% of the Average net profit of the last three financial years is Rs.165 Lakhs (31st March, 2024 – Rs.201 Lakhs). Amount spent towards CSR activities are monitored by CSR Committee.

(Rs. in Lakhs)

(a) Gross amount required to be spent by the company during the year				165.00
(b) Amount spent during the year on:		In cash	Yet to be paid	Total
(i)	Construction/ acquisition of any Asset	–	–	–
(ii)	On purposes other than (i) above	165.00	–	165.00
(c) Shortfall at the end of the year		–	–	–
(d) Total of previous years shortfall		–	–	–
(e) Reason for shortfall		Not Applicable		
(f) Nature of CSR activities		Promoting health care, education including special education and employment enhancing skills for the differently abled citizens and Disaster reliefs		
(g) Details of related party transactions		–		
(i) Provisions created for CSR expenses not spent		–		

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

47. COMMITMENTS AND CONTINGENT LIABILITIES		(Rs. in Lakhs)
Capital Commitments and Contingent Liabilities	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
A. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts not provided for in the accounts (net of advances)	6,856.95	7,033.50
B. Contingent Liabilities		
1.1 Claims against the company not acknowledged as debts		
(a) Demands raised by TNEB under appeal.	10.47	10.47
(b) Income Tax matters under appeal	20.20	17.30
1.2 Other contingent liabilities		
(a) Letters of credit & bank guarantee	339.04	534.77
(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.	8,231.64	10,500.96
<p>(c) In respect of Land and Building leased to the Company by the Department of MSME, Government of Tamil Nadu, the lease period was renewed till 09.09.2001 and the renewal of lease is pending thereafter.</p> <p>The Government issued GO Ms.40 dated 15.10.2018, demanding arrears of additional rent of Rs.79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of Rs.75.33 lakhs paid by the Company for that period.</p> <p>Aggrieved by the above demand, disputing the adoption of area (without considering the acquisition by NHAI) and the guideline value not in accordance with GO Ms.460, the Company has filed a Writ petition before the Hon'ble High Court of Madras challenging the above said GO. However, the Company paid the admitted rent of Rs.36.49 lakhs in accordance with GO Ms.460 of 1998.</p> <p>The Government has not revised the rent for the period after 09.09.2001. However, the tentative rent fixed by the Government earlier, is being paid regularly.</p> <p>(d) In the FY 2022-23 the company had, consequent to the merger of one of its wholly owned subsidiary with the company, adjusted the tax losses of the subsidiary as permitted by the Income tax laws which resulted in a tax saving of Rs. 3,932.68 Lakhs. As per the Income Tax Rules, the company is obligated to meet certain conditions including continuation of the subsidiary's business, retention of its property, Plant & Equipment for a certain period of time as well as achieving certain prescribed levels of production based on installed capacity, which the company is hopeful of achieving.</p>		
48. VALUE OF EXPORTS / DEEMED EXPORTS		
Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
Earnings in Foreign Currency:		
– Exports on FOB Basis	4,331.00	2,418.61
Deemed Exports:		
– SEZ Supplies	178.03	3,193.93
Total	4,509.03	5,612.54
49. VALUE OF IMPORTS ON CIF BASIS		
Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
Components & Spares	1,881.87	1,782.17
Capital Goods	711.26	856.06
Total	2,593.13	2,638.23

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

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 and Intangible assets 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 for PPE during the year Rs. Nil (2023-24-Nil) and for Intangible Assets Rs. 58.21 lakhs (2023-24-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.272.56 lakhs. (March 31, 2024 – Rs. 273.34 lakhs) are payable not later than one year.

50.5 Intangible assets under development includes the following amounts incurred during the current year for E-Drive division Materials – Rs. 15.01 Lakhs; Salary – Rs. 232.35 Lakhs; Other Expenses – Rs.227.81 Lakhs and for Engine Division – Materials – Rs 1.79 Lakhs, Salary – Rs.153.69 Lakhs, Other Expenses – Rs 4.06 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..

50.7 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.

50.8 Inventories of Raw material have been reduced by Rs.8.70 Lakhs (March 31, 2024 –NIL), Stock in trade by Rs.0.57 Lakhs (March 31, 2024 –NIL), Finished Goods by 237.09 Lakhs (March 31, 2024 – Rs. 61.97 Lakhs) as a result of the write down to net realizable value.

51. EMPLOYEE BENEFIT OBLIGATIONS:

Compensated absences:

Compensated absences cover the Company's liability for earned leave. The amount of provision of Rs.787.49 lakhs (March 31, 2024 –Rs. 736.01 lakhs) is presented as Non-Current and Provision of Rs. 58.18 lakhs (March 31, 2024 – Rs.55.11 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.

Amount recognized in the Statement of Profit & Loss account

Particulars	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
Provident Fund	553.45	542.45
Superannuation Fund	20.83	24.32

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

Defined Benefit Plan – Gratuity: As per Ind AS 19 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below :		
Defined Benefit Plans	For the year ended 31-03-2025 (Rs. Lakhs)	For the year ended 31-03-2024 (Rs. Lakhs)
Disclosure in respect of defined benefit plans		
Gratuity (Funded)		
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	3,038.95	2,981.96
Interest Cost	204.89	208.94
Current Service Cost	205.17	195.42
Past Service Cost	-	-
Benefits Paid	(198.83)	(189.30)
Actuarial (Gain) / Loss	(24.94)	(158.07)
Defined Benefit Obligation at the end of the year	3,225.23	3,038.95
Change in Defined Benefit Obligation		
Fair Value of Plan Assets at the beginning of the year	2,951.50	2,149.69
Interest Income on Plan Assets	202.38	179.24
Contributions	103.04	843.77
Benefits Paid	(198.83)	(189.30)
Actuarial (Gain)/Loss	2.37	(31.90)
Fair Value of Plan Assets at the end of the year	3,060.46	2,951.50
Amounts Recognized in the Balance Sheet		
Defined Benefit Obligation at the end of the year	3,225.23	3,038.95
Fair Value of Plan Assets at the end of the year	3,060.46	2,951.50
Net Liability/(Asset) recognized in the Balance Sheet (included under Note 22 & Note 24)	164.78	87.46
Expenses Recognized in the Statement of Profit and Loss		
Other Comprehensive Income		
Current Service Cost	205.17	195.42
Interest Cost	204.89	208.94
Interest Income on Plan Assets	(202.38)	(179.24)
Expenses Recognized in the Statement of Profit and Loss (Note 30)	207.67	225.12
Re-measurement - Actuarial (Gain) / Loss recognized in Other Comprehensive income (Note 33)	(27.31)	(126.17)
Total Defined Benefit Cost recognized in Profit & Loss and Other Comprehensive Income (included under Contribution to Provident & Other funds)	-	98.95
Composition of Plan Assets		
Insurer Managed Funds	3,053.48	2,938.81
With Scheduled Bank	6.99	12.70
Actuarial Assumptions		
Discount rate	6.76%/6.55%	6.97%
Salary escalation	8% / 5%	8%
Sensitivity Analysis DBO end of period		
Discount rate - 50 basis points	3,422.41	3224.98
Discount rate + 50 basis points	3,043.92	2867.95
Salary growth - 50 basis points	3,050.73	2873.15
Salary growth + 50 basis points	3,409.49	3215.00
Expected Cash Flows for following years		
Year - 1	64.12	62.24
Year - 2	153.16	156.76
Year - 3	132.05	156.83
Year - 4	165.16	138.14
Year - 5	174.02	166.79
Next 5 years	1,212.63	1102.05

SIMPSON & COMPANY LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025
(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
<p>(A) Credit Risk:</p> <p>Credit risk arises from cash and cash equivalents, bank balances other than cash and cash equivalents, investments in mutual funds, derivative instruments, financial assets measured at amortised cost and credit exposures to customers including outstanding receivables, advances given to vendors.</p> <p>Credit Risk Management:</p> <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> • 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. <p>Provision for expected credit losses:</p> <p>The Company provides for expected credit loss based on the following: -</p> <p>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.</p> <p>(a) Expected credit loss for loans, Investments and other Financial Assets</p> <p>The estimated gross carrying amount at default is Nil (March 31, 2024: Nil) for Loans, Investments and other Financial Assets. Consequently, there are no expected credit loss recognized for these financial assets.</p> <p>(b) Expected credit loss for trade receivables under simplified approach:</p> <p>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.</p>			

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

53. RISK MANAGEMENT DISCLOSURES UNDER IND AS 107 (FINANCIAL RISK MANAGEMENT) – (Contd.)						
Particulars	As at 31-03-2025 (Rs. in Lakhs)	As at 31-03-2024 (Rs. in Lakhs)				
Gross carrying amount	50,290.76	49,612.44				
Expected credit losses (Loss allowance provision)	368.18	347.74				
Loss allowance rate	0.73%	0.71%				
Carrying amount of trade receivables (net of impairment)	49,922.58	49,264.70				
Reconciliation of loss allowance provision – Trade receivables						
Loss allowance on April 1, 2023	319.25					
Changes in loss allowance	28.49					
Loss allowance on March 31, 2024	347.74					
Changes in loss allowance	20.44					
Loss allowance on March 31, 2025	368.18					
(B) Liquidity Risk:						
Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company’s treasury maintains flexibility in funding by maintaining availability under committed credit lines.						
Management monitors the company’s liquidity position and cash and cash equivalents on the basis of expected cash flows and this is generally carried out by the Treasury Management function of the company. The Top Management periodically reviews the treasury plans and directs the treasury function suitably.						
(C) Market Risk:						
Foreign currency risk:						
The Company Exports Diesel Engines and Parts. Also, for the manufacture of these engines, some components are imported as per the requirements. Therefore, the company is exposed to foreign exchange risks as the foreign transaction currencies are different from the functional currency of the company which is Indian Rupee. To cover this risk, the company has been taking forward contracts for all major Exports and Imports transactions of the company. Only exports of Parts to foreign customers and miscellaneous claims like freight are not covered as they are of small value with variable realization dates.						
The company’s exposure to Foreign Currency risk at the end of the reporting period are given below:						
Particulars	As at 31-03-2025			As at 31-03-2024		
	USD	EUR	JPY	USD	EUR	JPY
Financial Assets						
Trade Receivables	14,53,871	–	–	4,21,003	–	–
Derivative Assets						
Foreign exchange forward contracts Sell foreign currency (No. of Contracts outstanding: 0)	–	–	–	71,346	–	–
Net exposure to foreign currency risk (Assets)	14,53,871	–	–	3,49,657	–	–
Financial Liabilities						
Trade Payables	1,34,926.44	–	–	20,412.61	5,640.10	10,89,431
Derivative Liabilities						
Foreign exchange forward contracts Buy foreign currency (No. of Contracts outstanding : 0)	–	–	–	–	–	–
Net exposure to foreign currency risk (Liabilities)	1,34,926.44	–	–	20,412.61	5,640.10	10,89,431

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

(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.

There is no Foreign Exchange forward contract asset as on 31.03.2025.

(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 31-03-2025 (Rs. in Lakhs)	As at 31-03- 2024 (Rs. in Lakhs)
Variable rate borrowings	–	–
Total Borrowings	3,258.68	3,258.31
% of variable rate borrowings on total borrowings	–	–
Sensitivity Analysis		
Sensitivity	–	–
Increase in interest rate by 1%	(32.59)	(32.58)
Decrease in interest rate by 1%	32.59	32.58

(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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

(E) Capital Management – (Contd.)				
(d) Financial Risk Management - Contractual Maturities of Financial Liabilities as at 31 March 2025:				(Rs. in Lakhs)
Particulars	Due in less than 1 year	Due from 2nd to 5th year	Due after 5 years	Carrying Amount
As at 31 March 2025 :				
Trade Payables	27,559.55	–	–	27,559.55
Other financial liabilities:				
Current Maturity of long-term borrowings	–	–	–	–
Others – Current	4,614.97	–	–	4,614.97
Lease Liabilities*				
Borrowings:				
Current	2,600.00	–	–	2,600.00
Non-Current	–	658.68	–	658.68
Total	34,774.52	658.68	–	35,433.20
* Refer Note 42 B for Lease Liability.				
Financial Risk Management - Contractual Maturities of Financial Liabilities as at 31 March 2024:				(Rs. in Lakhs)
Particulars	Due in less than 1 year	Due from 2nd to 5th year	Due after 5 years	Carrying Amount
As at 31 March 2024 :				
Trade Payables	25,870.10	–	–	25,870.10
Other financial liabilities:				
Current Maturity of long-term borrowings	–	–	–	–
Others – Current	3,745.15	–	–	3,745.15
Lease Liabilities*				
Borrowings:				
Current	2,600.00	–	–	2,600.00
Non-Current	–	658.31	–	658.31
Total	32,215.25	658.31	–	32,873.56
* Refer Note 42 B for Lease Liability.				
54. ASSETS PLEDGED AS SECURITY				
Particulars	As on 31-03-2025 (Rs. in Lakhs)		As on 31-03-2024 (Rs. in Lakhs)	
Current: (as Hypothecation)				
Inventories	15,617.12		15,610.55	
Trade Receivables	49,922.58		49,264.70	
Total current assets hypothecated	65,539.70		64,875.25	
Non-Current: (as Collateral Security)				
Land & Buildings	1.11		623.97	
Plant & Machinery	18,818.61		16,969.31	
Furniture & Fixtures	215.31		232.91	
Others	518.60		479.68	
Total Non-Current assets provided as Collateral Security	19,553.63		18,305.87	
Total Assets pledged as security	85,093.33		83,181.12	
55. OPERATING SEGMENTS				
In accordance with Ind AS 108 "Operating Segments", the company has presented segment information in the consolidated financial statements.				

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(All amounts are in INR lakhs unless otherwise stated)

56. FINANCIAL ASSETS & LIABILITIES -CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) – As at 31st March, 2025						(Rs. in Lakhs)
Particulars	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value	
Financial Assets :						
Investments						
(other than Subsidiaries, Associates, and Joint Ventures)						
Equity Shares Quoted	1	–	3,588.70	–	3,588.70	
Equity Shares Unquoted	3	–	676.18	–	676.18	
Bonds (Tax Free)	3	122.68	–	–	122.68	
Bonds (Zero Coupon)	2	–	2,846.79	–	2,846.79	
Mutual Funds	2	–	81,430.97	–	81,430.97	
Trade Receivables	*	49,922.58	–	–	49,922.58	
Cash and Cash Equivalents	*	1,129.77	–	–	1,129.77	
Other Bank Balances	*	161.71	–	–	161.71	
Loans - Non-Current	3	3,688.66	–	–	3,688.66	
Loans Current	*	100.00	–	–	100.00	
Derivates Financial Asset	3	–	–	--	--	
Others	*	1,194.38	–	–	1,194.38	
Total – Current & Non-Current		56,319.78	88,542.64	--	1,44,862.42	
Financial Liabilities:						
Long-term Borrowings	3	658.68	–	–	658.31	
Short - Term Borrowings	*	2,600.00	–	–	2,600.00	
Long-term Lease Liability	*	13.93	–	–	13.93	
Short - Term Lease Liability	*	15.30	–	–	15.30	
Trade Payables	*	27,559.55	–	–	27,559.55	
Others	*	4,614.97	–	–	4,614.97	
Total – Current & Non-Current		35,462.43	–	–	35,462.43	
56. FINANCIAL ASSETS & LIABILITIES -CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) – As at 31st March, 2024						(Rs. in Lakhs)
Particulars	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value	
Financial Assets :						
Investments						
(other than Subsidiaries, Associates, and Joint Ventures)						
Equity Shares Quoted	1	–	3,094.15	–	3,094.15	
Equity Shares Unquoted	3	–	373.59	–	373.59	
Bonds (Tax Free)	3	122.68	–	–	122.68	
Bonds (Zero Coupon)	2	–	3,777.22	–	3,777.22	
Mutual Funds	2	–	75,590.95	–	75,590.95	
Trade Receivables	*	49,264.70	–	–	49,264.70	
Cash and Cash Equivalents	*	1,242.47	–	–	1,242.47	
Other Bank Balances	*	212.22	–	–	212.22	
Loans - non-current	3	10,801.48	–	–	10,801.48	
Loans Current	*	100.00	–	–	100.00	
Derivates Financial Asset	3	–	–	(0.11)	(0.11)	
Others	*	1,753.00	–	–	1,753.00	
Total – Current & Non-Current		63,496.55	82,835.90	(0.11)	1,46,332.33	
Financial Liabilities:						
Long-term Borrowings	3	658.31	–	–	658.31	
Short - Term Borrowings	*	2,600.00	–	–	2,600.00	
Long-term Lease Liability	*	–	–	–	–	
Short - Term Lease Liability	*	–	–	–	–	
Trade Payables	*	25,870.10	–	–	25,870.10	
Others	*	3,745.15	–	–	3,745.15	
Total – Current & Non-Current		32,873.56	–	–	32,873.56	

SIMPSON & COMPANY LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2025

(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.6,250/- per fully paid-up equity share of Rs.2,500/- each, aggregating to Rs.1,842.44 lakhs, which is based on the relevant share capital as on 31st March 2025. 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 31st March 2025 were approved for issue by the Board of Directors on 1st July 2025.

The accompanying notes are an integral part of the financial statements.

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Membership No. 206520
Chennai, 1st July 2025

SIMPSON & COMPANY LIMITED

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

(i) Holding Company

- (1) Amalgamations Private Ltd.

(II) Subsidiaries

- (1) Addison & Co. Ltd.
- (2) Amalgamations Repco Ltd.
- (3) Amco Batteries Ltd.
- (4) George Oakes Ltd.
- (5) India Pistons Ltd.
- (6) IP Rings Ltd.
- (7) IPR North America Inc.
- (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, Turkey
- (17) TAFE Tractors Changshu Company Ltd., China
- (18) TAFE Advanced AG Solutions Ltd., United Kingdom
- (19) TAFE Properties Ltd.
- (20) VidagaraTechpark Private Ltd.
- (21) Precision AG-Tech Technologies B.V., Netherlands
- (22) TAFE Motors Mexico S.DE.R.L.DE.CV, Mexico
- (23) TAFE Motors and Tractors USA Inc, USA
- (24) T.Stanes& Company Ltd.
- (25) Stanes Motor (South India) Ltd.
- (26) Stanes Amalgamated Estates Ltd.

(III) Fellow Subsidiaries

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

(IV) Associates

- (1) Amalgamations Valeo Cluch Private Ltd.
- (2) Bimetal Bearings Ltd.
- (3) L.M. Van Moppes Diamond Tools India Private Ltd.
- (4) The United Nilgiri Tea Estates Company Ltd.
- (5) IPL Shaw Solutions Private Ltd.

(V) Associates of Subsidiary

- (1) AGCO Corporation USA
- (2) TAFE Foundation (Section 8 Company)
- (3) E Farmer B.V Netherlands
- (4) IPR Eminox Technologies Private Ltd. (Joint Ventures)

(VI) Joint Ventures

- (1) BBL Daido Private Ltd.

(VII) Key Managerial Personnel

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

(VIII) Relatives of Key Managerial Personnel

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

(IX) Other Related Parties

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

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2024-25 Annexure 1 (Refer Note:- 52)

PARTICULARS	Years	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties
Transactions during the year									
Sale of goods	2024-25	9.80	122,879.91	703.92	7.89	-	-	-	-
Previous Year	2023-24	8.61	114,765.73	742.85	3.04	-	-	-	-
Rendering of services	2024-25	508.31	985.33	233.62	178.38	-	-	-	-
Previous Year	2023-24	489.33	1,024.91	202.56	148.62	-	-	-	-
Dividend Received	2024-25	-	13,339.44	-	1,599.70	240.00	-	-	-
Previous Year	2023-24	-	11,666.66	-	1,062.12	216.00	-	-	-
Interest Received on Loans	2024-25	-	1,092.98	-	-	-	-	-	-
Previous Year	2023-24	-	1,013.30	-	-	-	-	-	-
Purchase of Goods	2024-25	-	17,039.58	288.08	628.74	-	-	-	-
Previous Year	2023-24	-	17,357.82	309.40	649.42	-	-	-	-
Receiving of Services	2024-25	366.82	642.76	77.93	0.63	-	-	-	-
Previous Year	2023-24	289.93	656.57	103.66	13.51	-	-	-	-
Loans given in cash/kind	2024-25	-	5,100.00	-	-	-	-	-	-
Previous Year	2023-24	-	9,000.00	-	-	-	-	-	-
Loans repaid in cash/kind	2024-25	-	13,000.00	-	-	-	-	-	-
Previous Year	2023-24	-	7,800.00	-	-	-	-	-	-
Advances given in cash/kind	2024-25	-	7,900.00	38.34	-	-	-	-	-
Previous Year	2023-24	-	6,511.00	15.74	-	-	-	-	-
Advances repaid in cash/kind	2024-25	-	8,131.00	38.34	-	-	-	-	-
Previous Year	2023-24	-	5,401.00	15.74	-	-	-	-	-
Security deposit paid / refunded	2024-25	-	-	-	-	-	-	-	-
Previous Year	2023-24	-	1.60	-	0.85	-	-	-	-
Dividend Paid	2024-25	7,236.00	-	-	16.25	-	25.75	17.25	-
Previous Year	2023-24	7,055.10	-	-	15.84	-	25.11	16.82	-
Interest Paid on loans	2024-25	194.79	1.27	-	-	-	51.18	-	-
Previous Year	2023-24	195.12	34.44	-	-	-	47.63	-	-
Guarantees & Commitment Charges	2024-25	53.33	-	-	-	-	-	-	-
Previous Year	2023-24	51.15	-	-	-	-	-	-	-
Managerial Remuneration	2024-25	-	-	-	-	-	2,578.00	-	-
Previous Year	2023-24	-	-	-	-	-	1,780.00	-	-
Acquisition of Shares	2024-25	-	5,000.00	-	60.00	-	-	-	-
Previous Year	2023-24	-	8,640.00	-	-	-	-	-	-
Acquisition of Assets	2024-25	-	14,144.95	-	-	-	-	-	-
Previous Year	2023-24	-	3.66	0.50	-	-	-	-	-
Guarantees given	2024-25	-	8,231.64	-	-	-	-	-	-
Previous Year	2023-24	-	10,500.95	-	-	-	-	-	-
Contributions made during the year	2024-25	-	-	-	-	-	-	-	123.87
Previous Year	2023-24	-	-	-	-	-	-	-	868.09

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2024-25 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
Balance at Year end	2024-25	50.58	35,256.64	228.50	86.14	-	-	-	-
<i>Sundry Debtors</i>	<i>Previous Year</i>	-	35,170.50	148.77	18.43	-	-	-	-
<i>Sundry Creditors</i>	2024-25	186.12	2,107.26	28.83	122.31	-	-	-	-
	2023-24	472.04	2,018.31	15.34	66.99	-	-	-	-
<i>Loans given</i>	2024-25	-	3,950.00	-	-	-	-	-	-
	2023-24	-	11,850.00	-	-	-	-	-	-
<i>Advances</i>	2024-25	-	2,710.00	-	-	-	-	-	-
	2023-24	-	-	-	-	-	-	-	-
<i>Loans taken</i>	2024-25	2,600.00	-	-	-	-	675.00	-	-
	2023-24	2,600.00	-	-	-	-	675.00	-	-

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures FY 2024-25 Annexure 1 (Refer Note - 52)

Notes :

Material Related party transactions are disclosed below :

Particulars	Current Year 31st March 2025 (Rs. in Lakhs)	Previous Year 31st March 2024 (Rs. in Lakhs)
1. Sale of goods		
a. Tractors and Farm Equipment Ltd.	97,626.02	91,932.98
b. TAFE Motors and Tractors Ltd.	24,638.81	21,888.44
2 Rendering of Services		
a. Amalgamations Private Ltd.	508.31	489.33
b. India Pistons Ltd.	184.47	325.86
c. Simpson & General Finance Co. Ltd.	192.42	158.68
d. Tractors and Farm Equipment Ltd.	481.16	423.73
e. Associated Printers (Madras) Private Ltd.	201.76	171.61
3 Dividend Received		
a. Tractors and Farm Equipment Ltd.	11,893.83	10,338.48
4 Interest Received on Loans		
a. India Pistons Ltd.	1,075.86	997.41
5 Purchase of Goods		
a. Addison & Co Ltd.	11,278.18	11,826.23
b. India Pistons Ltd.	5,426.10	4,967.96
6 Receiving of Services		
a. Sri Rama Vilas Service Ltd.	433.54	468.58
b. Amalgamations Private Ltd.	366.82	289.93
c. Simpson & General Finance Co. Ltd.	146.78	111.27
7 Loans given in Cash/Kind		
a. India Pistons Ltd.	4,500.00	8,600.00
b. Simpson & General Finance Co. Ltd	600.00	400.00
8 Loans Repaid in Cash/Kind		
a. India Pistons Ltd.	12,400.00	7,500.00
9 Advances given in Cash/Kind		
a. India Pistons Ltd.	7,900.00	6,436.00
10 Advances repaid in Cash/Kind		
a. India Pistons Ltd.	8,131.00	5,326.00
11 Dividend Paid		
a. Amalgamations Private Ltd.	7,236.00	7,055.10
12 Interest Paid on loans		
a. Amalgamations Private Ltd.	194.79	195.12
b. Sri.A.Krishnamoorthy	51.18	47.63
13 Guarantees and Commitment Charges		
a. Amalgamations Private Ltd.	53.33	51.15
14 Managerial Remuneration		
a. Shri. A.Krishnamoorthy	2,068.00	1,325.00
b. Shri P.S Rajamani	325.00	295.00
15 Security deposit paid / refunded		
b. Bimetal Bearings Ltd.	-	0.85
c. Sri Rama Vilas Service Ltd.	-	1.60

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures FY 2024-25 Annexure 1 (Refer Note - 52)

Notes :

Material Related party transactions are disclosed below :

Particulars	Current Year 31st March 2025 (Rs. in Lakhs)	Previous Year 31st March 2024 (Rs. in Lakhs)
16 Acquisition of Shares		
a. India Pistons Ltd.	5,000.00	7,500.00
b. IP Rings Ltd.	-	1,140.00
17 Acquisition of Assets		
a. India Pistons Limited	14,139.55	-
18 Guarantees Given		
a. India Pistons Ltd.	8,119.16	10,311.50
19 Contributions made during the year		
a. Simpson & Co. Ltd. Employees Gratuity Fund	103.04	843.77
b. Simpson & Co. Ltd. Sr Exec Super Ann Fund	20.83	24.32

Material Related party balances at year end are disclosed below :

Particulars	Current Year 31st March 2025 (Rs. in Lakhs)	Previous Year 31st March 2024 (Rs. in Lakhs)
1 Sundry Debtors		
a. Tractors and Farm Equipment Ltd.	26,398.82	27,654.90
b. TAFE Motors and Tractors Ltd.	7,714.69	6,593.19
2 Sundry Creditors		
a. Amalgamations Private Ltd.	186.12	472.04
b. Addison & Co Ltd.	1,905.89	1,740.20
3 Loans given		
a. India Pistons Ltd.	3,850.00	11,750.00
4 Advances		
a. India Pistons Ltd.	1,629.00	2,710.00
5 Loans taken		
a. Amalgamations Private Ltd.	2,600.00	2,600.00
b. Sri.A.Krishnamoorthy	675.00	675.00

Simpson & Co. Ltd.

Consolidated

Financial Statements

FY 2024-25

3rd September 2025

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF SIMPSON & COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Simpson & Company Limited (hereinafter referred to as “the Parent Company”) and its Subsidiaries (the Parent Company and its Subsidiaries together referred to as “the Group”), its Associates and Joint Venture, which comprises the Consolidated Balance Sheet as at March 31, 2025, 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 material accounting policies, notes to the Consolidated Financial Statements and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements/financial information of the Subsidiaries, Associates and Joint Venture referred to in the Other Matters Paragraph, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) , to the extent applicable and amended thereto, and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group, its Associates and Joint Venture as at March 31, 2025, their Consolidated Profit including other comprehensive income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statement’s* section of our report.

Head Office: Simpson's Building, 861, Anna Salai, Chennai - 600002
Branches : Mumbai | Bengaluru | Kochi | Kollam | Kozhikode

We are independent of the Group in accordance with the 'Code of Ethics' issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of matters

We draw attention to Note 53(2) of the Consolidated Financial Statements which explains the tax savings with reference to the merger of one of the 100% subsidiary with the Parent Company in an earlier year which is contingent upon satisfaction of certain operational conditions therein, as per Indian Tax Laws.

We draw attention to Note 38(B) (ii) of the Consolidated Financial Statements which describes that the financial statements of two associates of a subsidiary considered for the purpose of preparing the Consolidated Financial Statements are prepared in accordance with the accounting policies aligned with accounting principles generally accepted in the respective country of its jurisdiction and consolidated based on annual financial statements audited by other auditors, duly adjusted for reporting date timing difference and in accordance with the auditing standards generally accepted in that country of jurisdiction.

We draw attention to Note 57(v) of the Consolidated Financial Statements which describes that there are non-compliances related to provisions of Reserve Bank of India's (RBI) revised guidelines on Merchanting Trade Transactions (MIT) (RBI/2019-20/152) due to misclassification of certain transactions during the current and previous financial years as regular import/export transactions instead of MIT in case of an associate. Further, the said note describes Company's non-compliance with the provisions of Foreign Exchange Management Act, 1999 and Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, as amended, pertaining to advances received from a customer for export of goods, that have remained outstanding for more than a year.

As stated in the said note, management of the associate is in the process of regularising these non-compliances and expects to obtain necessary approvals from RBI or the Authorised Dealer Bank without any significant fines, penalties or any other regulatory consequences that could materially impact the financial statements.

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

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

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

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

One of the said subsidiaries has net worth of Rs. 7,691.91 lakhs, total revenue of Rs. 21,400.02 lakhs and net profit (including Other Comprehensive Income and Exceptional Profit of Rs.13,913.99 lakhs) of Rs. 7,757.96 lakhs and the other subsidiary has net worth of Rs. 7.61 lakhs, total revenue of Rs.0.90 Lakhs, net profit (including Other Comprehensive Income) of Rs. 0.15 lakhs.

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 respective 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 companies in 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 their companies in the Group / Associates and Joint Venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company, its Subsidiaries, Associates and Joint venture which are companies incorporated in India, has adequate internal financial controls system, with reference to the financial statements, are in place and the operating effectiveness of such controls.
- Evaluate the appropriateness and compliance of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associates and Joint Venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associates and Joint Venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates and Joint Venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

We communicate with those charged with governance of the Parent Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

- (a) We did not audit the financial statements and other financial information of 17 (PY:18) Subsidiaries whose financial statements and other financial information reflect total assets of Rs. 21,34,882.12 lakhs (PY Rs. 19,47,226.05 lakhs), total revenue of Rs.16,96,319.82 lakhs (PY: Rs. 15,99,327.36 lakhs) and net cash outflows amounting to Rs. 13,203.35 lakhs (PY: Rs. 8,629.06 lakhs) for the year ended 31st March 2025, as considered in the Consolidated Financial Statements.
- (b) The Consolidated Financial Statement also reflects the Group's share of profit (Including OCI) of Rs. 2,955.75 Lakhs (PY: Rs. 3,240.04 Lakhs), Rs. 7,130.70 lakhs (PY: Rs. 482.86 Lakhs), Rs. (124.83) Lakhs (PY: Rs. (49.78) Lakhs) and Rs. (85,528.96) Lakhs (PY: Rs. 1,70,895.98 Lakhs) in respect of 4 Associates (PY:3), a joint venture (PY:1), a joint venture of subsidiary (PY:1) and 3 Associates of subsidiary (PY:2) respectively for the year ended 31st March, 2025 whose financial statements have not been audited by us.

The above 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, Joint Venture of Subsidiary and Associates 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, Joint Venture, Joint Venture of Subsidiary and Associates of Subsidiary, 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 matters mentioned in (a) & (b) above, with respect to our reliance on the work done and the reports of the other auditors.

- (c) We did not audit the financial statements and other financial information of 2 subsidiaries (PY:1 associate and 1 associate of subsidiary) whose financial statements reflect total assets of Rs.996.51 lakhs (PY Rs.1,303.82 lakhs), total revenue Nil and net cash outflows amounting to Rs.108.74 lakhs (PY Rs.348.21lakhs) for the year ended 31st March 2025, as considered in the Consolidated Financial Statements for the year. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the companies mentioned above, is based solely on such unaudited financial statements.

In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group. Our opinion is not modified in this regard.

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 their respective standalone financial statements and the other financial information as noted in the Other Matters paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law maintained by the companies in the Group, its associates and joint ventures including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the points mentioned below and paragraph (i)(vi) of the report in relation to compliance of Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.
- i) In respect of 3 subsidiaries audited by other auditors, the backup of certain books of account and other books and papers maintained in electronic mode has been maintained on a periodic basis vis-a-vis the requirement under the Act to be maintained on a daily basis during the year.
 - ii) In respect of 1 subsidiary, the company has taken backup of books of accounts in a server physically located in India on a daily basis except during public holidays and Sundays.
 - iii) In respect of 1 subsidiary, the auditors were unable to verify the backup of books of accounts maintained in electronic mode.
 - iv) In respect of an associate audited by other auditor, the books of account are not accessible in India and the Component does not have server physically located in India for the daily backup of the books of account and other books and papers maintained in electronic mode.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the consolidated other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“IND AS”).
- e) On the basis of the written representations received from the Directors of the Parent Company taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its Subsidiaries, Associates and Joint Venture incorporated in India, none of the Directors of the Group companies, including its Associate and Joint Venture incorporated in India is disqualified as on 31st March , 2025 from being appointed as a director in terms of Section 164(2) of the Act, except in case of an associate, where the qualification or disqualification of two foreign directors could not be ascertained by the component auditor due to the absence of written representation.

- f) With respect to the books of account and other matters connected therewith, reference is made to our comment in paragraph 2(b) above relating to backup and accessibility of books of accounts in electronic mode under Companies Act, 2013 along with the matters stated in paragraph 2(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) The matters referred to in the ‘material uncertainty relating to going concern’ paragraph of our report pertaining to two subsidiaries may have an adverse effect on the functioning of the respective subsidiaries, as stated by the respective auditors of the components.
- h) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls; refer to our separate report in “Annexure B” which is based on the respective auditor’s reports of the Group including its Associates and Joint Venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.
- i) With respect to the matter to be included in the Auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- j) With respect to other matters to be included in the auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations gives to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position in Note 52(A).
 - ii. The Group, its Associates and Joint Venture do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, that were required to be transferred, to the Investors Education and Protection Fund by Parent Company.

- iv. a) The respective managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Parent Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Parent Company or any of such subsidiaries from any person(s) or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on our audit procedures that we considered reasonable and appropriate in the circumstances along with consideration of reports of other auditors on separate financial statements of the Subsidiaries, Associates and Joint Venture as referred to in the Other Matters Paragraph and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Parent Company has declared and paid dividend during the year which is in compliance with section 123 of the Act.

- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, subsidiaries, associates and joint venture have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except in the following cases:

(a) Accounting Software:

- i. In the Parent Company, 4 subsidiaries, 2 joint ventures and an associate the feature of recording audit trail (edit log) facility was enabled only during the year.
- ii. In a subsidiary and an associate, the audit trail (edit log) was not enabled at both application and database levels.
- iii. In another subsidiary the audit trail (edit log) was not enabled at the application level and in 1 associate the audit trail (edit log) was not enabled at the database level during the year.

(b) Other Software Applications:

- i. In the Parent Company, the audit trail (edit log) for Payroll Software was enabled at both application and database levels only during the year.
- ii. In 3 subsidiaries and an associate, the audit trail (edit log) was not enabled at either application or database level, and in another subsidiary and an associate, it was not enabled at the database level during the year.
- iii. In a subsidiary and an associate, the company uses a third-party software. In the absence of independent confirmation (SOC/SAE report), the respective auditors were unable to comment on whether the audit trail was enabled and operated throughout the year or whether there were any instances of the audit trail feature being tampered with.

- (c) In respect of the Parent Company, the edit log for certain privileged access at the application level was enabled only during the year, whereas for 2 subsidiaries and 1 associate, it has not been enabled in the accounting software.

- (d) In respect of the Parent company and 2 subsidiaries generic IDs have been used for the accounting software for the relevant financial year.

- (e) In the respect of the Parent company, 5 subsidiaries and 2 associates, daily backup of audit trail could not be evidenced for certain days with respect to one or more software.

Further, during the course of our audit, we and the respective other auditors, whose reports have been furnished to us by the Management of the Parent, have not come across any instance of the audit trail feature being tampered with in, except for the above provided instances; the audit trail, wherever enabled, has been preserved by the respective company as per the statutory requirements for record retention.

For R.G.N. Price & Co.,
Chartered Accountants

Place : Chennai

Date : 3rd September 2025

Mahesh Krishnan
Partner
M.No.206520
FR No.002785S
UDIN:25206520BMIFZ1536

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

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

Sl. No	Name of the Company	CIN	Nature of relationship	Clause number of CARO with qualification or adverse remark	Reference note no.
1	Simpson & Company Limited	U65991TN1925PLC002345	Parent	3(i)(c)	1
2	Amalgamations Repco Ltd.	U35999TN1967PLC005566	Subsidiary	3(i)(c)	1
				3(ii)(a)	3
3	Addison & Co. Ltd.	U28939TN1914PLC000008	Subsidiary	3(ii)(b)	4
4	George Oakes Limited	U50300TN1956PLC000758	Subsidiary	3(vii)(a)	2
5	I.P. Rings Ltd	L28920TN1991PLC020232	Subsidiary	3(ii)(a)	3
				3(ii)(b)	4
				3(vii)(a)	2
6	India Pistons Ltd	U35999TN1949PLC000951	Subsidiary	3(ii)(b)	4
				3(vii)(a)	2
				3(ix)(a)	5
				3(xvii)	6
				3(xix)	7
7	Simpson & General Finance Company Limited	U65190TN1938PLC002355	Subsidiary	3(xiii)	8
8	Sri Rama Vilas Service Ltd.	U29214TN1938PLC002346	Subsidiary	3(i)(c)	1

9	T.Stanes and Company Limited	U02421TZ1910PLC000221	Subsidiary	3(ii)(b)	4
				3(iii)(e)	9
				3(vii)(a)	2
10	Tractors and Farm Equipment Limited	U29129TN1960PLC004337	Subsidiary	3(i)(c)	1
				3(iii)(f)	10
11	Bimetal Bearings Ltd.	L29130TN1961PLC004466	Associate	3(ii)(b)	4
				3(iii)(e)	9
				3(vii)(a)	2
12	L.M. Van Moppes Diamond Tools India Private Limited	U28930TN1962PTC004872	Associate	3(i)(c)	1
13	Southern Tree Farms Limited	U01132TN1986PLC013469	Sub Subsidiary	3(vii)(a)	2
14	TAFE Motors & Tractors Limited	U29211TN2005PLC055476	Sub Subsidiary	3(i)(c)	1
15	IPL Shaw Solutions Private Limited	U29100TN2021PTC144601	Associate	3 (vii) (a)	2
				3 (xvii)	6
16	Vidagara Tech park Private Limited	U74999TN2018PTC125504	Sub Subsidiary	3(xvii)	6
17	Amco Batteries Limited	U31400TN1955PLC080755	Subsidiary	3(xix)	11

Note:

1. With respect to the Parent company mentioned in serial no.1, the title deeds of all the immovable properties are held in the name of the Company except for a property amounting to Rs. 136.54 crores, purchased towards the end of the year, the registration for which has been duly recorded by appropriate authority, and the title deeds possession is awaited.

In respect of the component as mentioned in serial no.2, the title deeds of all the immovable properties were held in the name of the company except for the following:

Description of property	Gross carrying value (INR in lakhs)	Held in the name of	Whether promoter director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the company
Mysore land	4.61	India Pistons Repco Limited	No	February 22, 2007 till date	The land was part of the assets belonging to erstwhile India Pistons Repco Limited which was merged with the Company by virtue of the amalgamation order passed by the Honourable High Court on February 22, 2007. The name change in the records of registrar has to be effected.
Kakkalur Land	12.39	India Pistons Repco Limited	No		

In respect of the component mentioned in serial no.8, the title deeds of all immovable properties disclosed in the financial statements are held in the name of the company as at the balance sheet date except land (sale cum lease) valuing Rs. 0.59 lakhs for which title deeds are pending to be transferred to the name of the company.

With respect to the component mentioned in serial no. 10, the title deeds of such immovable properties are held in the name of the company as at the balance sheet date, except for the following:

Description of property	As at the balance sheet date (Rs. In lakhs)		Held in the name of	Whether promoter director or their relative or employee	Period held (in years)	Reason for not being held in the name of the company
	Gross carrying value (INR in lakhs)	Carrying value in the financial statements				
Building	14.00	Nil	Karnataka Industrial Areas Development Board (KIADB)	No	20	KIADB has not yet transferred the title

With respect to the component mentioned in serial no. 12, the title deeds of all the immovable properties are held in the name of the Company except for a Property (WDV as at 31st March 2025 Rs 7.32 lakhs), which we were informed that, original title deeds were placed with banker as collateral and the same was misplaced by them. Presently, Company is in the process of retrieving deed copies through Registrar Office.

With respect to the component mentioned in serial no. 14, the title deeds of such immovable properties are held in the name of the company as at the balance sheet date, except for the following:

Description of property	As at the balance sheet date (Rs. In lakhs)		Held in the name of	Whether promoter director or their relative or employee	Period held (in years)	Reason for not being held in the name of the company
	Gross carrying value (INR in lakhs)	Carrying value in the financial statements				
Cycle stand land, Alwar	21.14	21.14	M/s Laxman Ram Meena and Eicher Motors Ltd	No	20	Transfer in abeyance due to state land laws
Nursery land, Alwar	4.50	4.50	M/s Khyali Ram, Ishar Ram & Ram Baksh	No	20	Transfer in abeyance due to state land laws
Land with factory, Alwar	18.30	18.30	M/s Ram Chander & others	No	20	Transfer in abeyance due to state land laws

- The Parent Company and its 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, 2025, for a period of more than six months from the date they became payable except for the following:

In respect of component mentioned in serial no. 4 above, there have been delays in payment of Provident Fund amounting to Rs. 1.61 lakhs, ESI amounting to Rs. 0.25 lakhs and Professional tax amounting to Rs. 2.01 lakhs and Labour Welfare Fund of Rs. 0.70 Lakhs which have not yet been paid as on 31st March 2025.

In respect of the component in serial no. 5, the company has generally been regular in depositing the statutory dues with the appropriate authorities, except for a sum of Rs. 7.62 Lakhs due for more than 6 months from the date it became payable.

In respect of component mentioned in serial no. 6, it has not been regular in depositing amounts of undisputed statutory dues including Provident Fund, Employee's state insurance, Income-tax, Goods and Service tax, Labour welfare fund with the appropriate authorities. Income Tax amounting to Rs.15.09 Lakhs, TDS amounting to Rs. 1.70 Lakhs & EPF amounting to Rs.3.10 Lakhs has not yet been paid as on 31st March 2025.

In respect of the component in serial no. 9, the company has generally been regular in depositing the statutory dues with the appropriate authorities, except for delays in respect of remittance of Employees' State Insurance dues.

In respect of the component in serial no. 15, the company has generally been regular in depositing the statutory dues with the appropriate authorities, except for delays in deposit of tax deducted at source, ranging from 1 to 7 days and provident fund ranging from 15 to 45 days.

3. In respect of two subsidiaries in serial no. 2 and 5, discrepancies (of 10% or more in value, in the aggregate for each class of inventory) were noticed on such physical verification of inventories and the same has been properly accounted in the books of accounts.
4. In respect of the components in serial no. 5 and 6, 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 materially in agreement with the books of account.

In respect of components mentioned in serial no. 3, 9 and 11, the said quarterly statements were found to be materially in agreement with the books/ no material discrepancies were observed.

5. In respect of the subsidiary in serial no. 6, certain delays were noted in respect of repayment of principal and interest to the lenders/financial institutions.

Nature of loan	Loan type	Amount not paid on due date - Rs in lakhs	Whether principal or interest	No of days delay or unpaid	Remarks
Loans	Working capital loan/ GECL	54.71	Interest	1 day	Subsequently paid
		58.52	Principal	1 to 3 days	Subsequently paid
Loans	Term Loan	101.1	Interest	2 to 5 days	Subsequently paid
		25.5	Principal+ Interest	1 to 32 days	Subsequently paid
Director deposit	Others	15.56	Interest	25 to 172 days	Subsequently paid
Intercompany Deposit	Others	1069.22	Interest	30 to 300 days	Subsequently paid

6. The components in serial no. 6 and 15, have incurred cash losses during the year and in the immediately preceding financial year, wherever applicable.
7. Auditors of respective component in serial no. 6, have reported existence of material uncertainty in connection to component's ability in meeting its liabilities existing at the balance sheet date.

8. In respect of the component in serial no. 7, transactions with related parties are in compliance with section 188 of the Act except in case of a waiver from payment approved by the board in respect of reimbursement of the share of housekeeping and maintenance expenses amounting to Rs. 37.10 Lakhs in respect of one of its components in serial no. 6.
9. In respect of the subsidiary in serial no. 9 and 11, loans aggregating to Rs. 100 Lakhs & Rs. 141 Lakhs which fell due during the year have been extended by modifying the terms.
10. In respect of the subsidiary in serial no. 10, The company has granted loans which are repayable on demand, details of which are given below:

(in lakhs)

Particulars	All parties	Promoters	Related Parties
Aggregate of loans' granted:			
- repayable on demand	50.00	-	50.00
-agreement does not specify any terms or period of repayment	Nil	-	Nil
Percentage of total loans' granted	58.13%	-	58.13%

11. In respect of the subsidiary in serial no. 17, it is reported that no material uncertainty regarding its ability to meet liabilities, other than vendor–shareholder overdues existing as at the balance sheet date as and when they fall due within a period of one year from the balance sheet date to its vendors. The reporting is based on facts up to the audit report date and does not constitute a guarantee or assurance of discharge of all liabilities falling due within one year from the balance sheet date.

For R.G.N. Price & Co.,
Chartered Accountants

Place : Chennai

Date : 3rd September 2025

Mahesh Krishnan
Partner
M.No.206520
FR No.002785S
UDIN:25206520BMIFZ1536

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, 2025, we have audited the internal financial controls of Simpson & Company Limited (hereinafter referred to as the “Parent Company”) and its Subsidiaries, (the Parent Company and its Subsidiaries together referred to as “the Group”), its Associates and Joint Venture, as applicable, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its Subsidiaries, its Associates and Joint Venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Parent Company, its Subsidiaries, its Associates and Joint Venture, which are companies incorporated in India, internal financial controls with reference to financial statements with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both, issued by ICAI, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

Inherent Limitations of Internal Financial Controls, with reference to financial statements, with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements with reference to these consolidated financial statements to

future periods are subject to the risk that the internal financial control with reference to financial statements with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Parent Company, its Subsidiaries, its Associates and Joint Venture, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls system with reference to financial statements with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control as 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 Consolidated Financial Statements, in so far as it relates to 14 Subsidiaries, 3 Associates and a Joint Venture where internal financial control over financial reporting is applicable and incorporated in India, is based on the corresponding reports of the auditors of such Companies, after considering the principles of materiality.

Further, reporting on the adequacy and operating effectiveness of the internal financial control with reference to the Consolidated Financial Statements in so far as it relates to two Associates and a Joint Venture (incorporated in India) is not applicable, pursuant to Notification G.S.R.583(E) dated June 13, 2017. Accordingly, the auditors of such companies have not reported on adequacy of internal financial control with reference to financial statements.

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

For R.G.N. Price & Co.,
Chartered Accountants

Place : Chennai

Date : 3rd September 2025

Mahesh Krishnan
Partner
M.No.206520
FR No.002785S
UDIN:25206520BMIIFZ1536

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

PARTICULARS		Note	31-03-2025	31-03-2024
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	1(a)	1,99,201.63	1,93,100.59
	(b) Capital Work-in-progress	1(d)	5,478.27	11,302.72
	(c) Right of Use Assets	51	6,659.40	6,560.45
	(d) Investment Property	1(b)	1,993.95	826.01
	(e) Intangible Assets	1(c)	6,804.39	10,041.05
	(f) Intangible assets under development	1(e)	12,566.83	9,941.42
	(g) Financial Assets			
	(i) Investments	2	11,73,859.15	11,82,445.28
	(ii) Loans	3	1,768.94	1,136.53
	(iii) Others	4	21,970.78	18,786.37
	(h) Deferred Tax Assets	5A	1,056.15	1,257.79
	(i) Other Non-current asseis	6	5,456.44	3,217.90
	Total Non-Current Assets		14,36,815.93	14,38,616.11
2	Goodwill on consolidation		5,469.61	5,469.61
3	Current Assets			
	(a) Inventories	7	1,49,887.11	1,55,362.05
	(b) Financial Assets			
	(i) Investments	8	4,22,736.96	3,84,298.18
	(ii) Trade Receivables	9	1,70,655.69	1,78,255.85
	(iii) Cash and Cash Equivalents	10(i)	84,509.07	69,429.97
	(iv) Bank balances other than (iii) above	10(ii)	65,340.48	30,314.18
	(v) Loans	11	5,786.00	1,512.16
	(vi) Others	12	9,075.15	5,851.98
	(c) Current Tax Assets (Net)	13	508.88	6,163.82
	(d) Other Current Assets	14	50,245.64	46,444.67
	Total Current Assets		9,58,744.98	8,77,632.86
	Assets held for Sale	44	228.70	229.14
	TOTAL ASSETS		24,01,259.22	23,21,947.72

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

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

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

Mahesh Krishnan
Partner
M.No.206520

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

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

Chennai, 03rd September 2025

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

PARTICULARS		Note	31-03-2025	31-03-2024
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(i) Owner's equity			
	(a) Share Capital	15	736.97	736.97
	(b) Other Equity	16	16,12,840.65	15,41,245.97
	(ii) Non controlling interest		3,80,054.42	3,64,909.67
	Total Equity		19,93,632.04	19,06,892.61
2	Capital Reserve on Consolidation		3,333.25	3,333.25
	LIABILITIES			
3	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	6,132.47	6,056.42
	(ii) Others	18	6,867.40	7,164.68
	(iii) Lease Liabilities	51	3,942.19	4,534.07
	(b) Deferred Tax Liabilities	5B	67,884.38	82,166.59
	(c) Provisions	19	5,534.34	5,233.53
	(d) Other Non-current Liabilities	20	364.10	443.32
	Total Non-Current Liabilities		90,724.88	1,05,598.61
4	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	24,858.15	24,666.31
	(ii) Trade Payables			
	- Micro & small enterprises	22	9,796.91	8,530.87
	- Other than Micro & small enterprises		2,10,382.68	2,03,335.93
	(iii) Others	23	33,881.93	35,139.91
	(iv) Lease Liabilities	51	1,192.50	714.65
	(b) Other Current Liabilities	24	28,053.71	27,523.19
	(c) Provisions	25	5,403.17	6,212.39
	Total Current Liabilities		3,13,569.05	3,06,123.25
	TOTAL EQUITY AND LIABILITIES		24,01,259.22	23,21,947.72

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

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

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

Mahesh Krishnan
Partner
M.No.206520

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

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

Chennai, 03rd September 2025

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

Particulars	Note	31-03-2025	31-03-2024
Revenue from operations	26	15,57,584.33	14,79,241.48
Other income	27	96,495.61	76,316.45
Total Income		16,54,079.94	15,55,557.93
Expenses :			
(a) Cost of materials consumed	28	8,91,480.19	8,10,530.12
(b) Purchases of stock-In-trade	29	1,67,554.86	1,84,023.68
(c) Changes in inventories of finished goods, Stock-in-trade & Work in progress	30	-4,241.76	6,842.65
(d) Employee Benefits Expense	31	1,37,135.12	1,27,702.63
(e) Finance Costs	32	7,123.23	6,091.59
(f) Depreciation and Amortization Expense	33	29,826.37	27,681.51
(g) Other Expenses	34	2,25,364.65	2,13,717.53
Total Expenses		14,54,242.66	13,76,589.71
Profit / (loss) before Exceptional Items and tax		1,99,837.28	1,78,968.22
Exceptional Items (Refer Note 39)	39	171.09	233.53
Profit / (loss) before tax		1,99,666.19	1,78,734.69
Tax Expense:			
(a) Current tax		44,480.55	48,954.37
(b) Deferred tax		13,302.54	1,804.20
(c) Tax refund / provision relating to earlier years		(109.97)	(173.18)
Total Tax Expenses		57,673.12	50,585.39
Profit / (Loss) for the period from Continuing operations		1,41,993.07	1,28,149.30
Share of profit from Associates & Joint ventures		(35,448.15)	1,36,957.88
Profit / (loss) for the year after tax		1,06,544.92	2,65,107.18
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss (Net of tax)	35A	5,586.84	10,604.35
B. Items that will be reclassified to profit or loss (Net of tax)	35B	(14,721.49)	4,134.00
Total Comprehensive Income for the Year		97,410.27	2,79,845.53
a) Profit attributable to			
Owners of the Company		85,952.99	2,11,764.33
Non-Controlling Interest		20,591.93	53,342.85
b) OCI attributable to			
Owners of the Company		(7,071.24)	11,700.76
Non-Controlling Interest		(2,063.41)	3,037.59
Total Comprehensive Income for the Year attributable to			
Owners of the Company		78,881.75	2,23,465.09
Non-Controlling Interest		18,528.52	56,380.44
<i>Earnings per equity share (face value - Rs 2500/- per share)</i>			
<i>Basic & Diluted (In Rs.)</i>	36	2,91,573.63	7,18,356.56

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

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

Partner
M.No.206520

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

S. SRINIVASARAGHAVAN
**Chief Financial Officer &
Company Secretary** 108

Chennai, 03rd September 2025

Simpson & Company Limited

Consolidated Statement of changes in Equity for the year ended 31st March 2025

(All amounts are in INR lakhs unless otherwise stated)

Statement of Changes in Equity for the period ended March 31, 2025

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
2023-24	736.97		736.97	-	736.97
2024-25	736.97		736.97	-	736.97

B. Other equity

	Attributable to Owners of the Company											Non-controlling interests
	Reserves and surplus				Other reserves						Capital reserve on consolidation	
	General reserve	Capital Redemption Reserve	Statutory Reserve	Retained earnings	Share of Other comprehensive income of Associates	Exchange differences on translating financial statements of foreign operations	Equity instruments through other comprehensive income	Actuarial Gain on Defined Benefit Plan	Effective Cash Flow Hedges Reserve	Total other equity		
Balance as at 31st March 2023	1,94,795.90	13.03	458.72	11,50,718.02	(39,481.28)	8,072.15	6,191.90	4,819.54	6.18	13,25,594.16	3,333.25	3,11,376.69
Profit for the year 2023-24	-	-	-	2,11,764.33	-	-	-	-	-	2,11,764.33	-	53,342.85
Other Comprehensive Income	-	-	-	-	8,197.54	3,273.57	307.30	(82.97)	5.32	11,700.76	-	3,037.59
Hyperinflation adjustment				(184.01)						(184.01)		-
Consolidation and other adjustments	-	-	-	(1,350.27)	916.78	-	-	-	(10.28)	(443.77)	-	(2,847.46)
Transfer to Reserves	10,000.00	-	78.61	(10,078.61)	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners												
- Interim dividend	-	-	-	(5,527.31)	-	-	-	-	-	(5,527.31)	-	-
- Final dividend	-	-	-	(1,658.19)	-	-	-	-	-	(1,658.19)	-	-
Balance as at 31st March 2024	2,04,795.90	13.03	537.33	13,43,683.96	(30,366.96)	11,345.72	6,499.20	4,736.57	1.22	15,41,245.97	3,333.25	3,64,909.67
Profit for the year 2024-25	-	-	-	85,952.99	-	-	-	-	-	85,952.99	-	20,591.93
Other Comprehensive Income	-	-	-	-	(16,989.52)	7,133.58	2,848.32	(63.96)	0.39	(7,071.19)	-	(2,063.41)
Hyperinflation adjustment	-	-	-	263.88	-	-	-	-	-	263.88	-	-
Consolidation and other adjustments	-	-	-	(180.84)	-	-	-	-	(0.41)	(181.25)	-	(3,383.77)
Transfer to Reserves	12,500.00	-	98.99	(12,598.99)	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners												
- Interim dividend	-	-	-	(5,527.31)	-	-	-	-	-	(5,527.31)	-	-
- Final dividend	-	-	-	(1,842.44)	-	-	-	-	-	(1,842.44)	-	-
Balance as at 31st March 2025	2,17,295.90	13.03	636.32	14,09,751.25	(47,356.48)	18,479.30	9,347.52	4,672.61	1.20	16,12,840.65	3,333.25	3,80,054.42

The accompanying notes are an integral part of the financial statements

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

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

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

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

For R.G.N. PRICE & CO.
Chartered Accountants
FR.No.002785S
Mahesh Krishnan
Partner

M.No.206520
Chennai, 03rd September, 2025

Simpson & Company Limited (CIN: U65991TN1925PLC002345)

(All amounts are in INR lakhs unless otherwise stated)

Consolidated Cash Flow Statement For the Year Ended

Particulars		31-03-2025	31-03-2024
A.	Cash flow from Operating Activities		
	Profit Before Tax	1,99,666.19	1,78,734.69
Add:	Profit from sale of property, plant and equipment	(1,247.20)	(655.05)
	Depreciation and amortisation expense	29,826.37	27,681.51
	Finance Cost	7,123.23	6,091.59
	Interest Income	(11,104.35)	(6,779.40)
	Dividend Income	(236.54)	(296.76)
	Fair Value Gain on Investments	(66,308.17)	(56,906.91)
	Profit on Sale of Investments	(10,125.55)	(6,777.89)
	Exchange gain/loss	(2,841.12)	642.07
	Operating Profit Before Working Capital Changes	1,44,752.86	1,41,733.85
	Working Capital Changes		
	Decrease / (Increase) in Financial Assets	(250.86)	26.74
	Decrease / (Increase) in Other non-current & current assets	(9,262.68)	1,835.60
	Decrease / (Increase) in Inventories	5,474.94	12,523.68
	(Decrease) / Increase in trade and other payables	7,532.71	(1,218.01)
	(Decrease) / Increase in provisions	(508.40)	(2,066.68)
	Decrease / (Increase) in loans and advances	(4,906.25)	(797.25)
	Decrease / (Increase) in trade and other receivables	8,420.36	15,055.28
	(Decrease) / Increase in Other non-current & current Liabilities	(437.86)	36.64
	Cash generated from Operations	1,50,814.82	1,67,129.85
Less:	Taxes Paid	38,715.64	51,836.39
	Cash flow from Operating Activities	1,12,099.18	1,15,293.46
B.	Cash flow from Investing activities		
	Net Purchase/Adjustments in property, plant and equipment	(29,511.41)	(31,333.25)
	Movement in Non current assets held for sale	0.44	(23.04)
	Net (Purchase)/Sale of Investments	(25,384.82)	(36,833.11)
	Interest Income earned	11,104.35	6,779.40
	Dividend Income	236.54	296.76
	Changes in bank balance - Other than cash & cash equivalents	(37,959.86)	(29,087.04)
	Cash used in Investing activities	(81,514.76)	(90,200.28)
C.	Cash flow From Financing Activities		
	Interest / Finance Charges on Borrowings	(7,123.23)	(6,091.59)
	Change in group structure / Adjustments	(3,301.14)	(3,475.24)
	Proceeds from / (Repayment of) Long Term Borrowings (Net)	76.04	(1,071.39)
	Proceeds from / (Repayment of) Short Term Borrowings (Net)	191.84	304.16
	Dividend Paid	(7,369.75)	(7,185.51)
	Cash generated from Financing Activities	(17,526.24)	(17,519.57)

Simpson & Company Limited (CIN: U65991TN1925PLC002345)*(All amounts are in INR lakhs unless otherwise stated)***Consolidated Cash Flow Statement For the Year Ended**

Particulars		31-03-2025	31-03-2024
	Net Increase / (Decrease) in Cash	13,058.18	7,573.61
	Opening Cash & Cash Equivalents	69,429.97	62,767.77
	Effect of exchange differences on foreign currency transactions	2,020.92	(911.41)
	Closing Cash & Cash Equivalents	84,509.07	69,429.97
	Reconciliation		
	Cash & Cash Equivalents		
	Cash on hand	78.38	68.24
	Cheques on hand/Transit	4,743.39	5,596.58
	Balances with banks:		
	(a) in current accounts	59,547.30	40,524.15
	(b) in deposits with original maturity of less than three months	20,140.00	23,241.00
	Balance as per Statement of cash flows	84,509.07	69,429.97

The accompanying notes are an integral
part of the financial statements

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

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

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

Mahesh Krishnan
Partner
M.No.206520

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

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

Chennai, 03rd September 2025

Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

Consolidated Financial Statements for the year ended 31st March 2025
NOTES ON ACCOUNTS
1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

Particulars	Gross Block					Depreciation/Amortization					Net Block	
	As at 01-04-2024	Additions	Disposals	Adjustments	As at 31-03-2025	As at 01-04-2024	For the year	Withdrawn	Adjustments	As at 31-03-2025	As at 31-03-2025	As at 31-03-2024
(a) PROPERTY, PLANT AND EQUIPMENT: FREEHOLD												
- Land	48,640.54	-	(77.28)	168.06	48,731.32	-	-	-	-	-	48,731.32	48,640.54
- Buildings	59,090.82	5,299.46	(105.91)	(1,206.90)	63,077.46	15,062.98	2,526.52	(44.97)	(451.11)	17,093.42	45,984.04	44,027.84
Leasehold Land	139.19	-	-	7.50	146.69	46.20	23.73	-	3.12	73.05	73.64	92.99
LEASEHOLD IMPROVEMENTS												
- Buildings	1,179.55	154.31	-	2,127.14	3,461.00	664.18	139.87	-	673.37	1,477.42	1,983.58	515.37
- Electrical Installation-Lease land	62.04	0.20	-	(0.00)	62.24	54.49	4.24	-	(0.00)	58.73	3.51	7.55
Bearer Plants	104.64	-	-	-	104.64	21.90	2.55	-	-	24.45	80.19	82.74
Plant and Machinery	1,99,173.89	18,602.97	(4,509.84)	1,147.55	2,14,414.58	1,08,726.68	16,617.27	(3,913.70)	636.55	1,22,066.80	92,347.77	90,447.21
Electrical Installation	3,065.82	244.07	(95.12)	0.00	3,214.77	1,809.02	191.96	(52.01)	(0.00)	1,948.97	1,265.80	1,256.80
Furniture & Fixtures	3,728.31	369.34	(30.61)	(172.57)	3,894.47	1,933.26	342.43	(30.31)	(143.89)	2,101.49	1,792.99	1,795.05
Office Equipments	11,644.56	2,033.08	(210.55)	277.05	13,744.15	8,340.38	1,360.83	(177.65)	220.46	9,744.02	4,000.13	3,304.18
Laboratory Equipment	327.37	34.80	-	-	362.17	152.56	28.95	-	-	181.51	180.66	174.81
Vehicles	6,201.31	790.70	(551.14)	17.25	6,458.12	3,445.81	703.93	(466.87)	17.26	3,700.12	2,757.99	2,755.50
Total	3,33,358.05	27,528.93	(5,580.45)	2,365.08	3,57,671.61	1,40,257.46	21,942.28	(4,685.51)	955.76	1,58,469.98	1,99,201.63	1,93,100.59
(b) INVESTMENT PROPERTY :												
Freehold Land	405.25	1,304.13	-	(168.06)	1,541.32	-	-	-	-	-	1,541.32	405.25
Buildings on Freehold land	599.22	59.63	-	(8.89)	649.97	178.46	19.01	-	-0.13	197.34	452.63	420.76
Total	1,004.47	1,363.77	-	(176.95)	2,191.29	178.46	19.01	-	-0.13	197.34	1,993.95	826.01
(c) INTANGIBLE ASSETS :												
Computer Software	7,041.94	639.89	(10.53)	(0.03)	7,671.27	4,956.89	1,153.02	(10.36)	(64.52)	6,035.03	1,636.24	2,085.05
Product Development (Internally generated)	4,922.49	411.27	-	(2,282.92)	3,050.85	3,427.97	643.71	-	(2,218.41)	1,853.27	1,197.58	1,494.52
Product Development - Others	516.75	272.74	-	-	789.49	384.82	170.22	-	-	555.04	234.44	131.92
Technical Knowhow	9,145.54	877.21	-	-	10,022.75	4,676.32	3,182.25	-	-	7,858.57	2,164.18	4,469.22
Land use Rights	88.19	-	-	22.83	111.02	51.48	14.22	-	15.14	80.84	30.18	36.71
Customer Contracts	2,171.98	-	-	-	2,171.98	348.35	281.86	-	-	630.21	1,541.77	1,823.63
Total	23,886.89	2,201.11	(10.53)	(2,260.12)	23,817.35	13,845.83	5,445.28	(10.36)	(2,267.80)	17,012.96	6,804.39	10,041.05
(d) CAPITAL WORK IN PROGRESS-- Refer Note no:- 56(d)											5,478.27	11,302.72
(e) INTANGIBLE ASSETS UNDER DEVELOPMENT-- Refer Note no:- 56(d)											12,566.83	9,941.42

Simpson & Company Limited												
(All amounts are in INR lakhs unless otherwise stated)												
Consolidated Financial Statements for the year ended 31st March 2025												
NOTES ON ACCOUNTS												
1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS												
Particulars	Gross Block					Depreciation/Amortization					Net Block	
	As at 01-04-2023	Additions	Disposals	Adjustments	As at 31-03-2024	As at 01-04-2023	For the year	Withdrawn	Adjustments	As at 31-03-2024	As at 31-03-2024	As at 31-03-2023
PROPERTY, PLANT AND EQUIPMENT:												
FREEHOLD												
- Land	48,649.15	-	(8.44)	(0.17)	48,640.54	-	-	-	-	-	48,640.54	48,649.15
- Buildings	56,846.32	6,572.11	(4,263.57)	(64.04)	59,090.82	12,994.91	2,630.60	(1,167.00)	604.47	15,062.98	44,027.84	43,851.41
Leasehold Land	134.73	-	-	4.46	139.19	22.36	22.88	-	0.96	46.20	92.99	112.37
LEASEHOLD IMPROVEMENTS												
- Buildings	1,179.56	-	-	(0.01)	1,179.55	615.84	49.48	-	(1.14)	664.18	515.37	563.72
- Electrical Installation-Lease land	62.00	-	0.04	-	62.04	50.73	4.23	(0.47)	0.00	54.49	7.55	11.27
Bearer Plants	106.43	-	(1.79)	-	104.64	21.14	2.54	(1.79)	0.01	21.90	82.74	85.29
Plant and Machinery	1,83,302.34	18,120.10	(2,391.50)	142.95	1,99,173.89	94,111.31	17,012.71	(2,152.89)	(244.45)	1,08,726.68	90,447.21	89,191.03
Electrical Installation	2,952.38	143.24	(29.80)	(0.00)	3,065.82	1,646.81	185.88	(29.29)	5.62	1,809.02	1,256.80	1,305.57
Furniture & Fixtures	3,333.36	417.06	(55.69)	33.58	3,728.31	1,659.93	306.43	(51.92)	18.82	1,933.26	1,795.05	1,673.43
Office Equipments	10,588.21	1,186.55	(99.57)	(30.63)	11,644.56	7,210.05	1,211.57	(90.63)	9.39	8,340.38	3,304.18	3,378.16
Laboratory Equipment	324.42	9.32	(6.37)	-	327.37	126.18	29.49	(3.11)	-	152.56	174.81	198.24
Vehicles	5,001.83	1,531.24	(331.85)	0.09	6,201.31	3,058.16	608.82	(221.18)	0.01	3,445.81	2,755.50	1,943.67
Total	3,12,480.73	27,979.63	-7,188.54	86.22	3,33,358.05	1,21,517.42	22,064.63	(3,718.28)	393.69	1,40,257.46	1,93,100.59	1,90,963.31
INVESTMENT PROPERTY :												
Freehold Land	407.20	0.01	(1.96)	(0.00)	405.25	-	-	-	-	-	405.25	407.20
Buildings on Freehold land	477.14	71.76	-	50.32	599.22	124.54	18.35	0.02	35.55	178.46	420.76	352.60
Total	884.34	71.77	(1.96)	50.32	1,004.47	124.54	18.35	0.02	35.55	178.46	826.01	759.80
OTHER INTANGIBLE ASSETS :												
Computer Software	5,871.82	1,171.84	-	(1.72)	7,041.94	4,045.22	914.06	-	(2.39)	4,956.89	2,085.05	1,826.60
Product Development (Internally generated)	4,189.67	732.82	-	-	4,922.49	3,003.93	424.04	-	-	3,427.97	1,494.52	1,185.74
Product Development - Others	472.93	43.81	-	0.00	516.75	284.88	99.94	-	0.00	384.82	131.92	188.05
Technical Knowhow	8,568.99	576.55	-	-	9,145.54	3,137.61	1,538.71	-	-	4,676.32	4,469.22	5,431.38
Land use Rights	567.75	42.60	(496.91)	(25.25)	88.19	261.91	18.65	(221.74)	(7.34)	51.48	36.71	305.84
Customer Contracts	2,171.98	-	-	-	2,171.98	66.47	281.88	-	-	348.35	1,823.63	2,105.51
Total	21,843.14	2,567.62	(496.91)	(26.97)	23,886.89	10,800.02	3,277.28	(221.74)	-9.73	13,845.83	10,041.05	11,043.12
CAPITAL WORK IN PROGRESS - Refer Note no:- 56(d)											11,302.72	8,567.53
INTANGIBLE ASSETS UNDER DEVELOPMENT - Refer Note no:- 56(d)											9,941.42	8,533.41

Simpson & Company Limited		
(All amounts are in INR lakhs unless otherwise stated)		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
2. NON CURRENT INVESTMENTS		
Particulars	31-03-2025	31-03-2024
<u>Quoted Investments</u>		
In Equity shares		
Associates	15,969.49	15,038.18
Associates of Subsidiary	5,11,693.55	6,30,660.85
Others	7,211.54	19,849.64
In Bonds & debt instruments	2.06	2,743.26
<u>Unquoted Investments</u>		
In Equity shares		
Associates	7,066.04	6,407.14
Associates of Subsidiary	3,065.54	2,888.35
Joint Venture	2,043.25	1,923.89
Joint Venture of Subsidiary	216.70	143.11
Others	5,863.40	784.06
In Preference shares		
Associates	1,124.97	1,124.97
In Bonds & debt instruments	4,500.00	4,500.08
In Govt. Securities	1,500.00	2,500.00
In Mutual Funds		
-Quoted	6,13,602.61	4,93,881.75
	11,73,859.15	11,82,445.28

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
3. FINANCIAL ASSETS - LONG TERM LOANS	31-03-2025	31-03-2024
Secured, considered good		
Loans		
- Employees	36.01	38.01
- Others	1,643.85	944.85
Unsecured, considered good		
Loans		
- Employees	9.86	13.01
- Others	79.22	140.66
	1,768.94	1,136.53
4. NON CURRENT FINANCIAL ASSETS - OTHERS	31-03-2025	31-03-2024
Security Deposits - Unsecured	2,901.68	2,680.94
Bank Deposits with maturity of more than twelve months	18,584.10	15,650.55
Other Deposits - Unsecured	485.00	454.88
	21,970.78	18,786.37
5A. DEFERRED TAX ASSETS (Net)	31-03-2025	31-03-2024
Deferred Tax Asset		
Provision for doubtful debts and advances	352.93	261.23
Unabsorbed tax Loss/Depreciation	13.88	-
Provision for employee related expenses	99.76	142.84
Capital Gains on Joint Development of Property	1,204.86	1,205.41
MAT Credit	35.89	-
Others	16.54	94.63
Sub Total (a)	1,723.86	1,704.11
Deferred Tax Liabilities		
Accumulated Depreciation on Assets	630.04	446.32
Fair value change on investments	37.67	-
Sub Total (b)	667.71	446.32
Deferred Tax Asset (Net)	1,056.15	1,257.79
5B. DEFERRED TAX LIABILITIES	31-03-2025	31-03-2024
Deferred Tax Liabilities		
Accumulated Depreciation on Assets	5,986.40	5,221.47
Fair value change on investments	66,892.68	82,810.71
Sub Total (a)	72,879.08	88,032.18
Deferred Tax Asset		
Provision for doubtful debts and advances	871.72	722.20
Unabsorbed tax Loss/Depreciation	424.66	267.17
Investment Properties	-	1,167.45
Provision for employee related expenses	1,870.91	1,650.02
MAT Credit	824.48	860.36
Others	1,002.93	1,198.39
Sub Total (b)	4,994.70	5,865.59
Deferred Tax Liabilities (Net)	67,884.38	82,166.59
6. OTHER NON CURRENT ASSETS	31-03-2025	31-03-2024
Capital Advances	4,450.11	2,197.81
Duties/taxes and other amounts paid under protest	49.45	44.90
Balance with statutory/government authorities	215.93	230.24
Others	740.95	744.95
	5,456.44	3,217.90

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
7. INVENTORIES	31-03-2025	31-03-2024
a) Raw materials and components	55,891.25	65,855.15
b) Stores and spares	3,851.15	3,642.71
c) Dies jigs & loose tools	549.81	511.05
d) Closing Stock :		
Intermediate components	1,097.76	1,245.72
Work in progress	12,902.52	14,571.01
Finished goods	49,471.67	45,688.88
Stock-in-trade	26,122.95	23,847.53
	1,49,887.11	1,55,362.05
Goods-in-transit included in inventories comprise of :		
- Raw materials and components	8,565.55	18,543.33
- Finished goods	13.14	34.61
- Stock in trade	2,173.35	1,789.93
<i>For Assets pledged as security refer Note 54</i>		
8. FINANCIAL ASSETS - CURRENT INVESTMENTS	31-03-2025	31-03-2024
Mutual funds		
- Debt	2,415.13	2,672.15
- Equity	4,15,964.19	3,80,467.33
Bonds & Commerical Paper	4,357.64	1,158.70
<i>Refer Note 48 for Financial Instrument by category and hierarchy.</i>	4,22,736.96	3,84,298.18
9. TRADE RECEIVABLES	31-03-2025	31-03-2024
Considered good - secured	3,896.83	12,467.51
Considered good - Unsecured	1,57,196.16	1,48,764.26
Receivables which have significant increase in credit risk	10,923.25	18,004.14
Credit Impaired	3,281.88	2,788.42
	1,75,298.12	1,82,024.33
Less : Allowance for trade Receivables	4,642.43	3,768.48
	1,70,655.69	1,78,255.85
<i>For Assets pledged as security, refer Note 54, For RPT Refer Note 55</i>		
10. (i) CASH AND CASH EQUIVALENTS	31-03-2025	31-03-2024
Balances with banks :		
(a) in current accounts	59,547.30	40,524.15
(b) in deposits with original maturity of less than three months	20,140.00	23,241.00
Cash on hand	78.38	68.24
Cheques on hand / in transit	4,743.39	5,596.58
	84,509.07	69,429.97
10. (ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Bank deposits with maturity of three to twelve months	18,069.90	23,218.15
Unclaimed dividend account	197.83	210.51
Earmarked balances	6.12	6.16
Margin Money with Bank	47,066.63	6,879.36
	65,340.48	30,314.18

Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

Consolidated Financial Statements - NOTES ON ACCOUNTS

11. FINANCIAL ASSETS - SHORT TERM LOANS	31-03-2025	31-03-2024
Secured, considered good		
Others	1,259.99	825.28
Unsecured, considered good		
Loans to related parties	47.72	53.05
Others	4,478.29	633.83
	5,786.00	1,512.16
12. CURRENT FINANCIAL ASSETS - OTHERS	31-03-2025	31-03-2024
Interest Receivable	488.19	484.24
Claims Receivable	336.81	664.93
Other Deposits - Unsecured	4,077.34	996.80
Others (Refer Note: 55 for Related Party Transaction)	4,172.81	3,706.01
	9,075.15	5,851.98
13. CURRENT TAX ASSETS (NET)	31-03-2025	31-03-2024
Prepayment of taxes	56,601.79	56,500.06
Less: Provision for taxes	56,092.91	50,336.24
	508.88	6,163.82
14. OTHER CURRENT ASSETS	31-03-2025	31-03-2024
Balance with statutory/government authorities	18,162.81	25,092.32
Advance to Suppliers	23,667.20	14,970.02
Prepaid expenses	2,569.03	3,617.92
Others	5,846.60	2,764.41
	50,245.64	46,444.67

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
15. SHARE CAPITAL	31-03-2025	31-03-2024
Authorised		
44,000 equity shares of Rs 2500/- each	1,100.00	1,100.00
1,00,000 Redeemable Preference shares of Rs 100/- each	100.00	100.00
Issued, subscribed and fully paid-up		
29479 equity shares of Rs. 2,500/- each	736.97	736.97
	736.97	736.97
15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :		
Particulars	No of Shares	No of Shares
Equity shares at the beginning of the year	29,479	29,479
Movement during the year	-	-
Equity shares outstanding at the end of the period (FV-Rs.2500/-)	29,479	29,479
15.2 Terms/rights attached to equity shares		
The company has only one class of equity share having par value of Rs.2500/- per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013		
15.3 Shares held by holding company and its associate		
Particulars	31-03-2025	31-03-2024
	(Rs.)	(Rs.)
a) Amalgamations Private Limited, Holding Company 28,944 equity shares of Rs.2500/- each fully paid	723.60	723.60
b) United Nilgiri Tea Estates Company Ltd, the associate of the holding company 65 equity shares of Rs.2500/- each fully paid	1.63	1.63
15.4 The Details of shareholders holding more than 5% shares in the company		
	31-03-2025	31-03-2024
Equity shares of Rs. 2500/- each fully paid		
Amalgamations Private Limited		
- Nos	28,944	28,944
- % of Holding	98.19	98.19

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
16. OTHER EQUITY	31-03-2025	31-03-2024
Capital reserve on Consolidation	3,333.25	3,333.25
	3,333.25	3,333.25
Other Reserves		
General Reserve		
As per last balance sheet	2,04,795.90	1,94,795.90
Add: Transfer from Retained earnings	12,500.00	10,000.00
	2,17,295.90	2,04,795.90
Statutory Reserve		
As per last balance sheet	537.33	458.72
Transfer from Retained earnings	98.99	78.61
	636.32	537.33
Capital Redemption Reserve		
As per last balance sheet	13.03	13.03
Transfer from General Reserve	-	-
	13.03	13.03
Retained Earnings		
As per last balance sheet	13,43,683.96	11,50,718.02
Consolidation Adjustment	(180.84)	(1,350.27)
Net Profit for the year	85,952.99	2,11,764.33
Hyperinflation Adjustment	263.88	(184.01)
Balance after adjustment	14,29,719.99	13,60,948.07
Less: Appropriations		
Interim dividend paid	(5,527.31)	(5,527.31)
Final dividend paid	(1,842.44)	(1,658.19)
Transfer to General reserve	(12,500.00)	(10,000.00)
Transfer to Statutory reserve	(98.99)	(78.61)
Net Surplus in the Retained Earnings Account	14,09,751.25	13,43,683.96
Share of Other comprehensive income of Associates		
As per last balance sheet	(30,366.96)	(39,481.28)
Add:- Adjustment	-	916.78
Add: Transfer from Other Comprehensive Income	(16,989.52)	8,197.54
	(47,356.48)	(30,366.96)
Exchange differences on translating financial statements of foreign		
As per last balance sheet	11,345.72	8,072.15
Add: Additions during the year	7,133.58	3,273.57
	18,479.30	11,345.72
Equity Instruments through FVTOCI reserve		
As per last balance sheet	6,499.20	6,191.90
Add : Transfer from Other Comprehensive Income	2,848.32	307.30
	9,347.52	6,499.20
Effective Cash Flow Hedges reserve		
As per last balance sheet	1.22	6.18
Add : Adjustment	(0.41)	(10.28)
Add : Transfer from Other Comprehensive Income	0.39	5.32
	1.20	1.22
Actuarial Gains on Defined Benefit Plan reserve		
As per last balance sheet	4,736.57	4,819.54
Add : Transfer from Other Comprehensive Income	(63.96)	(82.97)
	4,672.61	4,736.57
Total Other Equity	16,12,840.65	15,41,245.97

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
17. FINANCIAL LIABILITIES - LONG TERM BORROWINGS	31-03-2025	31-03-2024
Secured		
- Loans from banks	2,654.95	4,060.98
UnSecured		
- Loan from Directors	658.68	658.31
- Others	2,818.84	1,337.13
	6,132.47	6,056.42
<i>For terms of repayment, refer Note 46, Note 55 for Related party transaction</i>		
18. NON CURRENT FINANCIAL LIABILITIES - OTHERS	31-03-2025	31-03-2024
Security deposits	6,244.81	6,581.13
Advance received for Joint Development of Property	600.00	558.33
Others	22.59	25.22
	6,867.40	7,164.68
19. LONG TERM PROVISIONS	31-03-2025	31-03-2024
Provision for gratuity	82.15	-
Provision for compensated absences	4,391.64	4,142.72
Provision for product warranty	1,060.55	1,090.81
	5,534.34	5,233.53
20. OTHER NON CURRENT LIABILITIES	31-03-2025	31-03-2024
Deferred Income		
- Government Grants	59.03	116.41
- Other deferred income	291.70	316.22
Others	13.37	10.69
	364.10	443.32
21. FINANCIAL LIABILITIES - SHORT TERM BORROWINGS	31-03-2025	31-03-2024
Loans repayable on demand		
From Banks		
- Cash credit (Secured)	3,097.12	3,491.99
- Others	15,369.08	15,725.13
From Others	3,791.95	2,849.19
From Related Parties (Unsecured)	2,600.00	2,600.00
	24,858.15	24,666.31
<i>For terms of repayment, refer Note 46, Note 55 for Related Party transaction</i>		
22. TRADE PAYABLES	31-03-2025	31-03-2024
Micro and Small Enterprises	9,796.91	8,530.87
Acceptances	220.74	93.42
Others	2,10,161.94	2,03,242.51
	2,20,179.59	2,11,866.80
Refer Note 55 for Related Party Transaction.		

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
23. CURRENT FINANCIAL LIABILITIES - OTHERS	31-03-2025	31-03-2024
Interest accrued but not due on borrowings	395.27	364.83
Interest accrued and due on borrowings	28.08	162.33
Unclaimed dividends	203.73	216.67
Due to ultimate holding company	1,772.66	1,655.92
Other Payables		
- Managerial remuneration payable	2,473.23	1,712.36
- Accrued salaries & benefits	23,134.87	24,683.83
Security deposits	1,305.49	1,263.42
Capital Creditors	371.53	1,002.02
Others	4,197.07	4,078.53
	33,881.93	35,139.91
24. OTHER CURRENT LIABILITIES	31-03-2025	31-03-2024
Deferred income	615.91	345.85
Advance from customers	22,532.60	21,305.13
Security deposit from customers	88.21	57.80
Statutory dues payable	4,005.83	5,002.23
Others	811.16	812.18
	28,053.71	27,523.19
25. SHORT TERM PROVISIONS	31-03-2025	31-03-2024
Provision for gratuity	1,131.27	479.06
Provision for Compensated absences	1,443.65	1,300.05
(a)	2,574.92	1,779.11
Other Provisions		
Provision for warranty	2,728.00	4,326.04
Others	100.25	107.24
(b)	2,828.25	4,433.28
(a+b)	5,403.17	6,212.39
Particulars	Consolidated	
	31-03-2025	31-03-2024
Movement in Warranty provision (Current & Non-current)		
At the beginning of the year	5,416.86	5,506.42
Provision during the year	3,310.93	3,155.70
Utilized during the year	(4,932.46)	(3,228.33)
Written back during the year	(6.78)	(16.93)
At the end of the year	3,788.55	5,416.86

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
	Year Ended	Year Ended
	31-03-2025	31-03-2024
26. REVENUE FROM OPERATIONS <i>(Refer Note 50)</i>		
Sale of products	15,15,796.97	14,41,350.82
Sale of services	23,127.39	21,503.67
Other Operating Income	18,659.97	16,386.99
	15,57,584.33	14,79,241.48
27. OTHER INCOME	31-03-2025	31-03-2024
Interest income		
- Long-term investments	8.72	53.16
- Measurement of deposits at amortised cost	4,287.20	1,751.19
- Deposits and others	6,808.44	4,975.05
Dividend income		
- Long-term investments	234.98	295.28
- Current investments	1.56	1.48
Profit on sale of investments (Net)	10,125.55	6,777.89
Fair valuation gain on Investments	66,308.17	56,906.91
Exchange Gain (Net)	820.20	269.34
Other non-operating income	7,900.79	5,286.15
	96,495.61	76,316.45
28. COST OF MATERIALS CONSUMED	31-03-2025	31-03-2024
Opening Stock	65,855.15	56,567.47
Add:Purchases	8,81,657.08	8,19,985.86
Less:Closing Stock	(55,891.25)	(65,855.15)
Less:Capitalised	(140.79)	(168.06)
	8,91,480.19	8,10,530.12
29. PURCHASES OF STOCK-IN-TRADE	31-03-2025	31-03-2024
Purchase of Stock in trade	1,67,554.86	1,84,023.68
	1,67,554.86	1,84,023.68
30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	31-03-2025	31-03-2024
Opening stock		
Intermediate components	1,245.72	1,589.27
Finished goods	45,688.88	55,134.53
Work-in-progress	14,571.01	16,336.74
Stock-in-trade	23,847.53	19,135.25
(a)	85,353.14	92,195.79
Closing stock		
Intermediate components	1,097.76	1,245.72
Finished goods	49,471.67	45,688.88
Work-in-progress	12,902.52	14,571.01
Stock-in-trade	26,122.95	23,847.53
(b)	89,594.90	85,353.14
(a-b)	(4,241.76)	6,842.65

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
	Year Ended	Year Ended
	31-03-2025	31-03-2024
31. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Managerial remuneration	1,22,575.51	1,13,593.65
Contribution to Provident and Other Funds <i>(Refer Note 42)</i>	7,642.79	7,237.87
Staff welfare expenses	8,902.88	8,818.06
	1,39,121.18	1,29,649.58
Less: (i) Recoveries for common service & employees seconded	(1,419.61)	(1,309.11)
(ii) Transfer to captive consumption/Expenses capitalised	(566.45)	(637.84)
	1,37,135.12	1,27,702.63
32. FINANCE COSTS	31-03-2025	31-03-2024
Interest	6,153.22	5,125.25
Interest on fair valuation of loans/deposits	0.31	0.04
Interest on lease liability	653.02	604.33
Other borrowing costs	469.80	610.11
Less : Expenses capitalised	(153.12)	(248.14)
	7,123.23	6,091.59
33. DEPRECIATION AND AMORTISATION EXPENSES	31-03-2025	31-03-2024
Depreciation on tangible assets / Investment Property	21,961.29	22,082.97
Depreciation on Right of use Assets	2,419.80	2,321.27
Amortisation of intangible assets	5,445.28	3,277.27
	29,826.37	27,681.51
34. OTHER EXPENSES	31-03-2025	31-03-2024
Stores consumed	21,608.90	32,815.92
Packing & Forwarding	4,962.82	4,653.86
Power and Fuel	15,238.50	15,803.03
Subcontract charges	22,204.87	21,136.18
Repairs and Maintenance		
- Buildings	5,946.43	4,932.56
- Machinery	6,175.54	6,263.25
- Others	5,342.33	5,512.28
Insurance	2,255.68	2,358.53
Rent	3,999.54	5,197.52
Rates and Taxes	1,804.68	1,910.92
Freight & Handling charges	29,176.50	23,639.00
Auditors' Remuneration including other services		
Statutory Audit Fees	56.00	50.00
Tax Audit Fees	7.20	7.20
Others	7.74	7.26
Reimbursement of Expenses	5.74	1.81
Travelling Expenses	20,514.37	16,364.88
Advertisement & Sales promotion expenses	32,796.13	29,260.97
Expenditure on Corporate Social Responsibility	4,337.24	2,076.41
Miscellaneous expenses	48,924.44	41,725.95
	2,25,364.65	2,13,717.53

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
	Year Ended	Year Ended
	31-03-2025	31-03-2024
35A. OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Actuarial Gain / (Loss) on Defined Benefit Plan - Gratuity (Funded)	(164.44)	(118.07)
Changes in fair value of investments	3,783.85	485.61
Share of other comprehensive income (net) of associates	2,876.51	13,209.47
	6,495.92	13,577.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		
	909.08	2,972.66
	909.08	2,972.66
35B. OTHER COMPREHENSIVE INCOME	31-03-2025	31-03-2024
Items that will be reclassified to profit or loss		
Exchange differences on translating financial statements of foreign operations	(14,722.02)	4,128.68
Effective Portion of Cash Flow Hedges	0.53	5.32
	(14,721.49)	4,134.00
36. EARNINGS PER SHARE	31-03-2025	31-03-2024
(1) Profit after tax as per Consolidated Statement of Profit and Loss	85,952.99	2,11,764.33
(2) Weighted Average No. Equity Shares (Nos.)	29,479.00	29,479
(3) Nominal Value per Share (Rs.)	2,500.00	2,500.00
(4) Basic and diluted Earnings per Share (Rs.)	2,91,573.63	7,18,356.56

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

COMPANY OVERVIEW & MATERIAL ACCOUNTING POLICIES

37. COMPANY OVERVIEW:

General Information:

Simpson & Company Limited (“the Company or Parent Company”) is a public limited company domiciled in India, incorporated under the Indian Company Law. The Parent Company’s registered office is at 861/862, Anna Salai, Chennai-600002. The Company’s parent and ultimate holding company is Amalgamations Private Limited incorporated in the state of Tamil Nadu, India. The Parent Company and its subsidiaries (collectively herein referred to as the “Group”), Associates and Joint Venture are primarily involved in manufacturing of tractors, diesel engines, automobile parts, plantation products, non-banking finance and dealership in passenger cars and parts thereof. Amalgamations Private Limited owns 98.19% of ordinary equity shares of the Parent company as at 31st March, 2025 and has the ability to control its operating and financial policies.

The consolidated financial statements were approved by the Board of Directors on 3rd September 2025.

38A. MATERIAL 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 exercised 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.

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

- (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.

38B. GROUP OVERVIEW & MATERIAL ACCOUNTING POLICIES

Basis of Consolidation:

Associates and Joint Ventures:

- (i) Associates are those entities in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control over those policies. Significant influence is presumed to exist when the company holds between 20 and 50 percentage of the voting power of another entity, unless it is otherwise rebutted.
- (ii) One of the Subsidiaries has made investment in AGCO Corporation, a listed entity in New York, USA and eFarmer B.V. Netherlands where the holding as on March 31, 2025 is less than 20 percentage. The Subsidiary has assessed that it has significant influence over the entities based on its assessment of various parameters such as (a) representation on the board of directors (b) participation in policy-making processes, including participation in decisions about dividends or other distributions and (c) material transactions between the group and the entities. Accordingly, the entities have been considered as Associates of that Subsidiary and have been accounted for using the equity method of accounting.

The consolidated financial statements of the above entities have been prepared in accordance with the accounting policies aligned with the accounting principles generally accepted in the country of its jurisdiction and have been audited under the generally accepted auditing standards in the country of its jurisdiction for the years ended December 31, 2023 and December 31, 2024. In view of the significant differences and non-availability of information to align the accounting policies of the above entities 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 the above entities 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, 2024 and March 31, 2025, the Group has used the financial information based on the financial statements prepared using accounting policies aligned with the generally accepted accounting policies of the respective jurisdiction for the years ended December 31, 2023 and December 31, 2024 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.

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

Other Material Accounting Policies:

These are set out under "material accounting policy" as given in the parent company's standalone financial statement to be read with the para given below:

1) Investment and Other Financial Assets:

Equity Instruments including investments in associates, are measured at fair value, with Value changes on these instruments, excluding dividends, are recognized in the Other Comprehensive income (OCI)

2) Foreign currency translation:

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on such translation are recognised in other comprehensive income and are accumulated under other equity.

The results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

(a) all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent balance sheet, except that

(b) when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (ie not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

3) Goodwill:

Goodwill represents the excess of purchase consideration and direct costs of making the acquisition, over the fair value of the identified net assets acquired on the date of the acquisition.

For the purpose of calculating goodwill, fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or other valuation methodologies including discounted cash flow techniques, using market rates or by using risk-free rates and risk-adjusted expected future cash flows.

4) Hyperinflationary Economies

During the year, the Turkish economy has been designated as hyperinflationary. Accordingly, financial statements of entity whose functional currency is Turkish Lira have been prepared applying IND AS 29 'Financial Reporting in Hyperinflationary Economies'. This primarily includes (i) restatement of non-monetary assets and liabilities measured at historical cost in the balance sheet and all items of income and expenses in the statement of profit and loss, using the general price index at the balance sheet date, and (ii) recording gain or loss on net monetary position.

5) Leases:

Leases are recognized as a right-of-use asset with a corresponding lease liability at the date on which the leased asset is available for use by the Group as a lessee except for payments associated with short term leases (lease term of 12 months or less) and low value leases, which are recognized as an expense as and when incurred.

The Group assesses whether a contract contains a lease at the inception of a contract. Certain lease contracts include the options to extend or terminate the lease before the end of the lease term. Right-of-Use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The Right-of-Use assets are initially recognized at cost comprising initial lease liability adjusted for lease payments made on or before the commencement date less any lease incentives received and any initial direct cost. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related Right-of-Use assets if the group changes its assessment as to whether it will exercise an extension or a termination option.

Simpson & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025***(All amounts are in INR Lakhs unless stated otherwise)***39. Exceptional Items**

Particulars	FYE 31-03-2025	FYE 31-03-2024
Rework charges	-	(233.53)
Voluntary Retirement Scheme pursuant to closure of operations at assembly plant	(171.09)	-
Total	(171.09)	(233.53)

40. Tax Expenses:

Particulars	FYE 31-03-2025	FYE 31-03-2024
Profit before tax	1,99,666.19	1,78,734.69
Tax Expenses:		
Current Tax	44,480.55	48,954.37
Deferred Tax	13,302.54	1,804.20
Tax refund / provision relating to earlier years	(109.97)	(173.18)
Total	57,673.12	50,585.39
Applicable tax percentage (%)	25.17%	25.17%
Tax Rate	22.00%	22.00%
Surcharge	10.00%	10.00%
Education cess	4.00%	4.00%
Effective Tax Rate	28.88%	28.30%
Tax effect of amounts which are not deductible (taxable) in Calculating taxable income:		
Tax as per Applicable Tax Rate	50,251.99	44,983.95
Expenses that are not deductible in determining taxable profit	7,595.08	5,909.07
Admissible Deductions	(7,508.62)	(7,114.34)
Others	7,334.67	6,806.71
Total Tax Expenses	57,673.12	50,585.39

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

40(a). Deferred Tax Movement

Particulars	Balance as at 31st March 2023	Recognised in		Foreign Currency Translation Reserve	Balance as at 31st March 2024	Recognised in		Foreign Currency Translation Reserve	Balance as at 31st March 2025
		Profit & Loss *	OCI			Profit & Loss *	OCI#		
Deferred tax liabilities									
Accumulated Depreciation on Assets - including R&D	5,056.61	(133.27)	-	744.45	5,667.79	(342.98)	-	1,291.63	6,616.44
Fair Valuation on Investment and Loans	55,687.96	23,768.56	3,354.18	-	82,810.70	(10,990.09)	(4,894.06)	3.80	66,930.35
Others	26.25	66.29	-	-	92.54	(132.13)	-	-	(39.59)
Total	60,770.82	23,701.58	3,354.18	744.45	88,571.03	(11,465.20)	(4,894.06)	1,295.43	73,507.20
					-				
Deferred tax assets									
Allowance for doubtful debts	814.60	168.75	-	0.08	983.43	241.22	-	-	1,224.65
Capital Gains on Joint Development of Property	1,205.41	-	-	-	1,205.41	(0.55)	-	-	1,204.86
Provision for employee related expense	1,930.29	(117.57)	(1.63)	(18.23)	1,792.86	155.74	42.05	(19.98)	1,970.67
Unabsorbed depreciation and unabsorbed business Loss	350.55	(83.38)	-	-	267.17	171.37	-	-	438.54
Provision for obsolete stock	-	-	-	-	-	-	-	-	-
Others	1,649.48	(105.14)	50.79	(209.59)	1,385.54	(1,131.74)	10.30	715.79	979.89
Investment properties	1,029.76	137.69	-	-	1,167.45	(1,167.45)	-	-	-
MAT Credit	860.37	-	-	-	860.37	-	-	-	860.37
Total	7,840.46	0.35	49.16	(227.74)	7,662.23	(1,731.41)	52.35	695.81	6,678.98
Net Deferred tax liability	52,930.36	23,701.23	3,305.02	972.19	80,908.80	(9,733.79)	(4,946.41)	599.62	66,828.22

* Above includes deferred tax asset on share of loss from associates - Rs 23,036.35 Lakhs (PY deferred tax liability - Rs 21,896.69 Lakhs)

Above includes current tax in connection to sale of equity instruments during the period.

Deferred tax for unabsorbed loss was reassessed and impact of the same is provided for in the respective period as per the requirement of the relevant Indian Accounting standards.

41. Research & development expenditure

Particulars	FYE 31-03-2025	FYE 31-03-2024
Capital Expenditure		
– New product development and Other Assets	4,665.12	4,600.09
Total Capital Expenditure	4,665.12	4,600.09
Revenue Expenditure		
– Salaries & Wages	9,430.16	7,919.54
– Materials, Consumables and Spares	4,054.42	3,547.56
– Other Expenditure	12,613.03	10,083.35
Total Revenue Expenditure	26,097.61	21,550.45
Total	30,762.73	26,150.54

Simpson & Company Limited
Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025
(All amounts are in INR Lakhs unless stated otherwise)
42. Employee Benefit Expenses

S.No	Particulars	FYE 31-3-2025	FYE 31-3-2024
A.	Gratuity (Funded)		
	Actuarial Assumptions:		
	Discounted Rate	6.39% to 7.45%	6.9% to 7.45%
	Salary Escalation	0% to 8%	3% to 9%
	Attrition Rate	2% to 13%	1% to 12%
	Change in Defined Benefit Obligation		
	Defined benefit obligation at the end of prior period	17,584.10	16,775.37
	Interest Cost	1,146.63	1,126.75
	Current Service Cost	1,333.93	1,326.86
	Change in financial assumption	2.64	-
	Benefits Paid	(1,468.75)	(1,678.99)
	Actuarial (Gain)/Loss	128.77	127.12
	Exchange Difference	(52.95)	(87.70)
	Defined benefit obligation at the end of the year	18,674.36	17,589.41
	Change in Fair Value of Plan Assets		
	Fair Value of Plan Assets at the end of the prior period	16,039.73	14,526.39
	Expected Return of Plan Assets	1,082.70	1,038.06
	Contributions	686.56	2,150.52
	Benefits Paid	(1,477.96)	(1,678.99)
	Actuarial Gain/(Loss)	(67.95)	9.05
	Fair Value of Plan Assets at the end of the year	16,263.08	16,045.03
	Amount recognised in Balance Sheet		
	Defined Benefit Obligation at the end of the year	18,674.36	17,589.41
	Fair Value of plan assets at the end of the year	16,263.08	16,045.03
	Funded status Deficit / (Surplus)	(2,411.28)	1,544.38
	Expenses recognised in the Statement of Profit & Loss & OCI		
	Current Service Cost	1,334.57	1,326.89
	Interest Cost	418.34	1,121.05
	Expected Return on plan assets	(354.40)	(1,015.57)
	Expenses recognised in the P&L Account	1,398.51	1,432.37
	Re-measurement- Actuarial (Gain)/Loss recognised in OCI	164.44	118.07
	Total Defined Benefit Obligation Cost recognised in P&L and OCI	1,562.95	1,550.44
	Composition of plan assets		
	Insurer managed funds	16,256.08	16,032.31
	With Scheduled Bank	7.00	12.72
	Total	16,263.08	16,045.03
B.	Provident Fund	4,273.45	4,075.28
C.	Super Annuation	1,778.99	1,564.78
D.	Others	191.84	165.43
	Total Employee Benefits	7,642.79	7,237.87

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

42. Employee Benefit Expenses (Contd.)

Sensitivity Analysis:

Particulars		FYE 31-03-2025	FYE 31-03-2024
Discount Rate			
	Increase by 0.5%	16,554.14	14,844.72
	Decrease by 0.5%	17,810.27	14,996.24
Salary Escalation Rate			
	Increase by 0.5%	17,792.37	10,018.34
	Decrease by 0.5%	16,561.29	14,437.01
Excepted Cash Flow for following years			
	Less than a year	2,531.65	2,340.14
	Between 1-2 years	2,405.18	1,860.50
	Between 2-5 years	5,633.76	5,767.72
	Over 5 years	10,245.09	7,816.63

43. Property, Plant and Equipment

Adjustments:

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

44. Noncurrent assets held for sale

Particulars	FYE 31-03-2025	FYE 31-03-2024
Freehold land	83.70	92.16
Building	145.00	136.98
Total	228.70	229.14

45. Investment Property

Particulars	31 st March 2025	31 st March 2024
Rental income	664.44	503.65
Direct operating expenses (including repairs & maintenance) that generated rental income	56.87	78.40
Direct operating expenses (including repairs & maintenance) that did not generate rental income	9.48	9.35
Profit arising from investment properties before depreciation and indirect expenses	598.09	415.90
Depreciation for the year	19.01	18.15
Indirect expenses for the year	-	1.64
Profit arising from investment properties after depreciation and indirect expenses	579.08	395.91
Fair Value	45,678.00	13,499.29

Note :

- The Company's Investment Properties consist of land and buildings let out to third parties and meant for investment purpose.
- There are no restrictions on the disposal of investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, and enhancements
- In respect of valuation of Investment Properties, it has been reckoned as follows
 - In respect of Land, valued at Rs 45,012.73 Lakhs, as at 31st March 2025, Rs.40,349.29 Lakhs is valued as per fair valuation by the registered valuer and remaining Rs.4,663.44 Lakhs is valued at guideline value.
 - In respect of Buildings, at Book Value Rs.665.25 lakhs as on 31st March 2025.

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

46. Terms of repayment for the long-term/Short term borrowings and security provided in respect of the secured other borrowings

Loan Description	Terms of repayment and security
Term loan from Bank - Rs.613.87 Lakhs	The term loan is availed from Banks is secured by plant and machinery. a) Loan 1- 59 months and is repayable in 16 equal quarterly instalments after one year of moratorium, with ROI of 9.1% b) Loan 2 - 48 months and is repayable in 16 equal quarterly instalments after one year of moratorium, with ROI of 9.1%
Secured Loan from Banks - Rs.142.64 lakhs	i) ECLG Loan availed from Axis Bank Rs. 37.78 Lakhs - Secured by pari-passu charge on the entire current assets of the Company, present and future. - Term of Loan 48 Months with 12 Months of moratorium and repayable in 36 equal monthly instalments - Rate of Interest - 8.8% ii) Capex Loan from HDFC Bank Rs.104.86 Lakhs - Charge on Movable fixed assets - Term of the loan: 60 Months with 20 Equal quarterly instalments - Rate of Interest - 8.92%
Unsecured Loan from Banks - Rs.4,155.2 lakhs	(a) Unsecured WCDL from HDFC Bank - Rs. 1,500 lakhs; (b) Unsecured Channel Finance Facility from Axis Bank - Rs.2,655.2 lakhs Repayment terms: Both are repayable on or before 90 days from the date availed Average rate of interest: (a) WCDL from HDFC Bank - 8.51% to 9.10% (b) Channel Finance Facility from Axis Bank - 10.87 %
Secured Term Loans (Long term) from Banks - Rs.1,547.31 Lakhs	The term loans are availed for: a) Purchase of assets relating to Capital Projects secured by hypothecation of specific assets purchased out of the said loan b) Purchase of vehicles secured by hypothecation of vehicles purchased out of said loan 1) Tenure of Loans: Both monthly and Quarterly instalments 2) Rate of interest: 9.87 % and 8.05 % per annum respectively
Secured Term Loan (Long term) from financial institution - Rs. 2,780.21 Lakhs	Loan taken from other parties for term loan are secured by hypothecation of specific asset. The weighted average rate of interest of this loan is around 10.86%. Per annum.
Secured Trem Loan (Short term) from banks - Rs. 4848.77 Lakhs	* Cash credit - First Pari Pasu charge on working capital assets viz Inventory, Book debts & Other current assets with other lenders under multiple banking arrangements. * WCDL - Hypothecation of stocks & book debts on Pari pasu basis. * ROI: 7.25% (Cash credit) & 6.68% (WCDL). * Both of the loans are repayable on demand.
From Other parties Rs.749.32 Lakhs	Repayable in Monthly instalments carrying interest at the rate of 10.86%
Secured Loans from Banks Rs.22.68 Lakhs	Loan taken from Central Bank of India Rs.22.68 Lakhs repayable on demand. Hypothecation of all type of Stocks, Receivables (Less than 90 days) and all other Current asset, Counter Guarantee of Company for NFB limit - Collateral - Nil . Rate of Interest - 9.8% Corporate guarantee given by Holding company T Stanes & Co Ltd
Loan against FD receipt Rs.66 Lakhs	Loan taken against Fixed Deposit Receipts worth Rs.66 Lakhs
Secured Term loan from banks (Long term) - Rs 709.73 Lakhs	* Working Capital Term Loan of Rs 3.72 lakhs * Capex Term Loan of Rs 207.72 lakhs , with interest rate of MCLR + Spread , repayable in 48 monthly instalments from including Moratorium of 12months. * Guaranteed Emergency Credit Loan of Rs 498.29 lakhs , with interest rate of MCLR + Spread , repayable in 48 monthly instalments with 1 & 2 years moratorium for repayment.
Other Unsecured Borrowings (Long Term) of Rs 38.63 Lakhs	* Fixed Deposits from Directors of Rs 25lakhs , with Interest rate of 7 to 8.25% , repayable in 12 to 36 months as per the terms of Individual deposits. * Guaranteed Emergency Credit Loan from others of Rs 13.63 lakhs , with Interest rate of LTLR + Spread , repayable in 60 monthly instalments, from including moratorium of 12 months.

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

Loan Description	Terms of repayment and security
Secured Term loan from banks (Short Term) - Rs 4,604.12 lakhs	* Secured by first charge on Stocks, WIP, Stores & Spares, Book debts & carry rate of interest of respective banks at MCLR + Spread , repayable in 12 months.
Secured Term loans from others (Short Term) - Rs 794.42 lakhs	* Consists of Current Maturities of Long term borrowings of Working capital term loan - 177.84 lakhs , Capex term loan of Rs.125 lakhs , GECL loan of Rs 487.5 lakhs , Other loans of 4.08 lakhs
Unsecured Loans from other than banks (Short Term) of Rs 1,203.22 lakhs	* Working capital loan of Rs.1000 lakhs , repayable in 120 days * Short term loan from others of Rs 148.72 lakhs * Consists of Current Maturities of Long term borrowings of GECL loan of Rs 54.5 lakhs

Deposit/Loan from directors/Related parties :	
Loan from director - Rs.658 .68 Lakhs	Fixed rate of Interest @7.5% per annum repayable after two years
Loan from Ultimate Holding company Rs.2,600 Lakhs	Fixed rate of interest @7.5 % per annum, repayable at the end of one year from date of deposit.
Unsecured Loans from Group companies - Rs 750 lakhs	Inter Corporate loan availed from Related Parties = Rs 750 lakhs (All are repayable within the FY) : 1) Associated Publishers Madras Ltd - 300 lakhs 2) Associated Printers Madras Ltd - 250 lakhs 3) LM Van Moppes Diamond Tools India Pvt Ltd - 200 lakhs
FD from Directors Rs.296 Lakhs	Fixed Deposits from Directors of Rs.296 Lakhs.

47. Capital Management

The Group'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.

Capital management and funding requirements is met through equity, internal accruals and long and short-term debt instruments.

Particulars	FYE 31-03-2025	FYE 31-03-2024
Non - Current Borrowings	6,132.47	6,056.42
Current Borrowings	24,858.15	24,666.31
Total Debt	30,990.62	30,722.73
Total Equity	19,96,965.29	19,10,225.86
Total Capital	20,27,955.91	19,40,948.59
Equity to Capital	98.47%	98.42%
Debt to Capital	1.53%	1.58%

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

48. Financial Instrument by category and hierarchy:

Particulars	Hierarchy	31st March 2025					31st March 2024				
		FVPL	FVOCI	Cost	Equity Method	Amortized Cost	FVPL	FVOCI	Cost	Equity Method	Amortized Cost
Financial assets											
Non-Current											
Investments											
- Equity instruments - Quoted*	1	3,588.71	3,622.80	-	-	-	3,094.15	16,755.50	-	-	-
- Equity instruments - Unquoted*	3	0.45	5,662.94	-	200.00	-	-	783.61	0.45	-	-
- Bonds (Tax Free)	3	-	-	-	-	-	-	-	-	-	122.68
- Bonds (Zero Coupon bond)	2	-	-	-	-	-	2,618.52	-	-	-	-
- Preference Shares	3	-	-	-	-	1,124.97	-	-	-	-	1,124.97
- Debentures	3	-	-	-	-	4,500.00	-	0.08	-	-	4,500.00
- Mutual funds	1	1,147.59	-	-	-	-	1,068.33	-	-	-	-
- Mutual funds	2	6,12,455.02	-	-	-	-	4,92,813.42	-	-	-	-
- Government securities	1	-	-	-	-	2.07	-	-	-	-	2.07
- Commercial Paper	1	-	-	-	-	1,500.00	-	-	-	-	2,500.00
Loans	3	-	-	-	-	1,768.94	-	-	-	-	1,136.53
Other financial assets	#	-	-	-	-	21,970.78	-	-	-	-	18,786.37
Current											
Trade receivables		-	-	-	-	1,70,655.69	-	-	-	-	1,78,255.85
Investments - Equity Shares		-	-	-	-	-	-	-	-	-	-
Mutual Funds (Quoted)	1	491.02	-	-	-	-	366.16	-	-	-	-
Mutual Funds (Unquoted)	2	4,17,888.30	-	-	-	-	3,82,773.32	-	-	-	-
Bonds (TaxFree)	3	-	-	-	-	122.68	-	-	-	-	-
Bonds (Zero Coupon bond)	2	2,846.79	-	-	-	-	1,158.70	-	-	-	-
Commercial Paper	1	1,388.17	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	1	-	-	-	-	84,509.07	-	-	-	-	69,429.97
Bank balances other than cash and cash equivalents	#	-	-	-	-	65,340.48	-	-	-	-	30,314.18
Loans	#	-	-	-	-	5,786.00	-	-	-	-	1,512.16
Other financial assets	3	-	-	-	-	9,075.15	-	-	-	-	5,851.98
Total Financial Assets		10,39,806.05	9,285.75	-	200.00	3,66,355.83	8,83,892.60	17,539.19	0.45	-	3,13,536.76
Financial liabilities											
Non- Current											
Borrowings	2	-	-	-	-	6,132.47	-	-	-	-	6,056.42
Other financial liabilities	#	-	-	-	-	6,867.40	-	-	-	-	7,164.68
Lease Liabilities	3	-	-	-	-	3,942.19	-	-	-	-	4,534.07
Current											
Borrowings	3	-	-	-	-	24,858.15	-	-	-	-	24,666.31
Trade payables	#	-	-	-	-	2,20,179.61	-	-	-	-	2,11,866.79
Other financial liabilities	#	-	-	-	-	33,881.94	-	-	-	-	35,139.91
Lease Liabilities	3	-	-	-	-	1,192.50	-	-	-	-	714.65
Total Financial Liabilities		-	-	-	-	2,97,054.26	-	-	-	-	2,90,142.83

*Excludes Investments in Associates and Joint venture [Rs. 5,40,054.59 Lakhs (Previous year Rs. 6,57,061.51 Lakhs)] measured at cost using Equity Method.

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

Hierarchy:

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. The Investments in mutual funds are not listed on any stock exchanges. The NAVs are based on the data published by the respective Asset Management Companies. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Simpson & Company Limited

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(All amounts are in INR Lakhs unless stated otherwise)

49. Financial Risk Management

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

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

(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.

49. Financial Risk Management (Contd.)

(ii) Provision for expected credit losses

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

As at 31st March 2025:

(a) The financial assets consisting of current investments in mutual funds, loans and other deposits measured at amortized cost aggregating to Rs. 5,02,938.60 lakhs (Previous year – Rs. 4,21,976.50 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.

Simpson & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025***(All amounts are in INR Lakhs unless stated otherwise)*

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

Particulars	FYE 31-03-2025	FYE 31-03-2024
Gross carrying amount	1,75,298.12	1,82,024.33
Loss allowance rate	2.65 %	2.07%
Expected credit loss	4,642.43	3,768.48
Net carrying amount of trade receivables	1,70,655.69	1,78,255.85

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

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

(iv) Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount
Loss allowance on 31st March 2023	3,300.34
Changes in loss allowance	(468.14)
Loss allowance on 31st March 2024	3,768.48
Changes in loss allowance	(873.85)
Loss allowance on 31st March 2025	4,642.43

(B) Interest Rate Risk Exposure

Interest Risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating rates and investments.

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company has not taken any interest rate swaps to convert the floating rate borrowings to fixed rate loans. The Company monitors the movement in the interest rates and uses the prepayment option to repay the borrowings at the time when the interest rates are unfavorable. The assessment of viability of using the pre-payment option shall be evaluated by the finance team.

As at the end of the reporting period, the Company has the following variable rate borrowing outstanding:

Particulars	FYE 31-3-2025	FYE 31-3-2024
Variable Rate borrowing	26,578.83	27,459.59
Total Borrowing	30,990.62	30,722.73
% of Variable rate borrowings on total borrowings	86 %	89%

Sensitivity Analysis *

Sensitivity	FYE 31-3-2025	FYE 31-03-2024
Increase in interest rate by 1%	265.79	274.60
Decrease in interest rate by 1%	-265.79	(274.60)

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

49. Financial Risk Management (Contd.)**(C) Liquidity risk**

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

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

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

Contractual maturities of financial liabilities:

Particulars	Due in less than 1 year	Due from 2nd to 5th year	Due after 5 years	Carrying amount
As at 31 March 2025:				
Trade Payables	2,20,179.59	-	-	2,20,179.59
Other financial liabilities:				-
Current	33,881.93			33,881.93
Non-Current	-	6,867.40	-	6,867.40
Lease Liabilities:				-
Current*	1192.50	-	-	1,192.50
Borrowings:				-
Current	24,858.15	-	-	24,858.15
Non-Current	-	6,132.47	-	6,132.47

*For Non-current lease liabilities Refer Note 51

Particulars	Due in less than 1 year	Due from 2nd to 5th year	Due after 5 years	Carrying amount
As at 31 March 2024:				
Trade Payables	2,11,866.80	-	-	2,11,866.80
Other financial liabilities:				
Current	35,139.91	-	-	35,139.91
Non-Current	-	7,164.68	-	7,164.68
Lease Liabilities:				
Current*	714.65	-	-	714.65
Borrowings:				-
Current	24,666.31	-	-	24,666.31
Non-Current	-	3,921.42	2,135.00	6,056.42

*For Non-current lease liabilities Refer Note 51

(D) Foreign Market Risk - Currency

In order to minimize any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts, are entered into by the group to hedge certain foreign currency exposure. Derivatives are used exclusively for hedging and not as trading or speculative instruments.

Receivables: The group is exposed to foreign exchange risk arising from foreign currency transactions on account of sale of goods. Foreign exchange risk arises from recognized assets denominated in a currency that is not the group's functional currency (INR). The risk is measured either through a forecast of foreign currency cash flows that would arise due to the underlying assets and liabilities held or based on firm commitments. The objective of the hedges is to minimize the volatility of the INR cash flows arising on account of the underlying assets.

Payables : The group companies manage their foreign currency exposure on Imports either by taking forward contracts or by following the strategy of tracking the foreign currency exchange rates and settlement of the payables at the time when the exchange rates are favorable.

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

49. Financial Risk Management (Contd.)

Particulars	As at March 31, 2025				
Foreign Currency Risk	Liabilities	Assets*	Derivative Liabilities	Derivative Assets	Net (unhedged)
USD	3,858.87	5,44,174.81	-	-	5,40,315.94
EUR	424.02	3,687.16	-	24.37	3,238.77
GBP	295.99	455.54	-	70.98	88.57
JPY	171.14	-	-	-	(171.14)
TRY	2,986.48	751.27	-	-	(2,235.21)
AED	-	-	-	-	-
AUD	97.22	-	-	-	(97.22)
CAD	-	-	-	-	-
CNY	(235.44)	0.10	-	-	235.54
SGD	-	-	-	-	-
ZAR	-	-	-	-	-
Others	-	-	-	-	-

*Includes investment in equity shares

Particulars	As at 31-03-2024				
Foreign Currency Risk	Liabilities	Assets*	Derivative Liabilities	Derivative Assets	Net (unhedged)
USD	1,783.58	6,59,698.47	59.49	-	6,57,974.38
EUR	297.66	6,284.97	-	20.81	5,966.50
GBP	471.40	775.80	-	130.99	173.41
JPY	129.03	-	-	-	(129.03)
TRY	5,804.66	8,771.72	-	-	2,967.06
AED	-	-	-	-	-
AUD	229.70	-	-	-	(229.70)
CAD	-	-	-	-	-
CNY	4.52	-	-	-	(4.52)
SGD	-	-	-	-	-
ZAR	-	-	-	-	-
Others	-	-	-	-	-

*Includes investment in equity shares

Hedge Accounting:

The company's policy allows effective hedge relationships to be established for foreign currency transactions. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument. The company has only 'cash flow hedge' transactions. For all major foreign currency receivables – primarily for Diesel Engine Exports, forward covers (Cash Flow Hedges) are taken. For major foreign currency payables – primarily for the import of critical components for Engines, forward covers (Cash Flow Hedges) are taken.

There is no Foreign Exchange forward contract asset as on 31.03.2025.

Simpson & Company Limited
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(All amounts are in INR Lakhs unless stated otherwise)

As on 31st March 2024:

Type of Hedge & Risk	Nominal Value		Carrying amount of hedging instrument		Maturity Date	Hedge Ratio	Weighted average strike price/rate (Assets)	Weighted average strike price/rate (Liabilities)
	Assets	Liabilities	Assets	Liabilities				
	USD	USD	(Rs. In Lakhs)	(Rs. In Lakhs)				
Foreign exchange forward contracts	71,346	-	(0.11)	-	2 nd May 2024	1:1	83.38	-

Price Risk:

- (a) Exposure: The group has invested in equity securities and the exposure is equity securities price risk from investments held by the group and classified in the balance sheet as fair value through OCI and P&L.
- (b) Sensitivity: An increase in the Price risk by 100 basis points would increase the impact in the other comprehensive income and P&L by INR 68.14 Lakhs as on March 31, 2025 and INR 231.88 Lakhs as on March 31, 2024.

50. Revenue from contracts with customers:

Particulars	2024-25	2023-24
1. Disclosure of Contract assets and Contract liabilities :		
Contract Assets	13,802.20	2,874.55
Contract Liabilities	2,077.81	1,941.09
2. Disclosure of Disaggregated Revenue Information :		
Manufactured Goods	14,53,173.79	13,45,402.72
Traded Goods	2,15,304.91	2,40,559.54
Rendering of services	24,911.62	23,874.80
Others	15,196.11	12,807.67
Less : Effects of Elimination(Simpson consol)	1,51,002.10	1,43,403.25
Total	15,57,584.33	14,79,241.48
Revenue by Location wise :		
India	13,40,285.04	12,79,912.02
Outside India	2,17,299.29	1,99,329.46
Reconciliation of Revenue recognised with Contract Price :		
Contract price	16,57,284.99	14,76,370.96
Adjustments For :		
Discounts & Rebates	-1,14,798.59	6,036.56
Incentives	4,356.12	3,845.82
Others	10,741.81	5,061.26
Revenue Recognised *	15,57,584.33	14,79,241.48
Timing of revenue recognition :		
At a point in time		
- Sale of products	15,15,796.97	14,41,350.82
- Revenue from Services - Job Work	23,127.39	21,503.67
- Other Operating Revenue	18,659.97	16,386.98
Total revenue from contract with customers	15,57,584.33	14,79,241.48

Simpson & Company Limited
Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025
(All amounts are in INR Lakhs unless stated otherwise)
51. Right of use Assets - Disclosure under Ind AS 116
As lessee
A. Carrying value of right of use assets at the end of reporting period by class

Particulars	Leasehold Land	Land & Machine, Server & Storage	Leasehold Buildings/ Stockyards	Total
Opening gross carrying amount as on 01-04-2024	3,094.96	6,205.29	1,792.86	11,093.11
Accumulated depreciation	631.11	2,757.02	1,144.53	4,532.66
Net carrying amount as on 01-04-2024	2,463.85	3,448.27	648.33	6,560.45
Recognition on account of IND AS 116				
Balance as on 01st April 2024	2,463.85	3,448.27	648.33	6,560.45
Additions during the year	655.88	1,832.76	303.09	2,791.73
Disposal during the year	195.98	15.94	61.05	272.97
Depreciation charged for the year	264.42	1,754.54	400.84	2,419.81
Balance as on 31st March 2025	2,659.32	3,510.55	489.53	6,659.40

B. Movement in lease liabilities

Particulars	2024-25	2023-24
Balance at the beginning of the year	5,248.72	6,243.81
Additions	2,755.04	1,138.31
Finance costs accrued during the period	653.03	604.33
Deletions	408.80	-
Payment of Lease liabilities	3,113.30	2,737.72
Balance as at year end	5,134.69	5,248.72
Classified as:		
Current	1,192.50	714.65
Non-Current	3,942.19	4,534.07

C. Measurement analysis of lease liabilities

Maturity analysis-Contractual undiscounted cash flows	2024-25	2023-24
Less than one year	2,594.79	1,864.46
One to five years	2,985.13	4,391.87
More than five years	1,690.21	1,752.05
Total undiscounted lease liabilities	7,270.13	8,008.38

D. Amount recognised in profit and loss

Particulars	2024-25	2023-24
Interest on lease liabilities	653.03	604.33
Expenses relating to short term leases	3,999.54	5,197.53

Simpson & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025***(All amounts are in INR Lakhs unless stated otherwise)***E. Amount recognised in cash flows**

Particulars	2024-25	2023-24
Total cash outflows for leases	3,113.30	2,737.72

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

S.No	Particulars	2024-25	2023-24
A.	Claims against the Group not acknowledged as Debt(under appeal) :		
	(i) Income Tax	499.20	488.64
	(ii) Sales Tax/ VAT/GST	5,579.82	5,596.67
	(iii) Central Excise and Service tax	14.58	48.06
	(iv) Customs authorities	416.84	416.84
	(v) Demands by TNEB	10.47	10.47
	(vi) Provident fund	61.86	61.86
	(vii) Others	288.24	-
B.	Other Matters for which the Group is contingently liable:		
	Bills discounted	-	123.79
C.	Bank Guarantee & Letter of Credit	2,568.16	2,338.59
D.	Guarantee provided to Foreign VAT Authorities	20.34	25.40
	Total	9,459.51	9,110.32

B. Capital Commitments:

S.No	Particulars	FYE 31-3-2025	FYE 31-3-2024
A.	Estimated value of contracts in capital account remaining to be executed	9,358.15	10,653.16

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

1. 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 09.09.2001 and the renewal of lease is pending thereafter. The Government issued GO.Ms.40 dated 15.10.2018, demanding arrears of additional rent of Rs.79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of Rs.75.33 lakhs paid by the Company for that period. Aggrieved by the above demand, disputing the adoption of area (without considering the acquisition by NHAI) and the guideline value not in accordance with GO Ms.460, the Company has filed a Writ petition before the Hon'ble High Court of Madras challenging the above said GO. However, the parent company paid the admitted rent of Rs.36.49 lakhs in accordance with GO Ms.460 of 1998. The Government has not revised the rent for the period after 09.09.2001. However, the tentative rent fixed by the Government earlier is being paid regularly.
2. In the FY 2022-23, the parent company had, consequent to the merger of one of its wholly owned subsidiary with the company, adjusted the tax losses of the subsidiary as permitted by the Income tax laws which resulted in a tax saving of Rs. 3,932.68 Lakhs. As per the Income Tax Rules, the parent company is obligated to meet certain conditions including continuation of the subsidiary's business, retention of its property, Plant & Equipment for a certain period of time as well as achieving certain prescribed levels of production based on installed capacity, which Simpson is hopeful of achieving.
3. In respect of 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 company has made representations from time to time for fixation of fair lease rent. The subsidiary company received a communication from Tahsildar,

Simpson & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025***(All amounts are in INR Lakhs unless stated otherwise)*

Madhavaram Taluk, Tamil Nadu vide letter dated 12th July 2021 demanding Rs. 2420.23 Lakhs as lease rent for the period from 13th July 1989 till 12th July 2022. The subsidiary company has responded to the above communication and disputed the lease rent demanded by the Authorities. Further, it has represented to the Authorities to consider lease rent fixation @ 2% of guideline value for the subject period based on the norms followed by the Tamil Nadu Government. The subsidiary company worked out the lease rent amounting to INR 305.58 Lakhs based on 2% of guideline value for the subject period and effected payment of INR 25.34 Lakhs on 22nd July 2021 after adjusting the payments of Rs 280.24 lakhs made so far. Till 31st March 2020, the subsidiary company carried a total provision of Rs.352.29 Lakhs for the period from 13th July 1989 to 31st March 2020 in the books. Considering the uncertainties prevailing over finalization of lease rent and the payments so far made, no further provision has been made in the books towards lease rent from the financial year ended 31 March 2021.

4. 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.

54. Assets pledged as security

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

Particulars	2024-25	2023-24
Current		
Financial assets		
First Charge		
Inventories	12,793.39	19,650.42
Trade receivables	14,771.12	3,277.23
Other assets	609.08	928.75
Hypothecation		
Inventories	20,960.19	21,485.45
Trade receivables	56,630.57	56,986.23
Total current assets pledged as security	28,173.59	43,856.40
Total current assets hypothecated	77,590.76	78,471.68
Non-Current		
First Charge		
Plant & Machinery	33,688.28	18,968.80
Land	298.54	623.97
Building		-
Furniture and Fixtures	220.32	238.37
Others	674.19	565.18
Hypothecation		
Vehicle	212.06	419.55
Plant & Machinery		7,367.59
Total Non-current assets pledged as security	34,881.33	20,396.32
Total Non-current assets hypothecated	212.06	7,787.14
Total assets pledged as security	1,40,857.74	1,50,511.54

Simpson & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025***(All amounts are in INR Lakhs unless stated otherwise)***55. Related Party Disclosures****A. List of Related Parties**

Name of the Company	Relationship
Amalgamations Private Limited	Holding Company
Associated Printers (Madras) Private Limited	Fellow Subsidiary
Associated Publishers (Madras) Private Limited	Fellow Subsidiary
Bimetal Bearings Limited	Associate & Fellow Subsidiary
Higginbothams Private Limited	Fellow Subsidiary
IPL Shaw Solutions Private Limited	Associate & Fellow Subsidiary
L.M. Van Moppes Diamond Tools India Private Limited	Associate & Fellow Subsidiary
Speed-A-Way Private Limited	Fellow Subsidiary
The Madras Advertising Company Private Limited	Fellow Subsidiary
Wallace Cartwright & Company Limited	Fellow Subsidiary
W.J. Groom & Company Limited	Fellow Subsidiary
Amalgamations Valeo Clutch Private Limited	Associate
The United Nilgiri Tea Estates Company Limited	Associate
BBL Daido Private Limited	Joint Venture
AGCO Corporation USA	Associate of Subsidiary
TAFE Foundation *	Associate of Subsidiary
eFarmer B.V Netherlands	Associate of Subsidiary
IPR Eminox Technologies Private Limited	Joint Venture of Subsidiary
Sri. A. Krishnamoorthy - Chairman & Managing Director	KMP
Sri. P.S. Rajamani – Whole Time Director	KMP
Sri. S. Srinivasaraghavan – Chief Financial Officer & Company Secretary	KMP
Smt. Bhavani Krishnamoorthy (Wife of Sri. A. Krishnamoorthy)	Relatives of Key Managerial Personnel
Smt. Sita Venkataramani (Sister of Sri. A. Krishnamoorthy)	Relatives of Key Managerial Personnel
Simpson & Co.Ltd Employees Gratuity Fund	Other Related parties
Simpson & Co. Ltd Sr. Executive super Annuation fund	Other Related Parties

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

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B. Related Party Transactions

Area	Year	Ultimate Holding Company	Fellow Subsidiaries	Associate	Joint Venture	Key Managerial Personnel	Relatives of Key Managerial Personnel	Other Related Parties
Transactions during the year								
Sale of Goods	2024-25	9.80	5,046.34	100.68	27.96			5,103.65
	2023-24	8.94	4,559.97	13,802.95	10.99			5,081.82
Rendering of Service	2024-25	523.60	404.19	288.73				58.63
	2023-24	504.61	354.46	219.21				24.00
Discount Received	2024-25			8.91				
	2023-24			10.35				
Interest Received	2024-25		9.39					
	2023-24		14.52					
Dividend Received	2024-25			1,645.54	240.00			-
	2023-24			1,115.90	216.00			-
Purchase of Goods	2024-25		517.31	7,077.04				-
	2023-24		578.69	3,353.03				-
Receiving of Service	2024-25	892.40	237.85	327.35				
	2023-24	970.63	152.64	493.23				
Dividend Paid	2024-25	7,368.65	0.78	25.31		25.75	17.25	
	2023-24	7,126.54	0.68	24.94		25.11	16.82	
Loans Repaid/Disbursed	2024-25		500.00					
	2023-24		-					
Loans Received/ Recovered	2024-25		342.32	200.00				
	2023-24		481.25					
Interest Paid	2024-25	194.79	45.73	2.41		51.18		
	2023-24	195.12	28.81			47.63		
Guarantee & Commitment Charges	2024-25	114.35						
	2023-24	175.51						
Managerial Remuneration	2024-25					2,596.00		
	2023-24					1,794.00		
Director's Sitting Fees	2024-25					36.70		
	2023-24					30.40		
Acquisition of Assets	2024-25			-				
	2023-24	-	0.50	-				
Guarantee & Collateral Received	2024-25	8,579.00						
	2023-24	10,686.50						
Acquisition of Shares	2024-25			122.50				200.00
	2023-24			175.00				100.00
Advance given in cash/kind	2024-25		38.34					
	2023-24		15.74	0.85				
Advance repaid in cash/kind	2024-25		38.34					
	2023-24		15.74					
Contributions made during the year	2024-25							123.87
	2023-24							868.09
Balance at year end								
Trade Receivables	2024-25		937.64	113.80	1.76			1,388.64
	2023-24		795.25	149.60	2.12			1,440.78
Trade Payables	2024-25		136.33	308.23				
	2023-24		165.79	328.68				2.47
Loans Receivable	2024-25		67.72					
	2023-24		110.37					
Loans Payable	2024-25	2,600.00	550.00	200.00		675.00		
	2023-24	2,600.00	750.00			675.00		
Dealer Deposits received	2024-25		195.00					
	2023-24		165.00					
Other Receivables	2024-25			135.89				
	2023-24	1.92		135.89				
Other Payables	2024-25	1,965.06						
	2023-24	2,166.28						

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Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

C. Compensation of Key Managerial Personnel

The related party transactions with above KMP are as follows:

Category		FYE 31-3-2025	FYE 31-3-2024
(i)	Short-term benefits	2,596.00	1,794.00
(ii)	Post employment benefits	-	-
(iii)	Other long-term benefits	-	-
(iv)	Termination benefits	-	-
(v)	Share-based benefits	-	-
Total		2,596.00	1,794.00

56. Other Significant Disclosures

A. Going Concern

With respect to two subsidiaries (Subsidiary- 1 having turnover Rs 21,400.02 Lakhs, Net Profit of Rs 7,757.96 Lakhs and Net Worth Rs 7,691.91 Lakhs; Subsidiary -2 having turnover Rs.0.90 Lakhs, Net Profit Rs. 0.15 Lakhs and Net worth of Rs. 7.61 Lakhs), having continued losses/negative net worth have disclosed justifications for Going Concern based on various factors like closing certain unviable operations / restructuring, proposed actions like technology upgradation, product rationalization and capacity utilization. These factors coupled with strong continued support from the Holding Company & other Group Companies will make these Subsidiaries return to operational profitability and improve overall cash flow as per their respective management. Therefore, in the opinion of the Board of Directors of those three subsidiary companies, the material uncertainties have been suitably addressed and accordingly the financial statements have been prepared on a going concern basis.

B. Trade Receivables Ageing

Ageing for trade receivables outstanding as at March 31, 2025 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payments					Total
		Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	67,390.90	91,524.43	1,623.13	254.08	76.31	197.02	1,61,065.87
Undisputed Trade Receivables - which have significant increase in credit risk	1.12	6,273.19	1,533.52	805.58	1,464.20	758.92	10,836.53
Undisputed Trade receivables - Credit impaired	-	247.02	335.46	593.49	385.47	621.40	2,182.84
Disputed Trade receivables - Considered good	-	-	-	-	-	27.13	27.13
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	86.71	86.71
Disputed Trade receivables - Credit impaired	-	120.60	93.37	116.76	265.48	502.83	1,099.04
Total	67,392.02	98,165.24	3,585.48	1,769.91	2,191.46	2,194.01	1,75,298.12
Less : Credit impaired as on 31.03.25							4,642.43
Net trade receivables as on 31.03.25							1,70,655.69

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(All amounts are in INR Lakhs unless stated otherwise)

Ageing for trade receivables outstanding as at March 31, 2024 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	76,019.33	77,382.56	7,096.93	530.96	49.80	151.90	1,61,231.47
Undisputed Trade Receivables - which have significant increase in credit risk	-	11,426.40	3,910.14	1,667.63	80.52	788.68	17,873.36
Undisputed Trade receivables - Credit impaired	0.54	175.98	535.70	511.29	91.31	636.60	1,951.42
Disputed Trade receivables - Considered good	-	-	-	-	0.29	-	0.29
Disputed Trade Receivables - which have significant increase in credit risk	-	-	4.23	1.22	1.79	123.54	130.78
Disputed Trade receivables - Credit impaired	-	57.22	-	248.39	92.57	438.82	837.00
Total							1,82,024.33
Less : Credit impaired as on 31.03.24							3,768.48
Net trade receivables as on 31.03.24							1,78,255.85

C. Trade Payables Ageing: -

Ageing for trade payables outstanding as at March 31, 2025 is as follows:

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
MSME	-	8,955.46	827.40	10.42	1.93	1.70	9,796.91
Others	-	1,36,951.38	69,668.70	460.92	1,209.00	2,092.68	2,10,382.68
Total	-	1,45,906.84	70,496.10	471.34	1,210.93	2,094.38	2,20,179.59

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

Particulars	Outstanding for following periods from due date of payments						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
MSME	-	7,394.87	1,062.06	38.85	13.64	21.45	8,530.87
Others	-	1,11,765.18	86,689.77	1900.16	716.76	2,264.06	2,03,335.93
Total	-	1,19,160.05	87,751.77	1,939.01	730.45	2,285.51	2,11,866.80

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

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

Ageing for Capital-Work-in-progress as at March 31, 2025 is as follows:

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2years	2-3 years	More than 3 years	
Projects in Progress	4,025.37	1,108.65	343.33	0.91	5,478.27

Simpson & Company Limited

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(All amounts are in INR Lakhs unless stated otherwise)

Notes:

Capital-Work In Progress completion schedule, whose completion is overdue compared to original plan.

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects In Progress	305.62	-	-	-	305.62

Ageing for Capital-Work-in-progress as at March 31, 2024 is as follows:

Capital Work in Progress	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	7,971.16	1,666.27	157.39	1,434.41	11,229.23
Projects Temporarily suspended	-	73.49	-	-	73.49

(ii) Intangibles under development Ageing

Ageing for Intangible assets under development as at March 31, 2025 is as follows:

Intangible assets under development	Amount in IAUD for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	3,714.56	1,722.62	3,965.82	3,163.83	12,566.83

Notes:

Intangibles under development completion schedule, whose completion is overdue compared to original plan.

Intangible assets under development	To be capitalised in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	4,303.21	-	-	-	4,303.21

Ageing for Intangible assets under development as at March 31, 2024 is as follows:

Intangibles Assets Under Development	Amount in IAUD for the period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
Projects In Progress	2,684.60	4,092.99	1,204.29	1,959.54	9,941.42

Intangibles under development completion schedule, whose completion is overdue compared to original plan

Intangible assets under development	To be capitalised in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects In Progress	4,334.03	-	-	-	4,334.03

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

E. Segment Reporting:

(a) Description of Segments and Principal Activities

The Chairman of the group with inputs from Board of Directors examines the Group's performance from the product perspective and thus two reportable segments have been identified as below:

Tractor and related products: Tractors, components, spare parts, implements and related products.

All other segments: Power source - Batteries, Engineering plastic - Injection moulded plastic components, automotive interior business, plantation, Engines and related products, Cutting tools, Auto & Engine Components, Non-Banking Finance, Transport Services and Trading.

(b) Adjusted PBT:

Income from investments and interest income are not allocated to segments, as activities relating to these items are carried out by the treasury function teams of the group.

Particulars	March 31, 2025	March 31, 2024
Tractor and related products	42,899.04	2,64,649.87
All other segments	10,515.61	2,178.42
Total adjusted PBT	53,414.65	2,66,828.29

Adjusted PBT reconciles to Profit Before Tax as follows:

Particulars	March 31, 2025	March 31, 2024
Total adjusted PBT	53,414.65	2,66,828.29
Interest income from investments	11,104.35	6,779.40
Dividend income from investments	236.54	296.76
Net gain on sale of investments	10,125.55	6,777.89
Fair value gain from financial assets mandatorily measured at fair value through profit or loss	66,300.59	56,906.91
Profit Before Tax	1,41,181.68	3,37,589.25

(c) Segment Revenue

Particulars	March 31, 2025			March 31, 2024		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
Tractor and related products	12,04,171.75	(787.73)	12,03,384.02	11,30,736.70	(1,198.95)	11,29,537.75
All other segments	5,07,403.48	(1,53,203.17)	3,54,200.31	4,73,474.53	(1,23,770.80)	3,49,703.73
Total Segment Revenue	17,11,575.23	(1,53,990.90)	15,57,584.33	16,04,211.23	(1,24,969.75)	14,79,241.48

There are no customers who contribute to more than 10% of the business of the Group.

(d) Segment Assets

Particulars	March 31, 2025	March 31, 2024
Tractor and related products	4,32,982.12	4,19,040.50
All other segments	3,70,570.42	3,34,905.97
Total segment assets (A)	8,03,606.95	7,53,946.47
<i>Unallocated assets:- Investments (B)</i>	15,96,596.12	15,66,743.46
<i>Unallocated assets:- Deferred tax assets (C)</i>	1,056.15	1,257.79
Total Assets (A) + (B) + (C)	24,01,259.22	23,21,947.72

Simpson & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025***(All amounts are in INR Lakhs unless stated otherwise)***(e) Segment Liabilities**

Particulars	March 31, 2025	March 31, 2024
Tractor and related products	2,30,273.30	1,87,026.75
All other segments	1,06,136.25	1,42,528.52
Total segment liabilities (A)	3,36,409.55	3,29,555.27
Unallocated liabilities - Deferred tax liabilities (B)	67,884.38	82,166.59
Total Liabilities (A) + (B)	4,04,293.93	4,11,721.86

F. SCHEDULE III & OTHER NOTES:

(i) No proceedings have been initiated during the year or are pending against the group as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act (as amended in 2016) and the rules made thereunder.

(ii) In case of 6 subsidiaries they have 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 companies 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.

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

(iv) 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 case of one subsidiary the details of which are given below:

Name of the Struck off Company:

Exquisite Logistics Pvt Ltd

Name of transactions with struck off companies	Balance outstanding on March 31,2025	Balance outstanding on March 31,2024	Relationship with struck off company, if any to be disclosed
Payables	1.08 Lakhs	1.63 Lakhs	NA

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

(vi) 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.

(vii) 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).

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

57. Other Disclosures:

(i) IND AS 112 disclosures:

The consolidated financial statements of two associates of a subsidiary AGCO Corporation and eFarmer B.V. have been prepared in accordance with the accounting policies aligned with the accounting principles generally accepted in the countries of their jurisdiction and have been audited under the generally accepted auditing standards in the countries of their jurisdiction for the years ended December 31, 2024 and December 31, 2023. In view of the significant differences and non-availability of information to align the accounting policies of AGCO Corporation and eFarmer B.V. 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 and eFarmer B.V. 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, 2025 and March 31, 2024, the Group has used the financial information based on the financial statements prepared using accounting policies aligned with the accounting principles generally accepted in the countries of their jurisdiction for the years ended December 31, 2024 and December 31, 2023 respectively. Further adjustments have been made for the effects of significant transactions or events that occur between associates' reporting date and the date of subsidiary special purpose consolidated financial statements.

(ii) Hyperinflationary Economies:

During the year, the Turkish economy has been designated as hyperinflationary. Accordingly, financial statements of entity whose functional currency is Turkish Lira have been prepared applying IND AS 29 'Financial Reporting in Hyperinflationary Economies'. This primarily includes (i) restatement of non-monetary assets and liabilities measured at historical cost in the balance sheet and all items of income and expenses in the statement of profit and loss, using the general price index at the balance sheet date, and (ii) recording gain or loss on net monetary position

(iii) Post Balance sheet Events:

One of the subsidiaries of the Company, has announced that a comprehensive settlement has been entered into with its foreign Associate (who also holds shares in that subsidiary) relating to brand, commercial issues and shareholding. These agreements will be effective upon completion of certain governmental and other processes in India relating to the repurchase of the shares held by the said Associate in the Subsidiary (20.7% presently) at an outlay of USD 260 Mn.

(iv) Impact of Losses from Associate of Subsidiary:

During the year, the Associate of a Subsidiary had impaired its Goodwill related to its investment in a Joint Venture and other assets (USD 370 Mn) and incurred a loss on sale of one of its businesses (USD 507 Mn) and incurred restructuring expenses (USD 173 Mn).

Consequent to above impact on Group share of Associate in the consolidated financial statements was Rs 604 crores (Net Loss).

(v) During the current and previous financial years, one of the associate company engaged in certain transactions under a "bill-to-ship-to" model, wherein goods were shipped directly by the Company's vendor to the Company's customer without the goods entering into India. These transactions were inadvertently reported as regular import/export transactions instead of Merchanting Trade Transactions (MTT), in accordance with the requirements of revised guidelines on MTT (RBI/2019-20/152) issued by the Reserve Bank of India ('RBI'). As a result, they were incorrectly recorded in the RBI's Export Data Processing and Monitoring System (EDPMS) or Import Data Processing and Monitoring System (IDPMS). Although the Company invoiced and received payments for these transactions, the collections have not reflected or reconciled against the corresponding invoices in the EDPMS and IDPMS due to this misclassification. While the Company has adhered to the procedural requirements applicable for such import and export transactions, the misclassification of these transactions in the EDPMS and IDPMS is yet to be resolved. The Company has initiated the process to regularise this non-compliance and is in discussion with the Authorised Dealer (AD) Bank. The AD Bank has advised the Company to approach the RBI for formal regularisation. Accordingly, the Company is in the process of submitting a formal request to RBI in this regard.

Additionally, the Company had received advance payments from customer for export of goods. However, due to subsequent changes in product specifications requested by the customer, these advances remained unadjusted for over a year, thereby exceeding the permissible period under Foreign Exchange Management Act, 1999 and Regulation 15 of the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015, as amended. The management is also

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

in the process of submitting a formal request to the AD Bank to seek an extension of the timeline for settlement of these advances.

Based on assessments and discussions with the AD Bank, management expects to regularise these non-compliances and does not expect any significant fines, penalties or regulatory consequences that could materially impact the financial statements for the year ended 31 March 2025.

Accordingly, no adjustments have been made in the financial statements in this regard.

58(a). The following subsidiary companies are considered in the Consolidated Financial Statements:

Name of the Subsidiary	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2025	% of holding either directly or through subsidiaries as on March 2024
Addison & Company Limited	India	100.00%	100.00%
Alpump Limited	India	79.29%	79.29%
Amalgamations Repco Limited	India	68.28%	68.28%
Amco Batteries Limited	India	96.89%	96.89%
George Oakes Limited	India	100.00%	100.00%
India Pistons Limited	India	100.00%	100.00%
IP Rings Ltd	India	48.74%	48.74%
IPR North America Inc	USA	48.74%	48.74%
Simpson & General Finance Company Limited	India	100.00%	100.00%
Sri Rama Vilas Service Limited	India	100.00%	100.00%
T. Stanes & Company Limited	India	59.88%	59.88%
Stanes Amalgamated Estates Limited	India	32.60%	32.60%
Stanes Motors (South India) Limited	India	59.87%	59.87%
Tractors and Farm Equipments Limited	India	79.29%	79.29%
TAFE Access Limited	India	77.62%	77.62%
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	Turkey	79.29%	79.29%
TAFE Motors and Tractors Limited	India	79.29%	79.29%
TAFE Reach Limited	India	79.29%	79.29%
TAFE Tractors Changshu Company Limited, China	China	79.29%	79.29%
Southern Tree Farms Limited	India	79.29%	79.29%
TAFE Properties Limited	India	79.29%	79.29%
TAFE Advanced AG	United Kingdom	79.29%	79.29%
TAFE Motors Mexico S.D.E.R L DE CV	Mexico	79.29%	-
TAFE Motors and Tractors USA Inc	USA	79.29%	-
Precision AG-Tech	Netherlands	79.29%	79.29%
Vidagara Tech Park Private Limited	India	79.29%	79.29%

Details of Associates consolidated:

Name of the Associate	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2025	% of holding either directly or through subsidiaries as on March 2024
Associates			
Bimetal Bearings Limited	India	49.49%	49.49%
L.M Van Moppes Diamond Tools India Private Limited	India	49.00%	49.00%
The United Nilgiri Tea Estates Company Limited	India	25.76%	25.76%
Amalgamations Valeo Clutch Private Limited	India	28.00%	28.00%
IPL Shaw Solutions Private Limited	India	49.00%	49.00%
Associates of Subsidiary			
E-Farmer B.V. Netherland	Netherlands	31.48%	31.48%
AGCO Corporation	USA	12.92%	12.92%

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

Simpson & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025***(All amounts are in INR Lakhs unless stated otherwise)***Details of Joint Venture consolidated:**

Name of the Joint Venture	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2025	% of holding either directly or through subsidiaries as on March 2024
Joint Venture			
BBL Daido Private Limited	India	30.00%	30.00%
Joint Venture of Subsidiary			
IPR Eminox Technologies Private Limited	India	24.37%	24.37%

58(b). Information relating to Subsidiaries:

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

Simpson & Company Limited
Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025
(All amounts are in INR Lakhs unless stated otherwise)
58(c). Information relating to Associates and Joint Ventures:

	Associates					Associates of Subsidiary		Joint Venture	Joint venture of Subsidiary
Name of the Associate	Amalgamations Valeo Clutch Pvt Ltd	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Limited	L.M.Van Moppes Diamond Tools India Pvt Ltd	IPL Shaw Solutions Private Limited	AGCO Corporation **	E-Farmer B.V. Netherland **	BBL Daido	IPR Eminox Technologies Private Limited
Principal Activity	Manufacture of Automobile Clutch System	Tea Estates	Manufacture of Bearings, Bushes & Thrust Washers; Alloy Powders	Manufacture of Auto Components	Manufacture of General Purpose Machinery	Manufacture of Tractors & Other Agricultural Equipments	Development of Advanced Technologies for Farming and Agricultural Purposes	Manufacture of Bearings	Manufacture of Metals & Chemicals
Place of Incorporation	India	India	India	India	India	USA	Netherlands	India	India
% of Holding	28.00%	25.76%	49.49%	49.00%	49.00%	12.92%	31.48%	30.00%	24.37%
For each of the above:									
a) Non Current Asset	18,205.80	17,779.45	15,256.17	1,241.05	570.08	51,73,762.48	2,064.64	8,959.17	406.42
b) Current Asset	28,207.50	5,531.26	12,132.43	2,235.35	688.73	43,91,962.40	1,183.96	8,008.78	842.66
c) Non Current Liability	2,054.70	677.83	1,287.34	70.83	203.76	28,39,389.16	2,026.18	3,488.90	81.72
d) Current Liability	20,279.00	581.62	4,115.50	493.49	861.32	32,70,464.80	1,757.98	6,668.25	736.22
e) Revenue	97,453.10	8,979.55	23,907.82	2,364.25	462.15	97,56,673.76	3,530.00	18,404.90	1,077.79
f) Profit for the year	7,156.10	1,851.00	1,039.90	331.68	-508.88	-4,06,266.63	2,615.51	1,214.32	-249.66
g) OCI for the year	-25.40	-87.70	-0.97	-1.64	-	-1,64,899.41	-	-16.39	-
h) Dividend paid to Holding Company	1,223.55	1.66	234.27	19.85	-	-	-	240.00	-

58(d). Particulars of Investment in Associate Companies as of 31st March, 2025 are as follows:

Sl.No	Name of the Associate	Original Cost of Investment	Amount of (Goodwill)/ Capital Reserve in Original Cost	Share of Post acquisition Reserves and Surplus	Carrying amount of Investment
Quoted					
1	Bimetal Bearings Limited	741.50	1,604.73	8,574.29	10,920.52
2	The United Nilgiri Tea Estates Limited	279.97	13.71	4,755.29	5,048.97
	Total	1,021.47	1,618.44	13,329.58	15,969.49
Unquoted					
1	Amalgamation Valeo Clutch Private Limited	2,851.76	-2,089.14	4,795.67	5,558.29
2	LM Van Moppes Diamond Tools (India) Private Limited	14.62	5.23	1,393.02	1,412.87
3	IPL Shaw Solutions Private Limited	465.50	-	-370.62	94.88
	Total	3,331.88	-2,083.91	5,818.07	7,066.04

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

59. Additional Information as per Companies Act 2013:

Name of the Entity	2024-25				2023-24			
	Net Assets		Share in Profit or Loss		Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit and Loss	Amount
Parent Company								
Simpson & Co Ltd	11.63%	2,32,335.65	21.73%	23,155.54	11.34%	2,16,529.45	8.90%	23,590.51
Total of Parent Company (A)	11.63%	2,32,335.65	21.73%	23,155.54	11.34%	2,16,529.45	8.90%	23,590.51
Indian Subsidiaries:								
Addison & Company Limited	1.04%	20,714.85	2.64%	2,807.74	0.98%	18,786.91	0.88%	2,345.03
Alpump Limited	0.12%	2,448.86	0.56%	595.98	0.10%	1,852.87	0.02%	64.23
Amalgamations Repco Limited	0.12%	2,412.97	0.13%	138.15	0.12%	2,344.88	0.03%	83.91
Amco Batteries Limited	-0.01%	-296.86	2.08%	2,212.59	-0.13%	-2,507.56	0.07%	174.43
George Oakes Limited	0.33%	6,594.93	0.42%	446.00	0.33%	6,275.67	0.23%	612.08
India Pistons Limited	0.39%	7,691.91	7.25%	7,728.20	0.00%	-39.79	-2.51%	-6,665.62
IP Rings Ltd	0.25%	5,027.63	-0.15%	-155.87	0.27%	5,195.45	-0.05%	-133.13
Simpson & General Finance Company Limited	0.25%	5,082.21	0.46%	494.94	0.23%	4,306.43	0.15%	393.06
Southern Tree Farms Limited	0.06%	1,285.77	0.07%	69.60	0.06%	1,175.62	0.04%	106.15
Sri Rama Vilas Service Limited	0.21%	4,254.58	0.06%	66.80	0.23%	4,336.53	-0.05%	-121.48
Stanes Amalgamated Estates Limited	0.01%	178.57	0.01%	7.64	0.01%	181.52	0.00%	12.44
Stanes Motors (South India) Limited	0.02%	493.69	0.10%	107.49	0.02%	385.41	0.02%	46.65
T.Stanes and Company Limited	0.62%	12,362.04	1.26%	1,340.56	0.57%	10,913.56	0.41%	1,083.32
TAFE Access Limited	0.67%	13,313.46	0.98%	1,048.64	0.65%	12,351.09	0.51%	1,348.41
TAFE Motors & Tractors Limited	20.33%	4,06,048.58	50.53%	53,838.29	18.73%	3,57,762.93	18.70%	49,573.37
TAFE Reach Limited	0.00%	6.03	0.00%	0.12	0.00%	5.92	0.00%	0.13
Tractors and Farm Equipments Limited	42.70%	8,52,634.42	93.81%	99,947.52	40.82%	7,79,822.44	30.46%	80,763.95
TAFE Properties Limited	0.01%	153.72	0.01%	9.41	0.01%	144.31	0.00%	9.17
Vidagara Tech Park Private Limited	0.63%	12,589.33	0.00%	-3.71	0.66%	12,593.04	0.00%	-4.12
Total of Indian Subsidiaries (B)	67.75%	13,52,996.70	160.21%	1,70,700.10	63.65%	12,15,887.22	48.92%	1,29,691.96
Foreign Subsidiaries of Subsidiary								
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	1.40%	28,005.19	5.48%	5,839.84	1.48%	28,328.24	2.92%	7,747.41
TAFE Tractors Changshu Company Limited, China	0.05%	910.04	-0.14%	-144.87	0.07%	1,300.72	-0.25%	-653.36
TAFE Advanced AG-Tech	0.04%	822.71	0.10%	104.65	0.03%	540.84	0.04%	100.26
Precision AGTech	0.54%	10,817.41	0.04%	38.02	0.26%	5,043.88	0.01%	15.13
TAFE USA Inc (Upto November 27,2019)	0.00%	-	0.00%	-	0.00%	-	-	-
Total of Foreign Subsidiaries (C)	2.03%	40,555.34	5.48%	5,837.64	1.84%	35,213.68	2.72%	7,209.44
Minority Interest in all Subsidiaries (D)	19.03%	3,80,054.42	19.33%	20,591.93	19.10%	3,64,909.67	20.12%	53,342.85
Associates:								
Bimetal Bearings Limited	0.56%	11,160.61	0.52%	556.84	0.57%	10,842.50	0.19%	503.92
L.M.Van Moppes Diamond Tools India Private Limited	0.07%	1,426.92	0.15%	162.52	0.07%	1,285.04	0.06%	159.45
The United Nilgiri Tea Estates Company Limited	0.28%	5,680.40	0.45%	476.82	0.28%	5,260.93	0.16%	413.52
Amalgamations Valeo Clutch Pvt Limited	0.00%	67.42	0.02%	20.04	0.32%	6,095.12	0.72%	1,902.96
IPL Shaw Solutions Private Limited	0.00%	94.93	-0.23%	-249.35	0.01%	221.78	-0.01%	-33.88
Associates of Subsidiary:								
AGCO Corporation (Foreign Associate)	20.32%	4,05,721.82	-72.68%	-77,436.09	26.18%	5,00,050.99	28.41%	75,308.58
E- Farmer B.V/Netherland (Foreign Associate)	0.12%	2,428.68	-0.93%	-987.82	0.12%	2,289.44	-0.29%	-773.43
Total of Associates (E)	21.36%	4,26,580.78	-3.88%	-77,457.04	27.54%	5,26,045.81	29.23%	77,481.12
Joint Venture								
BBL Daido Private Limited (share of 30%)	0.10%	2,043.25	0.34%	364.30	0.10%	1,923.87	0.18%	487.07
Joint Venture of Subsidiary								
IPR Eminox Technologies Private Limited	0.01%	105.07	-0.06%	-60.84	0.00%	68.98	-0.01%	-24.26
Total of Joint venture (F)	0.11%	2,148.32	0.28%	303.46	0.10%	1,992.85	0.17%	462.80
Total (G=A+B+C+D+E+F)	121.92%	24,34,671.22	134.34%	1,43,131.62	123.58%	23,60,578.68	110.06%	2,91,778.68
Consolidation Adjustment (H)	21.92%	4,37,705.93	34.34%	36,586.70	23.58%	4,50,352.82	10.06%	26,671.50
Total (I) = (G) + (H)	100.00%	19,96,965.29	100.00%	1,06,544.92	100.00%	19,10,225.86	100.00%	2,65,107.17

Note: M/s.TAFE Motors and Tractors USA Inc and M/s. TAFE Motors and Tractors USA Inc subsidiaries are yet to commence the operations

Simpson & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2025

(All amounts are in INR Lakhs unless stated otherwise)

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

The accompanying notes are an integral part of the financial statements

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

R.VIJAYARAGHAVAN (DIN: 00026763)
Director

For R.G.N. PRICE
& CO.
Chartered
Accountants

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

S. SRINIVASARAGHAVAN
*Chief Financial Officer &
Company Secretary*

Mahesh
Krishnan
Partner
M.No.206520

Chennai, 03th September, 2025

SIMPSON & COMPANY LIMITED

Form AOC- 1 Part "A"

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014
Statement Containing Salient Features of the Financial Statements of Subsidiaries / Associates / Joint Venture

(Amount ₹ in lakhs)

S.No.	Name of the Subsidiary	Reporting period	Reporting currency and Exchange rate	Share Capital	Reserves & Surplus	Total Liabilities	Total Assets	Investments	Turnover	Profit/Loss before Taxation	Tax Expense / (Credit)	Profit / (Loss) after Taxation	Proposed Dividend	Effective Percentage of Share holding
1	Addison & Company Limited	31.03.2025	INR	540.00	20,174.85	5,618.49	26,333.34	183.67	31,616.42	4,055.72	1,247.98	2,807.74	378.00	100.00%
2	AMCO Batteries Limited	31.03.2025	INR	330.00	(636.39)	3,324.96	3,018.57	156.29	0.00	2,287.38	3.77	2,283.61	-	96.89%
3	Amalgamations Repco Limited	31.03.2025	INR	94.70	3,439.24	5,340.67	8,874.61	124.08	19,751.97	299.40	97.06	202.34	71.02	68.28%
4	George Oakes Limited	31.03.2025	INR	250.00	6,344.93	13,728.52	20,323.42	-	43,600.75	595.24	149.24	446.00	125.00	100.00%
5	India Pistons Limited	31.03.2025	INR	15,000.00	(7,308.09)	31,161.17	38,853.08	741.57	21,400.02	6,750.88	(977.32)	7,728.20	-	100.00%
6	Simpson & General Finance Company Limited	31.03.2025	INR	200.00	4,882.21	1,761.01	6,843.22	2,455.37	767.77	643.78	148.84	494.94	50.00	100.00%
7	Sri Rama Vilas Service Limited	31.03.2025	INR	125.00	4,129.58	1,001.68	5,256.26	1,557.69	1,739.44	(105.87)	(172.67)	66.80	-	100.00%
8	Tractors & Farm Equipment Limited	31.03.2025	INR	1,153.90	10,74,182.77	1,83,103.67	12,58,440.34	8,75,147.57	8,00,904.89	1,32,350.29	29,048.50	1,03,301.79	-	79.29%
9	TAFE Motors & Tractors Limited	31.03.2025	INR	1,000.00	5,11,105.61	1,09,532.57	6,21,638.18	4,87,370.61	4,38,933.27	87,293.48	19,393.02	67,900.46	-	79.29%
10	TAFE Access Limited	31.03.2025	INR	411.60	17,109.36	3,700.09	21,221.05	6,976.45	61,337.50	1,673.86	293.81	1,380.05	102.90	77.62%
11	Southern Tree Farms Limited	31.03.2025	INR	189.99	1,431.61	158.13	1,779.73	168.38	1,231.42	107.31	19.53	87.78	-	79.29%
12	TAFE Reach Limited	31.03.2025	INR	450.00	(442.39)	0.67	8.28	-	-	0.20	0.05	0.15	-	79.29%
13	TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	31.03.2025	TRY Millions TRY EX Rate 2.25	10,984.34	24,335.61	10,399.03	45,718.97	-	76,870.52	8,695.17	1,330.00	7,365.17	-	79.29%
14	Alpump Limited	31.03.2025	INR	450.00	2,638.48	70.79	3,159.27	2,341.83	13.53	1,034.94	283.29	751.65	-	79.29%
15	TAFE Tractors Changshu Company Limited, China	31.03.2025	CNY RMB Millions CNY EX Rate 11.75/ 11.69	3,398.52	(2,250.79)	(236.67)	911.06	-	0.00	(182.71)	0.00	(182.71)	-	79.29%
16	TAFE Properties Ltd	31.03.2025	INR	100.00	93.87	4,253.00	4,446.87	-	271.22	15.90	4.03	11.87	-	79.29%
17	Vidagara Tech Park Private Ltd	31.03.2025	INR	99.98	15,777.60	0.59	15,878.17	-	-	(4.75)	-0.07	(4.68)	-	79.29%
18	TAFE Advanced AG Solutions Ltd, United Kingdom	31.03.2025	GBP EX RATE 110.70/ 107.85	747.68	289.92	294.42	1,332.02	-	2,308.90	157.50	25.52	131.98	-	79.29%
19	Precision AG-Tech Technologies, B.V., Netherlands	31.03.2025	EURO EX Rate 92.09/ 90.69	13,572.22	70.61	34.99	13,677.83	9,942.37	72.55	55.17	7.21	47.95	-	79.29%
20	T. Stanes & Company Limited	31.03.2025	INR	236.62	20,408.07	7,259.01	27,903.70	4,883.18	48,029.09	3,016.45	777.71	2,238.74	177.46	59.89%
21	Stanes Motors (South India) Limited	31.03.2025	INR	150.00	674.47	635.66	1,460.13	135.99	3,043.15	225.99	46.47	179.52	-	59.89%
22	Stanes Amalgamated Estates Limited	31.03.2025	INR	110.75	437.01	1,854.57	2,402.33	282.83	1,605.62	31.18	7.74	23.44	-	32.60%
23	IP Rings Limited	31.03.2025	INR	1,267.59	9,047.62	19,998.43	30,313.64	685.79	30,337.55	(450.02)	(130.23)	(319.79)	-	48.74%
24	IPR North America Inc, USA	31.03.2025	USD EX Rate 85.43	85.43	(0.02)	0.04	85.45	-	0.00	(0.02)	0.00	(0.02)	-	48.74%

Number of Subsidiaries which are yet to commence the operations:

S.No.	Name of the Subsidiary
1	TAFE Motors Mexico S.DE.R.L.DE.CV, Mexico
2	TAFE Motors and Tractors USA Inc, USA

Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year: NIL

Note: Reporting Period for all our Subsidiaries are: April 2024 to March 2025

For R.G.N. PRICE & CO.
Chartered Accountants

FR.No.0027855

Mahesh Krishnan
Partner
M.No.206520

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

R. VIJAYARAGHAVAN (DIN: 00026763)
Director

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

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

Chennai, 3rd September, 2025

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

(Amount ₹ in lakhs)

S.No	Name of Associates/ Joint Ventures	Associate companies					Joint venture
		Amalgamations Valeo Clutch Pvt. Ltd	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Ltd	IPL Shaw Solutions Private Ltd	L.M.Van Moppes Diamond Tools India Pvt. Ltd	BBL Daido Pvt. Ltd
1	Latest audited Balance Sheet Date	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25
2	Shares of Associate/Joint Ventures held by the company on the year end						
	i) No.of.Shares	97,05,252	61,506	18,74,136	22,80,000	1,98,450	48,00,000
	ii) Amount of Investment in Associates/Joint Venture	2,851.76	9.23	6,886.87	228.00	14.62	1,200.00
	Extent of effective holding including subsidiaries %	28.00%	25.76%	49.49%	49.00%	49.00%	30.00%
3	Description of how there is significant influence	Voting Rights	Voting Power through Subsidiaries	Voting Rights	Voting Rights	Voting Rights	Voting Rights
4	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA	NA
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	6,742.02	5,680.40	10,880.14	94.93	1,426.92	2,043.25
6	Profit / Loss for the year	7,156.10	1,851.00	1,039.90	(508.88)	331.68	1,214.32
	i) Considered in Consolidation	2,003.63	476.82	514.62	(249.35)	162.52	364.30
	ii) Not Considered in Consolidation	5,152.47	1,374.18	525.28	(259.53)	169.16	850.02

Number of Associates or Joint Ventures which are yet to commence the operations: NIL

Number of Associates or Joint Ventures which have been liquidated or have ceased to be an Associate or Joint Venture during the year: NIL

A. KRISHNAMOORTHY (DIN: 00001778)

Chairman & Managing Director

R. VIJAYARAGHAVAN (DIN: 00026763)

Director

For R.G.N. PRICE & CO.

Chartered Accountants

FR.No.002785S

Mahesh Krishnan

M.No.206520

P. S. RAJAMANI (DIN: 01560303)

Whole Time Director

S. SRINIVASARAGHAVAN

Chief Financial Officer & Company Secretary

Chennai, 3rd September, 2025