

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

DIRECTORS

Mr. A. KRISHNAMOORTHY
Chairman & Managing Director

Mr. N.VENKATARAMANI
Director (upto 01.08.2020)

Mr. P.S. RAJAMANI
Whole-time Director

Dr. R. MAHADEVAN
Director

Mr. R. VIJAYARAGHAVAN
Independent Director

Dr. SANDHYA SHEKHAR
Independent Director

AUDITORS

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

BANKERS

CENTRAL BANK OF INDIA

REGISTRAR & TRANSFER AGENTS

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

REGISTERED OFFICE

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

SIMPSON & COMPANY LIMITED

CIN: U65991 TN1925PLC002345

NOTICE TO THE SHAREHOLDERS FOR THE NINETY SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety sixth Annual General Meeting of the Company will be held on the Wednesday, the 29th September, 2021 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, 2021 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, 2021 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, 2021 and if thought fit, to pass with or without modification(s) the following resolution as Ordinary resolution.

"RESOLVED THAT the total Dividend of ₹.65.00 per equity share (650%) (including interim dividend of ₹. 42.50 per equity share (425%) already declared and paid) on the Equity Shares be declared for the financial year ended 31st March 2021."

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. Re-Appointment of Shri P.S. Rajamani (DIN: 01560303) as Whole-time Director.

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

"RESOLVED THAT pursuant to provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or reenactment(s) thereof for the time being in force), the approval of the shareholders of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Shri P.S. Rajamani (DIN: 01560303) as a Whole-time Director of the Company, for a period of three years from 29th January, 2021 to 28th January, 2024, as recommended/approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on 13th January, 2021 on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

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

5. Re-Appointment of Dr. Sandhya Shekhar as an Independent Director.

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

“RESOLVED THAT pursuant to the provisions of Section 149(4), 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force, Dr. Sandhya Shekhar (DIN 06986369) who was re-appointed by the Board on 30th June, 2021 for a second term of 3 years as an Independent Director subject to the approval of shareholders at the General meeting be and is hereby appointed for a second term as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 3 years from 23rd July, 2021 to 22nd July, 2024.

6. To ratify the remuneration of the Cost auditors for the financial year 2021-22 and to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the Provisions of Section 148 of the Companies Act, 2013, the remuneration is fixed at ₹.3,00,000/- (Rupees Three lakhs only) to M/s. A.N. Raman & Associates., Cost Accountants (Firm Registration Number 102111) who has been appointed as Cost Auditors by the Board of Directors for the Financial year 2021-2022 as recommended by the Audit Committee be and is hereby ratified”

By Order of the Board

S. SRINIVASARAGHAVAN
*Chief Financial Officer &
Company Secretary*

Place : CHENNAI - 600 002
Date : 06th September, 2021

NOTES:-

1. In view of the global outbreak and continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA), the Government of India, has vide its General Circular No. 14/ 2020 dated 8th April, 2020, General Circular No.17/ 2020 dated 13th April, 2020 and General Circular No. 20/ 2020 dated 5th May, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("ACT") and MCA Circulars, the AGM of the Company is being held through VC/OAVM. Members can attend and participate in the ensuing AGM 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 2020-21 will also be available on the Company's website www.simpsons.in.**

In respect of fractional holders of the company's equity shares, who have opted to vest their respective fractional holdings unto the trust to be formed in accordance with the order of Hon'ble NCLT dt. 13.07.2021, notice will be sent to the trustees of the proposed trust.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Institutional /Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to participate in the Annual General Meeting through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to kannan.lalitha@gmail.com and sta@gnsaindia.com with copy marked to the Company at secretarial@simpson.co.in not later than four days before the date of the meeting, i.e., on or before 4.00 p.m. on 25th September, 2021.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of item No.4,5 & 6 is annexed hereto.
5. The Register of Members and the Share Transfer Book of the Company will remain closed between Wednesday, the 22nd September, 2021 to Wednesday, the 29th September, 2021 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 29th September, 2021. 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 22nd September, 2021. 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 22nd September, 2021.
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 22nd September, 2021.

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 to receive the Annual Report & other communication.
11. All Beneficial Owners whose names are recorded in the Register of Members of the Company, as on the cut-off date, i.e. 22nd September, 2021 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 96th Annual General Meeting of the company dated 06th September, 2021. The Company has appointed M/s. L.K & Associates, Practicing Company Secretaries, Chennai, who have consented to act as Scrutinizer to conduct and scrutinize the remote e-voting process as well as the e-voting process on the date of the AGM in a fair and transparent manner:-
13. **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:-**

The Electronic Voting Sequence Number (EVSN) is 210903127

- **The voting period begins on 26th September, 2021 at 10.00 A.M and ends on 28th September, 2021 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 22nd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL is given below:
- **Individual Shareholders holding securities in Demat mode with CDSL**
 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
 3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on <https://evoting.cdslindia.com/Evoting/EvotingLogin> The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43

- 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the default number<ABCDE1234F> in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <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.

- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 5. 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 Scrutinize at kannan.lalitha@gmail.com and to the Company at the email address viz; secretarial@simpson.co.in and sta@gnsaindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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 Wednesday, the 22nd September, 2021. 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.

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 022- 23058738 and 022-23058542/43.

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 on 022-23058542/43.

14. M/s. L.K & Associates has been appointed by the Board of Directors as the Scrutinizer for voting at 96th Annual General Meeting to scrutinize both e-voting during AGM and remote e-voting process pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 for conducting the remote e-voting process and e-voting on the day of the AGM, in accordance with the law and in a fair and transparent manner.
15. The Scrutinizers shall immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any. The consolidated report will be submitted to the Chairman/Company Secretary not later than three days of the conclusion of the meeting.
16. The Chairman/Company Secretary will declare the results of voting forthwith upon receipt of report from Scrutinizer and the same shall be immediately placed on the Company's website www.simpsons.in.
17. Any documents referred to in this Notice of Annual General Meeting and the Statement of Material Facts shall be open for inspection by electronic mode only upto the date of the 96th Annual General Meeting of the Company.

By Order of the Board

S. SRINIVASARAGHAVAN
Chief Financial Officer &
Company Secretary

Place : CHENNAI - 600 002
Date : 06th September, 2021

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

ITEM NO. 4

Mr. P.S. Rajamani (DIN: 01560303) was re-appointed as Whole-time director of the Company, liable to retire by rotation, by the Board of Directors at the meeting held on 13th January, 2021, for a period of 3 years from 29th January, 2021 to 28th January, 2024, subject to approval of shareholders of the Company, at the remuneration in accordance with the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013 and the rules made there under schedule V of the Companies Act, 2013.

Keeping in view that Mr. P.S. Rajamani has rich and varied experience in the industry and has been engaged in the operations of the Company and in addressing challenges faced by the Company in responding to the market requirements of the product specifications, it is necessary to re-appoint Mr. P.S. Rajamani as Whole-time Director as it would be in the interest of Company to continue his employment.

The information in respect of terms & conditions is given below:

- | | | |
|-------------------|---|---|
| Salary | – | Rs. 1,50,000 per month (Rupees One lakh fifty thousand only) |
| Performance Bonus | – | Such sums as may be decided by the Nomination & Remuneration Committee & Board of Directors |
| Perquisites | – | Perquisites to be allowed in addition to Salary & Performance |
- House Rent Allowance -Rs.90,000/- (Rupees Ninety thousand only) per month
 - Reimbursement of expenses incurred on gas, electricity and soft furnishing not exceeding one month's salary per annum.
 - Medical Reimbursement-Expenses incurred by the Whole-time Director and his family not exceeding one month's salary per annum.
 - Leave Travel Concession-For the Whole-time Director and his family not exceeding one month's salary per annum.
 - Club Fees-Fees for One club which will not include Admission and Life Membership fees.
 - Personal Accident-Premium for cover as per rules of the Company Insurance
 - Encashment of leave at the end of the tenure will be allowed as applicable to other Senior Executives of the Company
 - Leave facility as applicable to other Senior Executives of the Company shall be allowed.
 - Car with driver

The Whole-time director shall be entitled to expenses including reimbursement of travelling and entertainment expenses incurred in the course of the Company's business, which shall not be treated as a perquisite.

Apart from the remuneration aforesaid, provision of telephone and other communication facilities at residence by the Company are allowed and these will not be considered as perquisites.

The Remuneration and perquisites mentioned above or any other variation thereof shall be subject to the limit under Section 197 and other applicable provisions of the Companies Act, 2013 and necessary approval from the members at the ensuing Annual General Meeting.

All the above perquisites shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual.

In the event of inadequacy or absence of profits during the duration of agreement, the whole-time director shall be entitled remuneration herein in accordance with the provisions of Section I part II of Schedule V of the Companies Act, 2013.

Mr. P.S. Rajamani is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Except Mr. P.S. Rajamani none of the directors are concerned or interested in the resolution.

The Board recommends the Special Resolution set out as item No.4 of the Notice for approval by the Shareholders.

ITEM NO.5

The Board of Directors in their meeting held on 30th June, 2021 re-appointed Dr. Sandhya Shekhar (DIN: 06986369) for a second term of 3 years as Independent Director with effect from 23rd July, 2021. In the Opinion of the Board, Dr. Sandhya Shekhar (DIN: 06986369) possesses relevant expertise and experience and fit and qualified for re-appointment as an Independent Director of the Company.

Dr. Sandhya Shekhar (DIN: 06986369) was re-appointed for a second term as an Independent Director of the Company, not liable to retire by rotation for a period of 3 years by the Board of Directors at the meeting held on 30th June, 2021, subject to approval of shareholders at the General Meeting, in accordance with the provisions of Section 149, 150, 152 and other applicable provisions if any of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 and other applicable rules framed under the Act, read with Schedule IV of the Act.

As required under Section 150(2) and Section 152(2) read with para IV (2) & (3) of Schedule IV and other applicable provisions of the Act and rules prescribed thereunder, it is necessary that the re-appointment of Independent Director of the Company shall be approved at the meeting of the shareholders.

She is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director.

The Company has received a declaration from Dr. Sandhya Shekhar (DIN: 06986369) that she meets with the criteria of independent as prescribed under Section 149(6) of the Act.

Considering her qualifications and experience, it will be in the interest of the Company that she is re-appointed as an Independent Director.

Except Dr. Sandhya Shekhar, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

The Board recommends the Special Resolution set out as item No: 5 of the Notice for approval by the Shareholders.

ITEM NO.6

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 2021 - 2022.

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. 6 of the Notice is required for the remuneration payable to the Cost Auditors for the Financial year 2021 - 2022.

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. 6 of the Notice.

The Board recommends the Ordinary Resolution set out in the Item No. 6 of the Notice for approval by the Shareholders.

Place : CHENNAI - 600 002
Date : 06th September, 2021

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

SIMPSON & COMPANY LIMITED

CIN: U65991TN1925PLC002345

REPORT OF THE DIRECTORS

to be presented to the Shareholders at the Ninety Sixth Annual General Meeting

Your Directors have pleasure in presenting herewith the Annual Report together with the audited Financial Statements of the Company and Auditors' Report thereon for the Financial Year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS (STANDALONE)	31.03.2021	31.03.2020
	(₹ Crores)	(₹ Crores)
Profit before Finance charges, Depreciation and Tax	251.31	208.50
Less: Finance Charges	3.05	3.28
Depreciation	18.20	23.37
Profit Before tax	230.06	181.84
Less: Tax (including deferred tax & net of adjustments)	35.81	23.67
Profit After tax	194.25	158.18
Other Comprehensive Income / (Loss)	0.14	(0.90)
Total Comprehensive Income	194.40	157.19

DIVIDEND & TRANSFER TO RESERVES

The Board had declared and paid an interim dividend of 425% (₹.42.50 per share) during the year 2020-21. Subject to approval by shareholders, the Board recommends a Final Dividend of 225% (₹.22.50 per share) making the total dividend of 650% (₹.65/-per share) for the year ended 31st March, 2021 and recommends a sum of ₹.125 crores be transferred to General Reserve.

OPERATIONS

The Company recorded a production of 1,62,839 engines during the year with operational revenue of ₹.1,440.60 crores compared to 1,47,108 engines with revenue of ₹.1,297.02 crores in 2019-20. The performance was impacted by lockdown during the first quarter and the downturn in the economy.

OUTLOOK

The Company successfully managed the impact of lockdown during first quarter of the year in close co-ordination with all the stakeholders. Due to calibrated relaxation of the lockdown in various states, the situation in respect of demand and supply chain has been improving in the second quarter and this trend is expected to continue for the rest of the year. The Company is focusing on all efforts to meet the demand from its esteemed customers.

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

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

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

BOARD OF DIRECTORS

During the year the term of office of Mr. P.S. Rajamani (DIN 01560303), Whole-time Director ended on 28th January, 2021. Mr. P. S. Rajamani, (DIN 01560303) Whole-time Director was re-appointed by Board vide their meeting dated 13th January, 2021 for a period of 3 years subject to approval of the shareholders.

The term of office of Mrs. Sandhya Shekhar (DIN 06986369), Independent director ended on 22nd July, 2021. The Board considering her experience and contribution towards the company, re-appointed Mrs. Sandhya Shekhar (DIN 06986369) as Independent Director for a Second term of 3 years in their meeting held on 30th June, 2021 subject to approval of the shareholders.

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

CONSOLIDATION OF SHARES

The Hon'ble National Company Law Tribunal (NCLT) vide their order dated 13th July, 2021, passed the following orders allowing for Consolidation of shares and approving the reduction of share capital. The Hon'ble NCLT (in para 36 & 37 of order) has stated that to safeguard the interest of those who are in the dissenting minority category, who would otherwise not be willing to accept the price of ₹.14,860/- per share offered by the petitioner company in consideration of cancellation of their shares and reduction, the petitioner company shall facilitate constituting a Trust in which the fractional shares shall be vested for benefit of the dissenting shareholders. Accordingly, the Board vide their meeting dated 16th July, 2021, fixed the record date for reckoning the shareholders for consolidation of shares and arriving at the fractional shares arising out of consolidation of Equity shares from ₹.10/- (Rupees Ten only) each to ₹.2500/- (Rupees Two Thousand Five hundred only) each so that every 250 (Two hundred and fifty) equity shares with nominal value of ₹.10/- (Rupees Ten only) each held by a member are consolidated and re-designated into 1 (one) equity share with nominal value of ₹.2,500/- (Rupees Two Thousand Five hundred only) each. Any fractional shares arising out of consolidation under Section 61 (both physical and demat mode) be compensated by consideration paid to the shareholders entitled for such fractional equity shares at ₹.14,860/- per share for each fractional share of ₹.10 each as existed prior to consolidation and who have opted to receive such compensation by way of reduction of share capital as per Section 66 of the Companies Act, 2013. The Company has consolidated its equity shares into face value of ₹.2,500/- each in the place of equity shares of ₹.10/- each and sent intimation to the shareholders informing them of fractions, if any and requesting to exercise their option as per NCLT order. The matter is in progress.

DISCLOSURE UNDER SECTION 197 OF THE COMPANIES ACT

The disclosure in relation to remuneration paid by the Company to its Chairman & Managing Director (CMD), has been furnished in Form No. MGT-9 available in the website of the Company. The subsidiary companies, M/s. Addison & Co. Ltd and M/s. T. Stanes & Co. Ltd. have provided for payment of commission of ₹.5 lakhs and ₹.5.50 lakhs respectively for the year ended 31.03.2021 to the CMD, who is on their Board as a non-executive director. Particulars of employees in receipt of remuneration attracting the provision of Section 197 (12) during the year are annexed as Annexure II.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 in the preparation of financial statement for the year ended 31st March, 2021 and state that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2021 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 2020-21, Six Board meetings were held on the following days, Viz. 22nd May, 2020, 29th July, 2020, 28th September, 2020, 02nd November, 2020, 13th January, 2021 and 10th March, 2021.

The attendance by the Directors at Board meetings:

Name of the Director	No of Meetings
Mr. A. Krishnamoorthy, Chairman & Managing Director	6
Mr. P.S. Rajamani, Whole-time Director	6
Mr. N. Venkataramani, Director	1
Dr. R. Mahadevan, Director	6
Mr. R.Vijayaraghavan, Independent Director	6
Dr. Sandhya Shekhar, Independent Director	6

Two Audit Committee Meetings were held during the year 202-21, on 29th July, 2020 and 10th March, 2021. The attendance of the same is given below:

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

Two N & R Committee Meetings were held on 29th July, 2020 and 13th January, 2021. The attendance of the same is given below:

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

One CSR Committee Meeting was held on 13th March, 2021 and all the members of the Committee Viz. Mr. A. Krishnamoorthy, Mr. R. Vijayaraghavan and Dr. Sandhya Shekhar attended the meeting.

CORPORATE SOCIAL RESPONSIBILITY

Annual report on CSR Activities undertaken by the Company for the Financial Year 2020-21 is annexed with this Report as Annexure III.

EXTRACT OF ANNUAL RETURN

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

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

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

RISK MANAGEMENT

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

AUDITORS

The Members of the Company in their Ninety Second Annual General meeting have reappointed M/s. R.G.N Price & Co, Chartered Accountants, as Statutory Auditors of the Company, to hold office for a term of 5 consecutive financial years from the conclusion of 92nd Annual General meeting until the conclusion of the 97th Annual General meeting of the Company subject to ratification at every Annual General Meeting. Pursuant to the Companies (Amendment) Act, 2017 and notification dated 07th May, 2018 issued by the Ministry of Corporate Affairs, the ratification of appointment of Statutory Auditors at every Annual General Meeting by the members has been dispensed with. Accordingly, this subject is not placed before the members in the ensuing 96th Annual General Meeting.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 and as recommended by the Audit Committee, the Board of Directors had appointed M/s A.N. Raman & Associates, practicing Cost Accountants as Cost Auditors of the Company for the year 2021-22. The remuneration payable to them is subject to ratification by the members in the Annual General Meeting as set out in the agenda. The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to provision of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s. L.K. & Associates, Practicing Company Secretaries firm to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2021. The Secretarial Audit Report dated 07th June, 2021 is annexed with this Report as Annexure IV.

CONSOLIDATED FINANCIAL STATEMENTS

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

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

OTHER DISCLOSURE:

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

ACKNOWLEDGEMENT

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

Chennai
06th September, 2021

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

ANNEXURE – I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2021.

1. CONSERVATION OF ENERGY:

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

2. TECHNOLOGY ABSORPTION :

A. RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D carried out by the Company
Development of engines for tractor, power generation and industrial applications meeting future emission norms for both domestic and export markets.
2. Benefits derived as a result of the above R&D
Availability of engines to customers meeting the market requirements giving the following advantages:
- (i) New emission compliant products, including Tier 4 Final certified to EPA & CARB norms.
 - (ii) New Market opportunity
 - (iii) Access to export markets
3. Future plan of action
To keep in line with the market and emission requirements
4. Expenditure on R & D
- | | | |
|---|---|--------------|
| (a) Capital | ₹ | 7,96,20,000 |
| (b) Revenue | | 14,92,13,000 |
| (c) Total | | 22,88,33,000 |
| (d) Total (as a percentage of turnover) | | 1.59% |

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|-------------------------------|-------------------|
| (i) Foreign Exchange Earnings | ₹. 19,69,54,841/- |
| (ii) Foreign Exchange Outgo | ₹. 13,41,63,299/- |

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 2021.

S.No.	Name	Designation	Age	Remuneration (Gross) ₹	Qualifications	Last employment Experience	Total (Years)	Date of joining
Employed Throughout the Year								
1	Mr. P. S. Rajamani	Whole-time Director	71	2,25,00,000	B.Tech.(Met), PGD in SQC & OR, M.B.A	Metallurgist Shardlow India Ltd.	49	23/09/1977
2.	Mr. S. Srinivasaraghavan	Chief Financial Officer and Company Secretary	70	1,25,00,000	B.Sc., A.C.A, A.C.S., A.C.M.A	Executive Director Amalgamations Repco Ltd.	47	02/02/1996

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

ANNEXURE III
ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

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

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

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

2. Composition of CSR Committee:

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

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

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

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

6. Average net profit of the company as per section 135 (5) : Rs. 141.94 crores

7. (a) Two percent of average net profit of the company as per section 135 (5) : Rs. 2.84 crores

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c) : Rs. 2.84 crores

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

Total Amount spent for the financial year (in Rs. crores)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs. 2.99	–	Not Applicable	Not Applicable	–	Not Applicable

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

Sl. No.	Name of the project	The list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹. Lakhs)	Amount spent in the current financial year in (in ₹. Lakhs)	Amount transferred to Unspent CSR Account for the project as per section 135 (6) (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through Implementing Agency	
				State	District						Name	CSR Registration
1	Promoting health care including preventive health care	7(1) (i)	No	Chennai	Tamil Nadu	NA	140.14	140.14	NIL	DIREC	NIL	NIL
2	Promotion of education	7(1) (ii)	No	Trichy, Tirunelveli Chennai	Tamil Nadu	NA	158.77	158.77	NIL	DIRECT	NIL	NIL

- (d) Amount spent in Administrative Overheads : Not Applicable
(e) Amount spent on Impact Assessment, if applicable : Not Applicable
(f) Total amount spent for the financial year (8b+8c+8d+8e) : Rs. 2.99 Crore
(g) Excess amount for set off, if any : Nil

S.No	Particulars	Amount in Rs. Crores
(i)	Two percent of average net profit of the company as per section 135 (5)	2.84
(ii)	Total amount spent for the financial year	2.99
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.15
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL

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

A. Krishnamoorthy
DIN: 00001778
Chairperson of the CSR Committee

R. Vijayaraghavan
DIN: 00026763
Member of the CSR Committee

Chennai
06th September, 2021

ANNEXURE - IV TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2021.

Secretarial Audit Report

(For the Financial year ended on March 31, 2021)

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

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

To

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Simpson and Company Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Simpson and Company Limited ("**The Company**") for the financial year ended on March 31, 2021 according to the provisions of:
 - I. The Companies Act, 2013 and the Rules made thereunder to the extent notified by Ministry of Corporate Affairs.
 - II. Foreign Exchange Management Act, 1999 ('**FEMA**') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Secretarial Standards issued by The Institute of Company Secretaries of India.

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

3. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder to the extent they were notified by the Ministry of Corporate Affairs with regard to:
- (a) maintenance of various statutory registers and documents and making necessary entries therein;
 - (b) closure of the Register of Members.
 - (c) filing of forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - (d) service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - (e) issuing notice of Board meetings and Committee meetings of Directors;
 - (f) proceedings at the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - (g) the conduct of the 95th Annual General Meeting held on 28th December 2020
 - (h) maintenance of minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - (l) appointment and remuneration of Secretarial Auditors and Cost Auditors;
 - (m) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
 - (n) declaration and payment of dividends;
 - (o) investment of the Company's funds including investments and loans to others;
 - (p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
 - (q) Directors' report to the shareholders;
 - (r) contracts, common seal, registered office and publication of name of the Company;
 - (s) Generally, all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder to the extent notified by the Ministry of Corporate Affairs.

4. We further report that

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

5. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board, General Meetings and Dividend, as applicable.
6. During the financial year ended 31.03.2021 the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act were not applicable to the Company since the securities are not listed in any Stock Exchange.
7. We further report that, during the financial year ended 31.03.21, the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder were complied by the company.
8. Compliance with the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings did not arise since there is no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the period under report.
9. We further report that, during the financial year ended 31.03.2021, the provisions of the Securities Exchange Board of India Act, 1992 and the various guidelines framed thereunder were not applicable to the Company since the Company's securities are not listed in any Stock Exchange.

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

For L K & Associates
Company Secretaries

LALITHA KANNAN
C.P. 1894

UDIN: A008304C000426623

Place : Chennai
Date : 07-06-2021

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

ANNEXURE 'A'

To

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

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

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

For L K & Associates
Company Secretaries

LALITHA KANNAN
C.P. 1894

UDIN: A008304C000426623

Place : Chennai
Date : 07-06-2021

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: 29 th July, 2020. For other particulars, please refer to Annexure 1 of Explanatory notes to the Financial Statement No.52.
2.	Nature of contracts/arrangements/transaction	
3.	Duration of the contracts/arrangements/transaction	
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	
5.	Date of approval by the Board	
6.	Amount paid as advances, if any (as on 31.03.2021)	

Chennai
06th September, 2021

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

R.G.N. PRICE & CO.,

CHARTERED ACCOUNTANTS

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

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

30th June, 2021

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying Ind AS Standalone Financial Statements of **Simpson & Co.Limited** ("the Company") which comprises of balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flow for the year then ended, and the notes to the Ind AS Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the Ind AS Standalone Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 31,2021, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Emphasis of Matter - Impact of COVID-19 pandemic

We draw attention to Note 48.5 of the Ind AS Standalone Financial Statements which explains the management's assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation. Based on Management's review of current indicators of future economic conditions, it has concluded that the Company will have adequate liquidity in the ordinary course of business and the current pandemic is not likely to have material impact on the operations and financial position of the Company.

The eventual outcome in the subsequent periods may be different than that estimated due to the uncertainties involved. Our opinion is not modified in respect of this matter.

Information Other than Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's Responsibility for the Ind AS Standalone Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the Ind AS Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of Section 143 of the Act, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss account including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with in this report are in agreement with the books of account.
 - (d) In our opinion, the Ind AS Standalone Financial Statements comply with the Accounting Standardsspecified under section 133 of the Act, read with relevant Rules issued there under.
 - (e) On the basis of the written representations received from the Directors taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021from being appointed as a director under section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 read with Schedule-V to the Act.
 - (h) With respect to other matters to be included in the auditor's report in accordance with Rule 11 of the Companies(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations gives to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Standalone Financial Statements inNote 45B (1.1) (a) to (c)to the Ind AS Standalone Financial Statements.
 - (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.

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

MAHESH KRISHNAN
Partner

Membership No. 206520
UDIN : 21206520AAAAED9252

Place: Chennai
Date : 30th June, 2021

Annexure – “A” referred to in paragraph 1 of ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Ind AS Standalone Financial Statements of Simpson & Company Limited (the “Company”) for the year ended 31st March, 2021

- (i) (a) The Company has maintained proper records for its property, plant and equipment showing full particulars including quantitative details and situation of those assets.
- (b) Property, plant and equipment have been physically verified by the Management during the year, which in our opinion is reasonable having regard to the size of the Company and its business. There were no material discrepancies noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the Management and discrepancies noticed were not material and have been properly dealt in the books of account.
- (iii) The Company has granted unsecured loans covered in the register maintained under section 189 of the Companies Act, 2013 during the year.
- (a) The terms and conditions for granting the loans are not prejudicial to the interest of the Company.
- (b) The payment of interest and principal is regular as stipulated.
- (c) There were no overdue amounts in respect of the above loans.
- (iv) The Company has complied with the provisions of section 185 and section 186 of Companies Act, 2013 in respect of loans, investments, guarantees and security wherever applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the provisions of clause-3(v) of the order are not applicable to the company
- (vi) We have broadly reviewed the cost records maintained by the Company under section 148(1) of the Companies Act, 2013 and the Company’s (Cost Records and Audit) Rules 2014. We are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, customs duty, cess and other statutory dues applicable to it with the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as on the last day of the financial year for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues in respect of Income Tax, Central Sales Tax, Goods and Service Tax, Customs Duty and cess which have not been deposited on account of any dispute as at 31st March 2021, except as under:

Name of Statute	Nature of dues	Amount (₹ in lakhs)	Period to which relates (Assessment Year)	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax	1.24	1999-00	Appellate Deputy Commissioner(CT) – Mumbai
		3.73	2000-01	
		1.95	2001-02	
		3.11	2013-14	Sales Tax Appellate Tribunal, Chennai
Bombay Sales Tax Act, 1959	Tax, Interest & Penalty	31.02	2002-03	Joint Commissioner of Sales Tax (Appellate), Mumbai
		1.36	2003-04	
		4.33	2004-05	
Income Tax Act, 1961	Tax	855.21	2016-17 2017-18 2018-19	Commissioner of Income Tax Appeals

- (viii) The Company does not have any loans or borrowings from financial institutions, banks or Government. The Company has not issued any debentures.
- (ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) and term loans have been utilized for the purposes for which those were raised.

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) Managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) As the company is not a Nidhi Company and hence the provisions of Clause 3(xii) of the order are not applicable to the company.
- (xiii) The Company has entered into transactions with the related parties in compliance with Section 177 and Section 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non- cash transactions with the Directors or persons connected with them. Accordingly, the provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

MAHESH KRISHNAN
Partner

Membership No. 206520
UDIN : 21206520AAAAED9252

Place: Chennai
Date : 30th June, 2021

Annexure – “B” referred to in Clause 2(f) of Paragraph on ‘Report on Other Legal and Regulatory Requirements’ section of our audit report of even date on the Ind AS Standalone Financial statements of the Company for the year ended 31st March, 2021

We have audited the internal financial controls over the financial reporting of **Simpson & Company Limited** (“the Company”) as at March 31, 2021 in conjunction with our audit of the Ind AS Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

According to the information and explanations given to us and based on our audit, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 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.

Place: Chennai
Date : 30th June, 2021

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

MAHESH KRISHNAN
Partner
Membership No. 206520
UDIN : 21206520AAAAED9252

SIMPSON & COMPANY LIMITED

BALANCE SHEET AS AT

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note	31-03-2021	31-03-2020
A. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	1	19,232.90	19,264.36
(b) Capital Work-in-progress		298.08	351.71
(c) Investment Property	2	9,011.07	9,012.90
(d) Intangible Assets	3	76.98	104.41
(e) Intangible assets under development		2,814.73	2,189.66
(f) Financial Assets			
(i) Investments	4	76,666.95	96,412.12
(ii) Loans	5	7,116.19	7,287.91
(g) Other Non-Current Assets	6	1,026.63	991.58
Total Non-Current Assets		116,243.53	135,614.66
2. Current Assets			
(a) Inventories	7	10,391.97	8,935.15
(b) Financial Assets			
(i) Investments	8	39,640.40	9,328.63
(ii) Trade Receivables	9	45,251.61	31,265.90
(iii) Cash and Cash Equivalents	10 (i)	651.51	42.13
(iv) Bank balances other than (iii) above	10 (ii)	2,000.00	6,000.00
(v) Loans	11	5,400.00	5,250.00
(vi) Others	12	620.85	724.54
(c) Contract Assets	38a	1,703.70	-
(d) Current Tax Assets (net)	13	475.22	(0.77)
(e) Other Current Assets	14	4,258.89	3,432.78
Total Current Assets		110,394.15	64,978.36
TOTAL ASSETS		226,637.68	200,593.02
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	15	737.75	737.75
(b) Other Equity	16	189,117.49	173,744.93
Total Equity		189,855.24	174,482.68
LIABILITIES			
2. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	670.26	671.29
(b) Provisions	18	546.02	465.10
(c) Deferred Tax Liabilities (Net)	19	2,737.95	2,407.97
Total Non-Current Liabilities		3,954.23	3,544.36
3. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	2,600.00	2,600.00
(ii) Trade Payables	21		
- Total outstanding dues of micro and small enterprises		1,787.60	565.44
- Total outstanding dues of creditors other than micro and small enterprises		24,268.53	13,813.08
(iii) Other Financial Liabilities	22	3,185.81	4,558.28
(b) Other Current Liabilities	23	598.28	583.08
(c) Provisions	24	387.99	446.09
Total Current Liabilities		32,828.21	22,565.97
TOTAL EQUITY AND LIABILITIES		226,637.68	200,593.02

The accompanying notes are an integral part of the financial statements

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

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

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

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 30th June, 2021

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

Particulars	Note	31-03-2021	31-03-2020
Revenue from operations	25	144,060.22	129,702.28
Other income	26	14,163.53	11,107.94
Total Income		158,223.75	140,810.22
Expenses :			
(a) Cost of materials consumed	27	104,492.99	95,056.13
(b) Purchases of stock-In-trade	28	8,562.85	6,631.29
(c) Changes in inventories of finished goods, Stock-in-trade & WIP	29	544.71	(983.82)
(d) Employee Benefits Expense	30	9,718.19	9,234.95
(e) Finance Costs	31	305.37	328.45
(f) Depreciation and Amortization Expense	1	1,819.99	2,337.12
(g) Other Expenses	32	9,773.62	10,021.78
Total Expenses		135,217.72	122,625.88
Profit / (loss) before tax)		23,006.03	18,184.34
Tax Expense:			
(a) Current tax		3,250.00	2,750.00
(b) Deferred tax		330.87	(383.23)
Profit/(loss) for the year		19,425.16	15,817.57
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	33	22.78	(132.25)
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.73	(33.28)
B (i) Items that will be reclassified to profit or loss	34	(3.51)	-
(ii) Income tax relating to items that will be reclassified to profit or loss		(0.88)	-
Total Comprehensive Income for the Year		19,439.58	15,718.60
Earnings per equity share (face value - Rs 10 per share)			
Basic & Diluted (Profit/ Loss for the Year / No. of Equity Shares)	35	263.30	214.40

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

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

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

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 30th June, 2021

SIMPSON & COMPANY LIMITED

Statement of Changes in Equity for the Year Ended March 31, 2021

(All amounts are in INR lakhs unless otherwise stated)

(a) Equity Share Capital	Balance at the beginning of the reporting period		Changes in Equity share capital during the year		Balance at the end of the reporting period	
2019-20	737.75	–	–	–	–	737.75
2020-21	737.75	–	–	–	–	737.75
(b) Other Equity	Reserves and Surplus			Effective Portion of Cash Flow Hedges	Actuarial Gains/Losses on Defined Benefit Plan for Employees Benefit	Total
	General Reserve	Capital Redemption Reserve	Retained Earnings			
Balance as at 1st April 2019	142,188.50	12.25	20,121.08	9.40	121.61	162,452.84
Adjustments	–	–	–	–	–	–
Total Comprehensive Income for the Year	–	–	15,817.57	–	(98.97)	15,718.60
Dividends (Interim & Final)	–	–	(4,426.50)	–	–	(4,426.50)
Transfer to Retained Earnings / General Reserves	14,000.00	–	(14,000.00)	–	–	–
Balance as at 31st March 2020	156,188.50	12.25	17,512.15	9.40	22.64	173,744.93
Adjustments	–	–	–	(9.40)	–	(9.40)
Total Comprehensive Income for the Year	–	–	19,425.16	(2.63)	17.05	19,439.58
Dividends (Interim & Final)	–	–	(4,057.62)	–	–	(4,057.62)
Transfer to Retained Earnings / General Reserves	12,500.00	–	(12,500.00)	–	–	–
Balance as at 31st March 2021	168,688.50	12.25	20,379.68	(2.63)	39.69	189,117.49

The accompanying notes are an integral part of the financial statements

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

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

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

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 30th June, 2021

SIMPSON & COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2021		31-03-2020	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		23,006.03		18,184.33
Adjustments for:				
Fair valuation (gain) / loss on investments	(6,066.50)		(3,124.62)	
Fair valuation (gain)/loss on long term loans	268.93		(120.38)	
Depreciation	1,819.99		2,337.13	
Interest and Finance Charges	305.37		328.45	
Interest Income	(1,246.08)		(1,344.00)	
Dividend Income	(6,265.87)		(5,926.73)	
Profit on sale of investment	(617.01)		(307.09)	
(Profit)/Loss on sale of Property, Plant and Equipment	(5.65)		(4.49)	
Adjustment in OCI reserve	(9.40)		-	
Provision no longer required	(6.73)		(3.82)	
Provision for bad and doubtful debts	47.71		43.43	
Effective portion of cash flow hedges	(3.51)		-	
Actuarial Gain / (Loss) on Defined benefit obligation (Gratuity)	22.78		(132.25)	
Bad Debts	8.46		-	
		(11,747.51)		(8,254.36)
Adjustments for changes in working capital:				
(Increase)/ Decrease in Trade receivables	(15,743.53)		3,589.95	
(Increase)/Decrease in other receivables	(757.47)		4,510.41	
(Increase)/Decrease in Inventories	(1,456.81)		(1,577.46)	
Increase/(Decrease) in Current liabilities & Provisions	10,358.24	(7,599.57)	3,405.59	9,928.49
Cash generated from operations		3,658.95		19,858.46
Direct Taxes paid	(3,731.72)	(3,731.72)	(2,550.17)	(2,550.17)
Net cash from operating activities (A)		(72.77)		17,308.29
B. CASH FLOW FROM INVESTMENT ACTIVITIES:				
Purchase of Property Plant and Equipment	(2,338.02)		(8,822.99)	
Proceeds from Sale of Property Plant and Equipment	12.94		41.37	
Purchase of Investments	(31,562.28)		(20,284.08)	
Sale of Investments	27,679.20		10,484.57	
(Increase)/Decrease in Loans	750.00		(3,632.50)	
Interest Income	1,244.55		1,387.04	
Dividend Income	6,265.87		5,926.73	
(Increase)/Decrease in Inter corporate deposit	(1,000.00)		(4,000.00)	
(Increase)/Decrease in Term deposits	4,000.00		2,500.00	
Cash from investment activities (B)		5,052.27		(16,399.86)

SIMPSON & COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

(All amounts are in INR lakhs unless otherwise stated)

Particulars	31-03-2021		31-03-2020	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest/Finance charges on borrowings	(312.49)		(325.88)	
Dividend paid	(4,057.63)		(4,426.50)	
Cash from financing activities (C)		(4,370.12)		(4,752.38)
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)		609.38		(3,843.94)
Cash and Cash Equivalents (Opening Balance)		42.13		3,886.07
Cash and Cash Equivalents (Closing Balance)		651.51		42.13
Cash and cash equivalents :				
Balances with banks :				
(a) Current accounts		413.41		8.71
(b) Dividend accounts (Refer Note: 10)		234.70		-
Cheques in transit		-		30.00
Cash on hand		3.40		3.42
		651.51		42.13

The accompanying notes are an integral part of the financial statements

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

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

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

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 30th June, 2021

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

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

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at 01-04-2020	Additions	Disposals	As at 01.04.2020	For the year	Withdrawn	As at 31-03-2021	As at 31-03-2020
1. PROPERTY, PLANT AND EQUIPMENT:								
Land-Freehold	6,207.60	-	-	-	-	-	6,207.60	6,207.60
Buildings:								
on Freehold land	2,974.37	-	-	928.72	74.64	-	1,003.36	2,045.65
on leasehold land	49.95	-	-	49.25	-	-	0.70	0.70
Plant and Machinery	25,268.84	1,704.75	454.49	14,718.05	1,588.67	447.88	10,660.26	10,550.77
Electrical Installation	375.87	0.70	1.11	272.39	17.91	1.11	289.19	103.48
Furniture and Fixtures	376.48	11.62	1.17	230.80	21.73	1.15	135.55	145.68
Office Equipments	137.48	9.12	0.58	76.04	21.16	0.56	49.38	61.45
Vehicles	319.77	-	9.30	170.74	26.25	8.65	188.34	149.02
Total (A)	35,710.36	1,726.19	466.65	16,445.99	1,750.36	459.35	17,737.00	19,264.35
2. INVESTMENT PROPERTY :								
Land-Freehold	8,951.40	-	-	-	-	-	-	8,951.40
Buildings:								
on Freehold land	86.67	-	-	25.17	1.83	-	27.00	61.50
on leasehold land	4.94	-	-	4.94	-	-	4.94	-
Total (B)	9,043.01	-	-	30.11	1.83	-	31.94	9,012.9
3. INTANGIBLE ASSETS :								
Computer Software	648.10	40.40	-	543.71	67.81	-	611.52	104.41
New Product Development (internally generated)	2,282.92	-	-	2,282.92	-	-	2,282.92	-
Total (C)	2,931.02	40.40	-	2,826.63	67.81	-	2,894.43	104.41
Total (A+B+C)	47,684.39	1,766.60	466.65	19,302.73	1,819.99	459.35	28,320.95	28,381.67
Previous Year - 31-03-2020	40,694.14	8,614.14	1,623.89	18,552.61	2,337.12	1,587.00	28,381.67	-

Refer Note No.48.1 Regarding charge created on Property, Plant and Equipment

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS (SUMMARY)		
(A) Investments in Subsidiaries (At cost)		
Equity Shares (Quoted)	3,951.19	3,951.19
Equity Shares (Unquoted)	19,629.23	16,128.11
Fully Convertible Preference Shares (Unquoted)	3,000.00	2,250.00
(B) Investments in Associates (At cost)		
Equity Shares (Quoted)	6,896.10	6,896.10
Equity Shares (Unquoted)	2,866.38	2,866.38
Fully Convertible Preference Shares (Unquoted)	1,124.97	1,124.97
(C) Investments in Joint Ventures (At cost)		
Equity Shares (Unquoted)	1,200.00	750.00
Fully Convertible Preference Shares (Unquoted)	-	450.00
(D) Investments in Others		
Equity Shares (Quoted) (At Fair value)	495.29	51.92
Equity Shares (Unquoted) (At cost)	29.49	29.49
Total (i)	39,192.63	34,498.17
(E) Investments in Debt instruments (At Amortised cost)		
Bonds	1,479.45	872.59
Total (ii)	1,479.45	872.59
(F) Investments in Mutual funds (At Fair value)		
Debt Funds - Fixed Maturity Plans	4,527.34	50,302.69
Debt Funds - Open ended	26,111.54	6,671.66
Equity Funds	5,355.99	4,067.01
Total (iii)	35,994.86	61,041.36
Grand Total (i) + (ii) + (iii)	76,666.95	96,412.12

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of shares	Amount	No. of shares	Amount
(A) INVESTMENTS IN SUBSIDIARIES					
(i) In Equity Shares : (At Cost)					
Quoted, fully paid up					
I.P Rings Ltd.	10	37,67,000	3,951.19	37,67,000	3,951.19
			<u>3,951.19</u>		<u>3,951.19</u>
Unquoted, fully paid up					
Addison & Co. Ltd	100	5,40,000	28.00	5,40,000	28.00
Amalgamations Repco Ltd.	10	4,96,985	529.47	4,96,985	529.47
Amco Batteries Ltd.	100	2,80,500	12.75	2,80,500	12.75
George Oakes Ltd.	10	25,00,000	208.00	25,00,000	208.00
India Pistons Ltd.	10	6,00,00,000	15,720.89	2,50,00,000	12,220.89
IPL Green Power Limited	10	13,50,000	135.00	13,50,000	135.00
Shardlow India Ltd.	10	3,00,00,000	2,992.02	3,00,00,000	2,992.02
Simpson & General Finance Co. Ltd.	10	20,00,000	152.00	20,00,000	152.00
Sri Rama Vilas Service Ltd.	10	12,50,000	18.00	12,50,000	18.00
Stanes Amalgamated Estates Ltd	10	1,695	0.26	1,695	0.26
Tractors and Farm Equipment Ltd.	10	91,49,100	511.99	91,49,100	511.99
T.Stanes & Co. Ltd	10	13,73,040	234.10	13,72,795	233.00
Wheel & Precision Forgings India Ltd.	10	1,50,000	13.75	150,000	13.75
			<u>20,556.23</u>		<u>17,055.13</u>
Less : Impairment Provision					
Shardlow India Ltd.			(792.02)		(792.02)
IPL Green Power Limited			(135.00)		(135.00)
			<u>19,629.21</u>		<u>16,128.11</u>
(ii) In Fully Convertible Preference Shares : (At cost)					
Unquoted, fully paid up					
8% 5 year Fully convertible cumulative Preference shares of India Pistons Limited	10	75,00,000	750.00	75,00,000	750.00
8% 10 year Fully convertible cumulative Preference shares of Shardlow India Limited	10	60,00,000	600.00	60,00,000	600.00
7% 10 year Fully convertible cumulative Preference shares of Shardlow India Limited	10	90,00,000	900.00	90,00,000	900.00
7% 5 year Compulsorily convertible cumulative Preference shares of India Pistons Limited	100	7,50,000	750.00	-	-
			<u>3,000.00</u>		<u>2,250.00</u>
(B) INVESTMENTS IN ASSOCIATES					
(i) In Equity Shares : (At Cost)					
Quoted, fully paid up					
Bimetal Bearings Ltd.	10	18,74,136	6,886.87	18,74,136	6,886.87
United Nilgiri Tea Estates Company Ltd.	10	61,506	9.23	61,506	9.23
			<u>6,896.10</u>		<u>6,896.10</u>
Unquoted, fully paid up					
Amalgamations Valeo Clutch Private Ltd.	10	97,05,252	2,851.76	97,05,252	2,851.76
L.M Van Moppes Diamond Tools(India)Private Limited	10	1,98,450	14.62	1,98,450	14.62
			<u>2,866.38</u>		<u>2,866.38</u>
(ii) In Fully Convertible Preference Shares : (At cost)					
Unquoted, fully paid up					
8% Fully Convertible Cumulative Preference shares of Amalgamations Valeo Clutch Private Limited	10	1,12,49,719	1,124.97	1,12,49,719	1,124.97
			<u>1,124.97</u>		<u>1,124.97</u>

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of shares	Amount	No. of shares	Amount
(C) INVESTMENTS IN JOINT VENTURES					
(i) In Equity Shares : (At Cost)					
Unquoted, fully paid up					
BBL Daido Private Ltd.	10	48,00,000	1,200.00	39,00,000	750.00
			<u>1,200.00</u>		<u>750.00</u>
(ii) In Fully Convertible Preference Shares : (At cost)					
Unquoted, fully paid up					
8% Fully Convertible Cumulative Preference Shares of BBL Daido Private Ltd.	100	-	-	4,50,000	450.00
			<u>-</u>		<u>450.00</u>
(D) INVESTMENTS IN OTHERS					
(i) In Equity Shares : (At Fair Value)					
Quoted, fully paid up					
Central Bank of India	10	4,266	0.70	4,266	0.52
Cummins India Ltd.	2	12,000	110.35	10,500	34.18
Mahindra & Mahindra Ltd.	5	4,000	31.80	4,000	11.40
TATA Motors Ltd.	2	8,201	24.75	8,201	5.83
State Bank of India	1	6,500	23.68	-	-
HDFC Bank Ltd.	1	2,000	29.87	-	-
Infosys Ltd.	5	2,200	30.09	-	-
Larsen & Toubro Ltd.	2	1,250	17.73	-	-
ITC Ltd.	1	1,000	2.19	-	-
ICICI Bank Ltd.	2	6,100	35.46	-	-
SBI Life Insurance Company Ltd.	10	4,000	35.22	-	-
Reliance Industries Ltd.	10	1,000	20.03	-	-
Deepak Nitrite Ltd.	2	1,000	16.57	-	-
Bharti Airtel Ltd.	5	3,200	16.55	-	-
Dr.Reddys Laboratories Ltd.	5	400	18.06	-	-
Persistent Systems Ltd.	10	800	15.35	-	-
Kotak Mahindra Bank Ltd.	5	800	14.03	-	-
Gujarat Gas Ltd.	2	2,800	15.39	-	-
ICICI Lombard General Insurance Company Ltd.	10	800	11.49	-	-
Bajaj Finance Ltd.	2	200	10.30	-	-
UPL Ltd.	2	1,800	11.56	-	-
Kaveri seed Company Ltd.	2	800	4.11	-	-
			<u>495.29</u>		<u>51.92</u>
In Equity Shares : (At Cost)					
Unquoted, fully paid up -					
Arkay Energy (Rameswaram) Ltd.	10	175,000	17.50	175,000	17.50
MSE Financial Services Limited (formerly Madras Enterprises Ltd.)	1	455,620	11.99	455,620	11.99
			<u>29.49</u>		<u>29.49</u>
Total			<u>39,192.63</u>		<u>34,498.17</u>

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of shares	Amount	No. of shares	Amount
(E) INVESTMENTS IN DEBT INSTRUMENTS					
In Bonds : (At Amortised cost)					
Quoted, fully paid up					
8.00% Tranche - 1 Series I Tax Free Bonds 80th Series of Indian Railway Finance Corporation Ltd.	1000	4,350	43.50	4,350	43.50
8.20% Tranche - 1 Series I Tax Free Bonds of Power Finance Corporation Ltd.	1000	5,696	56.96	5,696	56.96
7.11% Tranche - 1 Series IA Tax Free Bonds of Power Finance Corporation Ltd.	1000	514	5.14	514	5.14
8.20% Tranche - 1 Series I Tax Free Bonds of National Highways Authority of India	1000	4,945	49.45	4,945	49.45
7.14% Tranche - 1 Series IA Tax Free Bonds of National Highways Authority of India	1000	5,714	57.14	5,714	57.14
8.51% Tranche - II Series I A Tax Free Bonds of Housing and Urban Development Corporation Limited	1000	20,000	200.00	20,000	200.00
8.23% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd.	1000	20,000	200.00	20,000	200.00
7.07% Tranche - I Series I A Tax Free Bonds of Indian Railway Finance Corporation Ltd.	1000	6,040	60.40	6,040	60.40
8.41% Tranche - II Series I A Tax Free Bonds of India Infrastructure Finance Company Ltd.	1000	20,000	200.00	20,000	200.00
Bajaj Finance Ltd - Zero coupon Bonds	1000000	50	606.86	-	-
Total			1,479.45		872.59

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plans (Growth Scheme)					
Aditya Birla Sunlife					
Series OI (1120) Days - Regular - Growth	10	-	-	20,00,000	247.79
Series OK (1135) Days - Regular - Growth	10	-	-	20,00,000	246.69
Series OL (1148) Days - Regular - Growth	10	-	-	20,00,000	246.38
Series PU (1463) Days - Regular - Growth	10	20,00,000	259.92	20,00,000	239.65
Series PV (1462) Days - Regular - Growth	10	20,00,000	260.30	20,00,000	239.92
Series PY (1409) Days - Regular - Growth	10	20,00,000	257.32	20,00,000	238.85
Series SN (1099) Days - Regular - Growth	10	20,00,000	238.53	20,00,000	219.49
Series SO (1099) Days - Regular - Growth	10	20,00,000	233.69	20,00,000	215.93
Series OX (1234) Days - Regular - Growth	10	-	-	4,00,000	474.74
Series OY (1218) Days - Regular - Growth	10	-	-	2,00,000	237.45
Series OZ (1187) Days - Regular - Growth	10	-	-	2,00,000	236.85
Series PA (1177) Days - Regular - Growth	10	-	-	2,00,000	237.35
Series PB (1190) Days - Regular - Growth	10	-	-	2,00,000	236.73
Series PC (1169) Days - Regular - Growth	10	-	-	2,00,000	236.82
Series PD (1177) Days - Regular - Growth	10	-	-	2,00,000	236.72
Series PE (1159) Days - Regular - Growth	10	-	-	2,00,000	235.92
Series PF (1148) Days - Regular - Growth	10	-	-	2,00,000	235.94
Series PG (1148) Days - Regular - Growth	10	-	-	2,00,000	236.25
Series PH (1143) Days - Regular - Growth	10	-	-	2,00,000	235.70
Series PI (1140) Days - Regular - Growth	10	-	-	2,00,000	235.55
Series PJ (1135) Days - Regular - Growth	10	-	-	2,00,000	235.35
Series PK (1132) Days - Regular - Growth	10	-	-	2,00,000	234.79
Series PO (1140) Days - Regular - Growth	10	-	-	2,00,000	234.83
Series PT (1100) Days - Regular - Growth	10	-	-	2,00,000	234.64
Series PW (1100) Days - Regular - Growth	10	-	-	2,00,000	236.72
Series QB (1113) Days - Regular - Growth	10	-	-	2,00,000	236.00
Series QE (1101) Days - Regular - Growth	10	-	-	2,00,000	234.15
Series QK (1099) Days - Regular - Growth	10	-	-	2,00,000	233.05
Series QL (1099) Days - Regular - Growth	10	-	-	2,00,000	232.99
Canara Robeco					
Series 8 Fund - Regular - Growth	10	-	-	10,00,000	115.24
DSP BlackRock					
Series 205 - 37M - Regular - Growth	10	-	-	20,00,000	246.11
Series 209 - 37M - Regular - Growth	10	-	-	50,00,000	612.79
Series 210 - 36M - Regular - Growth	10	-	-	20,00,000	244.41
Series 211 - 38M - Regular - Growth	10	-	-	20,00,000	244.22
Series 217 - 40M - Regular - Growth	10	-	-	20,00,000	236.86
Series 218 - 40M - Regular - Growth	10	-	-	20,00,000	236.25
Series 219 - 40M - Regular - Growth	10	-	-	20,00,000	235.97
Series 220 - 40M - Regular - Growth	10	-	-	20,00,000	236.01
Series 221 - 40M - Regular - Growth	10	-	-	20,00,000	235.38
Series 224 - 39M - Regular - Growth	10	-	-	20,00,000	234.46
Series 226 - 39M - Regular - Growth	10	-	-	20,00,000	234.34
Series 232 - 36M - Regular - Growth	10	-	-	20,00,000	234.86
Series 233 - 36M - Regular - Growth	10	-	-	20,00,000	233.79
Series 236 - 36M - Regular - Growth	10	-	-	20,00,000	232.99
Series 237 - 36M - Regular - Growth	10	-	-	20,00,000	232.35

SIMPSON & COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plans (Growth Scheme)					
Franklin India					
Series 1 Plan A (1108 Days) - Regular - Growth	10	-	-	20,00,000	246.10
Series 1 Plan B (1104 Days) - Regular - Growth	10	-	-	20,00,000	244.17
Series 2 Plan A (1224 Days) - Regular - Growth	10	-	-	20,00,000	236.48
Series 2 Plan B (1224 Days) - Regular - Growth	10	-	-	20,00,000	237.00
Series 2 Plan C (1205 Days) - Regular - Growth	10	-	-	20,00,000	236.74
Series 3 Plan A (1157 Days) - Regular - Growth	10	-	-	20,00,000	235.90
Series 3 Plan B (1139 Days) - Regular - Growth	10	-	-	20,00,000	235.63
Series 3 Plan C (1132 Days) - Regular - Growth	10	-	-	20,00,000	234.19
Series 3 Plan D (1132 Days) - Regular - Growth	10	-	-	20,00,000	233.71
Series 3 Plan E (1104 Days) - Regular - Growth	10	-	-	20,00,000	235.04
Series 3 Plan F (1098 Days) - Regular - Growth	10	-	-	20,00,000	234.00
Series 4 Plan A (1098 Days) - Regular - Growth	10	-	-	20,00,000	232.24
HDFC					
1150 Days - February 2017 (1) - Regular - Growth	10	-	-	20,00,000	248.15
1169 Days - February 2017 (1) - Regular - Growth	10	-	-	20,00,000	245.85
1434 Days - May 2018 (1) - Regular - Growth	10	21,00,000	270.29	20,00,000	237.78
1099 Days - June 2018 (1) - Regular - Growth	10	-	-	20,00,000	233.59
1113 Days - June 2018 (1) - Regular - Growth	10	-	-	20,00,000	234.27
1119 Days - June 2018 (1) - Regular - Growth	10	-	-	20,00,000	235.20
1122 Days - July 2018 (1) - Regular - Growth	10	-	-	20,00,000	233.66
1134 Days - May 2018 (1) - Regular - Growth	10	-	-	20,00,000	235.99
1143 Days - March 2018 (1) - Regular - Growth	10	-	-	20,00,000	234.99
1145 Days - March 2018 (1) - Regular - Growth	10	-	-	20,00,000	234.28
1147 Days - March 2018 (1) - Regular - Growth	10	-	-	20,00,000	234.35
1150 Days - March 2018 (1) - Regular - Growth	10	-	-	40,00,000	471.43
1158 Days - February 2018 (1) - Regular - Growth	10	-	-	20,00,000	236.99
1181 Days - April 2018 (1) - Regular - Growth	10	-	-	20,00,000	235.55
1183 Days - April 2018 (1) - Regular - Growth	10	-	-	20,00,000	233.22
HSBC					
Series 131 - Direct - Growth	10	-	-	10,00,000	115.37
Series 134 - Regular - Growth	10	-	-	20,00,000	207.97
ICICI Prudential					
Series 80 1216 Days Plan U - Regular - Growth	10	-	-	30,00,000	371.79
Series 80 1231 Days Plan P - Regular - Growth	10	-	-	20,00,000	249.42
Series 80 1253 Days Plan J - Regular - Growth	10	-	-	20,00,000	249.44
Series 81 1150 Days Plan K - Regular - Growth	10	-	-	40,00,000	484.12
Series 81 1154 Days Plan J - Regular - Growth	10	-	-	20,00,000	242.26
Series 81 1162 Days Plan P - Regular - Growth	10	-	-	40,00,000	483.07
Series 81 1178 Days Plan H - Regular - Growth	10	-	-	20,00,000	244.60
Series 81 1185 Days Plan G - Regular - Growth	10	-	-	20,00,000	245.20
Series 81 1190 Days Plan F - Regular - Growth	10	-	-	40,00,000	490.84
Series 81 1195 Days Plan D - Regular - Growth	10	-	-	20,00,000	245.56
Series 81 1211 Days Plan A - Regular - Growth	10	-	-	20,00,000	246.36
Series 86 1099 Days Plan A - Regular - Growth	10	40,00,000	475.48	40,00,000	438.94
Series 82 1119 Days Plan X - Regular - Growth	10	-	-	20,00,000	234.28
Series 82 1135 Days Plan U - Regular - Growth	10	-	-	20,00,000	235.06
Series 82 1141 Days Plan Y - Regular - Growth	10	-	-	20,00,000	235.76
Series 82 1175 Days Plan Q - Regular - Growth	10	-	-	20,00,000	234.98
Series 82 1185 Days Plan I - Regular - Growth	10	-	-	20,00,000	237.27

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plans (Growth Scheme)					
ICICI Prudential – (Contd.)					
Series 82 1185 Days Plan M - Regular - Growth	10	-	-	20,00,000	236.99
Series 82 1185 Days Plan N - Regular - Growth	10	-	-	20,00,000	235.79
Series 82 1199 Days Plan L - Regular - Growth	10	-	-	20,00,000	236.93
Series 82 1203 Days Plan K - Regular - Growth	10	-	-	20,00,000	237.26
Series 82 1215 Days Plan H - Regular - Growth	10	-	-	20,00,000	237.57
Series 82 1217 Days Plan C - Regular - Growth	10	-	-	20,00,000	237.76
Series 82 1219 Days Plan D - Regular - Growth	10	-	-	20,00,000	237.84
Series 82 1223 Days Plan E - Regular - Growth	10	-	-	40,00,000	474.89
Series 82 1223 Days Plan G - Regular - Growth	10	-	-	20,00,000	237.32
Series 82 1225 Days Plan B - Regular - Growth	10	-	-	40,00,000	476.13
Series 82 1236 Days Plan A - Regular - Growth	10	-	-	40,00,000	476.92
Series 83 1100 Days Plan O - Regular - Growth	10	-	-	20,00,000	233.72
Series 83 1105 Days Plan A - Regular - Growth	10	-	-	20,00,000	235.58
Series 83 1105 Days Plan F - Regular - Growth	10	-	-	20,00,000	235.12
Series 83 1107 Days Plan Q - Regular - Growth	10	-	-	20,00,000	233.19
Series 83 1108 Days Plan H - Regular - Growth	10	-	-	20,00,000	235.89
Series 83 1111 Days Plan Y - Regular - Growth	10	-	-	20,00,000	232.24
IDFC					
Series 152 - Regular - Growth	10	40,00,000	501.96	40,00,000	461.08
Series 140 - Regular - Growth	10	-	-	20,00,000	235.25
Series 142 - Regular - Growth	10	-	-	20,00,000	234.43
Series 144 - Regular - Growth	10	-	-	20,00,000	233.94
Series 154 - Regular - Growth	10	-	-	20,00,000	233.98
Series 156 - Regular - Growth	10	-	-	20,00,000	233.15
Series 160 - Regular - Growth	10	-	-	20,00,000	232.05
Kotak					
Series 199 - Regular - Growth	10	-	-	20,00,000	246.19
Series 202 - Regular - Growth	10	-	-	20,00,000	245.10
Series 204 - Regular - Growth	10	-	-	20,00,000	244.62
Series 210 - Regular - Growth	10	-	-	20,00,000	237.55
Series 211 - Regular - Growth	10	-	-	20,00,000	236.80
Series 226 - Regular - Growth	10	20,00,000	260.17	20,00,000	239.49
Series 230 - Regular - Growth	10	20,00,000	250.73	20,00,000	235.70
Series 212 - Regular - Growth	10	-	-	20,00,000	236.77
Series 213 - Regular - Growth	10	-	-	20,00,000	236.86
Series 215 - Regular - Growth	10	-	-	20,00,000	238.00
Series 216 - Regular - Growth	10	-	-	20,00,000	237.98
Series 217 - Regular - Growth	10	-	-	20,00,000	237.80
Series 219 - Regular - Growth	10	-	-	10,00,000	117.84
Series 221 - Regular - Growth	10	-	-	20,00,000	234.36
Series 228 - Regular - Growth	10	-	-	20,00,000	236.47
L&T					
Series XVI Plan A (1223 Days) - Regular - Growth	10	-	-	20,00,000	237.33

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plants (Growth Scheme)					
Nippon India					
XXXIII - Series 10 - Regular - Growth	10	-	-	20,00,000	245.82
XXXIII - Series 8 - Regular - Growth	10	-	-	20,00,000	247.87
XXXIV - Series 2 - Regular - Growth	10	-	-	20,00,000	243.14
XXXIV - Series 3 - Regular - Growth	10	-	-	20,00,000	242.96
XXXIV - Series 4 - Regular - Growth	10	-	-	20,00,000	242.44
XXXIV - Series 7 - Regular - Growth	10	-	-	20,00,000	241.44
XXXIV - Series 9 - Regular - Growth	10	-	-	20,00,000	241.26
XXXVII - Series 6 - Regular - Growth	10	20,00,000	259.95	20,00,000	239.75
XXXV - Series 11 - Regular - Growth	10	-	-	40,00,000	476.71
XXXV - Series 12 - Regular - Growth	10	-	-	20,00,000	238.31
XXXV - Series 13 - Regular - Growth	10	-	-	20,00,000	237.72
XXXV - Series 14 - Regular - Growth	10	-	-	20,00,000	237.56
XXXV - Series 6 - Regular - Growth	10	-	-	20,00,000	238.86
XXXV - Series 7 - Regular - Growth	10	-	-	40,00,000	475.99
XXXVI - Series 3 - Regular - Growth	10	-	-	10,00,000	117.76
XXXVI - Series 7 - Regular - Growth	10	-	-	20,00,000	235.87
XXXVII - Series 10 - Regular - Growth	10	-	-	20,00,000	232.47
XXXVII - Series 12 - Regular - Growth	10	-	-	20,00,000	236.01
XXXVII - Series 15 - Regular - Growth	10	-	-	20,00,000	234.74
XXXVIII - Series 1 - Regular - Growth	10	-	-	20,00,000	234.35
XXXVIII - Series 3 - Regular - Growth	10	-	-	20,00,000	233.13
PGIM India					
Series BA - Regular - Growth	1000	20,000	255.01	20,000	237.00
Series AU - Regular - Growth	1000	-	-	10,000	105.57
Series AZ - Regular - Growth	1000	-	-	20,000	200.18
State Bank of India					
Series B-46 (1155 Days) - Regular - Growth	10	-	-	20,00,000	244.39
Series C-1 (1100 Days) - Regular - Growth	10	-	-	40,00,000	442.14
Series C-2 (1100 Days) - Regular - Growth	10	-	-	40,00,000	471.80
Series 7 (1175 Days) - Regular - Growth	10	20,00,000	236.78	20,00,000	217.73
Series C-10 (1150 Days) - Regular - Growth	10	-	-	20,00,000	235.14
Series C-12 (1122 Days) - Regular - Growth	10	-	-	20,00,000	229.68
Series C-14 (1122 Days) - Regular - Growth	10	-	-	20,00,000	229.43
Series C-16 (1100 Days) - Regular - Growth	10	-	-	20,00,000	234.73
Series C-18 (1100 Days) - Regular - Growth	10	-	-	20,00,000	234.12
Series C-19 (1100 Days) - Regular - Growth	10	-	-	20,00,000	232.93
Series C-20 (1100 Days) - Regular - Growth	10	-	-	20,00,000	231.97
Series C-21 (1100 Days) - Regular - Growth	10	-	-	20,00,000	227.86
Series C-7 (1190 Days) - Regular - Growth	10	-	-	20,00,000	235.02
Series C-8 (1175 Days) - Regular - Growth	10	-	-	20,00,000	235.46
Series C-9 (1150 Days) - Regular - Growth	10	-	-	20,00,000	235.16
TATA					
Series 53 Scheme A - Regular - Growth	10	-	-	20,00,000	234.89
Series 53 Scheme B - Regular - Growth	10	-	-	20,00,000	234.30
Series 55 Scheme A - Regular - Growth	10	-	-	20,00,000	235.27
Series 55 Scheme D - Regular - Growth	10	-	-	20,00,000	229.80

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Fixed Maturity Plants (Growth Scheme)					
UTI					
Series XXIX - IV (1422 Days) - Regular - Growth	10	40,00,000	515.19	40,00,000	478.64
Series XXVI - VI (1146 Days) - Regular - Growth	10	-	-	20,00,000	248.00
Series XXVI - VIII (1154 Days) - Regular - Growth	10	-	-	20,00,000	245.06
Series XXVI - X (1107 Days) - Regular - Growth	10	-	-	20,00,000	243.60
Series XXVI - XI (1105 Days) - Regular - Growth	10	-	-	20,00,000	243.50
Series XXVI - XIV (1105 Days) - Regular - Growth	10	-	-	20,00,000	241.98
Series XXVI - XV (1097 Days) - Regular - Growth	10	-	-	20,00,000	241.56
Series XXIX - VI (1135 Days) - Regular - Growth	10	20,00,000	252.05	20,00,000	236.22
Series XXVII - I (1113 Days) - Regular - Growth	10	-	-	60,00,000	723.41
Series XXVII - III (1096 Days) - Regular - Growth	10	-	-	40,00,000	480.25
Series XXVII - VIII (1117 Days) - Regular - Growth	10	-	-	20,00,000	236.75
Series XXVII - X (1118 Days) - Regular - Growth	10	-	-	20,00,000	232.79
Series XXIX - VII (1135 Days) - Regular - Growth	10	-	-	20,00,000	230.85
Series XXIX - VIII (1127 Days) - Regular - Growth	10	-	-	20,00,000	235.22
Series XXIX - XIV (1131 Days) - Regular - Growth	10	-	-	20,00,000	233.73
Series XXVIII - IV (1204 Days) - Regular - Growth	10	-	-	20,00,000	237.83
Series XXVIII - IX (1168 Days) - Regular - Growth	10	-	-	20,00,000	237.20
Series XXVIII - VI (1190 Days) - Regular - Growth	10	-	-	20,00,000	237.53
Series XXVIII - XI (1161 Days) - Regular - Growth	10	-	-	20,00,000	236.78
Series XXVIII - XII (1154 Days) - Regular - Growth	10	-	-	20,00,000	235.92
Series XXVIII - XIV (1147 Days) - Regular - Growth	10	-	-	20,00,000	235.19
TOTAL(A)			<u>4,527.34</u>		<u>50,302.69</u>
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Debt Funds - Open ended (Growth Scheme)					
Aditya Birla SunLife Corporate Bond - Regular - Growth	10	15,08,037	1,295.47	5,20,748	407.51
Axis Banking & PSU Debt - Regular - Growth	10	10,689	220.13	10,689	204.31
Axis Corporate Debt - Regular - Growth	10	62,16,864	819.10	-	-
BHARAT Bond FOF - April 2025 - Regular - Growth	10	19,59,169	200.50	-	-
BHARAT Bond FOF - April 2030 - Regular - Growth	10	1,82,17,012	2,063.88	-	-
Edelweiss NIFTY PSU Bond Plus SDL Index - 2026 - Regular - Growth	10	19,87,202	200.87	-	-
HDFC Banking and PSU Debt - Regular - Growth	10	82,91,597	1,479.01	24,71,539	408.33
HDFC Corporate Bond - Regular - Growth	10	42,72,030	1,064.93	8,97,847	205.73
ICICI Prudential Banking & PSU Debt - Regular - Growth	10	83,67,393	2,090.29	-	-
ICICI Prudential Corporate Bond - Regular - Growth	10	68,22,882	1,547.98	9,82,458	204.61
IDFC Banking & PSU Debt - Regular - Growth	10	83,49,735	1,606.05	34,43,215	610.93
IDFC Corporate Bond - Regular - Growth	10	3,10,96,456	4,671.62	2,62,16,795	3,613.02
IDFC Gilt 2027 Index - Regular - Growth	10	39,97,024	400.73	-	-
IDFC Gilt 2028 Index - Regular - Growth	10	39,97,702	400.62	-	-
Kotak Corporate Bond Standard - Regular - Growth	10	31,220	905.57	-	-
L&T Banking and PSU Debt - Regular - Growth	10	60,07,667	1,165.75	22,66,771	407.67
L&T Triple Ace Bond - Regular - Growth	10	10,74,060	610.09	-	-
Nippon India Banking & PSU Debt - Regular - Growth	10	13,74,674	221.52	13,74,674	204.50
Nippon India Floating Rate - Regular - Growth	10	49,63,083	1,720.11	12,74,746	405.06
SBI Corporate Bond Fund - Regular - Growth	10	2,26,18,761	2,732.82	-	-
UTI Corporate Bond Fund - Regular - Growth	10	54,67,702	694.51	-	-
TOTAL(B)			<u>26,111.54</u>		<u>6,671.66</u>

SIMPSON & COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

4. FINANCIAL ASSETS - NON-CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of Units	Amount	No. of Units	Amount
(F) INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
Equity Funds (Growth Scheme)					
Aditya Birla Sunlife Equity Hybrid 95 - Growth	10	-	-	47,168	270.30
DSP Equity & Bond - Regular Plan - Growth	10	-	-	1,74,408	232.37
DSP Flexi Cap - Regular - Growth	10	4,01,566	220.71	4,01,566	130.21
Franklin India Flexi Cap - Regular - Growth	10	71,126	546.62	71,126	295.63
Franklin India Focused Equity - Regular - Growth	10	10,07,373	527.83	10,07,373	294.46
HDFC Dividend Yield - Regular - Growth	10	19,99,900	218.59	-	-
HDFC Flexi Cap - Regular - Growth	10	64,449	513.95	64,449	295.00
HDFC Equity Savings - Regular - Growth	10	-	-	1,42,723	47.05
HDFC Hybrid Equity - Regular - Growth	10	-	-	1,90,501	80.87
ICICI Prudential Balanced Advantage - Regular - Growth	10	4,71,819	208.73	4,71,819	144.24
IDFC Hybrid Equity - Regular - Growth	10	-	-	10,60,178	95.63
IDFC Core Equity - Regular - Growth	10	4,42,832	251.26	4,42,832	141.40
Invesco India Contra - Regular - Growth	10	3,98,486	251.17	3,98,485	145.33
Kotak Emerging Equity - Regular - Growth	10	4,59,622	263.74	4,59,622	135.76
Kotak Flexicap - Regular - Growth	10	5,23,492	235.37	5,23,492	141.40
L&T Hybrid Equity - Regular - Growth	10	-	-	1,89,545	40.56
L&T India Value - Regular - Growth	10	5,42,064	247.52	5,42,064	134.20
L&T Large and Midcap - Regular - Growth	10	4,01,075	231.26	4,01,075	144.42
Mirae Asset Large Cap - Regular - Growth	10	7,50,813	491.82	7,50,813	291.57
Nippon India Equity Hybrid - Regular - Growth	10	-	0.25	-	0.25
Nippon India Large Cap - Regular - Growth	10	5,63,146	228.20	5,63,146	136.09
Nippon India Multicap - Regular - Growth	10	1,06,058	119.45	1,06,058	68.63
Nippon India Vision - Regular - Growth	10	10,165	68.04	10,165	38.97
SBI Equity Hybrid - Regular - Growth	10	-	-	2,56,131	304.01
TATA Equity P/E - Regular - Growth	10	1,45,320	238.70	1,45,320	142.81
TATA Flexi Cap - Regular - Growth	10	36,66,091	492.79	36,66,091	315.86
TOTAL(C)			5,355.99		4,067.01
Total Non-Current Investments (A+B+C)			35,994.86		61,041.36
Aggregate amount of :					
Quoted Investments			12,822.02		11,771.80
Unquoted Investments			63,844.92		84,640.32
Market Value of Quoted Investments			10,714.72		6,179.10

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
5. FINANCIAL ASSETS - LONG TERM LOANS (Refer Note No. 48.2)		
Secured, considered good		
Loan to related party (Refer Note no.50)	3,100.00	1,980.00
Add : Fair value adjustment	(61.15)	45.49
(Secured by second charge on Immovable properties situated at Sembiam, Chennai)	3,038.85	2,025.49
Loans receivable which have significant increase in credit risk		
Loan to related party (Refer Note no.50)	4,150.00	5,170.00
Add : Fair value adjustment	(72.66)	92.42
	4,077.34	5,262.42
	7,116.19	7,287.91
6. OTHER NON-CURRENT ASSETS		
Security deposits	249.09	239.36
Duties/taxes and other amounts paid under protest	30.82	28.37
Capital advances – Others	746.72	723.85
	1,026.63	991.58
7. INVENTORIES		
Raw materials and components	6,201.00	4,222.45
Intermediate components	559.52	647.14
Work -n-progress	1,365.88	964.27
Finished goods	1,204.46	2,001.30
Stock-in-trade	902.73	964.58
Stores and spares	121.40	124.65
Loose tools	36.98	10.76
	10,391.97	8,935.15
Goods in transit included in :		
– Raw materials and components	293.97	204.30
– Finished goods	8.70	18.43
Note : Obsolete inventory written off during the year - Rs. 37,96,823 (PY : Rs.35,22,493)		

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

8. CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of units	Amount	No. of units	Amount
INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
A. Debt funds - Open ended (Growth Scheme)					
Canara Robeco Savings - Regular - Growth	10	-	-	19,54,856	613.61
HDFC Arbitrage Wholesale - Regular - Growth	10	8,71,992	209.08	8,71,992	202.80
HDFC Liquid - Regular - Growth	10	-	-	40,063	1,555.87
HDFC Short Term Debt - Regular - Growth	10	63,60,298	1,562.55	-	-
HDFC Ultra Short Term Fund - Regular - Growth	10	-	-	18,27,936	204.83
ICICI Prudential Equity Arbitrage - Regular - Growth	10	-	-	7,84,655	203.32
ICICI Prudential Liquid - Regular - Growth	10	-	-	4,21,222	1,232.07
ICICI Prudential Money Market - Regular - Growth	10	-	-	1,47,620	409.66
IDFC Arbitrage - Regular - Growth	10	16,36,608	416.93	16,36,608	403.86
IDFC Ultra Short Term Fund - Regular - Growth	10	-	-	36,04,935	410.04
Kotak Equity Arbitrage - Regular - Growth	10	-	-	14,44,101	405.04
Kotak Liquid - Regular - Growth	10	-	-	10,453	418.16
Kotak Bond Short-term - Regular - Growth	10	51,67,938	2,111.35	-	-
L&T Liquid - Regular - Growth	10	-	-	23,179	628.32
Nippon India Arbitrage - Regular - Growth	10	20,11,892	419.04	20,11,892	404.66
SBI Arbitrage Opportunities - Regular - Growth	10	-	-	7,96,239	203.33
SBI Liquid - Regular - Growth	10	-	-	52,366	1,620.02
SBI Magnum Ultra Short Duration - Regular - Growth	10	-	-	4,606	204.87
Tata Liquid - Regular - Growth	10	-	-	6,686	208.18
UTI Arbitrage - Regular - Growth	10	22,52,411	616.49	-	-
TOTAL (A)			<u>5,335.44</u>		<u>9,328.63</u>
B. Debt Funds - Fixed Maturity Plans (Growth Scheme)					
(Due for maturity in the next 12 months)					
Aditya Birla Sunlife					
Series OX (1234 Days) - Regular - Growth	10	40,00,000	502.70	-	-
Series OY (1218 Days) - Regular - Growth	10	20,00,000	252.33	-	-
Series OZ (1187 Days) - Regular - Growth	10	20,00,000	251.00	-	-
Series PA (1177 Days) - Regular - Growth	10	20,00,000	251.23	-	-
Series PB (1190 Days) - Regular - Growth	10	20,00,000	251.17	-	-
Series PC (1169 Days) - Regular - Growth	10	20,00,000	251.64	-	-
Series PD (1177 Days) - Regular - Growth	10	20,00,000	251.28	-	-
Series PE (1159 Days) - Regular - Growth	10	20,00,000	250.51	-	-
Series PF (1148 Days) - Regular - Growth	10	20,00,000	250.56	-	-
Series PG (1148 Days) - Regular - Growth	10	20,00,000	251.13	-	-
Series PH (1143 Days) - Regular - Growth	10	20,00,000	250.38	-	-
Series PI (1140 Days) - Regular - Growth	10	20,00,000	250.24	-	-
Series PJ (1135 Days) - Regular - Growth	10	20,00,000	250.34	-	-
Series PK (1132 Days) - Regular - Growth	10	20,00,000	249.63	-	-
Series PO (1140 Days) - Regular - Growth	10	20,00,000	249.02	-	-
Series PT (1100 Days) - Regular - Growth	10	20,00,000	246.56	-	-
Series PW (1100 Days) - Regular - Growth	10	20,00,000	249.22	-	-
Series QB (1113 Days) - Regular - Growth	10	20,00,000	250.26	-	-
Series QE (1101 Days) - Regular - Growth	10	20,00,000	247.65	-	-
Series QK (1099 Days) - Regular - Growth	10	20,00,000	245.96	-	-
Series QL (1099 Days) - Regular - Growth	10	20,00,000	246.39	-	-
Canara Robeco					
Series 8 - Regular - Growth	10	10,00,000	123.28	-	-

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

8. CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of units	Amount	No. of units	Amount
INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
B. Debt Funds - Fixed Maturity Plans (Growth Scheme)					
(Due for maturity in the next 12 months)					
DSP Black Rock					
Series 217-40M - Regular - Growth	10	20,00,000	250.33	-	-
Series 218-40M - Regular - Growth	10	20,00,000	249.00	-	-
Series 219-40M - Regular - Growth	10	20,00,000	249.04	-	-
Series 220-40M - Regular - Growth	10	20,00,000	250.72	-	-
Series 221-40M - Regular - Growth	10	20,00,000	249.72	-	-
Series 224-39M - Regular - Growth	10	20,00,000	248.89	-	-
Series 226-39M - Regular - Growth	10	20,00,000	249.44	-	-
Series 232-36M - Regular - Growth	10	20,00,000	249.56	-	-
Series 233-36M - Regular - Growth	10	20,00,000	248.50	-	-
Series 236-36M - Regular - Growth	10	20,00,000	248.57	-	-
Series 237-36M - Regular - Growth	10	20,00,000	247.51	-	-
Franklin India					
Series 2 Plan A (1224 Days) - Regular - Growth	10	20,00,000	251.08	-	-
Series 2 Plan B (1224 Days) - Regular - Growth	10	20,00,000	251.43	-	-
Series 2 Plan C (1205 Days) - Regular - Growth	10	20,00,000	251.42	-	-
Series 3 Plan A (1157 Days) - Regular - Growth	10	20,00,000	251.37	-	-
Series 3 Plan B (1139 Days) - Regular - Growth	10	20,00,000	251.16	-	-
Series 3 Plan C (1132 Days) - Regular - Growth	10	20,00,000	249.65	-	-
Series 3 Plan D (1132 Days) - Regular - Growth	10	20,00,000	249.25	-	-
Series 3 Plan E (1104 Days) - Regular - Growth	10	20,00,000	250.67	-	-
Series 3 Plan F (1098 Days) - Regular - Growth	10	20,00,000	250.32	-	-
Series 4 Plan A (1098 Days) - Regular - Growth	10	20,00,000	248.87	-	-
HDFC					
1099 Days - June 2018 (1) - Regular - Growth	10	20,00,000	248.51	-	-
1113 Days - June 2018 (1) - Regular - Growth	10	20,00,000	249.99	-	-
1119 Days - June 2018 (1) - Regular - Growth	10	20,00,000	250.88	-	-
1122 Days - July 2018 (1) - Regular - Growth	10	20,00,000	249.59	-	-
1134 Days - May 2018 (1) - Regular - Growth	10	20,00,000	250.95	-	-
1143 Days - March 2018 (1) - Regular - Growth	10	20,00,000	249.31	-	-
1145 Days - March 2018 (1) - Regular - Growth	10	20,00,000	248.52	-	-
1147 Days - March 2018 (1) - Regular - Growth	10	20,00,000	248.78	-	-
1150 Days - March 2018 (1) - Regular - Growth	10	40,00,000	497.98	-	-
1158 Days - February 2018 (1) - Regular - Growth	10	20,00,000	250.73	-	-
1181 Days - April 2018 (1) - Regular - Growth	10	20,00,000	250.53	-	-
1183 Days - April 2018 (1) - Regular - Growth	10	20,00,000	247.51	-	-
HSBC					
Series 131 - Direct - Growth	10	10,00,000	122.54	-	-
Series 134 - Regular - Growth	10	20,00,000	219.95	-	-

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

8. CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of units	Amount	No. of units	Amount
INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
B. Debt Funds - Fixed Maturity Plans (Growth Scheme)					
(Due for maturity in the next 12 months)					
ICICI Prudential					
Series 82 1119 Days Plan X - Regular - Growth	10	20,00,000	247.93	-	-
Series 82 1135 Days Plan U - Regular - Growth	10	20,00,000	249.68	-	-
Series 82 1141 Days Plan Y - Regular - Growth	10	20,00,000	250.25	-	-
Series 82 1175 Days Plan Q - Regular - Growth	10	20,00,000	250.02	-	-
Series 82 1185 Days Plan I - Regular - Growth	10	20,00,000	251.94	-	-
Series 82 1185 Days Plan M - Regular - Growth	10	20,00,000	252.03	-	-
Series 82 1185 Days Plan N - Regular - Growth	10	20,00,000	250.52	-	-
Series 82 1199 Days Plan L - Regular - Growth	10	20,00,000	251.81	-	-
Series 82 1203 Days Plan K - Regular - Growth	10	20,00,000	251.74	-	-
Series 82 1215 Days Plan H - Regular - Growth	10	20,00,000	252.60	-	-
Series 82 1217 Days Plan C - Regular - Growth	10	20,00,000	251.53	-	-
Series 82 1219 Days Plan D - Regular - Growth	10	20,00,000	252.23	-	-
Series 82 1223 Days Plan E - Regular - Growth	10	40,00,000	502.93	-	-
Series 82 1223 Days Plan G - Regular - Growth	10	20,00,000	251.80	-	-
Series 82 1225 Days Plan B - Regular - Growth	10	40,00,000	503.94	-	-
Series 82 1236 Days Plan A - Regular - Growth	10	40,00,000	504.26	-	-
Series 83 1100 Days Plan O - Regular - Growth	10	20,00,000	248.83	-	-
Series 83 1105 Days Plan A - Regular - Growth	10	20,00,000	249.39	-	-
Series 83 1105 Days Plan F - Regular - Growth	10	20,00,000	249.65	-	-
Series 83 1107 Days Plan Q - Regular - Growth	10	20,00,000	249.31	-	-
Series 83 1108 Days Plan H - Regular - Growth	10	20,00,000	251.04	-	-
Series 83 1111 Days Plan Y - Regular - Growth	10	20,00,000	248.74	-	-
IDFC					
Series 140 - Regular - Growth	10	20,00,000	249.97	-	-
Series 142 - Regular - Growth	10	20,00,000	249.23	-	-
Series 144 - Regular - Growth	10	20,00,000	248.85	-	-
Series 154 - Regular - Growth	10	20,00,000	249.69	-	-
Series 156 - Regular - Growth	10	20,00,000	249.31	-	-
Series 160 - Regular - Growth	10	20,00,000	248.83	-	-
Kotak					
Series 212 - Regular - Growth	10	20,00,000	250.33	-	-
Series 213 - Regular - Growth	10	20,00,000	250.57	-	-
Series 215 - Regular - Growth	10	20,00,000	252.91	-	-
Series 216 - Regular - Growth	10	20,00,000	253.96	-	-
Series 217 - Regular - Growth	10	20,00,000	253.54	-	-
Series 219 - Regular - Growth	10	10,00,000	124.79	-	-
Series 221 - Regular - Growth	10	20,00,000	247.98	-	-
Series 228 - Regular - Growth	10	20,00,000	251.74	-	-
L&T					
Series XVI Plan A (1223 Days) - Regular - Growth	10	20,00,000	250.80	-	-

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

8. CURRENT INVESTMENTS					
Description	Face Value ₹	As at 31-03-2021		As at 31-03-2020	
		No. of units	Amount	No. of units	Amount
INVESTMENTS IN MUTUAL FUNDS (AT FAIR VALUE)					
Unquoted, fully paid up					
B. Debt Funds - Fixed Maturity Plans (Growth Scheme)					
(Due for maturity in the next 12 months)					
Nippon					
XXXV - Series 11 - Regular - Growth	10	40,00,000	506.34	-	-
XXXV - Series 12 - Regular - Growth	10	20,00,000	253.28	-	-
XXXV - Series 13 - Regular - Growth	10	20,00,000	252.83	-	-
XXXV - Series 14 - Regular - Growth	10	20,00,000	252.84	-	-
XXXV - Series 6 - Regular - Growth	10	20,00,000	252.91	-	-
XXXV - Series 7 - Regular - Growth	10	40,00,000	505.85	-	-
XXXVI - Series 3 - Regular - Growth	10	10,00,000	125.13	-	-
XXXVI - Series 7 - Regular - Growth	10	20,00,000	250.86	-	-
XXXVII - Series 10 - Regular - Growth	10	20,00,000	251.87	-	-
XXXVII - Series 12 - Regular - Growth	10	20,00,000	251.59	-	-
XXXVII - Series 15 - Regular - Growth	10	20,00,000	249.82	-	-
XXXVIII - Series 1 - Regular - Growth	10	20,00,000	249.54	-	-
XXXVIII - Series 3 - Regular - Growth	10	20,00,000	248.86	-	-
PGIM India					
Series AU - Regular - Growth	1000	10,000	112.48	-	-
Series AZ - Regular - Growth	1000	20,000	212.78	-	-
State Bank of India					
Series C-10 (1150 Days) - Regular - Growth	10	20,00,000	249.11	-	-
Series C-12 (1122 Days) - Regular - Growth	10	20,00,000	243.16	-	-
Series C-14 (1122 Days) - Regular - Growth	10	20,00,000	242.37	-	-
Series C-16 (1100 Days) - Regular - Growth	10	20,00,000	249.24	-	-
Series C-18 (1100 Days) - Regular - Growth	10	20,00,000	248.82	-	-
Series C-19 (1100 Days) - Regular - Growth	10	20,00,000	247.59	-	-
Series C-20 (1100 Days) - Regular - Growth	10	20,00,000	247.16	-	-
Series C-21 (1100 Days) - Regular - Growth	10	20,00,000	243.12	-	-
Series C-7 (1190 Days) - Regular - Growth	10	20,00,000	249.20	-	-
Series C-8 (1175 Days) - Regular - Growth	10	20,00,000	249.00	-	-
Series C-9 (1150 Days) - Regular - Growth	10	20,00,000	249.00	-	-
TATA					
Series 53 Scheme A - Regular - Growth	10	20,00,000	249.58	-	-
Series 53 Scheme B - Regular - Growth	10	20,00,000	248.96	-	-
Series 55 Scheme A - Regular - Growth	10	20,00,000	250.80	-	-
Series 55 Scheme D - Regular - Growth	10	20,00,000	245.66	-	-
UTI					
Series XXIX - VII (1135 Days) - Regular - Growth	10	20,00,000	246.53	-	-
Series XXIX - VIII (1127 Days) - Regular - Growth	10	20,00,000	250.98	-	-
Series XXIX - XIV (1131 Days) - Regular - Growth	10	20,00,000	249.30	-	-
Series XXVIII - IV (1204 Days) - Regular - Growth	10	20,00,000	252.16	-	-
Series XXVIII - IX (1168 Days) - Regular - Growth	10	20,00,000	252.28	-	-
Series XXVIII - VI (1190 Days) - Regular - Growth	10	20,00,000	251.85	-	-
Series XXVIII - XI (1161 Days) - Regular - Growth	10	20,00,000	251.64	-	-
Series XXVIII - XII (1154 Days) - Regular - Growth	10	20,00,000	251.16	-	-
Series XXVIII - XIV (1147 Days) - Regular - Growth	10	20,00,000	249.87	-	-
TOTAL (B)			<u>34,304.96</u>		-
Total Current Investments (A+B)			<u>39,640.40</u>		<u>9,328.63</u>

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
9. TRADE RECEIVABLES		
Considered good - Unsecured (Refer Note no.50)	45,251.61	31,265.90
Credit impaired	275.80	230.15
	45,527.41	31,496.05
Less : Credit impaired	275.80	230.15
	45,251.61	31,265.90
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	413.41	8.71
(b) Dividend account *	234.70	-
Cheques/drafts on hand	-	-
Cheques in transit	-	30.00
Cash on hand	3.40	3.42
Total cash and cash equivalents	651.51	42.13
10. (ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
(a) Bank deposits with maturity of three months to twelve months	2,000.00	6,000.00
Total bank balances other than cash and cash equivalents	2,000.00	6,000.00
*represents earmarked balance of Rs.2,34,60,429/- towards TDS on Dividend & Rs. 9270/- towards unclaimed Dividend		
11. FINANCIAL ASSETS - SHORT TERM LOANS (Refer Note no.54)		
Unsecured and Considered Good		
Loans to related parties (Refer Note no.50)	-	400.00
Inter-corporate deposit	5,000.00	4,000.00
Loans receivable which have significant increase in credit risk	-	-
Loans to related parties (Refer Note no.50)	400.00	850.00
	5,400.00	5,250.00
12. FINANCIAL ASSETS - OTHERS		
Interest Receivable	171.99	378.60
Dividend Receivable	22.07	0.62
Non-trade receivables	340.40	281.82
Sales tax advances	53.85	53.85
Others	32.54	9.66
	620.85	724.54
13. CURRENT TAX ASSETS (NET)		
Prepayment of taxes	32,165.12	28,433.40
Less: Provision for taxes (Refer Note no.40 (c))	31,689.90	28,434.17
	475.22	(0.77)
14. OTHER CURRENT ASSETS		
Balance with statutory/government authorities	1,260.20	555.15
Customs duty paid in advance	45.06	64.61
Advance to suppliers :		
- Related parties (Refer Note no.50)	2,300.00	2,125.00
- Others	90.17	106.66
Duty Drawback receivable	26.03	23.65
Prepaid expenses	341.70	319.56
Others *	195.74	238.15
* (includes Property Tax & Water Tax refund receivable due to roll back of revision with retrospective amount)		
	4,258.89	3,432.78

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
15. EQUITY SHARE CAPITAL		
Authorised		
1,10,00,000 equity shares of ₹. 10/- each	1,100.00	1,100.00
1,00,000 Redeemable Preference shares of ₹. 100/- each	100.00	100.00
Issued, subscribed and fully paid-up		
73,77,500 equity shares (PY : 73,77,500 equity shares) of ₹. 10/- each	737.75	737.75
	737.75	737.75
15.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period is set out below :	No. of. Shares	No. of. Shares
Equity shares at the beginning of the year	73,77,500	73,77,500
Movement during the year	-	-
Equity shares outstanding at the end of the period	73,77,500	73,77,500
15.2 Buy back of shares		
The Company bought back 1,22,500 Equity shares of Face value ₹.10 each during the year 2018-19		
15.3 Terms/rights attached to equity shares		
The company has only one class of equity share having par value of ₹.10 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013		
15.4 Shares held by holding company and its associate	As at 31-03-2021	As at 31-03-2020
Particulars		
(a) Amalgamations Private Limited, Holding Company 72,36,034 (31st March, 2020: 72,36,034) equity shares of ₹. 10/- each fully paid	723.60	723.60
(b) United Nilgiri Tea Estates Company Ltd, the Associate of the Holding Company 16,333 (31st March, 2020: 16,333) equity shares of ₹. 10/- each fully paid	1.63	1.63
15.5 The Details of shareholders holding more than 5% shares in the company	As at 31-03-2020	As at 31-03-2019
Equity shares of ₹. 10/- each fully paid		
Amalgamations Private Limited		
– Nos	72,36,034	72,36,034
– % of Holding	98.08	98.08

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
16. OTHER EQUITY		
General Reserve		
As per last balance sheet	156,188.50	142,188.50
Add: Transfer from Statement of profit and loss	12,500.00	14,000.00
	168,688.50	156,188.50
Capital Redemption Reserve		
Transfer from General Reserve	12.25	12.25
	12.25	12.25
Retained Earnings		
As per last balance sheet	17,512.15	20,121.07
Profit for the year	19,425.16	15,817.56
	36,937.31	35,938.63
Less: Appropriations		
Interim dividend paid @ 425% (PY – 325%)	3,135.44	2,397.69
Final dividend paid during the year 125% (PY – 275%)	922.19	2,028.81
Transfer to General reserve	12,500.00	14,000.00
	20,379.68	17,512.13
Net Surplus in the Retained Earnings Account		
Effective Cash Flow Hedges reserve		
As per last balance sheet	9.40	9.40
Less: Adjustment on account of hedging	9.40	-
Add: Transfer from Other Comprehensive Income	(2.63)	-
	(2.63)	9.40
Actuarial Gains on Defined Benefit Plan reserve		
As per last balance sheet	22.64	121.61
Add: Transfer from Other Comprehensive Income	17.05	(98.97)
	39.69	22.64
Total Other Equity	189,117.49	173,744.93

Nature and Purpose of Reserves :

General Reserve

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

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

Capital Redemption Reserve

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

Retained Earnings

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

Effective Cash Flow Hedges reserve

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

Actuarial Gains on Defined Benefit Plan reserve

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

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
17. LONG TERM BORROWINGS		
Unsecured		
Loan from related party (Refer Note No.50)	675.00	675.00
Less : Fair value adjustment	4.74	3.71
	670.26	671.29
18. LONG TERM PROVISIONS		
Provision for Employee benefits :		
Provision for Compensatory absences (Refer Note No.49)	546.02	465.10
	546.02	465.10
19. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities due to		
Accumulated Depreciation on R&D Assets	786.31	857.86
Accumulated Depreciation on Other Assets	440.48	463.98
Fair valuation gain on Investments	1,797.52	1,270.11
Fair valuation gain on long term loans	(33.68)	34.71
	2,990.63	2,626.66
Deferred Tax Assets arising out of		
Provision for Doubtful debts	69.41	57.92
Provision for Compensatory absences	147.82	125.62
Voluntary Retirement Scheme	1.25	2.61
Provision for impairment of investments	33.98	33.98
Fair valuation gain on Borrowings	1.19	1.28
Effective portion of cash flow hedges	(3.08)	(3.97)
Others	2.11	1.25
[Refer Note no. 41(a) & 41(b)]	252.68	218.69
Net Deferred Tax Liabilities	2,737.95	2,407.97
20. SHORT TERM BORROWINGS		
Inter-corporate deposit from holding company (Unsecured) - (Refer Note No.50)	2,600.00	2,600.00
	2,600.00	2,600.00
21. TRADE PAYABLES		
Micro and Small Enterprises	1,787.60	565.44
Trade Creditors [Refer Note No. 51(E)(d)]	24,268.53	13,813.08
	26,056.13	14,378.52
21.1 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information received from such parties and available with the Company. There are no overdues to parties on account of the principal amount. Consequently no interest is payable, and accordingly no additional disclosures are required.		

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31-03-2021	As at 31-03-2020
22. OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on borrowings	119.01	129.42
Unclaimed dividends	0.09	-
Other Payables		
– Managerial remuneration payable	1,939.71	1,716.69
– Accrued salaries & benefits	1,127.00	1,008.69
– Other dues Payable to Related party (Refer Note no. 50)	-	1,703.48
	3,185.81	4,558.28
23. OTHER CURRENT LIABILITIES		
Advance from customers (towards Contract liabilities)	39.66	68.82
Security deposit from customers	94.92	101.51
Statutory dues payable*	462.72	404.90
Others	0.98	7.84
	598.28	583.08
* includes Rs.2,34,60,429/- towards TDS on Dividend		
24. SHORT TERM PROVISIONS		
Provision for Employee benefits (Refer Note no.49)		
Provision for gratuity	106.69	256.06
Provision for Compensatory absences	41.30	34.03
	147.99	290.09
	(a)	
Other Provisions		
Provision for warranty	240.00	156.00
	240.00	156.00
	(b)	
	387.99	446.09
	(a+b)	
24.1 Movement of Product Warranty Provision		
Carrying amount at the beginning of the year	156.00	182.00
Provision made / charged to statement of profit and loss during the year	336.73	328.53
Amount incurred during the year	252.73	354.53
Carrying amount at the end of the year	240.00	156.00

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
25. REVENUE FROM OPERATIONS		
Sale of products [Refer Note No. 38(b)]	143,181.62	128,890.07
Sale of services	73.04	52.44
Other Operating Income		
Sale of scrap	740.09	710.47
Export Incentive	65.47	49.30
	144,060.22	129,702.28
26. OTHER INCOME		
Interest income		
– Deposits	511.16	796.09
– Loans	663.74	476.73
– Tax free bonds	71.18	71.18
– Others	20.44	–
Dividend income		
– Long-term investments	6,265.87	5,926.73
Profit on sale of investments (Net)		
– Current investments	255.88	307.03
– Long-term investments	361.13	0.06
Fair valuation gain on long term loans	(268.93)	120.38
Fair valuation gain on Investments	6,066.51	3,124.62
Exchange Gain (Net)	4.46	31.45
Other non-operating income	212.10	253.66
	14,163.53	11,107.94
26.1. Dividend received from subsidiary companies	5,778.67	5,282.33
27. COST OF MATERIALS CONSUMED		
Opening stock	4,222.45	3,657.82
Add : Purchases	106,471.54	95,620.76
Less : Closing stock	6,201.00	4,222.45
Cost of materials consumed	104,492.99	95,056.13
28. PURCHASES OF STOCK-IN-TRADE		
Engine spare parts & others	8,562.85	6,631.29
	8,562.85	6,631.29

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	Closing Inventory	Closing Inventory
Opening stock		
Intermediate components	647.14	582.12
Finished goods	2,001.30	966.51
Work-in-progress	964.27	1,269.21
Stock-in-trade	964.58	775.62
Total (a)	4,577.29	3,593.46
Closing stock		
Intermediate components	559.52	647.14
Finished goods	1,204.46	2,001.30
Work-in-progress	1,365.88	964.27
Stock-in-trade	902.72	964.58
Total (b)	4,032.58	4,577.29
Total (a-b)	544.71	(983.82)
29.1 DETAILS OF INVENTORY		
Intermediate components		
Diesel engine components	559.52	647.14
Total (a)	559.52	647.14
Finished goods		
Diesel engines	216.87	1,158.87
Engine parts – manufactured	23.28	24.88
Paints, Varnishes and allied products	964.31	817.54
Total (b)	1,204.46	2,001.29
Work-in-progress		
Engine components	1,276.73	904.24
Paints, Varnishes and Allied products	89.15	60.03
Total (c)	1,365.88	964.27
Stock-in-trade		
Engine spare parts & others	902.72	964.58
Total (d)	902.72	964.58
Total (a)+(b)+(c)+(d)	4,032.58	4,577.29

SIMPSON & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
30. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Managerial remuneration	9,517.49	8,879.14
Contribution to Provident and Other Funds	457.74	446.19
Staff welfare expenses	706.94	816.75
	10,682.17	10,142.08
Less: Recoveries for common service & employees seconded	963.98	907.13
	9,718.19	9,234.95
31. FINANCE COSTS		
Interest	258.63	289.81
Other borrowing costs	46.74	38.64
	305.37	328.45
32. OTHER EXPENSES		
Stores consumed	1,313.37	1,395.51
Packing and Forwarding	2,056.16	1,608.61
Power and Fuel	808.11	931.28
Repairs and Maintenance		
Buildings	396.05	395.14
Machinery	828.59	982.09
Others	202.39	150.75
Insurance	172.63	124.71
Rent	203.63	236.88
Rates and Taxes	78.47	94.68
Auditors' Remuneration		
Audit Fee	40.00	33.00
Tax Audit Fee	4.80	4.80
Other Services	5.19	7.84
Reimbursement of expenses	0.04	-
Product development expenses	539.47	501.99
Expenditure on Corporate Social Responsibility (Refer Note No. 44)	298.92	349.09
Miscellaneous expenses	2,825.80	3,205.41
	9,773.62	10,021.78
33. OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Actuarial Gain / (Loss) on Defined Benefit Plan - Gratuity (Funded)	22.78	(132.25)
Total	22.78	(132.25)
34. OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss		
Effective Portion of Cash Flow Hedges	(3.51)	-
Total	(3.51)	-
35. Earnings Per Share		
(1) Profit after Tax as per Statement of Profit and Loss	19,425.16	15,817.56
(2) Weighted Average No. Equity Shares (Nos.)	73.78	73.78
(3) Nominal Value per Share	10.00	10.00
(4) Basic and diluted Earnings per Share	263.30	214.40

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021
(All amounts are in INR lakhs unless otherwise stated)

COMPANY OVERVIEW SIGNIFICANT ACCOUNTING POLICIES

36. COMPANY OVERVIEW:

General Information:

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

Description of the Company

The Company head quartered in Chennai, India, is in the business of manufacturing Diesel Engines for Agricultural, Industrial and Power segments. It also has a division, which is into manufacture of paints for domestic and industrial applications. The Company has customers spread all over the country and it caters to the export market. The company has subsidiaries, associates, and Joint Ventures in the light engineering goods industry.

37. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

The financial statements of the Company have been prepared on the historical cost basis, except for certain equity financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly absorbable or estimated using another valuation technique. Company's Financial Statements are presented in Indian Rupees which is also its functional currency.

Use of estimates

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

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

Business Combinations

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

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

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

Revenue recognition

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

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

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021
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Revenue from services are recognized when the services are rendered, and collectability of the resulting receivables is reasonably assured. Revenues from sale of goods and services are shown as net of applicable discounts and incentives to customers.

Revenues in excess of invoicing if any, are classified as contract assets (which we refer to as unbilled revenue) while advances received from customers for goods and services are reported as "contract liabilities" until all conditions for revenue recognition are met. The company has chosen the Modified Retrospective approach for accounting transitional provisions in this regard.

Other Income

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

Product Warranty Expenses

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

Property, plant, and equipment

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

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

Investment Properties

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

Intangible Assets

(i) Product Research and development costs

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

(ii) Computer software

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

Depreciation and amortization

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

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

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

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.

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021
(All amounts are in INR lakhs unless otherwise stated)

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

Impairment

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

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

Borrowing costs

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

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

Financial instruments

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

Lease Accounting:

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings, machineries, vehicles, and other office equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

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

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option or where there is a significant change in the interest rates.

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

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021
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The Company as a lessor:

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

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

Financial instruments

(i) Cash and cash equivalents

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

(ii) Financial assets at amortized cost

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

(iii) Financial assets at fair value through OCI (FVTOCI)

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

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

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

(v) Financial liabilities

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

(vi) Derivative financial instruments

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

(a) Cash flow hedge accounting

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

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

(vii) Derecognition of financial instruments

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

SIMPSON & COMPANY LIMITED
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(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.

Employee benefits

Defined Contribution Plans:

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

- (i) In respect of provident fund, when payments are due to the Regional Provident Fund Commissioner.
- (ii) Eligible employees, as per the company's super annuation scheme, are entitled to receive retirement benefits and contributions are made annually as per the rules of the scheme to the Life Insurance Corporation.
- (iii) In respect of eligible employees, contributions are remitted to the Employees State Insurance Corporation. There are no obligations other than the above.

Defined benefit Plans:

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

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

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

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

SIMPSON & COMPANY LIMITED
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Other Long Term Employee Benefits:

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

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

Voluntary Retirement Scheme:

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

Foreign currencies

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

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

Income taxes

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

(i) Current income tax

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

(ii) Deferred income tax

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

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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

Operating Leases

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

Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

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

SIMPSON & COMPANY LIMITED
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Inventories

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

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

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

Earnings per share

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

Cash Dividend to Equity shareholder (Proposed/Interim):

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

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

Particulars	As at 31st March 2021 (Rs. Lakhs)	As at 31st March 2020 (Rs. Lakhs)
Unbilled Revenue	1,703.70	–
Advances received from Customers for goods and services (pending supplies)	39.66	68.82

(b) DISCLOSURE OF DISAGGREGATED REVENUE INFORMATION

Particulars	As at 31st March 2021 (Rs. Lakhs)	As at 31st March 2020 (Rs. Lakhs)
Revenue by Manufacturing / Trading :		
Manufactured goods		
– Engines	1,29,747.26	118,291.25
– Parts	249.22	381.78
– DG Sets	11.36	9.67
– Paints, Varnishes and allied Products	2,885.16	2,648.65
Sub-Total	1,32,893.00	121,331.35
Trade goods		
– Engine Spare parts and others	10,288.62	7,558.72
Total	1,43,181.62	128,890.07

39. RESEARCH AND DEVELOPMENT EXPENDITURE

Particulars	As at 31st March 2021 (Rs. Lakhs)	As at 31st March 2020 (Rs. Lakhs)
Capital	796.20	1,134.58
Sub-total	796.20	1,134.58
Revenue		
– Salaries & Wages	376.32	446.62
– Materials, Consumables and	92.97	83.33
– Other Expenditure	1,022.84	1,884.57
Sub-total	1,492.13	2,414.42
Grand Total	2,288.33	3,549.00

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(All amounts are in INR lakhs unless otherwise stated)

40. (A) RECONCILIATION BETWEEN BOOK AND TAXABLE PROFITS				
Particulars	FYE 31-03-2021 (Rs. Lakhs)	FYE 31-03-2020 (Rs. Lakhs)		
Business Profits before Income Taxes	23,006.03	18,184.34		
Less : Fair Value Gain on Investments / Loans / Borrowings (Unrealized)	(5,795.81)	(3,197.52)		
Less : Tax benefits under IT Act	(1,412.56)	(1,634.00)		
Less : Exempt Income	(71.18)	(5,997.90)		
Less : Non-taxable Dividend Income	(5,717.19)	-		
Add : Disallowed Expenses	943.62	1,665.59		
Add : Income From Other Sources	1,840.34	1,272.04		
Total Taxable Income	12,793.25	10,292.55		
40. (B) CALCULATION OF INCOME TAX AND TAX PAID DETAILS				
Details	FYE 31-03-2021	FYE 31-03-2021	FYE 31-03-2020	FYE 31-03-2020
Business Profits before Income Taxes		23,006.03		18,184.34
Income Tax @ 22%	2,840.91		2,403.85	
Surcharge @ 10% / on Income tax and Educational cess @ 4% on IT & Surcharge	409.09		346.15	
Total tax including surcharge & Ed. cess (Rounded off to match with P & L)		3,250.00		2,750.00
Interest on Income Tax		-		7.48
Tax Paid		3,250.00		2,750.00
Effective Tax Rate on PBT		14.13%		15.12%
40. (C) MOVEMENT IN INCOME TAX PROVISION AND CURRENT TAXES PAID AS AT 31-03-2021				
Particulars	Tax Provision	Taxes Paid	Net Balance	
Opening Balance as on 1.4.2020	(28,434.17)	28,433.40	(0.77)	
Add: Provisions Created / Current Taxes Paid during the Year	(3,255.73)	3,731.72	475.99	
Less: Provisions / Advance Taxes adjusted on completion of Assessments / Refunds received	-	-	-	
Closing Balance as on 31.03.2021	(31,689.90)	32,165.12	475.22	
41(a). MOVEMENT OF DEFERRED TAX LIABILITY / ASSETS :				
Movement of Deferred Tax Liability :				
Particulars	R & D Assets	Other Property Plant & Equipment	Fair Valuation	Total
As at March 31, 2019	1,245.70	705.57	1,122.60	3,073.87
(Charged) / credited:				
To profit or loss	(387.84)	(241.59)	182.21	(447.21)
To Other Comprehensive income	-	-	-	-
As at 31 March 2020	857.86	463.98	1,304.82	2,626.66
(Charged) / credited:				
To profit or loss	(71.55)	(23.50)	459.02	363.97
To Other Comprehensive income	-	-	-	-
As at 31 March 2021	786.31	(440.49)	1,763.84	2,990.63

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41(b) Movement of Deferred Tax Assets:				
Particulars	Expenses allowable for tax on payment basis & others	Fair Valuation	Employee benefits	Total
As at March 31, 2019	276.45	(1.15)	7.37	282.67
(Charged) / credited:				
To profit or loss	(57.69)	(1.54)	(4.76)	(63.99)
To Other Comprehensive income	-	-	-	-
As at 31 March 2020	218.76	(2.69)	2.61	218.68
(Charged) / credited:				
To profit or loss	34.56	(0.09)	(1.35)	33.12
To Other Comprehensive income	-	0.88	-	0.88
As at 31 March 2021	253.32	(1.90)	1.26	252.68

42. INVESTMENT PROPERTY

The gross carrying values, additions and disposals, depreciation for the year and accumulated depreciation and Net carrying values of the company's Investment Properties are presented below

Particulars	Land (Rs. Lakhs)	Buildings (Rs. Lakhs)	Total (Rs. Lakhs)
Carrying value as of April 1, 2019	2,519.10	91.61	2,610.71
Additions	6,432.31	-	6,432.31
Disposals	-	-	-
Gross carrying value as of March 31, 2020	8,951.41	91.61	9,043.02
Accumulated depreciation as of April 1, 2019	-	28.28	28.28
Depreciation charge during the year	-	1.83	1.83
Disposals	-	-	-
Accumulated depreciation as of March 31, 2020	-	30.11	30.11
Net carrying value as of March 31, 2020	8,951.41	61.5	9,012.90
Gross carrying amount			
Carrying value as of April 1, 2020	8,951.41	91.61	9,043.02
Additions	-	-	-
Disposals	-	-	-
Gross carrying value as of March 31, 2021	8,951.41	91.61	9,043.02
Accumulated depreciation as of April 1, 2020	-	30.11	30.11
Depreciation charge during the year	-	1.83	1.83
Disposals	-	-	-
Accumulated depreciation as of March 31, 2021	-	31.94	31.94
Net carrying value as of March 31, 2021	8,951.41	59.67	9,011.07

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

Particulars	For year ended 31st March 2021 (Rs. Lakhs)	For year ended 31st March 2020 (Rs. Lakhs)
Rental income	25.48	39.24
Direct operating expenses (including repairs and maintenance) that generated rental income	21.94	15.91
Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.29	0.96
Profit arising from investment properties before depreciation and indirect expenses	3.26	22.37
Depreciation	0.72	1.55
Depreciation for the year – Assets that did not generate rental income	1.11	0.28
Profit arising from investment properties after depreciation and indirect expenses	1.42	20.54
Fair value of Investment Properties	12,528.29	12,530.12

Notes:

1. The company's Investment Properties consist of land and buildings let out to group companies and meant for investment purpose.
2. The company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
3. In respect of valuation of Investment Properties it has been reckoned as follows:
 - (a) In respect of Land, at Guideline Value on the date of authentication of accounts
 - (b) In respect of Buildings, at Book Value reflected as at 31.03.2021 and 31.03.2020

43. FINANCIAL REPORTING OF INTEREST IN JOINT VENTURE

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

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

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

44. 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 ₹ 2.84 crores (31st March, 2020 – ₹ 3.39 crores). Amount Spent towards CSR activities are monitored by CSR Committee.

Particulars	Amount		
(a) Gross amount required to be spent by the company during the year	283.88		
(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	298.92	–	298.92
(c) Details of related Party Transactions	–	–	–
(d) Provisions created for CSR expenses not spent	–	–	–

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45. COMMITMENTS AND CONTINGENT LIABILITIES :		
Particulars	As at 31st March 2021 (Rs. Lakhs)	As at 31st March 2020 (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)	3365.77	762.22
B. Contingent Liabilities		
1.1 Claims against the company not acknowledged as debts		
(a) Sales Tax matters under appeal	24.28	24.28
(b) Demands raised by TNEB under appeal	22.25	22.25
(c) Income Tax matters under appeal	855.31	191.00
1.2 Other contingent liabilities		
(a) Letters of credit & bank guarantee	135.95	–
(b) Guarantees furnished by the company on behalf of subsidiary companies for facilities granted to them by bank and other financial institutions, to the extent availed.	16,911.06	18,973.89
(c) In respect of Land and Building leased to the Company by the Department of MSME, Government of Tamilnadu, the Government has issued GO.40 dated 15.10.2018, demanding arrears of rent of Rs. 79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of Rs. 75.33 lakhs already paid by the Company for that period. Aggrieved by the demand, the Company has filed a Writ petition before the Hon' Madras High Court challenging the above said GO regarding adoption of land value for fixation of rent as per GO.460 of 1998. However the Company had paid during the year, the admitted rent of Rs. 36.49 lakhs out of rent of Rs. 79.91 lakhs demanded in the said GO 40.		
46. EARNINGS IN FOREIGN CURRENCY		
Particulars	For the year 31st March 2021 (Rs. Lakhs)	For the year 31st March 2020 (Rs. Lakhs)
Exports on FOB Basis	1,969.55	1,562.84
SEZ Supplies	3,072.86	3,407.21
Total	<u>5,042.41</u>	<u>4,970.05</u>
47. VALUE OF IMPORTS ON CIF BASIS		
Component & Spares	1,091.15	988.73
Capital Goods	52.93	150.35
Total	<u>1,144.08</u>	<u>1,39.08</u>
48. OTHER NOTES:		
48.1 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.		
48.2 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. 50 – Related Party Disclosure for detailed listing.		
48.3 The Company has taken various commercial premises, computers under non-cancellable operating leases. The lease payments of Rs. 201 lakhs. (March 31, 2020 – Rs. 237 lakhs) are payable not later than one year.		
48.4 Intangible assets under development includes the following amounts incurred during the current year:		
(i) Materials – Rs. 16.39 lakhs		
(ii) Salary – Rs. 4.38 lakhs		
(iii) Other Expenses – Rs. 11.37 lakhs		

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48. OTHER NOTES: – (Contd.)

48.5 COVID – 19 Impact

The company has taken proactive steps like conducting regular screenings, medical camps, ensuring social distancing among our employees attending work. Also, aggressive vaccination campaign yielded good results thereby protecting our employee's lives. Disruptions to regular business operations in April / May 2020 due to lockdowns to contain the spread of Covid 19 has impacted the business to some extent. The company has assessed the recoverability of the carrying values of its current and non-current assets as at 31 March 2021 including property, plant and equipment, trade receivables and inventory and concluded that no material adjustments are required to be made in respect of such assets, liabilities or provisions.

Management has considered its liquidity position as at March 31, 2021 and based on its review of current indicators of future economic conditions has concluded that the Company will have adequate liquidity in the ordinary course of business.

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

48.6 Ind AS 116 – Lease Accounting

Effective April 1, 2019, the company has adopted Ind AS 116 'Leases' which sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on- balance sheet model. The company has opted for modified retrospective approach for all leases existing at the date of initial application and the cumulative effect of applying Ind AS 116 is "nil" as all our leases are of short term and low value nature. There are no ROU (Right of Use) assets and Lease Liabilities as there are no qualifying assets. Short-term lease assets are Rs.191.87 Lakhs and low value lease assets are Rs.4.56 Lakhs.

48.7 Adoption of Section 115BAA of Income Tax Act 1961

The Company has adopted section 115BAA of Income tax act 1961 as per the taxation laws (amendment) act, 2019. Accordingly deferred tax assets/liabilities have been computed and impact of this has been recognized in the year.

48.8 The Code on Social Security, 2020

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

49. EMPLOYEE BENEFIT OBLIGATIONS:

Compensated absences:

Compensated absences cover the Company's liability for earned leave. The amount of provision of Rs.546.02 lakhs (March 31, 2020 –Rs. 465.11 lakhs) is presented as Non-Current and Provision of Rs. 41.3 lakhs (March 31, 2020 – Rs.34.03 lakhs) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations.

Defined contribution plan – Provident Fund & Superannuation Fund:

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

Amount recognized in statement of profit & loss account

Particulars	31st March 2021 (Rs. Lakhs)	31st March 2020 (Rs. Lakhs)
Provident Fund	298.65	300.56
Super Annuation Fund	19.54	11.83

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Defined Benefit Plan – Gratuity:		
As per Ind AS 19 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below :		
Defined Benefit Plans	31-03-2021 (Rs. Lakhs)	31-03-2020 (Rs. Lakhs)
Gratuity (Funded)		
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the Year	1,819.38	1,597.64
Interest Cost	117.28	117.35
Current Service Cost	131.35	115.40
Past Service Cost	–	–
Benefits Paid	(122.12)	(143.25)
Actuarial (Gain) / Loss	(22.62)	132.24
Defined Benefit Obligation at the end of the Year	1,923.27	1,819.38
Changes in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	1,563.34	1,532.46
Interest Income on Plan Assets	109.08	98.95
Contributions	266.45	75.18
Benefits Paid	(122.12)	(143.25)
Actuarial (Gain) / Loss	(0.16)	–
Fair Value of Plan Assets at the end of the year	1,816.59	1,563.34
Amounts Recognized in the Balance Sheet		
Defined Benefit Obligation at the end of the Year	1,923.27	1,819.38
Fair Value of Plan Assets at the end of the year	1,816.59	1,563.34
Net Liability/ (Asset) recognized in the Balance Sheet		
*included under short-term provisions (Note 25)	106.68	256.04
Expenses Recognized in the Statement of Profit and Loss and Other Comprehensive Income		
Current Service Cost	131.35	115.40
Past Service Cost	–	–
Interest Cost	117.28	117.35
Interest Income on Plan Assets	(109.08)	(98.95)
Expenses Recognized in the Statement of Profit and Loss (Note 31)	139.55	133.80
Re-measurement - Actuarial (Gain) / Loss recognized in Other Comprehensive Income (Note 33)	(22.78)	148.52
Total Defined Benefit Cost recognized in Profit & Loss and Other Comprehensive Income		
*included under Contribution to Provident & Other Funds (Note 25)	116.76	266.04
Composition of Plan Assets		
Insurer Managed Funds	1,816.34	1,563.08
With Scheduled Bank	0.25	0.25
Actuarial Assumptions		
Discount rate	6.97%	6.67%
Interest Income on Plan Assets	7.15%	7.80%
Salary escalation	8.25%	8.25%
Sensitivity Analysis DBO end of Period		
Discount rate - 50 basis points	2,052.82	1,943.67
Discount rate + 50 basis points	1,805.10	1,706.16
Salary growth - 50 basis points	1,807.92	1,708.43
Salary growth + 50 basis points	2,048.17	1,939.55
Expected Cash Flows for following years		
Year – 1	33.41	27.18
Year – 2	106.52	121.03
Year – 3	109.52	92.56
Year – 4	91.09	103.33
Year – 5	101.26	78.49
Next 5 years	551.35	475.81

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50. RELATED PARTY DISCLOSURES UNDER IND AS 24

Attached as Annexure 1

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

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

(A) Credit Risk:

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

Credit Risk Management:

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

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

Provision for expected credit losses:

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

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

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

The estimated gross carrying amount at default is Nil (March 31, 2020: Nil) for Loans, Investments and other Financial Assets. Consequently, there are no expected credit loss recognized for these financial assets.

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

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

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51. RISK MANAGEMENT DISCLOSURES UNDER IND AS 107 (FINANCIAL RISK MANAGEMENT) – (Contd.)						
Particulars	As at 31st March 2021 (Rs. in Lakhs)			As at 31st March 2020 (Rs. in Lakhs)		
Gross carrying amount	45,527.41			31,496.05		
Expected credit losses (Loss allowance provision)	275.80			230.15		
Loss allowance rate	0.60%			0.73%		
Carrying amount of trade receivables (net of impairment)	45,251.61			31,265.90		
Reconciliation of loss allowance provision – Trade receivables						
Loss allowance on April 1, 2019				186.72		
Changes in loss allowance				43.43		
Loss allowance on March 31, 2020				230.15		
Changes in loss allowance				45.65		
Loss allowance on March 31, 2021				275.80		
(B) Liquidity Risk:						
Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.						
Management monitors the company's liquidity position and cash and cash equivalents on the basis of expected cash flows and this is generally carried out by the Treasury Management function of the company. The Top Management periodically reviews the treasury plans and directs the treasury function suitably.						
(C) Market Risk:						
Foreign currency risk:						
The Company exports Diesel Engines and Parts. Also, for the manufacture of these engines, some components are imported as per the requirements. Therefore, the company is exposed to foreign exchange risks as the foreign transaction currencies are different from the functional currency of the company which is Indian Rupee. To cover this risk, the company has been taking forward contracts for all major Exports and Imports transactions of the company. Only exports of Parts to foreign customers and miscellaneous claims like freight are not covered as they are of small value with variable realization dates.						
The company's exposure to Foreign Currency risk at the end of the reporting period are given below :						
Financial / Derivative Assets	As at 31-03-2021			As at 31-03-2020		
	USD	EUR	JPY	USD	EUR	JPY
Financial Assets						
Trade Receivables	5,39,583	-	-	3,67,145	-	-
Derivative Assets						
Foreign exchange forward contracts Sell foreign currency (No. of Contracts outstanding 5)	5,06,883	-	-	3,50,292	-	-
Net exposure to foreign currency risk (assets)	32,700	-	-	16,853	-	-
Financial Liabilities						
Trade Payables	1,49,059	-	2,78,044	2,68,856	-	-
Derivative Assets						
Foreign exchange forward contracts Buy foreign currency	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	1,49,059	-	2,78,044	2,68,856	-	-

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

(D) Hedge Accounting:

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

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

Type of Hedge & Risk	Nominal Value		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Weighted average strike price/rate
	Assets	Liability	Assets	Liability			
Cash Flow Hedge	USD		INR				
Foreign exchange forward contracts	5,06,883	–	–	3.51	7th April, 2021 to 14th June, 2021	1:1	72.99

(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:

Amt in Rs. Lakhs.

Particulars	As at 31-03-2021	As at 31-03-2020
Variable rate borrowings	–	–
Total Borrowings	3,270.26	3,271.29
% of variable rate borrowings on total borrowings	0.00%	0.00%
Sensitivity Analysis*		
Sensitivity	As at 31-03-2021	As at 31-03-2020
Increase in interest rate by 1%	-32.75	-32.75
Decrease in interest rate by 1%	32.75	32.75

(c) Liquidity risk

Prudential liquidity risk management implies maintaining sufficient cash equivalents, liquid mutual funds, and the availability of funding through an adequate amount of internal financing by way of daily cash flow projections to meet obligations. Due to the dynamic nature of the underlying businesses, the company's treasury maintains flexibility in funding by maintaining availability of funds. Management monitors daily forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

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51. RISK MANAGEMENT DISCLOSURES UNDER IND AS 107 (FINANCIAL RISK MANAGEMENT) – (Contd.)				
(D) Financial Risk Management – 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 2021 :				
Trade Payables	26,056.13	–	–	26,056.13
Other financial liabilities:				
Current Maturity of long-term borrowings	–	–	–	–
Others – Current	3,185.81	–	–	3,185.81
Others – Non-Current	–	–	–	–
Borrowings:				
Current	2,600.00	–	–	2,600.00
Non-Current	–	675.00	–	675.00
Total	31,841.94	675.00	–	32,516.94
52. ASSETS PLEDGED AS SECURITY				
(e) Assets pledged as Security				Amt in Rs. Lakhs.
Particulars	As on 31st March 2021 (Rs. in Lakhs)		As on 31st March 2020 (Rs. in Lakhs)	
Current: (as Hypothecation)				
Inventories	10,391.97		8,935.15	
Trade Receivables	45,251.61		31,265.90	
Total current assets hypothecated	55,643.58		40,201.05	
Non-Current: (as Collateral Security)				
Land & Buildings	0.01		0.01	
Plant & Machinery	106.53		106.53	
Furniture & Fixtures	2.06		2.06	
Others	1.49		1.49	
Total Non-Current assets provided as Collateral Security	110.09		110.09	
Total Assets pledged as security	55,753.67		40,311.14	
53. OPERATING SEGMENTS				
The Chief Operating Decision Maker (CODM) of the organization has considered the business as a whole to be reviewed as an Operating segment to be reported and reviewed periodically. The geographical segmentation analysis of the Sales is given below.				
Area	Amount	% Share		
India	1,41,173	98.60		
USA	1,540	1.08		
Others	469	1.32		
Total	1,43,182	100.00		
There are 2 customer groups who individually contribute more than 10% of the business of the company and together their share of the total business is 71.39%.				

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021
(All amounts are in INR lakhs unless otherwise stated)

54. FINANCIAL ASSETS – CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) (As on 31st March 2021)					
Financial Assets	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value
Investments -Non Current					
(Other than subsidiaries, associates and Joint Ventures)					
Equity Shares Quoted	1	–	495.29	–	495.29
Equity Shares Unquoted	3	–	29.49	–	29.49
Bonds	3	1,479.45	–	–	1,479.45
Mutual Funds	1	–	75,635.26	–	75,635.26
Trade Receivables	*	45,251.61	–	–	45,251.61
Cash and Cash Equivalents	*	651.51	–	–	651.51
Other Bank Balances	*	2,000.00	–	–	2,000.00
Loans-Non Current	2	7,116.19	–	–	7,116.19
Loans-Current	*	5,400.00	–	–	5,400.00
Derivatives Financial Asset	1	–	–	(3.51)	(3.51)
Others	3	620.85	–	–	620.85
Total - Non Current & Current		62,519.61	76,160.04	(3.51)	138,676.14
Financial Liabilities					
Long-term Borrowings	2	670.26	–	–	670.26
Short-term Borrowings	*	2,600.00	–	–	2,600.00
Trade Payables	*	26,056.13	–	–	26,056.13
Others	*	3,201.91	–	–	3,201.91
Total – Current & Non-Current		32,528.30	–	–	32,528.30
54. FINANCIAL ASSETS – CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) (As on 31st March 2020)					
Financial Assets	Hierarchy	Cash and other financial assets at amortized cost	Investments FVTPL	Derivative Assets in Hedging Relationship	Total Carrying Value
Investments -Non Current					
(Other than subsidiaries, associates and Joint Ventures)					
Equity Shares Quoted	1	–	51.92	–	51.92
Equity Shares Un quoted	3	–	29.49	–	29.49
Bonds	3	872.59	–	–	872.59
Mutual Funds	1	–	61,041.36	–	61,041.36
Trade Receivables	*	31,265.90	–	–	31,265.90
Cash and Cash Equivalents	*	42.13	–	–	42.13
Other Bank Balances	*	6,000.00	–	–	6,000.00
Loans - Non-Current	2	7,287.91	–	–	7,287.91
Loans Current	*	5,250.00	–	–	5,250.00
Derivates Financial Asset	1	–	–	6.77	6.77
Others	3	724.54	–	–	724.54
Total - Non-Current & Current		51,443.06	61,122.77	6.77	1,12,572.60
Financial Liabilities					
Long-term Borrowings	2	671.29	–	–	671.29
Short - Term Borrowings	*	2,600.00	–	–	2,600.00
Trade Payables	*	14,407.58	–	–	14,407.58
Others	*	4,558.28	–	–	4,558.28
Total - Non-Current & Current		22,237.15	–	–	22,237.15

SIMPSON & COMPANY LIMITED
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021
(All amounts are in INR lakhs unless otherwise stated)

54. FINANCIAL INSTRUMENTS – CLASSIFICATION AND MEASUREMENT (IND AS 32, 109 AND 107) (As on 31st March 2021)

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.

55. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors have recommended a final dividend of Rs. 22.50 per fully paid up equity share of Rs.10.00 each, aggregating to Rs.1659.94 lakhs, which is based on the relevant share capital as on 31st March, 2021. The proposed final dividend is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

56. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31st March 2021 were approved for issue by the Board of Directors on 30th June, 2021.

The accompanying notes are an integral part of the financial statements

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

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

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

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

S. SRINIVASARAGHAVAN
Chief Financial Officer & Company Secretary

Chennai, 30th June, 2021

SIMPSON & COMPANY LIMITED

Ind AS - 24 Related Party Disclosures Annexure - 1

(i) Holding Company

- (1) Amalgamations Pvt. Ltd.

(ii) Subsidiaries

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

(iii) Fellow Subsidiaries

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

(iv) Associates

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

(v) Associates of Subsidiary

- (1) AGCO Corporation USA

(vi) Joint Ventures

- (1) BBL Daido Pvt. Ltd.

(vii) Key Managerial Personnel

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

(viii) Relatives of Key Managerial Personnel

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

(ix) Other Related Parties

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

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2020-21 Annexure 1 (Refer Note:- 50)

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	2020-21 Previous Year	10.65 11.95	102,183.58 83,113.55	760.50 459.43	2.36 4.00	- -	- -	- -	- -
Rendering of service	2020-21 Previous Year	344.54 333.81	793.34 694.17	131.17 156.49	53.30 67.12	- -	- -	- -	- -
Dividend Received	2020-21 Previous Year	- -	5,778.67 5,282.33	- -	481.68 534.27	- 108.00	- -	- -	- -
Interest Received on Loans	2020-21 Previous Year	- -	682.21 516.49	- -	- -	- -	- -	- -	- -
Cash Discount received	2020-21 Previous Year	- -	176.27 158.05	- -	- -	- -	- -	- -	- -
Sale of Assets	2020-21 Previous Year	- -	0.10 0.02	- -	- -	- -	- -	- -	- -
Purchase of Goods	2020-21 Previous Year	- -	19,635.95 17,760.70	158.69 75.74	482.96 466.12	- -	- -	- -	- -
Receiving of Service	2020-21 Previous Year	194.60 228.19	537.68 388.45	30.93 74.98	29.79 -	- -	- -	- -	- -
Loans (repaid)/disbursed in cash/kind	2020-21 Previous Year	- -	(750.00) 3,695.00	- -	- -	- -	- -	- -	- -
Advance (repaid) / disbursed in cash/kind	2020-21 Previous Year	- -	172.91 (1,635.00)	- -	- -	- -	- -	- -	- -
Dividend Paid	2020-21 Previous Year	3,979.82 4,341.62	- -	- -	8.98 9.80	- -	14.11 15.39	9.29 10.14	- -
Interest Paid on loans	2020-21 Previous Year	199.65 212.63	- -	- -	- -	- -	55.17 55.84	- -	- -
Guarantees & Commitment Charges	2020-21 Previous Year	35.96 35.07	- -	- -	- -	- -	- -	- -	- -
Refund of Security Deposit	2020-21 Previous Year	- -	1.80 -	2.02 -	0.10 -	- -	- -	- -	- -
Managerial Remuneration	2020-21 Previous Year	- -	- -	- -	- -	- -	1,928.00 1,685.49	- -	- -
Acquisition of Shares	2020-21 Previous Year	- -	4,250.00 4,038.03	- -	- -	- -	- -	- -	- -
Acquisition of Assets	2020-21 Previous Year	- -	43.07 6,262.65	12.99 4.95	- -	- -	- -	- -	- -
Guarantees given	2020-21 Previous Year	- -	16,911.06 19,014.23	- -	- -	- -	- -	- -	- -
Contributions made during the year	2020-21 Previous Year	- -	- -	- -	- -	- -	- -	- -	285.67 87.02

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2020-21 Annexure 1 (Refer Note:- 50)

PARTICULARS	Years	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Joint Venture	Key Management Personnel	Relative of Key Management Personnel	Other Related Parties
Sundry Debtors	2020-21 2019-20	36.64 -	35,978.31 22,891.25	176.51 175.32	12.98 -	- -	- -	- -	- -
Sundry Creditors	2020-21 2019-20	126.26 95.35	3,108.17 3,406.27	17.36 -	113.89 71.16	- -	- -	- -	- -
Loans given	2020-21 2019-20	- -	7,650.00 8,400.00	- -	- -	- -	- -	- -	- -
Advances	2020-21 2019-20	- -	2,300.41 2,125.00	- -	1.48 -	- -	- -	- -	- -
Loans taken	2020-21 2019-20	2,600.00 2,600.00	- -	- -	- -	- -	675.00 675.00	- -	- -

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2020-21 Annexure 1 (Refer Note:- 50)

Notes :		
Material Related Party Transactions :		
Material Related party transactions are disclosed below (Rs. in Lakhs)		
Particulars	Current Year 31st March 2021 (Rs. in Lakhs)	Previous Year 31st March 2020 (Rs. in Lakhs)
1. Sale of goods		
(a) Tractors and Farm Equipment Limited	82,893.30	63,870.05
(b) TAFE Motors and Tractors Limited	18,544.67	18,706.88
2. Rendering of Service		
(a) Amalgamations Private Limited	344.54	333.81
(b) India Pistons Limited	229.64	271.41
(c) Tractors and Farm Equipment Limited	214.08	262.27
(d) Shardlow India Limited	188.06	52.47
3. Dividend Received		
(a) Tractors and Farm Equipment Limited	5,077.75	4,437.31
4. Interest Received on Loans		
(a) India Pistons Limited	410.86	261.67
(b) Shardlow India Limited	238.91	238.59
5. Cash Discount Received		
(a) Shardlow India Limited	89.03	26.49
(b) Addison & Company Limited	60.84	102.83
(c) India Pistons Limited	26.39	28.72
6. Purchase of Goods		
(a) Addison & Company Limited	10,834.57	10,155.68
(b) India Pistons Limited	4,580.11	4,047.02
(c) Shardlow India Limited	3,876.44	3,007.76
7. Receiving of Services		
(a) Sri Rama Vilas Service Limited	404.98	263.49
(b) Amalgamations Private Limited	194.60	228.19
8. Loans (Repaid)/ Disbursed in Cash/Kind		
(a) India Pistons Limited	250.00	2,700.00
(b) Shardlow India Limited	100.00	595.00
(c) Simpson & General Finance Company Limited	400.00	400.00
9. Advance (Repaid)/ Disbursed in Cash/Kind		
(a) India Pistons Limited	175.00	1,725.00
10. Dividend Paid		
(a) Amalgamations Private Limited	3,979.82	4,341.62
11. Interest Paid on loans		
(a) Amalgamations Private Limited	199.65	212.63
(b) Sri A. Krishnamoorthy	55.17	55.84
12. Guarantees and Commitment Charges		
(a) Amalgamations Private Limited	35.96	35.07

SIMPSON & COMPANY LIMITED

(All amounts are in INR lakhs unless otherwise stated)

IND AS - 24 Related Party Disclosures 2020-21 Annexure 1 (Refer Note:- 50)

Notes :		
Material Related Party Transactions :		
Material Related party transactions are disclosed below (Rs. in Lakhs)		
Particulars	Current Year 31st March 2021 (Rs. in Lakhs)	Previous Year 31st March 2020 (Rs. in Lakhs)
13. Managerial Remuneration		
(a) Shri A. Krishnamoorthy	1,578.00	1,421.89
(b) Shri P.S. Rajamani	225.00	161.60
14. Acquisition of Shares		
(a) India Pistons Limited (Preference shares – Rs. 750.00, Rights shares – Rs. 3500.00)	4,250.00	1,600.00
15. Acquisition of Assets		
(a) Sri Rama Vilas Service Limited	21.53	–
(b) Addison & Co Limited	14.42	38.23
(c) The Madras Advertising Company Private Limited	12.99	4.95
(d) IP Rings Limited	7.00	–
16. Guarantees Given		
(a) India Pistons Limited	7,955.03	8,997.00
(b) Addison & Co. Limited	4,060.48	4,369.56
(c) Shardlow India Limited	3,724.01	4,185.81
17. Contributions made during the year		
(a) Simpson & Co. Ltd Employees Gratuity Fund	266.13	75.18
Material Related Party Balances:		
Material Related party balances at year end are disclosed below (Rs. in Lakhs)		
Particulars	Current Year 31st March 2021 (Rs. in Lakhs)	Previous Year 31st March 2020 (Rs. in Lakhs)
1. Sundry Debtors		
(a) Tractors and Farm Equipment Limited	28,105.60	16,901.34
(b) TAFE Motors and Tractors Limited	7,577.12	5,737.50
2. Sundry Creditors		
(a) Addison & Co. Limited	2,812.41	1,496.90
3. Loans given		
(a) India Pistons Limited	4,550.00	4,800.00
(b) Shardlow India Limited	3,100.00	3,200.00
4. Advances		
(a) India Pistons Limited	1,500.00	1,325.00
(b) Shardlow India Limited	800.00	800.00
5. Loans taken		
(a) Amalgamations Private Limited	2,600.00	2,600.00
(b) Sri A. Krishnamoorthy	675.00	675.00

**CONSOLIDATED FINANCIAL STATEMENTS OF
SIMPSON & COMPANY LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

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

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

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

06th September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SIMPSON & COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Simpson & Company Limited (hereinafter referred to as "the Parent Company") and its Subsidiaries (the Parent Company and its Subsidiaries together referred to as "the Group"), its Associates and Joint Venture, which comprises the Consolidated Balance Sheet as at March 31,2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, including a summary of significant accounting policies, notes to the Consolidated Financial Statements and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the Subsidiaries, Associates and Joint Venture referred to in the Other Matters Paragraph, except for the effects of matters described in the Basis for Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, to the extent applicable and amended thereto, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its Associates and Joint Venture as at March 31, 2021, their consolidated Profit including other comprehensive income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended.

Basis for Qualified Opinion

Included in the Consolidated Financial Statements are the Standalone Financial Statements of three subsidiaries which have been qualified by their respective auditors with regard to recognition of Net Deferred Tax Asset amounting to INR 10,949.16 lakhs (PY INR 11,097.31 lakhs) as at the date of the Balance Sheet as recognition of this Net Deferred Tax Asset does not satisfy the reasonable certainty principle laid down in Indian Accounting Standard - 12 on Income Taxes, due to lack of reasonable certainty of future taxable income. Consequently, the consolidated profit after tax including Other Comprehensive Income for the year is understated by INR 148.15 lakhs, Non-Current Assets and the Other Equity are overstated by INR 10,949.16 lakhs (PY profit overstated by INR 1,388.38 lakhs and PY Non-Current assets and Other Equity overstated by INR 11,097.31 lakhs).

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

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

Four subsidiaries, having total Revenue of INR 53,673.09 lakhs, net loss (including Other Comprehensive Income) of INR 2,662.83 lakhs and net worth of INR 5,448.94 lakhs as at March 31st, 2021 (Of which two subsidiaries having total Revenue of INR 26,043.03 lakhs, net loss (including Other Comprehensive Income) of INR 129.94 lakhs and net worth of INR (2,317.31) lakhs have been audited by us) have been incurring substantial operating losses, delays in repayments of term loans and cash losses during the year and earlier year's resulting in erosion of its net worth. The auditor's of the said company have indicated the existence of material uncertainty about subsidiaries' ability to continue as going concern which is dependent upon achievement of the action plans indicated by the respective Company's Board. The financial statements of these subsidiaries have been prepared on a going concern basis for the reasons stated in note 56 A (i) to the Consolidated Financial Statement.

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

In respect of two Subsidiaries audited by us, having other income of INR 100.41 lakhs, net loss (including Other Comprehensive Income) of INR 140.50 lakhs and net worth of INR (3,032.49) lakhs, have not been prepared on a going concern basis by the management considering continuous loss in business and erosion of net worth and current business plan.

Apart from above, a subsidiary audited by us having other income of INR 3.10 lakhs, net loss (including Other Comprehensive Income) of INR 1.15 lakhs and net worth of INR 35.40 lakhs, due to its inability to generate operational revenue for the past three years and nor able to identify alternate projects ,this subsidiary is in process of wound up and its financial statements are prepared on a liquidation basis by the management.

Please refer Note No. 56 A (ii to iii) to the Consolidated Financial Statements in this regard.

Our opinion is not modified in respect of above matters.

Emphasis of Matter

We draw attention to Note 59 to the Consolidated Financial Statements which explains the management’s assessment of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation and that the eventual outcome in the subsequent periods may be different than that estimated due to the uncertainties involved.

Our opinion is not modified in respect of this matter.

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

The Parent Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements of the Parent Company, and our Auditor’s reports thereon either on the Consolidated Financial Statements or on the Standalone Financial Statements of the Parent Company.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and the Consolidated Statement of Changes in Equity of the Group including its Associates and Joint Venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its Associates and Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its Associates and Joint Venture are responsible for assessing the ability of the Group and of its Associates and Joint Venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system, with reference to the financial statements, are in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associates and Joint Venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and its Associates and Joint Venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Associates and Joint Venture of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matter

We did not audit the financial statements and other financial information of 16 (PY:16)Subsidiaries whose financial statements and other financial information reflect total assets of INR 14,55,452.12 lakhs (PY INR 12,70,267.66 lakhs) and total net assets INR 10,95,200.69 lakhs as at 31st March, 2021 (PY INR 9,90,919.93 lakhs), total revenues of INR 11,99,269.63 lakhs (PY : INR 9,56,620.29 lakhs) and net cash inflows amounting to INR 28,083.56 lakhs (PY : INR (39,405.82) lakhs) for the year ended 31st March 2021, as considered in the consolidated financial statements. The consolidated financial statement reflects the Group's share of profit (Including OCI) of INR 1189.19 lakhs (PY: INR 634.42 Lakhs), INR (11.24) lakhs (PY: INR 0.41 Lakhs) and INR 8924.12 (PY: INR (1875.80) Lakhs) in respect of 3 Associates, a joint venture and an associate of subsidiary respectively for the year ended 31st March, 2021 whose financial statements have not been audited by us. These Financial Statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management.

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

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

Report on Other Legal and Regulatory Requirements

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

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- a) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- b) Except for the matter described in the Basis for Qualified Opinion section of our report, in our opinion, proper books of account as required by law have been kept by the respective companies in so far as it appears from our examination of those books and our reliance on the audit report of the components not audited by us.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including the consolidated other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) Except for the matter described in the Basis for Qualified Opinion section of our report, in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act
- e) On the basis of the written representations received from the directors of the Parent Company taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its Subsidiary, Associates and Joint Venture incorporated in India, none of the directors of the Group companies, including its Associate and Joint Venture incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls; refer to our separate Report in “Annexure A” which is based on the respective auditor’s reports of the components in the Group including its Associates and Joint Venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statements of those companies, for reasons stated therein.

g) With respect to the matter to be included in the Auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section above.

i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the Subsidiaries, Associates and Joint Venture, as noted in the ‘Other matter’ paragraph:

a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Associates and Joint Venture – Refer Note 53 to the Consolidated Financial Statements.

b. The Group, its Associates and Joint Venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group including its Associate and Joint Venture Companies incorporated in India, except for one Subsidiary Company and one Associate company where there was a delay in transferring amounts, which will not have material impact on the Group.

Place: Chennai

Date: 06th September 2021

For R.G.N. Price & Co.

Chartered Accountants

F R No.002785S

Mahesh Krishnan

Partner

M No.206520

UDIN:21206520AAAAGX3334

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

In conjunction with our audit of the Consolidated Financial Statements of Simpson & Company Limited as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Simpson & Company Limited (hereinafter referred to as the “Parent Company”) and its Subsidiaries, its Associates and Joint Venture, as applicable, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Parent Company, its Subsidiaries, its Associates and Joint Venture, which are companies incorporated in India, internal financial controls with reference to financial statements with reference to these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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, 2021, based on the internal control with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

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

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

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

Place: Chennai
Date: 06th September 2021

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

Mahesh Krishnan
Partner
M No.206520
UDIN:21206520AAAAGX3334

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

PARTICULARS		Note	31-03-2021	31-03-2020
A	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	1	1,44,493.51	1,46,360.06
	(b) Capital Work-in-progress		13,263.04	12,119.11
	(c) Right of Use Assets	52	6,838.69	8,165.37
	(d) Investment Property		6,350.66	6,052.55
	(e) Intangible Assets	1	1,288.13	1,738.53
	(f) Intangible assets under development		6,178.74	6,368.55
	(g) Financial Assets			
	(i) Investments	2	4,69,429.40	4,75,281.77
	(ii) Loans	3	859.47	660.54
	(iii) Others	4	3,722.45	3,885.81
	(h) Other Non-current assets	6	7,231.16	5,088.13
	Assets held for Sale	44	456.30	717.32
	Total Non-Current Assets		6,60,111.55	6,66,437.74
2	Goodwill on consolidation		4,907.23	4,907.23
3	Current Assets			
	(a) Inventories	7	1,49,140.32	1,40,138.28
	(b) Financial Assets			
	(i) Investments	8	5,92,490.12	4,11,550.90
	(ii) Trade Receivables	9	1,11,294.26	1,13,093.71
	(iii) Cash and Cash Equivalents	10(i)	38,315.66	9,143.34
	(iv) Bank balances other than (iii) above	10(ii)	6,993.72	10,915.21
	(v) Loans	11	7,212.22	5,556.83
	(vi) Others	12	2,046.15	4,233.37
	(c) Current Tax Assets (net)	13	4,028.26	5,714.84
	(d) Other Current Assets	14	29,288.48	30,760.05
	Total Current Assets		9,40,809.19	7,31,106.53
	TOTAL ASSETS		16,05,827.97	14,02,451.50

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.0027855

Chairman & Managing Director

Directors

Mahesh Krishnan
Partner
M.No.206520

Whole Time Director

Chief Financial Officer &
Company Secretary

Chennai, 06th September 2021

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

PARTICULARS		Note	31-03-2021	31-03-2020
B	EQUITY AND LIABILITIES			
1	EQUITY			
	(i) Owner's equity			
	(a) Share Capital	15	737.75	737.75
	(b) Other Equity	16	10,26,950.53	9,01,626.97
	(ii) Non controlling interest		2,34,733.04	2,34,106.81
	Total Equity		12,62,421.32	11,36,471.53
2	Capital Reserve on Consolidation		3,325.07	3,325.07
	LIABILITIES			
3	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	5,215.09	5,880.43
	(ii) Others	18	7,531.10	5,515.15
	(b) Lease Liabilities	52	4,030.19	4,045.71
	(c) Deferred Tax Liabilities (Net)	5	10,282.56	5,153.54
	(d) Provisions	19	4,912.62	3,682.43
	(e) Other Non-current Liabilities	20	843.44	924.39
	Total Non-Current Liabilities		32,815.00	25,201.64
4	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	21	29,183.23	32,296.93
	(ii) Trade Payables			
	- Micro & small enterprises	22	11,690.94	4,494.59
	- Other than Micro & small enterprises		2,05,035.24	1,43,184.80
	(iii) Others	23	30,510.71	27,085.73
	(b) Lease Liabilities	52	1,332.73	1,893.53
	(c) Other Current Liabilities	24	22,722.70	19,451.36
	(d) Provisions	25	6,791.03	9,046.32
	Total Current Liabilities		3,07,266.58	2,37,453.26
	TOTAL EQUITY AND LIABILITIES		16,05,827.97	14,02,451.50

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

Chairman & Managing Director

Directors

Mahesh Krishnan
Partner
M.No.206520

Whole Time Director

Chief Financial Officer &
Company Secretary

Chennai, 06th September 2021

Simpson & Company Limited			
<i>(All amounts are in INR lakhs unless otherwise stated)</i>			
Consolidated Statement of Profit and Loss for the year ended			
Particulars	Note	31-03-2021	31-03-2020
Revenue from operations	26	12,07,091.57	9,81,600.95
Other income	27	34,464.13	35,049.02
Total Income		12,41,555.70	10,16,649.97
Expenses :			
(a) Cost of materials consumed	28	6,35,097.51	5,35,838.95
(b) Cost of Goods Sold		16,279.15	16,475.00
(c) Purchases of stock-In-trade	29	1,17,426.98	1,01,402.28
(d) Changes in inventories of finished goods, Stock-in-trade & Work in progress	30	20,232.65	(17,741.34)
(e) Employee Benefits Expense	31	1,03,282.90	1,03,273.14
(f) Finance Costs	32	4,428.62	5,962.59
(g) Depreciation and Amortization Expense	33	19,441.28	20,663.62
(h) Other Expenses	34	1,36,667.66	1,41,235.28
Total Expenses		10,52,856.75	9,07,109.52
Profit / (loss) before Exceptional Items and tax		1,88,698.94	1,09,540.45
Less: Exceptional Items (Refer Note 39)		(2,061.66)	137.38
Profit / (loss) before tax		1,90,760.60	1,09,403.07
Tax Expense:			
(a) Current tax		45,786.87	29,959.10
(b) Deferred tax		2,220.23	(2,661.11)
(c) Tax refund / provision relating to earlier years		(57.57)	33.26
Profit / (Loss) for the period from Continuing operations		1,42,811.07	82,071.82
Share of profit from Associates & Joint ventures		35,485.17	3,465.11
Profit / (loss) for the year after tax		1,78,296.24	85,536.93
Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss (Net of tax)	35A	(14,331.09)	(7,872.15)
B. Items that will be reclassified to profit or loss (Net of tax)	35B	(1,538.98)	69.12
Total Comprehensive Income for the Year		1,62,426.17	77,733.90
a) Profit attributable to			
Owners of the Company		1,43,623.28	65,318.27
Non-Controlling Interest		34,672.96	20,218.66
b) OCI attributable to			
Owners of the Company		(12,298.39)	(6,056.04)
Non-Controlling Interest		(3,571.68)	(1,746.99)
Total Comprehensive Income for the Year attributable to			
Owners of the Company		1,31,324.89	59,262.23
Non-Controlling Interest		31,101.28	18,471.67
<i>Earnings per equity share (face value - Rs 10 per share)</i>			
<i>Basic & Diluted</i>	36	1,946.77	885.37

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

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

Chairman & Managing Director

Directors

Mahesh Krishnan
Partner
M.No.206520

Whole Time Director

Chief Financial Officer &
Company Secretary

Chennai, 06th September, 2021

Simpson & Company Limited
Consolidated Statement of changes in Equity for the year ended 31st March 2021

(All amounts are in INR lakhs unless otherwise stated)

A. Equity share capital												
As on 1st April 2019	737.75											
Changes in equity share capital	-											
As on 31st March 2020	737.75											
Changes in equity share capital	-											
As on 31st March 2021	737.75											
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 2019	1,42,188.50	12.25	-	7,16,751.12	(19,232.05)	(1,541.45)	4,368.02	5,471.87	(33.93)	8,47,984.33	3,328.07	2,17,230.37
Profit for the year 2019-20	-	-	-	65,318.27	-	-	-	-	-	65,318.27	-	20,218.66
Other Comprehensive Income	-	-	-	-	(2,917.77)	52.70	(2,743.42)	(447.55)	-	(6,056.04)	-	(1,746.99)
Adjustments	-	-	-	-	-	332.42	(2.45)	(16.84)	43.26	356.39	(3.00)	(1,595.23)
Consolidation Adjustments	-	-	-	417.07	-	-	-	-	-	417.07	-	-
Others	-	-	-	(548.44)	-	-	-	-	-	(548.44)	-	-
Transfer to Reserves	14,000.00	-	-	(14,000.00)	-	-	-	-	-	-	-	-
Transfer to Statutory Reserves	(233.37)	-	271.38	(38.01)	-	-	-	-	-	(0.00)	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-
- Interim dividend	-	-	-	(2,397.69)	-	-	-	-	-	(2,397.69)	-	-
- Final dividend	-	-	-	(2,028.81)	-	-	-	-	-	(2,028.81)	-	-
- Distribution tax on dividend	-	-	-	(1,418.11)	-	-	-	-	-	(1,418.11)	-	-
Balance as at 31st March 2020	1,55,955.13	12.25	271.38	7,62,055.40	(22,149.82)	(1,156.33)	1,622.15	5,007.48	9.33	9,01,626.97	3,325.07	2,34,106.81
Profit for the year 2020-21	-	-	-	1,43,623.28	-	-	-	-	-	1,43,623.28	-	34,672.96
Other Comprehensive Income	-	-	-	-	(15,282.40)	(1,218.15)	4,145.15	59.64	(2.63)	(12,298.39)	-	(3,571.68)
Adjustments	-	-	-	-	-	-	-	(13.32)	(9.40)	(22.72)	-	(1,424.29)
Buy-back Consideration (for amount in excess of Face value of shares)	(30,679.95)	-	-	-	-	-	-	-	-	(30,679.95)	-	-
Change in Ownership Interest	-	-	-	29,050.76	-	-	-	-	-	29,050.76	-	(29,050.76)
Consolidation Adjustments	-	-	-	(249.30)	-	-	-	-	-	(249.30)	-	-
Others	-	-	-	(42.49)	-	-	-	-	-	(42.49)	-	-
Transfer to Reserves	(46.10)	46.10	-	-	-	-	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	44.70	(44.70)	-	-	-	-	-	-	-	-
Transfer to Reserves	12,500.00	-	-	(12,500.00)	-	-	-	-	-	-	-	-
Transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	-	-
- Interim dividend	-	-	-	(3,135.44)	-	-	-	-	-	(3,135.44)	-	-
- Final dividend	-	-	-	(922.19)	-	-	-	-	-	(922.19)	-	-
Balance as at 31st March 2021	1,37,729.08	58.35	316.08	9,17,835.32	(37,432.22)	(2,374.48)	5,767.30	5,053.80	(2.70)	10,26,950.53	3,325.07	2,34,733.04

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

For R.G.N. PRICE & CO.
Chartered Accountants
FR.No.0027855

Chairman & Managing Director

Directors

Mahesh Krishnan
Partner
M.No.206520

Whole Time Director

Chief Financial Officer & Company Secretary

Chennai, 6th September, 2021

Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are Rs. In lakhs Unless & Otherwise stated)

Consolidated Cash Flow Statement

Particulars		31-03-2021	31-03-2020
A.	Cash flow from Operating Activities		
	Profit attributable to the owners of the company	1,43,623.28	65,318.27
Add	Provision For Tax (including deferred tax)	53,078.55	22,968.49
	Depreciation of property, plant and equipment and Investment property	19,441.28	20,663.62
	Actuarial Gains /(Losses) transferred to OCI	37.32	(464.39)
	Finance Cost	4,428.62	5,962.59
	Interest Income	(1,485.61)	(4,621.86)
	Dividend Income	(133.64)	(175.97)
	Fair Value Gain on Investments	(15,024.12)	(12,031.05)
	Profit on Sale of Investments	(15,282.51)	(11,591.26)
	Exchange gain/loss	(370.17)	(2,767.49)
	Operating Profit Before Working Capital Changes	1,88,313.00	83,260.95
	Working Capital Changes		
	Increase/ (Decrease) in Financial Assets	(35.57)	(419.67)
	Decrease / (Increase) in Other non-current assets & current assets	(671.46)	4,186.84
	Decrease / (Increase) in Inventories	(9,002.04)	(14,704.83)
	(Decrease)/Increase in trade and other payables	72,471.76	8,988.91
	(Decrease)/Increase in provisions	(1,016.10)	1,934.83
	Decrease/(Increase) in loans and advances	(1,655.39)	(2,899.01)
	Decrease/(Increase) in trade and other receivables	3,986.67	35,343.51
	(Decrease)/Increase in Non Current Liabilities	5,206.34	(4,104.80)
	Cash generated from Operations	2,57,597.21	1,11,586.73
Less	Taxes Paid	46,263.21	29,012.68
	Cash flow from Operating Activities	2,11,334.00	82,574.05
B.	Cash flow from Investing activities		
	Purchase of PPE/Adjustments in PPE	(17,474.71)	(26,860.31)
	Proceeds from sale of PPE	425.11	683.47
	Movement in Non current assets held for sale	261.02	176.16
	(Purchase)/Sale of Short Term Investments	(1,50,262.42)	(1,76,453.05)
	(Purchase)/Sale of Long term Investments	(6,515.06)	3,021.01
	Interest Income earned	1,485.61	4,621.86
	Dividend Income	133.64	175.97
	Changes in bank balance -Other than cash & cash equivalents	3,921.49	64,270.12
	Cash used in Investing Activity	(1,68,025.32)	(1,30,364.79)
C.	Cash flow From Financing Activity		
	Interest / Finance Charges on Borrowings	(4,428.62)	(5,307.62)
	Changes in group structure	29,385.20	16,742.07
	Buy back consideration Paid	(30,679.95)	-
	Proceeds from / (Repayment) of Long Term Borrowings (Net)	(665.34)	444.80
	Proceeds from / (Repayment) of Short Term Borrowings (Net)	(3,113.70)	(110.32)
	Payment of Lease Liabilities	(576.32)	(2,424.14)
	Dividend Paid (Including Dividend Tax)	(4,057.63)	(5,844.61)
	Cash used in Financing Activity	(14,136.36)	3,500.18
	Net Increase / (Decrease) in Cash	29,172.32	(44,290.56)
	Opening Cash & Cash Equivalents	9,143.34	53,433.90
	Closing Cash & Cash Equivalents	38,315.66	9,143.34
	Reconciliation		
	Cash on hand	234.70	68.85
	Cheques on hand / in transit	4,938.17	201.94
	Balances with banks :		
	(a) in current accounts	28,329.22	7,456.59
	(b) in deposits with original maturity of less than three months	4,813.57	1,415.96
	Balance as per Statement of cash flows	38,315.66	9,143.34

The accompanying notes are an integral part of the financial statements

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

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

Chairman & Managing Director

Directors

Mahesh Krishnan
Partner
M.No.206520

Whole Time Director

Chief Financial Officer &
Company Secretary

Chennai, 06th September, 2021

Simpson & Company Limited
(All amounts are in INR lakhs unless otherwise stated)
Consolidated Financial Statements for the year ended 31st March 2021
NOTES ON ACCOUNTS
1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

Particulars	Gross Block				As at 31-03-2021	Depreciation/Amortization				Net Block		
	As at 01-04-2020	Additions	Disposals	Adjustments		As at 01-04-2020	For the year	Withdrawn	Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
PROPERTY, PLANT AND EQUIPMENT:												
FREEHOLD												
- Land	33,793.59	1.57	-	(16.72)	33,778.45	-	-	-	-	-	33,778.45	33,793.59
- Buildings	37,052.69	1,291.77	(238.46)	(520.99)	37,585.01	7,464.88	1,536.10	(159.43)	(26.66)	8,814.90	28,770.11	29,587.81
Leasehold Land	-	-	-	1.09	1.09	-	-	-	-	-	1.09	-
LEASEHOLD IMPROVEMENT												
- Buildings	1,029.06	-	-	(4.94)	1,024.12	495.85	37.29	-	-4.95	528.19	495.93	533.21
- Electrical Installation-Lease land	62.00	-	-	-	62.00	37.56	4.23	-	0.01	41.80	20.20	24.44
Bearer Plants	108.22	-	-	-	108.22	15.31	2.55	-	-0.01	17.84	90.37	92.92
Plant and Machinery	1,36,418.76	13,359.23	(1,370.36)	(1,720.66)	1,46,686.97	60,967.34	12,832.21	(2,070.53)	5.75	71,734.77	74,952.20	75,451.42
Electrical Installation	2,486.79	64.36	(14.40)	0.23	2,536.98	1,209.43	171.90	(13.07)	0.36	1,368.63	1,168.36	1,277.36
Furniture & Fixtures	2,109.35	224.23	(46.27)	-264.25	2,023.05	1,240.94	169.59	(17.11)	(234.94)	1,158.48	864.58	868.41
Office Equipments	6,654.86	852.34	(49.21)	217.99	7,675.98	3,859.36	928.86	(41.81)	216.06	4,962.47	2,713.51	2,795.50
Laboratory Equipment	149.93	115.78	-	-0.32	265.38	56.00	16.78	-	-0.50	72.28	193.11	93.93
Vehicles	3,713.09	223.22	(333.48)	3.48	3,606.31	1,871.61	497.61	(212.04)	3.52	2,160.70	1,445.60	1,841.48
Total	2,23,578.33	16,132.51	(2,052.18)	(2,305.09)	2,35,353.57	77,218.26	16,197.13	(2,513.99)	(41.36)	90,860.05	1,44,493.51	1,46,360.07
INVESTMENT PROPERTY :												
Freehold Land	5,765.33	11.02	-	4.67	5,781.02	-	-	-	-	-	5,781.02	5,765.33
Buildings on Freehold land	427.75	307.35	-	(0.95)	734.14	140.53	20.84	-	3.14	164.50	569.64	287.22
Total	6,193.09	318.37	-	3.71	6,515.16	140.53	20.84	-	3.14	164.50	6,350.66	6,052.56
OTHER INTANGIBLE ASSETS :												
Computer Software	3,543.54	438.97	-	3.97	3,986.48	3,037.53	304.43	-	3.93	3,345.89	640.59	506.01
Product Development (Internally generated)	2,388.79	-	-	0.01	2,388.79	2,364.02	24.75	-	0.02	2,388.78	0.01	24.77
Product Development - Others	152.81	57.12	-	-0.01	209.92	122.97	40.11	-	-0.01	163.07	46.85	29.84
Technical Knowhow	2,705.31	218.85	-	-0.01	2,924.15	1,819.47	813.06	-	-0.00	2,632.53	291.62	885.84
Land use Rights	478.24	17.69	-	14.33	510.26	186.17	8.40	-	6.63	201.20	309.06	292.07
Total	9,268.69	732.63	-	18.29	10,019.61	7,530.16	1,190.75	-	10.57	8,731.48	1,288.13	1,738.53
CAPITAL WORK IN PROGRESS											13,263.04	12,119.11
INTANGIBLE ASSETS UNDER DEVELOPMENT											6,178.74	6,368.55

Refer Note 43, For Assets pledged as security- refer note 54

Simpson & Company Limited
(All amounts are in INR lakhs unless otherwise stated)
Consolidated Financial Statements for the year ended 31st March 2020
NOTES ON ACCOUNTS
1. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

Particulars	Gross Block					Depreciation/Amortization					Net Block	
	As at 01-04-2019	Additions	Disposals	Adjustments	As at 31-03-2020	As at 01-04-2019	For the year	Withdrawn	Adjustments	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
PROPERTY, PLANT AND EQUIPMENT:												
FREEHOLD												
- Land	33,154.63	638.31	(0.44)	1.09	33,793.59	-	-	-	-	-	33,793.59	33,154.63
- Buildings	33,800.68	3,878.10	(510.19)	(115.90)	37,052.69	6,074.11	1,557.17	(162.02)	(4.38)	7,464.88	29,587.81	27,726.57
LEASEHOLD IMPROVEMENTS												
- Land	1,852.21	-	-	(1,852.21)	-	112.24	-	-	(112.24)	-	-	1,739.97
- Buildings	1,029.06	-	-	-	1,029.06	451.84	44.01	-	-	495.85	533.21	577.22
- Electrical Installation-Lease land	62.00	-	-	-	62.00	33.31	4.25	-	-	37.56	24.44	28.69
Bearer Plants	108.22	-	-	-	108.22	12.76	2.55	-	-	15.31	92.91	95.46
Plant and Machinery	1,21,063.38	18,023.49	(2,891.44)	223.33	1,36,418.76	50,085.32	13,213.36	(2,674.71)	343.37	60,967.34	75,451.42	70,978.06
Electrical Installation	2,358.15	144.63	(15.99)	-	2,486.79	1,148.07	173.35	(14.73)	(97.26)	1,209.43	1,277.36	1,210.08
Furniture & Fixtures	1,913.28	220.10	(25.01)	0.98	2,109.35	1,101.96	306.27	(22.36)	(144.93)	1,240.94	868.41	811.32
Office Equipments	6,164.09	533.54	(35.53)	(7.24)	6,654.86	2,925.97	819.68	(27.71)	141.42	3,859.36	2,795.50	3,238.12
Laboratory Equipment	111.74	38.19	-	-	149.93	40.92	15.08	-	-	56.00	93.93	70.82
Vehicles	3,234.84	592.48	(336.90)	222.67	3,713.09	1,344.30	552.34	(247.71)	222.68	1,871.61	1,841.48	1,890.54
Vehicles Leased	3.63	-	-	(3.63)	-	3.55	0.08	-	(3.63)	-	-	0.08
Total	2,04,855.91	24,068.84	(3,815.50)	(1,530.91)	2,23,578.34	63,334.35	16,688.14	(3,149.24)	345.03	77,218.28	1,46,360.06	1,41,521.56
INVESTMENT PROPERTY :												
Freehold Land	5,782.59	-	(17.22)	(0.04)	5,765.33	-	-	-	-	-	5,765.33	5,782.59
Buildings on Freehold land	436.56	-	-	(8.81)	427.75	127.83	13.46	-	(0.76)	140.53	287.22	308.73
Total	6,219.15	-	(17.22)	(8.85)	6,193.08	127.83	13.46	-	(0.76)	140.53	6,052.55	6,091.32
OTHER INTANGIBLE ASSETS :												
Computer Software	3,383.26	158.52	-	1.76	3,543.54	2,571.25	464.51	-	1.77	3,037.53	506.01	812.01
Product Development (Internally generated)	2,388.79	-	-	-	2,388.79	1,882.27	481.75	-	-	2,364.02	24.77	506.52
Product Development - Others	126.50	26.31	-	-	152.81	100.67	22.30	-	-	122.97	29.84	25.83
Technical Knowhow	2,699.91	5.40	-	-	2,705.31	1,001.84	817.63	-	-	1,819.47	885.84	1,698.07
Land use Rights	445.63	19.23	-	13.38	478.24	168.88	11.92	-	5.37	186.17	292.07	276.75
Total	9,044.09	209.46	-	15.14	9,268.69	5,724.91	1,798.11	-	7.14	7,530.16	1,738.53	3,319.18
CAPITAL WORK IN PROGRESS											12,119.11	10,590.73
INTANGIBLE ASSETS UNDER DEVELOPMENT											6,368.55	5,178.87

Simpson & Co., Limited

(All amounts are in INR lakhs unless otherwise stated)

Consolidated Financials for the year ended 31st March 2021

2. NON CURRENT INVESTMENTS

Particulars	31-03-2021	31-03-2020
Quoted Investments		
In Equity shares		
Associates	13,448.24	12,469.45
Associates of Subsidiary	3,92,967.20	3,80,294.04
Others	16,192.59	10,618.67
In Bonds & debt instruments	2,579.45	2,660.95
Unquoted Investments		
In Equity shares		
Associates	4,134.11	4,361.76
Joint Venture	1,327.69	888.93
Others	503.99	491.60
In Preference shares		
Associates	1,124.97	1,124.97
Joint Venture	-	450.00
In Bonds & debt instruments	16.35	18.08
In Govt. Securities	2.28	2.38
In Mutual Funds	37,132.53	61,900.93
	4,69,429.40	4,75,281.77

Refer Note 49 for Financial Instrument

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	31-03-2021	31-03-2020
Secured, considered good		
Loans		
- Employees	48.50	50.00
- Others	307.96	328.90
Unsecured, considered good		
Loans		
- Employees	12.43	6.93
- Vendors	393.36	149.07
Loans to Others	97.22	125.64
	859.47	660.54
4. NON CURRENT FINANCIAL ASSETS - OTHERS	31-03-2021	31-03-2020
Security Deposits - Unsecured	2,324.61	2,411.49
Bank Deposits with maturity of more than twelve months	618.30	681.52
Other Deposits - Unsecured	778.69	791.69
Others	0.85	1.11
	3,722.45	3,885.81
5. DEFERRED TAX (NET)	31-03-2021	31-03-2020
Deferred Tax Liabilities arising out of		
Accumulated Depreciation on Assets	7,937.48	7,796.20
Fair value change on investments	22,651.81	17,328.24
Others	30.62	32.08
	30,619.91	25,156.52
Deferred Tax Assets arising out of		
Provision for Obsolete Stock	116.00	100.50
Provision for doubtful debts and advances	1,115.16	1,183.53
Unabsorbed tax Loss/Depreciation	12,563.92	12,837.00
Investment Properties	1,703.18	1,569.25
Provision for employee related expenses	2,308.66	1,888.88
Capital Gains on Joint Development of Property	984.12	924.62
MAT Credit	717.92	648.72
Others	828.39	850.48
	20,337.35	20,002.98
Net Deferred Tax Assets/(Liabilities)	(10,282.56)	(5,153.54)
6. OTHER NON CURRENT ASSETS	31-03-2021	31-03-2020
Capital Advances	6,517.18	4,351.34
Duties/taxes and other amounts paid under protest	42.66	63.98
Balance with statutory/government authorities	160.93	276.32
Others	510.39	396.49
	7,231.16	5,088.13

Simpson & Company Limited		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
7. INVENTORIES	31-03-2021	31-03-2020
a) Raw materials and components	59,911.93	30,954.04
b) Stores and spares	2,770.02	3,389.14
c) Dies jigs & loose tools	1,489.97	1,069.33
d) Closing Stock :		
Intermediate components	559.52	647.14
Work in progress	15,505.40	17,570.57
Finished goods	54,292.40	71,245.24
Stock-in-trade	14,611.08	15,262.82
	1,49,140.32	1,40,138.28
Goods-in-transit included in inventories comprise of :		
- Raw materials and components	4,739.06	4,324.76
- Finished goods	473.80	231.35
- Stock in trade	308.90	76.08
<i>For Assets pledged as security refer Note 54</i>		
8. FINANCIAL ASSETS - CURRENT INVESTMENTS	31-03-2021	31-03-2020
Mutual funds		
- Debt	39640.4	9,328.63
- Equity	5,52,161.36	4,02,222.27
Bonds	688.36	-
	5,92,490.12	4,11,550.90
9. TRADE RECEIVABLES	31-03-2021	31-03-2020
Considered good - secured	11,652.58	6,315.12
Considered good - Unsecured	99,706.26	1,06,740.84
Receivables which have significant increase in credit risk	412.71	456.35
Credit Impaired	3,453.53	4,049.77
	1,15,225.08	1,17,562.08
Less : Allowance for Trade Receivables	3,930.82	4,468.37
	1,11,294.26	1,13,093.71
<i>For Assets pledged as security- refer Note 54; for RTP-refer Note 55</i>		
10. (i) CASH AND CASH EQUIVALENTS	31-03-2021	31-03-2020
Balances with banks :		
(a) in current accounts	28,329.22	7,456.59
(b) in deposits with original maturity of less than three months	4,813.57	1,415.96
Cash on hand	234.70	68.85
Cheques on hand / in transit	4,938.17	201.94
	38,315.66	9,143.34
10. (ii) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Bank deposits with maturity of three to twelve months	6,190.37	10,646.64
Unclaimed dividend account	576.89	53.90
Margin Money with Bank	226.46	214.67
	6,993.72	10,915.21

Simpson & Company Limited		
Consolidated Financial Statements - NOTES ON ACCOUNTS		
11. FINANCIAL ASSETS - SHORT TERM LOANS	31-03-2021	31-03-2020
Secured, considered good		
Loans to related parties	-	1.97
Others	456.11	447.78
Unsecured, considered good		
Loans to related parties	25.31	0.01
Corporate deposit	5,018.43	4,169.84
Others	1,712.37	937.23
	7,212.22	5,556.83
12. CURRENT FINANCIAL ASSETS - OTHERS	31-03-2021	31-03-2020
Interest Receivable	302.11	622.63
Claims Receivable	324.04	738.46
Other Deposits - Unsecured	247.23	318.31
Others	1,172.77	2,553.97
	2,046.15	4,233.37
13. CURRENT TAX ASSETS (NET)	31-03-2021	31-03-2020
Prepayment of taxes	4,59,134.71	4,15,545.81
Less: Provision for taxes	4,55,106.45	4,09,830.97
	4,028.26	5,714.84
14. OTHER CURRENT ASSETS	31-03-2021	31-03-2020
Balance with statutory/government authorities	13,622.67	14,148.31
Advance to Suppliers	11,784.78	11,975.40
Prepaid expenses	1,021.50	1,182.54
Others	2,859.53	3,453.80
	29,288.48	30,760.05

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

15. SHARE CAPITAL	31-03-2021	31-03-2020
Authorised		
11000000 equity shares of Rs 10/- each	1,100.00	1,100.00
100000 Redeemable Preference shares of Rs 100/- each	100.00	100.00
Issued,subscribed and fully paid-up		
7377500 equity shares (PY : 7377500 equity shares) of Rs 10/- each	737.75	737.75
	737.75	737.75

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

Particulars	31st March 2021	31st March 2020
Equity shares at the beginning of the year	73,77,500	73,77,500
Bought back during the year	-	-
Equity shares outstanding for the year ended	73,77,500	73,77,500

15.2 Buy back of shares

The Company bought back 1,22,500 Equity shares of Face value Rs.10 each during the year 2018-19

15.3 Terms/rights attached to equity shares

The company has only one class of equity share having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by/in terms of their issue under the provisions of the Companies Act, 2013

15.4 Shares held by holding company and its associate

Particulars	31-03-2021 (Rs.)	31-03-2020 (Rs.)
a) Amalgamations Private Limited, Holding Company 7236034 (31st March 2020:7236034) equity shares of Rs.10/- each fully paid	7,23,60,340	7,23,60,340
b) United Nilgiri Tea Estates Company Ltd, the associate of the holding company 16333 (31st March 2020:16333) equity shares of Rs.10/- each fully paid	1,63,330	1,63,330

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

	31-03-2021	31-03-2020
Equity shares of Rs. 10/- each fully paid		
Amalgamations Private Limited		
- Nos	72,36,034	72,36,034
- % of Holding	98.08	98.08

Simpson & Company Limited

(All amounts are in INR lakhs unless otherwise stated)

Consolidated Financial Statements - NOTES ON ACCOUNTS

16. OTHER EQUITY	31-03-2021	31-03-2020
Capital reserve on Consolidation	3,325.07	3,325.07
	3,325.07	3,325.07
Other Reserves		
General Reserve		
As per last balance sheet	1,55,955.13	1,42,188.50
Add: Transfer from Retained earnings	12,500.00	14,000.00
Less: Buy-back Consideration (for amount in excess of Face value of shares)	(30,679.95)	-
Less: Transfer to Capital Redemption Reserve	(46.10)	-
Less: Transfer to Statutory Reserve	-	(233.37)
	1,37,729.08	1,55,955.13
Statutory Reserve		
As per last balance sheet	271.38	
Transfer from General Reserve/Retained earnings	44.70	271.38
	316.08	271.38
Capital Redemption Reserve		
As per last balance sheet	12.25	12.25
Transfer from General Reserve	46.10	-
	58.35	12.25
Retained Earnings		
As per last balance sheet	7,62,055.40	7,16,751.12
Change in Ownership Interest	29,050.76	-
Consolidation Adjustment	(249.30)	417.07
Net Profit for the year	1,43,623.28	65,318.27
Others	(42.49)	(548.44)
Balance after adjustment	9,34,437.65	7,81,938.02
Less: Appropriations		
Interim dividend paid	(3,135.44)	(2,397.69)
Final dividend paid	(922.19)	(2,028.81)
Corporate tax on dividend	-	(1,418.11)
Transfer to General reserve	(12,500.00)	(14,000.00)
Transfer to Statutory reserve	(44.70)	(38.01)
Net Surplus in the Retained Earnings Account	9,17,835.32	7,62,055.40
Share of Other comprehensive income of Associates		
As per last balance sheet	(22,149.82)	(19,232.05)
Add: Transfer from Other Comprehensive Income	(15,282.40)	(2,917.77)
	(37,432.22)	(22,149.82)
Exchange differences on translating financial statements of foreign operations		
As per last balance sheet	(1,156.33)	(1,541.45)
Add: Adjustment	-	332.42
Add: Additions during the year	(1,218.15)	52.70
	(2,374.48)	(1,156.33)
Equity Instruments through FVTOCI reserve		
As per last balance sheet	1,622.15	4,368.02
Add : Adjustment	-	(2.45)
Add : Transfer from Other Comprehensive Income	4,145.15	(2,743.42)
	5,767.30	1,622.15
Effective Cash Flow Hedges reserve		
As per last balance sheet	9.33	(33.93)
Add : Adjustment	(9.40)	43.26
Add : Transfer from Other Comprehensive Income	(2.63)	-
	(2.70)	9.33
Actuarial Gains on Defined Benefit Plan reserve		
As per last balance sheet	5,007.48	5,471.87
Add : Adjustment	(13.32)	(16.84)
Add : Transfer from Other Comprehensive Income	59.64	(447.55)
	5,053.80	5,007.48
Total Other Equity	10,26,950.53	9,01,626.97

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	31-03-2021	31-03-2020
Loans from banks		
- Secured	4,532.83	3,535.01
- Unsecured	-	50.00
Loan from Directors and their relatives (<i>unsecured</i>)	682.26	1,635.29
Others	-	660.13
	5,215.09	5,880.43
<i>For terms of repayment, refer Note 46</i>		
18. NON CURRENT FINANCIAL LIABILITIES - OTHERS	31-03-2021	31-03-2020
Security deposits	7,049.95	5,096.57
Advance received for Joint Development of Property	449.81	418.58
Others	31.34	-
	7,531.10	5,515.15
19. LONG TERM PROVISIONS	31-03-2021	31-03-2020
Provision for gratuity	19.13	43.96
Provision for compensated absences	3,806.49	3,296.83
Provision for product warranty	1,087.00	341.64
	4,912.62	3,682.43
20. OTHER NON CURRENT LIABILITIES	31-03-2021	31-03-2020
Deferred Income		
- Government Grants	283.45	363.73
- Other deferred income	546.09	537.19
Others	13.90	23.47
	843.44	924.39
21. FINANCIAL LIABILITIES - SHORT TERM BORROWINGS	31-03-2021	31-03-2020
Loans repayable on demand		
From Banks		
- Working capital demand loan (<i>Secured</i>)	1,460.00	3,108.19
- Cash credit (<i>Secured</i>)	2,315.82	3,428.49
- Others*	21,411.29	22,161.11
<i>* includes Secured loans to the extent of Rs.12,823.72 lakhs (PY : Rs.14,437.17 lakhs)</i>		
From Others	896.12	999.14
From Related Parties (<i>Unsecured</i>)	3,100.00	2,600.00
	29,183.23	32,296.93
<i>For terms of repayment, refer Note 46</i>		
22. TRADE PAYABLES	31-03-2021	31-03-2020
Micro and Small Enterprises (<i>refer Note 47</i>)	11,690.94	4,494.59
Acceptances	3,044.70	2,501.57
Others	2,01,990.54	1,40,683.23
	2,16,726.18	1,47,679.40
<i>(For RPT refer Note 55)</i>		

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	31-03-2021	31-03-2020
Interest accrued but not due on borrowings	202.14	231.77
Interest accrued and due on borrowings	109.65	126.80
Unclaimed dividends	58.18	53.81
Current maturities of long term debt	3,353.48	3,003.57
Due to ultimate holding company	1,091.92	1,025.44
Other Payables		
- Managerial remuneration payable	1,939.71	1,716.69
- Accrued salaries & benefits	18,659.51	14,329.44
Security deposits	943.89	869.08
Others	4,152.23	5,729.13
	30,510.71	27,085.73
24. OTHER CURRENT LIABILITIES	31-03-2021	31-03-2020
Deferred income	522.42	493.54
Advance from customers	16,848.65	14,508.08
Security deposit from customers	94.40	101.51
Statutory dues payable	3,453.95	2,748.59
Others	1,803.28	1,599.64
	22,722.70	19,451.36
25. SHORT TERM PROVISIONS	31-03-2021	31-03-2020
Provision for gratuity	591.58	1,049.94
Provision for Compensated absences	1,065.01	1,234.80
	(a)	2,284.74
Other Provisions		
Provision for warranty	4,820.42	4,408.20
Provision for Contingencies	219.07	1,254.30
Others	94.95	1,099.08
	(b)	6,761.58
	(a+b)	9,046.32
Particulars		Consolidated
	2020-21	2019-20
Movement in Warranty provision (Current and Non-Current)		
At the beginning of the year	4,749.84	4,966.47
Provision during the year	5,541.42	4,910.13
Utilized during the year	(4,296.14)	(5,093.09)
Written back during the year	(87.70)	(33.67)
At the end of the year	5,907.42	4,749.84
Movement in Contingency provision		
At the beginning of the year	1,254.30	1,220.06
Provision during the year		34.24
Utilized during the year	(1,035.23)	-
At the end of the year	219.07	1,254.30

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Statement of Profit and Loss - NOTES ON ACCOUNTS		
	Year Ended	Year Ended
	31-03-2021	31-03-2020
26. REVENUE FROM OPERATIONS <i>(Refer Note 51)</i>		
Sale of products	11,75,082.82	9,52,382.65
Sale of services	15,678.92	14,228.18
Other Operating Income	16,329.83	14,990.12
	12,07,091.57	9,81,600.95
27. OTHER INCOME	31-03-2021	31-03-2020
Interest income		
- Long-term investments	71.18	71.18
- Measurement of deposits at amortised cost	439.22	3,048.44
- Deposits and others	975.21	1,502.24
Dividend income		
- Long-term investments	117.00	164.27
- Current investments	16.64	11.70
Profit on sale of investments (Net)	15,282.51	11,591.26
Fair valuation gain on Investments	15,024.12	12,031.05
Exchange Gain (Net)	370.17	2,767.49
Other non-operating income	2,168.08	3,861.39
	34,464.13	35,049.02
28. COST OF MATERIALS CONSUMED	31-03-2021	31-03-2020
Opening Stock	26,629.28	29,054.56
Add:Purchases	6,63,646.48	5,33,416.60
Less:Closing Stock	(55,172.88)	(26,629.28)
Less:Capitalised	(5.37)	(2.93)
	6,35,097.51	5,35,838.95
29. PURCHASES OF STOCK-IN-TRADE	31-03-2021	31-03-2020
Purchase of Stock in trade	1,17,426.98	1,01,402.28
	1,17,426.98	1,01,402.28
30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	31-03-2021	31-03-2020
Opening stock		
Intermediate components	647.14	582.12
Finished goods	71,013.89	55,348.48
Work-in-progress	17,570.57	16,677.27
Stock-in-trade	15,186.74	14,069.13
	(a) 1,04,418.34	86,677.00
Closing stock		
Intermediate components	559.52	647.14
Finished goods	53,818.59	71,013.89
Work-in-progress	15,505.40	17,570.57
Stock-in-trade	14,302.18	15,186.74
	(b) 84,185.69	1,04,418.34
	(a-b) 20,232.65	(17,741.34)

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Statement of Profit and Loss - NOTES ON ACCOUNTS		
	Year Ended	Year Ended
	31-03-2021	31-03-2020
31. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages & Managerial remuneration	93,307.37	92,232.92
Contribution to Provident and Other Funds <i>(Refer Note 42(b))</i>	5,349.17	5,263.39
Staff welfare expenses	5,792.64	6,813.07
	1,04,449.18	1,04,309.38
Less: (i) Recoveries for common service & employees seconded	963.98	895.18
(ii) Transfer to captive consumption/Expenses capitalised	202.30	141.06
	1,03,282.90	1,03,273.14
32. FINANCE COSTS	31-03-2021	31-03-2020
Interest	3,368.78	4,607.50
Interest on fair valuation of loans/deposits	32.21	31.88
Interest on lease liability	527.65	654.97
Other borrowing costs	503.85	671.44
Less : Expenses capitalised	(3.87)	(3.20)
	4,428.62	5,962.59
33. DEPRECIATION AND AMORTISATION EXPENSES	31-03-2021	31-03-2020
Depreciation on tangible assets	16,217.98	16,701.61
Depreciation on Right of use Assets	2,032.55	2,163.91
Amortisation of intangible assets	1,190.75	1,798.10
	19,441.28	20,663.62
34. OTHER EXPENSES	31-03-2021	31-03-2020
Stores consumed	15,140.14	14,896.52
Packing & Forwarding	4,899.73	4,627.72
Power and Fuel	12,242.43	13,597.33
Subcontract charges	10,940.18	9,783.09
Repairs and Maintenance		
- Buildings	2,609.45	2,734.59
- Machinery	5,583.30	5,074.88
- Others	3,469.53	3,407.02
Insurance	1,822.98	1,452.39
Rent	1,393.93	1,412.21
Rates and Taxes	736.96	1,157.40
Freight & Handling charges	19,523.62	13,207.62
Auditors' Remuneration including other services		
Statutory Audit Fees	279.79	263.61
Tax Audit Fees	39.58	38.75
Others	102.52	54.06
Reimbursement of Expenses	4.36	5.79
Travelling Expenses	5,849.16	12,398.72
Advertisement & Sales promotion expenses	20,453.13	21,839.12
Expenditure on Corporate Social Responsibility	4,160.41	3,191.92
Miscellaneous expenses	27,901.06	32,432.17
Less : Expenses capitalised	(484.60)	(339.63)
	1,36,667.66	1,41,235.28

Simpson & Company Limited		
<i>(All amounts are in INR lakhs unless otherwise stated)</i>		
Consolidated Statement of Profit and Loss - NOTES ON ACCOUNTS		
	Year Ended	Year Ended
	31-03-2021	31-03-2020
35A. OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Actuarial Gain / (Loss) on Defined Benefit Plan - Gratuity (Funded)	37.32	-756.10
Changes in fair value of investments	5,131.60	-3,515.85
Share of other comprehensive income (net) of associates	(25,302.02)	(4,637.44)
	(20,133.10)	(8,909.38)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(5,802.01)	(1,037.23)
	(5,802.01)	(1,037.23)
35B. OTHER COMPREHENSIVE INCOME	31-03-2021	31-03-2020
Items that will be reclassified to profit or loss (Net of tax)		
Exchange differences on translating financial statements of foreign operations	(1,536.35)	69.12
Effective Portion of Cash Flow Hedges	(2.63)	-
	(1,538.98)	69.12
36. EARNINGS PER SHARE	31-03-2021	31-03-2020
(1) Profit after tax as per Consolidated Statement of Profit and Loss	1,43,623.28	65,318.27
(2) Weighted Average No. Equity Shares (Nos.)	73,77,500	73,77,500
(3) Nominal Value per Share (Rs.)	10	10
(4) Basic and diluted Earnings per Share (Rs.)	1,946.77	885.37

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

COMPANY OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES

37. COMPANY OVERVIEW:

General Information:

Simpson & Company Limited (“the Company or Parent Company”) is a public limited company domiciled in India, incorporated under the Indian Company Law. The Parent Company’s registered office is at 861/862, Anna Salai, Chennai-600002. The Company’s parent and ultimate holding company is Amalgamations Private Limited incorporated in the state of Tamil Nadu, India. The Parent Company and its subsidiaries (collectively herein referred to as the “Group”), Associates and Joint Venture are primarily involved in manufacturing of tractors, diesel engines, automobile parts, plantation products, non-banking finance and dealership in passenger cars and parts thereof. Amalgamations Private Limited owns 98.08% of ordinary equity shares of the Parent company as at 31st March, 2021 and has the ability to control its operating and financial policies.

The consolidated financial statements were approved by the Board of Directors on 6th September, 2021.

38. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

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

Use of estimates

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

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

Basis of Consolidation:

Subsidiaries:

- (i) Subsidiaries are entities controlled by the Company. Control exists when the company has all the following:
 - a) Power over the investee,
 - b) Exposure, or rights, to variable returns from its involvement with the investee and
 - c) The ability to use its power over the investee to affect the amount of the Investor’s returns.

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

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

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

38. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- (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.

GROUP OVERVIEW & SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation:

Associates and Joint Ventures:

- (i) Associates are those entities in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control over those policies. Significant influence is presumed to exist when the company holds between 20 and 50 percentage of the voting power of another entity, unless it is otherwise rebutted.
- (ii) One of the Subsidiaries has made investment in AGCO Corporation, a listed entity in New York, USA where the holding as on March 31, 2021 is less than 20 percentage. The Subsidiary has assessed that it has significant influence over the entity based on its assessment of various parameters such as (a) representation on the board of directors of this company, (b) participation in policy-making processes, including participation in decisions about dividends or other distributions and (c) material transactions between the group and this entity. Accordingly, this entity has been considered as Associate of that Subsidiary and has been accounted for using the equity method of accounting.
- (iii) The consolidated financial statements of AGCO Corporation have been prepared in accordance with the accounting policies aligned with the accounting principles generally accepted in the country of its jurisdiction (“US GAAP”) and have been audited under the generally accepted auditing standards in the country of its jurisdiction (“US GAAS”) for the years ended December 31, 2019 and December 31, 2020. In view of the significant differences and non-availability of information to align the accounting policies of AGCO Corporation with those followed by the Group, the management has assessed that it is impracticable in accordance with para 35 of Ind AS 28 to align the accounting policies followed by AGCO Corporation to the accounting policies adopted by the Group. Thus, for the purpose of equity accounting in the consolidated financial statements for the years ended, March 31, 2020 and March 31, 2021, the Group has used the financial information based on the financial statements prepared using accounting policies aligned with the US GAAP for the years ended December 31, 2019 and December 31, 2020 respectively. Further adjustments have been made for the effects of significant transactions or events that occur between associate’s reporting date and the date of subsidiary special purpose consolidated financial statements.
- (iv) A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net asset of the arrangement.
- (v) An interest in an associate or joint venture is accounted for using the equity method from the date in which the investee becomes an associate or a joint venture and are recognised initially at cost. The company’s investment includes goodwill identified on acquisition, net of any accumulated impairment losses.
- (vi) The consolidated financial statements include the parent company’s share of profits or losses from the date that significant influence or the joint control ceases.
- (vii) When the parent company transacts with an associate or joint venture of the company, unrealised profits and losses are eliminated to the extent of the parent company’s interest in its associate or joint venture.

Other Significant Accounting Policies:

These are set out under “significant accounting policies” as given in the parent company’s standalone financial statements.

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

39. Exceptional Items

Particulars	FYE 31-03-2021	FYE 31-03-2020
Profit on transfer of leasehold rights (Note 1)	(1,472.38)	-
Voluntary Retirement Scheme pursuant to closure of operations at assembly plant (Note 2)	59.63	137.38
Vivad Se Viswas Scheme (Note 3)	(648.91)	-
Total	(2,061.66)	137.38

NOTE 1: The exceptional income of Rs 1472.38 lakhs relates to consideration received for transfer of leasehold rights in respect of a leasehold land at SIPCOT, Hosur held by a Subsidiary.

NOTE 2: Consequent to the change in technology, and the limitation imposed by the pollution control board, one of the subsidiaries company has closed its assembly operations at its plant at Bangalore by 30th June 2020. The entire workforce in the plant were settled as per the agreement under Voluntary Retirement Scheme entered into in the year 2019. The cost of settlement have been appropriately charged off over the last three years in accordance with Indian Accounting standards

(Ind AS 19) and this has been accounted as an exception item. Consequent to this change, the company has become a trading company.

NOTE 3 : Following the settlement of income tax dispute for AY 2010-11 under the Vivad se Vishwas Scheme 2020, one of the subsidiaries has paid a sum of Rs.526.84 lakhs and written back excess interest provision of Rs. 648.91 lakhs to the Statement of Profit and Loss of the year.

40. Tax Expenses:

Particulars	FYE 31-03-2021	FYE 31-03-2020
Profit before tax	1,90,760.60	1,09,403.07
Tax Expenses:		
Current Tax	45,786.87	29,959.10
Deferred Tax	2,220.23	(2,661.11)
Tax refund / provision relating to earlier years	(57.57)	33.26
Total	47,949.53	27,331.25
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	25.14%	24.98%
Tax effect of amounts which are not deductible (taxable) in Calculating taxable income:		
Tax as per Applicable Tax Rate	48,010.63	27,552.32
Expenses that are not deductible in determining taxable profit	1,371.69	1,341.82
Admissible Deductions	(2,144.22)	(515.40)
Benefits of weighted deduction under Income Tax Act	(355.51)	-
Others	1,066.94	(1,047.50)
Total Tax Expenses	47,949.53	27,331.25

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

41. Research & development expenditure

Particulars	FYE 31-03-2021	FYE 31-03-2020
Capital expenditure		
-New Product Development and Other Assets	966.78	1,826.70
Total Capital Expenditure	966.78	1,826.70
Revenue Expenditure		
-Salaries, wages and bonus	6,509.17	9,553.13
-Materials, consumables and spares	3,179.07	3,968.06
-Other expenditure	5,295.83	9,893.47
Total Revenue expenditure	14,984.07	23,414.66
Total	15,950.85	25,241.36

42(a). Employee Benefit Expenses

Particulars	FYE 31-03-2021	FYE 31-03-2020
Gratuity (Funded)		
Actuarial Assumptions:		
Discounted Rate	6.5%-7.25%	6.46%-7.67%
Expected return on plan assets	6.9%-7.34%	7.43%-7.90%
Salary Escalation	3%-9%	4%-9%
Attrition Rate	1%-10%	1%-10%
Change in Defined Benefit Obligation		
Defined benefit obligation at the end of prior period	14,606.96	13,458.30
Interest Cost	897.72	935.38
Current Service Cost	1,179.15	1,140.53
Past Service Cost	-	-
Benefits Paid	(1,691.36)	(1,265.73)
Actuarial (Gain)/Loss	49.14	350.32
Exchange Difference	(11.67)	(11.84)
Defined benefit obligation at the end of the year	15,029.93	14,606.96
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the end of the prior period	12,296.28	12,432.20
Expected Return of Plan Assets	795.26	881.67
Contributions	1,691.69	657.98
Benefits Paid	(1,686.05)	(1,269.80)
Plan Assets Transferred	-	-
Actuarial Gain/(Loss)	86.46	(405.78)
Fair Value of Plan Assets at the end of the year*	13,183.64	12,296.28
Amount recognised in Balance Sheet		
Defined Benefit Obligation at the end of the year	15,029.93	14,606.96
Fair Value of plan assets at the end of the year	13,183.64	12,296.28
Funded status surplus	1,846.29	2,310.67
Expenses recognised in the Statement of Profit & Loss & OCI		
Current Service Cost	1,179.15	1,140.53
Interest Cost	897.72	935.38
Expected Return on plan assets	(795.26)	(881.88)
Expenses recognised in the P&L Account	1,281.60	1,194.03
Re-measurement- Actuarial (Gain)/Loss recognised in OCI	(37.32)	756.10
Total Defined Benefit Obligation Cost recognised in P&L and OCI	1,244.29	1,950.13

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

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

Sensitivity Analysis * :

Particulars	As at 31-03-2021	As at 31-03-2020
Discount Rate		
-Increase by 1%	14,052.37	13,663.35
-Decrease by 1%	16,006.18	15,337.30
Salary Escalation Rate		
-Increase by 1%	15,931.03	15,483.37
-Decrease by 1%	14,127.52	13,730.54

*The above reflect change in Defined Benefit Obligations as on the end of the year obligations.

42(b). Contribution to Provident and Other Funds

Particulars	FYE 31-03-2021	FYE 31-03-2020
Gratuity	1,281.60	1,194.03
Provident Fund	3,057.56	3,287.02
Super Annuation	878.95	782.34
Others	131.06	-
Total	5,349.17	5,263.39

43. Property, Plant and Equipment

Adjustments :

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

Other Notes:

1. Title deeds pending for transfer in the name of the Group in respect of one Leasehold Land value Rs.1.09 lakhs
2. Freehold Buildings include Rs.14.00 lakhs (WDV - Nil) [March 31, 2020 – Rs.14.00 lakhs (WDV - Nil)] acquired under lease cum sale agreement. The lease had expired in December 2005 and transfer of title in favour of the Group is pending with the Government.
3. Land - freehold includes 4.27 acres (carrying value of Rs.66.95 lakhs as on March 31, 2021) is intended to be sold through a Joint Development Agreement entered into by the Group. However, pending approvals for construction the said land has not been reclassified as 'held for sale'. The Carrying value of the said land as at March 31,2021 and March 31, 2020 is lower than their fair values as at said dates.
4. Refer Assets pledged disclosure for details of charge, Hypothecation of Property Plant and Equipment.

44. Non current assets held for sale

Particulars	As at 31-03-2021	As at 31-03-2020
Freehold land	83.89	85.94
Building	175.82	441.79
Other assets held for sale	196.59	189.59
Total	456.30	717.32

Simpsons & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021***(All amounts are in INR Lakhs unless stated otherwise)***45. Investment Property**

Particulars	FYE 31-03-2021	FYE 31-03-2020
Rental income	158.72	198.36
Direct operating expenses (including repairs and maintainance) that generated rental income	8.12	10.26
Direct operating expenses (including repairs and maintainance) that did not generate rental income	5.17	1.57
Profit arising from investment properties before depreciation and indirect expenses	145.43	186.54
Depreciation for the year	20.84	12.67
Indirect expenses for the year	-	-
Profit arising from investment properties after depreciation and indirect expenses	124.59	173.87

Fair value

Particulars	As at 31-03-2021	As at 31-03-2020
Fair value of Investment Properties	12,230.40	10,749.45

Note :

1. Investment Properties consist of land and building let out to third parties and land not put to any specific use.
2. There are no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
3. In respect of valuation of Investment Properties, it has been reckoned as follows:
 - (a) In respect of Land, at Guideline Value as at 31st March.
 - (b) In respect of Buildings, at Book Value as at 31st March.

Simpsons & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021***(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
Loans from Banks and Financial Institutions:	
Term Loans from Bank of 3858.14 Lakhs	Availed for purchase of assets relating to Capital Projects and are secured by hypothecation of specific assets purchased out of the said loan- Both monthly and quarterly instalments. Weighted average rate of interest of these loan is around 7.63 % p.a
From Banks of 625 Lakhs	The term loan is availed from the HDFC Bank Limited and is secured by plant and machinery. Tenure of loan- 59 months and repayable in 16 equal quarterly instalments after one year of moratorium. The term loan carries interest rate of 8.25%
Borrowings of 37.77 Lakhs	Availed for working capital requirement on account of COVID-19 pandemic. 18 monthly instalments Interest on above loans are charged at MCLR + spread
Secured Loans of 14.2 Lakhs	Secured by hypothecation of stocks, book debts and other fixed assets (except leased assets) both present and future and by an equitable mortgage of immovable properties (except leasehold land and buildings including electrical installation) and guaranteed by the holding and ultimate holding companies.
From Financial Institutions Lakhs	Loan taken from other parties for term loan are secured by hypothecation of specific asset.-Monthly Installments Weighted average rate of interest of these loan is around 10.75% p.a.
Deposits / Loans from Directors :	
Loan from Director - 670 Lakhs	Fixed rate of Interest repayable after three years
Fixed Deposits from Director of 12 Lakhs	Repayable in 24 months to 36 months as per the terms of Individual Deposits

47. MSME

Particulars	As at 31-03-2021	As at 31-03-2020
Principal amount and interest accrued outstanding as at the end of the financial year	11,690.94	4,494.59
Grand total	11,690.94	4,494.59

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

47. MSME (Contd.)

Interest Break-up;

Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	12.05	9.51
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	3,294.45	1,736.16
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	12.14	8.43
The amount of Interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the accounting year	0.36	6.14
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure u/s 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	336.70	308.90
Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	-	0.15
Further interest remaining due and payable for earlier years.	2.20	2.05
The amount of interest accrued and remaining unpaid at the end of each accounting year.	39.35	110.53

Note:

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 Group.

48. Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

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

Particulars	As at 31-03-2021	As at 31-03-2020
Non - Current Borrowings	5,215.09	5,880.43
Current Borrowings	29,183.23	32,296.93
Total Debt	34,398.32	38,177.36
Total Equity	12,62,421.32	11,36,471.53
Total Capital	12,96,819.64	11,74,648.89
Equity to Capital	97%	97%
Debt to Capital	3%	3%

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

49. Financial Instrument by category and hierarchy

Particulars	Hierarchy	As at 31-03-2021			As at 31-03-2020		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial assets							
Non-Current							
Investments							
- Equity instruments - Quoted*	1	495.29	15,697.30	-	51.92	10,566.74	-
- Equity instruments - Unquoted*	3	85.93	387.72	30.34	66.02	395.02	30.56
- Bonds & Debt Instruments	1	-	16.35	2,579.45	-	-	2,679.03
- Preference Shares	3	-	-	1,124.97	-	-	1,574.97
- Mutual funds	1	37,132.53	-	-	61,900.93	-	-
- Government securities	1	-	-	2.27	-	-	2.38
Loans	3	-	-	859.47	-	-	660.54
Other financial assets	#	-	-	3,722.45	-	-	3,885.81
Current							
Trade receivables	3	-	-	1,11,294.26	-	-	1,13,093.71
Mutual Funds	2	5,91,750.50	51.26	-	4,11,503.05	47.85	-
Bonds	1	-	-	688.36	-	-	-
Cash and cash equivalents	#	-	-	38,315.66	-	-	9,143.34
Bank balances other than cash and cash equivalents	#	-	-	6,993.72	-	-	10,915.21
Loans	3	-	-	7,212.22	-	-	5,556.83
Other financial assets	#	-	-	2,046.15	-	-	4,233.37
Total Financial Assets		6,29,464.25	16,152.63	1,74,869.32	4,73,521.92	11,009.61	1,51,775.75
Financial liabilities							
Non- Current							
Borrowings	2	-	-	5,215.09	-	-	5,880.43
Other financial liabilities	#	-	-	7,531.10	-	-	5,515.15
Lease Liabilities	3	-	-	4,030.19	-	-	4,045.71
Current							
Borrowings	3	-	-	29,183.23	-	-	32,296.93
Trade payables	#	-	-	2,16,726.18	-	-	1,47,679.40
Other financial liabilities	#	-	-	30,510.71	-	-	27,085.73
Lease Liabilities	3	-	-	1,332.73	-	-	1,893.53
Total financial liabilities		-	-	2,94,529.23	-	-	2,24,396.88

*Excludes Investments in Associates and Joint venture [Rs. 4,11,877.24 lakhs (Previous year Rs. 3,98,014.17 lakhs)] measured at cost using Equity Method.

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

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

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.

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

50. Financial Risk Management

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

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

(A) Credit risk

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

(i) Credit risk management

Credit risk on cash and cash equivalents is limited as the group generally invests in deposits with Nationalised / 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 realised after three months from the due date. A default on a financial asset occurs when the counterparty fails to make contractual payments within six months from the due date. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

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

As at 31st March 2021:

(a) The financial assets consisting of current investments in mutual funds, loans and other deposits measured at amortized cost aggregating to Rs. 6,47,057.87 lakhs (Previous year - Rs.4,41,399.66 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.

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

50. Financial Risk Management (Contd.)

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

Trade Receivables	As at 31-03-2021	As at 31-03-2020
Gross carrying amount	1,15,225.08	1,17,562.08
Loss allowance rate	3.41%	3.80%
Expected credit losses (Loss allowance provision)	3,930.82	4,468.37
Carrying amount of trade receivables (net of impairment)	1,11,294.26	1,13,093.71

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

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

(iv) Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount
Loss allowance on 31st March 2019	3,087.03
Changes in loss allowance	1,381.34
Loss allowance on 31st March 2020	4,468.37
Changes in loss allowance	(537.55)
Loss allowance on 31st March 2021	3,930.82

(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 Group'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 Group has not taken any interest rate swaps to convert the floating rate borrowings to fixed rate loans. The Group 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	As at 31-03-2021	As at 31-03-2020
Variable Rate borrowings	29,183.23	26,368.99
Total Borrowings	34,398.32	38,177.36
% of variable rate borrowings on total borrowings	84.84%	69.07%

Sensitivity Analysis *

Sensitivity	As at 31-03-2021
Increase in interest rate by 1%	(291.83)
Decrease in interest rate by 1%	291.83

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

50. Financial Risk Management (Contd.)

(C) Liquidity risk

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

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

Contractual maturities of financial liabilities:

Particulars	Due in 1st year	Due in 2nd to 5th year	Carrying amount
As at 31 March, 2021:			
Trade payables	2,16,726.18	-	2,16,726.18
Other financial liabilities			
-Current (including current maturity of long term borrowings)	30,510.71	-	30,510.71
-Non Current	-	7,531.10	7,531.10
Lease Liabilities			
-Current*	1,332.73	-	1,332.73
Borrowings			
-Current	29,183.23	-	29,183.23
-Non Current	-	5,215.09	5,215.09

*For Non current lease liabilities Refer Note 52

Particulars	Due in 1st year	Due in 2nd to 5th year	Carrying amount
As at 31 March, 2020:			
Trade payables	1,47,679.40	-	1,47,679.40
Other financial liabilities			
-Current (including current maturity of long term borrowings)	27,085.73	-	27,085.73
-Non Current	-	5,515.15	5,515.15
Lease Liabilities			
-Current*	1,893.53	-	1,893.53
Borrowings			
-Current	32,296.93	-	32,296.93
-Non Current	-	5,880.43	5,880.43

*For Non current lease liabilities Refer Note 52

(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 favourable.

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

50. Financial Risk Management (Contd.)

Particulars	TOTAL in INR				
	As at 31-03-2021				
Foreign Currency Risk	Liabilities	Assets	Derivative Liabilities	Derivative Assets	Net (unhedged)
USD	2,895.96	4,20,717.83	-	370.87	4,17,451.00
EUR	319.22	7,908.52	-	-	7,589.30
GBP	143.21	330.79	-	-	187.58
JPY	116.29	12.81	-	-	(103.48)
TRY	1,982.79	8,356.66	-	-	6,373.87
SGD	52.02	-	-	-	(52.02)
Others	19.45	-	-	35.52	(54.97)

Particulars	TOTAL in INR				
	As at 31-03-2020				
Foreign Currency Risk	Liabilities	Assets	Derivative Liabilities	Derivative Assets	Net (unhedged)
USD	5,343.24	3,97,415.41	-	265.05	3,91,807.12
EUR	884.68	6,434.69	-	-	5,550.01
GBP	134.43	152.40	-	-	17.97
JPY	1,358.17	-	-	-	(1,358.17)
TRY	1,109.80	3,513.53	-	-	2,403.73
AED	-	5.29	-	-	5.29
CNY	174.47	-	-	-	(174.47)

Hedge Accounting :

The Group'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 Group has only 'cash flow hedge' transactions.

Type of Hedge & Risk	Nominal Value		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Weighted average strike price/rate
	Assets	Liability	Assets	Liability			
Cash Flow Hedge	USD		(Rs. Lakhs)				
Foreign exchange forward contracts	5,06,883	-		3.51	7 th April 2021 to 4 th June, 2021	01:01	72.99

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Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

51. Revenue from contracts with customers:

Particulars	2020-21	2019-20
1) Disclosure of Contract Assets & Contract Liabilities :		
Unbilled revenue	965.01	640.01
Deferred Income	1,250.56	1,240.46
2) Disclosure of Disaggregated Revenue Information :		
Revenue by Manufacturing/ Trading :		
Manufactured Goods	11,39,296.93	9,20,274.03
Traded Goods	1,96,038.83	1,63,259.80
Rendering of services	15,873.29	14,971.58
Others	15,187.80	14,762.78
Less : Effects of Elimination	1,59,305.28	1,31,667.24
Total	12,07,091.57	9,81,600.95
Revenue by Location Wise :		
India	10,57,750.81	8,49,014.14
Outside India	1,49,341.76	1,32,586.81
Reconciliation of Revenue recognised with Contract Price :		
Contract price	12,10,490.74	9,83,815.69
Adjustments For :		
Discounts and Rebates	1,506.16	944.80
Cost of Loyalty Rewards Points	1,195.17	1,269.94
Incentives	115.80	-
Others	582.04	-
Revenue Recognised	12,07,091.57	9,81,600.95

52. Right of use Assets - Disclosure under Ind AS 116

As lessee

A. Additions to right of use assets

Property, plant and equipment comprises of leased assets that do not meet the definition of investment property.

Particulars	FYE31-03-2021
PPE owned	1,449.25
Right of use assets, except investment property	1,449.25

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

Particulars	Leasehold Land	Land & Machine, Server & Storage	Leasehold Buildings/ Stockyards	Total
Reclassification from property, plant & equipment				
Opening gross carrying amount	3,079.43	284.43	7,077.67	10,441.53
Accumulated depreciation	157.36	41.17	2,077.62	2,276.15
Net Carrying amount as on 01-04-2020	2,922.07	243.26	5,000.04	8,165.37
Balance as on 01-04-2020	2,922.07	243.26	5,000.04	8,165.37
Reclassification to PPE	(1.09)	-	-	(1.09)
Additions during the year	644.58	-	804.68	1,449.26
Disposal during the year	(644.18)	-	(122.26)	(766.44)
Depreciation charged for the year	(48.48)	(41.59)	(1,918.34)	(2,008.41)
Balance as on 31-03-2021	2,872.90	201.67	3,764.12	6,838.69

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

52. Right of use Assets - Disclosure under Ind AS 116 (Contd.)

C. Movement in lease liabilities

Particulars	2020-21	2019-20
Balance at the beginning of the year	5,939.24	7,561.22
Additions	1,402.85	147.20
Finance costs accrued during the period	475.25	654.96
Deletions	61.93	-
Payment of Lease liabilities	(2,392.48)	(2,424.14)
Balance as at year end	5,362.92	5,939.24
Classified as:		
Current	1,332.73	1,893.53
Non-Current	4,030.19	4,045.71

D. Measurement analysis of lease liabilities

Maturity analysis-Contractual undiscounted cash flows	2020-21	2019-20
Less than one year	1,835.59	2,526.63
One to five years	4,559.87	3,756.26
More than five years	2,563.10	2,832.27
Total undiscounted lease liabilities at 31/03/2021	8,958.56	9,115.16

E. Amount recognised in profit and loss

Particulars	2020-21	2019-20
Interest on lease liabilities	475.25	654.96
Expenses relating to short term leases	1,393.93	1,412.21

53. Contingent Liabilities and Capital Commitments

A. Contingent Liabilities :

S.No	Particulars	2020-21	2019-20
A.	Claims against the Group not acknowledged as Debt (under appeal) :		
	(i) Income Tax	1,277.07	838.00
	(ii) Sales Tax/ VAT	127.62	60.34
	(iii) Central Excise and Service tax	1,457.61	1,404.07
	(iv) Customs authorities	416.84	416.84
	(v) Demands by TNEB	22.25	27.65
	(vi) Provident fund	61.86	61.86
	(vii) Provision for bonus, not recognised as liability	55.13	55.13
B.	Other Matters for which the Group is contingently liable:		
	Bills discounted	379.38	513.77
C.	Bank Guarantee & Letter of Credit	3,001.76	2,599.46
D.	Guarantee provided to Foreign VAT Authorities	450.84	1,480.70
	Total	7,250.36	7,457.82

B. Capital Commitments :

S.No	Particulars	2020-21	2019-20
A	Estimated value of contracts in capital account remaining to be executed	10,670.87	7,552.74

53. Contingent Liabilities and Capital Commitments (Contd.)

Other Notes forming part of Contingent liabilities and Capital Commitments

1. In respect of Land and Building leased to the Holding company by the Department of MSME, Government of Tamilnadu, the Government has issued GO.40 dated 15.10.2018, demanding arrears of rent of Rs.79.91 lakhs for the period 10.09.1989 to 09.09.2001, after adjusting the rent of Rs.75.33 lakhs already paid by the Holding company for that period. Aggrieved by the demand, the Holding company has filed a Writ petition before the Hon' Madras High Court challenging the above said GO regarding adoption of land value for fixation of rent as per GO.460 of 1998. However the Holding company had paid the admitted rent of Rs.36.49 lakhs out of rent of Rs.79.91 lakhs demanded in the said GO 40.
2. In one of the Subsidiary Companies, in respect of 2.75 acres of land in Madhavaram village under lease for 18 years upto 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 Tahsildar, Madhavaram Taluk in his Letter dated 27th October 2014, stated that Rs.230.24 lakhs would be payable as gross lease rent for the period from 13th July 1989 to 12th July 2007 based on their internal communication. The Subsidiary company has also effected 'on account' payments of Rs.187.00 lakhs. By their notice dated 6th January 2015, the authorities had demanded to effect balance payment of Rs.43.24 lakhs which the Holding company has paid on 19th January 2015.

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 and effected 'on account' payment of Rs.280.24 lakhs against the provision.

The Subsidiary company received a communication from Tahsildar, Madhavaram Taluk, Tamilnadu vide letter dated 12th July 2021 demanding Rs.2420.23 lakhs as lease rent for the period from 13th July 1989 till 12th July 2022. The 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 Tamilnadu Government. The Subsidiary worked out the lease rent amounting to Rs.305.58 lakhs based on 2% of guideline value for the subject period and effected payment of Rs.25.34 lakhs on 22nd July 2021 after adjusting the payments made so far.

Considering the uncertainties prevailing over finalization of lease rent, no further provision has been made in the books towards lease rent for the financial year ended 31 March 2021 and the Subsidiary company would review the future developments and decide on the accounting aspects.

Simpsons & Company Limited**Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021***(All amounts are in INR Lakhs unless stated otherwise)***54. Assets pledged as security**

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

Particulars	As at 31-03-2021	As at 31-03-2020
Current		
Financial assets		
First Charge		
Inventories	21,614.21	19,174.13
Trade receivables	23,211.91	18,753.81
Other assets	3,712.29	1,462.57
Floating charge		
Inventories	-	5,099.56
Trade receivables	-	9,994.71
Hypothecation		
Loans provided	481.15	492.11
Inventories	19,409.93	24,026.48
Trade receivables	50,444.62	44,593.66
Other Fixed assets	28.06	-
Total current assets pledged as security	48,538.41	39,390.51
Total current assets pledged as Floating Charge	-	15,094.27
Total current assets hypothecated	70,363.76	69,112.25
Non-Current		
First Charge		
Machinery	11,664.48	11,405.67
Land	8.19	2,034.93
Building	672.32	692.30
Other assets	507.62	607.40
Forging Dies	1,987.23	2,814.45
Hypothecation		
Loans provided	307.96	328.90
Vehicle	85.43	90.08
Total Non-current assets pledged as security	14,839.84	17,554.75
Total Non-current assets hypothecated	393.39	418.98
Total assets pledged as security	1,34,135.39	1,41,570.76

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(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*	Fellow Subsidiary **
Higginbothams Private Limited	Fellow Subsidiary **
L.M Van Moppes Diamond Tools India Private Limited*	Fellow Subsidiary **
Speed-A-Way Private Limited	Fellow Subsidiary **
The Madras Advertising Company Private Limited	Fellow Subsidiary **
Wallace Cartwright & Company Limited	Fellow Subsidiary **
W.J Groom & Company Limited	Fellow Subsidiary **
Amalgamations Valeo Clutch Private Limited	Associate
The United Nilgiri Tea Estates Company Limited	Associate
BBL Daido Private Limited	Joint Venture
AGCO Corporation USA	Associate of Subsidiary
Sri- A Krishnamoorthy- Chairman & Managing Director	KMP
Sri- P S Rajamani - WTD	KMP
Sri S Srinivasaraghavan - CFO & CS	KMP

*These companies are also Associates of Simpson & Co Ltd

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

B. Related Party Transactions

Particulars	Years	Ultimate Holding Company	Fellow Subsidiaries	Associate	Joint Venture (BBL Daido)	Key Managerial Personnel	Relatives of Key Managerial personnel	Other Related Parties	Total
Transactions during the year									
Sale of goods & fuel	2020-21	10.65	4,014.30	164.95				17,528.90	21,718.81
	2019-20	12.00	3,397.33	226.12	-	-	-	12,577.57	12,577.57
Rendering of service	2020-21	359.17	261.81	197.34					818.32
	2019-20	350.57	275.37	189.99	-	-	-	-	815.94
Dividend Received	2020-21	-	-	505.55				5,745.07	6,250.62
	2019-20	-	-	558.74	108.00	-	-	5,574.25	6,240.99
Interest Received/Receivable on Loans	2020-21	-	1.14						1.14
	2019-20	-	0.72	-	-	-	-	-	0.72
Discount received	2020-21	-	-	10.68					10.68
	2019-20	-	-	6.47	-	-	-	-	6.47
Purchase of Goods	2020-21	-	379.20	1,909.26					2,288.45
	2019-20	-	324.28	1,722.92	-	-	-	13.51	2,060.70
Receiving of Service	2020-21	753.02	71.24	275.24				120.30	1,219.81
	2019-20	799.65	207.07	190.06	-	-	-	193.90	1,390.67
Loans (repaid)/disbursed in cash/kind	2020-21	-	65.00						65.00
	2019-20	-	30.00	-	-	-	-	-	-
Advance(repaid)/dibursed in cash/kind	2020-21	-	15.00						15.00
	2019-20	-	-	-	-	-	-	-	-
Loans Recovered	2020-21	-	40.00						
	2019-20	-	30.00						
Refund of security deposit	2020-21	-	2.02	0.10					
	2019-20	-	-	-	-	-	-	-	-
Dividend Paid	2020-21	4,023.90	0.33	6.04		14.11	9.29	1,480.34	4,053.67
	2019-20	4,390.87	0.31	16.72	-	15.39	10.14	1,382.25	5,815.67
Interest Paid on loans/bills discounted	2020-21	199.65	35.00			55.17			289.82
	2019-20	232.72	9.01	-	-	55.84	-	-	297.57
Guarantees & Commitment Charges	2020-21	161.31							161.31
	2019-20	150.06	-	-	-	-	-	-	150.06
Managerial Remuneration	2020-21					1,986.27			1,986.27
	2019-20	-	-	-	-	1,685.49	-	-	-
Acquisition of Assets	2020-21								
	2019-20	-	4.95	-	-	-	-	-	4.95
Guarantees & Collaterals given	2020-21								
	2019-20	-	-	-	-	-	-	-	-
Guarantees & Collaterals received	2020-21	17,935.02							17,935.02
	2019-20	18,957.01	-	-	-	-	-	-	-

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

B. Related Party Transactions (Contd.)

Particulars	Years	Ultimate Holding Company	Fellow Subsidiaries	Associate	Joint Venture (BBL Daido)	Key Managerial Personnel	Relatives of Key Managerial personnel	Other Related Parties	Total
Balance at Year end									
Trade Receivables	2020-21	36.96	537.41	57.52	1.88			5,305.54	5,939.31
	2019-20	0.62	618.66	50.78	-	-	-	1,978.94	2,649.01
Trade Payables	2020-21	1,377.52	83.56	411.97				192.60	2,065.65
	2019-20	1,249.46	54.03	357.71	-	-	-	92.09	1,753.30
Loans Receivable	2020-21		-						-
	2019-20	-	1.98	-	-	-	-	-	1.98
Advances Receivable	2020-21		-	1.48					1.48
	2019-20	-	27.85	-	-	-	-	-	27.85
Loan payable	2020-21	2,600.00	600.00			675.00			
	2019-20	2,600.00	700.00			675.00			
Dealers deposit	2020-21	-	145.00						
	2019-20	-	145.00						
Rental Deposit payable	2020-21		2.85						
	2019-20		2.85						
Other current liabilities	2020-21		2.78						
	2019-20		-						
Other Receivables	2020-21		25.31	135.89					161.20
	2019-20	-	-	137.05	-	-	-	-	137.05
		-	-	-	-	-	-	-	-

C. Compensation of Key Managerial Personnel

The related party transactions with above KMP are as follows:

Category	2020-21	2019-20
i. Short-term benefits	1,986.27	1685.49
ii. Post employment benefits	-	-
iii. Other long term benefits	-	-
iv. Termination benefits	-	-
v. Share-based benefits	-	-
Total	1,986.27	1,685.49

56. Other Significant Disclosures

A. Going Concern

- (i) With respect to four subsidiaries (Subsidiary 1 having turnover Rs.26,043.03 lakhs, having Net loss of Rs.144.07 lakhs, negative net worth Rs.2,324.23 lakhs. Subsidiary 2 having turnover of Rs.7,746.17 lakhs, Net loss of Rs.2,195.44 lakhs, Net worth of Rs.1,224.74 lakhs. Subsidiary 3 having profit Rs.0.22 lakh, Net worth of Rs.6.92 lakhs. Subsidiary 4 having turnover Rs.19,883.89 lakhs, Net loss of Rs.950.16 lakhs, Net worth of Rs.6,541.51 lakhs) despite having continued losses and negative net worth have disclosures that justify the Going Concern of the said companies. These justifications are based on various factors like closing certain unviable operations / restructuring, proposed actions like technology upgradation, product rationalisation and capacity utilisation. These factors coupled with strong continued support from the Holding Company & other Group Companies will make these Subsidiaries return to operational profitability and improve overall cash flow as per their respective management. Therefore, in the opinion of the Board of Directors of those four subsidiary companies, the material uncertainties have been suitably addressed and accordingly the financial statements have been prepared on a going concern basis.
- (ii) In view of continued losses faced by Subsidiary 1 having Net loss Rs.21.52 lakhs and Negative net worth of Rs.1232.16 lakhs and Subsidiary 2 having Net loss of Rs 118.98 lakhs and Net worth of Rs.1,800.33 lakhs respectively, the financial statements have not been prepared on a Going Concern basis.
- (iii) In the case of one other subsidiary, the management of the subsidiary is of the opinion that the current project of the subsidiary may not be viable. Further it has been understood that the management of the subsidiary is contemplating withdrawal of the application pending with the regulators State government and consider other viable projects in due course. Considering this, financial statements of the subsidiary for FY 20-21 has been prepared on a liquidation basis.

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

56. Other Significant Disclosures (Contd.)

B. Merger

There is a proposal to merge 100% subsidiary companies (IP Pins & Liners Limited and IPL Engine Components Private limited) with India Pistons Limited with the Appointed date as April 1, 2020. The Merger Scheme will be given effect to upon requisite approvals being obtained.

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

Name of the Subsidiary	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2021	% of holding either directly or through subsidiaries as on March 2020
Addison & Company Limited	India	100.00%	100.00%
Alpump Limited	India	79.29%	76.24%
Amalgamations Repco Limited	India	68.13%	67.88%
Amco Batteries Limited	India	96.89%	96.44%
George Oakes Limited	India	100.00%	100.00%
India Pistons Limited	India	100.00%	100.00%
IP Pins and Liners Limited	India	100.00%	100.00%
IPL Engine Components Private Limited	India	100.00%	100.00%
IPL Green Power Limited	India	75.81%	75.81%
IP Rings Ltd	India	48.74%	48.40%
Shardlow India Limited	India	100.00%	100.00%
Simpson & General Finance Company Limited	India	100.00%	100.00%
Sri Rama Vilas Service Limited	India	100.00%	100.00%
T. Stanes & Company Limited	India	59.63%	59.61%
Stanes Amalgamated Estates Limited	India	32.44%	32.36%
Stanes Motors (South India) Limited	India	59.63%	59.61%
Tractors and Farm Equipments Limited	India	79.29%	76.24%
TAFE Access Limited	India	77.62%	74.63%
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	Turkey	79.29%	76.24%
TAFE Motors and Tractors Limited	India	79.29%	76.24%
TAFE Reach Limited	India	79.29%	76.24%
TAFE Tractors Changshu Company Limited, China	China	79.29%	76.24%
Southern Tree Farms Limited	India	79.29%	76.24%
TAFE Properties Limited	India	79.29%	76.24%
Wheel & Precision Forgings India Limited	India	100.00%	100.00%

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

Details of Associates consolidated:

Name of the Associate	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2021	% of holding either directly or through subsidiaries as on March 2020
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	25.72%	25.19%
Amalgamations Valeo Clutch Private Limited	India	28.00%	28.00%
Associates of Subsidiary			
AGCO Corporation	United States of America	12.85%	12.28%

Details of Joint Venture consolidated:

Name of the Joint Venture	Country of Incorporation	% of holding either directly or through subsidiaries as on March 2021	% of holding either directly or through subsidiaries as on March 2020
BBL Daido Private Limited	India	30.00%	30.00%

57(b). Information relating to Subsidiaries:

Name of the subsidiary	Principal activity	Date of Acquisition
Addison & Company Limited	Manufacture of Metal Cutting Tools	30-Apr-57
Amalgamations Repco Limited	Manufacture of Auto ancillary parts	01-Aug-89
AMCO Batteries Limited	Manufacturing and Trading of Industrial and Automobile Batteries	30-Apr-57
George Oakes Limited	Trading of Automobile parts and spares	30-Apr-57
India Pistons Limited & Subsidiaries	Manufacture of Auto ancillary parts	30-Apr-57
IPL Green Power Limited	Biomass Power plant	12-Dec-11
Shardlow India Limited	Manufacture of Crank Shaft	19-Dec-61
Simpson & General Finance Company Limited	Non Banking Finance Company	01-Feb-38
Sri Rama Vilas Service Limited	Trading of Auto parts and Transportation services	30-Apr-57
Tractors & Farm Equipment Limited & Subsidiaries	Manufacture of Tractor and related parts	27-Dec-61
T. Stanes & Company Limited & Subsidiaries	Manufacturer of Agro products	01-Oct-64
Wheel & Precision Forgings India Limited	Manufacture of Auto ancillary parts	30-Apr-57
Stanes Amalgamated Estates Limited	Tea Estate	31-Mar-83
IP Rings Limited	Manufacture of Auto ancillary parts	24-Feb-17

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

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

Name of the associate	Associates				Associates of Subsidiary	Joint Venture
	Amalgamations Valeo Clutch Pvt. Ltd	The United Nilgiri Tea Estates Company Limited	Bimetal Bearings Ltd	L.M.Van Moppes Diamond Tools India Pvt. Ltd	AGCO Corporation	BBL Daido
Principal Activity	Manufacture of Automobile Clutch System	Tea Estates	Manufacture of Bearings, Bushes & Thrust Washers; Alloy Powders	Manufacture of Auto Components	Manufacture of Tractors & Other agricultural equipments	Manufacture of Bearings
Place of Incorporation	India	India	India	India	USA	India
% of holding	28.00%	25.72%	49.49%	49.00%	12.85%	30.00%
For each of the above:						
a) Non-Current Asset	22,714.90	13,350.00	11,432.92	919.10	30,23,476.59	8,819.87
b) Current Asset	17,532.90	4,363.71	12,199.69	1,355.50	31,93,518.82	5,012.51
c) Non-Current Liability	2379.50	446.22	649.24	84.10	15,52,311.57	4,730.97
d) Current Liability	22,062.60	712.76	4,399.54	380.11	24,58,374.94	4,675.77
e) Revenue	47,112.60	6,632.10	15,846.41	1,679.62	65,84,589.05	8,944.41
f) Profit for the year	144.10	1,224.61	394.49	165.58	3,10,969.75	(39.94)
g) OCI for the year	20.60	38.06	1,119.59	2.01	(1,62,892.44)	2.47
h) Dividend paid to Holding company	332.63	1.66	131.19	17.86	-	-

57(d). Particulars of Investment in Associate Companies as of 31st March, 2021 are as follows:

Sl.No	Name of the Associate	Original Cost of Investment	Amount of (Goodwill)/ Capital Reserve in Original Cost	Share of Post acquisition Reserves and Surplus	Carrying amount of Investment
	Quoted				
1	Bimetal Bearings Limited	741.50	1,604.73	6,843.44	9,189.67
2	The United Nilgiri Tea Estates Limited	267.61	25.87	3,965.09	4,258.57
	Total	1,009.11	1,630.60	10,808.53	13,448.24
	Unquoted				
1	Amalgamation Valeo Clutch Private Limited	2,851.76	(1,881.24)	2,278.61	3,249.14
2	LM Van Moppes Diamond Tools (India) Private Limited	14.62	5.23	865.12	884.97
	Total	2,866.38	(1,876.01)	3,143.74	4,134.11

Simpsons & Company Limited
Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021
(All amounts are in INR Lakhs unless stated otherwise)

58. Additional Information as per Companies Act 2013:

Name of the Entity	2020-21				2019-20			
	Net Assets		Share In Profit or Loss		Net Assets		Share In Profit or Loss	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit and Loss	Amount	As % of consolidated Net Assets	Amount	As % of consolidated Profit and Loss	Amount
Parent Company								
Simpson & co. Ltd	15.02%	1,89,664.05	10.79%	19,233.97	15.35%	1,74,482.68	18.49%	15,817.57
Total of Parent Company (A)	15.02%	1,89,664.05	10.79%	19,233.97	15.35%	1,74,482.68	18.49%	15,817.57
Indian Subsidiaries:								
Addison & Company Limited	1.13%	14,218.40	0.59%	1,053.22	1.19%	13,480.85	1.53%	1,305.58
Alpump Limited	0.13%	1,635.71	0.03%	50.18	0.13%	1,524.62	0.09%	78.54
Amalgamations Repco Limited	0.14%	1,813.84	0.17%	298.09	0.14%	1,576.52	0.17%	142.80
Amco Batteries Limited	(0.18)%	(2,252.02)	(0.08)%	(139.59)	(0.19)%	(2,115.97)	(3.57)%	(3,051.08)
George Oakes Limited	0.37%	4,687.41	0.20%	357.74	0.38%	4,328.59	(0.33)%	(280.35)
India Pistons Limited	0.52%	6,541.51	(0.53)%	(950.16)	0.25%	2,828.26	(3.45)%	(2,952.79)
IP Pins and Liners Limited	(0.10)%	(1,232.16)	(0.01)%	(21.52)	(0.11)%	(1,210.64)	0.16%	138.92
IPL Engine Components Private Limited	(0.14)%	(1,800.33)	(0.07)%	(118.98)	(0.15)%	(1,681.35)	(0.34)%	(287.06)
IPL Green Power Limited	0.00%	26.84	0.00%	(0.88)	0.00%	27.71	0.00%	1.24
IP Rings Ltd	0.41%	5,137.33	0.14%	242.17	0.43%	4,890.70	0.06%	53.29
Shardlow India Limited	0.10%	1,224.74	(1.23)%	(2,195.44)	0.30%	3,431.22	1.77%	1,515.55
Simpson & General Finance Company Limited	0.28%	3,490.17	0.13%	223.51	0.24%	2,738.40	0.22%	190.05
Southern Tree Farms Limited	0.07%	838.24	0.07%	128.47	0.06%	636.43	(0.08)%	(66.39)
Sri Rama Vilas Service Limited	0.34%	4,262.89	0.04%	79.62	0.37%	4,150.66	0.07%	60.67
Stanes Amalgamated Estates Limited	0.02%	279.71	0.02%	41.76	0.03%	310.90	(0.11)%	(90.59)
Stanes Motors (South India) Limited	0.02%	273.99	0.01%	13.00	0.02%	262.42	0.03%	24.32
T. Stanes and Company Limited	0.64%	8,102.82	0.61%	1,090.90	0.58%	6,634.51	1.00%	853.63
TAFE Access Limited	0.68%	8,602.40	0.60%	1,072.77	0.63%	7,124.19	0.36%	309.33
TAFE Motors and Tractors Limited	19.92%	2,51,471.97	22.88%	40,787.68	18.17%	2,06,480.98	32.88%	28,124.87
TAFE Reach Limited	0.00%	5.49	0.00%	0.17	0.00%	5.11	0.00%	0.21
Tractors and Farm Equipments Limited	43.92%	5,54,449.84	32.30%	57,581.91	43.53%	4,94,751.29	46.55%	39,820.36
TAFE Properties Limited	0.01%	113.76	0.01%	18.16	0.01%	91.93	(0.01)%	(9.42)
Wheel & Precision Forgings India Limited	0.07%	935.05	0.07%	116.03	0.07%	814.33	0.13%	114.96
Total Of Indian Subsidiaries (B)	68.35%	8,62,827.57	55.93%	99,728.81	66.09%	7,51,081.68	77.16%	65,996.65

Name of the Entity	2020-21				2019-20			
	Net Assets		Share In Profit or Loss		Net Assets		Share In Profit or Loss	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit and Loss	Amount	As % of consolidated Net Assets	Amount	As % of consolidated Profit and Loss	Amount
Foreign Subsidiaries of Subsidiary								
TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	0.68%	8,617.34	1.15%	2,043.49	0.70%	7,965.22	0.87%	744.16
TAFE Tractors Changshu Company Limited, China	0.22%	2,732.33	(0.09)%	(160.21)	0.24%	2,674.14	(0.05)%	(42.74)
TAFE USA Inc (Upto November 27, 2019)	-	-	-	-	0.00%	-	1.62%	1,384.23
Total of Foreign Subsidiaries (C)	0.90%	11,349.67	1.06%	1,883.28	0.94%	10,639.37	2.44%	2,085.64
Minority Interest in all Subsidiaries (D)	18.59%	2,34,733.04	19.45%	34,672.96	20.60%	2,34,106.81	23.64%	20,218.66
Associates:								
Bimetal Bearings Limited	0.73%	9,196.62	0.11%	195.22	0.75%	8,579.85	0.10%	81.43
L.M. Van Moppes Diamond Tools India Private Limited	0.07%	887.09	0.05%	81.14	0.07%	822.83	0.09%	73.13
The United Nilgiri Tea estates Company Limited	0.34%	4,257.88	0.18%	314.97	0.34%	3,891.60	0.32%	269.82
Amalgamations Valeo Clutch Pvt. Limited	0.35%	4,425.42	0.02%	40.35	0.41%	4,716.19	0.63%	539.87
Associates of Subsidiary:								
ACGO Corporation (Foreign Associate)	4.00%	50,506.76	2.73%	4,870.18	4.11%	46,681.26	(0.55)%	(470.29)
Total of Associates (E)	5.49%	69,273.77	3.09%	5,501.85	5.69%	64,691.72	0.58%	493.96
Joint Venture:								
BBL Daido Private Limited (Share of 30%)	0.11%	1,327.69	(0.01)%	(11.98)	0.12%	1,338.93	0.03%	22.79
Total of Joint Venture (F)	0.11%	1,327.69	(0.01)%	(11.98)	0.12%	1,338.93	0.03%	22.79
Total (G= A+B+C+D+E+F)	108.46%	13,69,175.78	90.30%	1,61,008.90	108.79%	12,36,341.19	122.33%	1,04,635.28
Effect of Inter-company adjustments/eliminations (H)	8.46%	1,06,754.46	(9.70)%	(17,287.34)	8.79%	99,869.67	22.33%	19,098.35
Total (I)= (G)-(H)	100.00%	12,62,421.32	100.00%	1,78,296.24	100.00%	11,36,471.53	100.00%	85,536.93

Simpsons & Company Limited

Explanatory Notes to the Consolidated Financial Statements for the year ended 31st March 2021

(All amounts are in INR Lakhs unless stated otherwise)

59. COVID-19 Impact

The company has taken proactive steps like conducting regular screenings, medical camps, ensuring social distancing among our employees attending work. Also, aggressive vaccination campaign yielded good results thereby protecting our employee's lives. Disruptions to regular business operations in April / May 2020 due to lockdowns to contain the spread of Covid 19 has impacted the business to some extent. The company has assessed the recoverability of the carrying values of its current and non-current assets as at 31st March 2021 including property, plant and equipment, trade receivables and inventory and concluded that no material adjustments are required to be made in respect of such assets, liabilities or provisions.

Management has considered its liquidity position as at March 31, 2021 and based on its review of current indicators of future economic conditions has concluded that the Company will have adequate liquidity in the ordinary course of business.

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

60. Operating Segment

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

- 61.** 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

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

Mahesh Krishnan
Partner
M.No.206520

Chairman & Managing Director

Directors

Whole-time Director

*Chief Financial Officer &
Company Secretary*

Chennai, 06th September, 2021

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	Date since when the subsidiary was acquired	Reporting period	Reporting currency and Exchange rate	Share Capital	Reserves & Surplus	Other Liabilities	Total Assets	Investments	Turnover	Profit/Loss before Taxation	Tax Expense / (Credit)	Profit / (Loss) after Taxation	Proposed Dividend	Effective Percentage of Share holding
1	Addison & Company Limited	30.04.1957	31-Mar-21	INR	540.00	13,678.40	12,150.06	26,368.46	166.32	22,803.23	1,486.02	432.80	1,053.22	54.00	100.00%
2	AMCO Batteries Limited	30.04.1957	31-Mar-21	INR	330.00	(2,654.23)	9,905.05	7,580.82	2,739.13	26,043.03	66.59	210.66	(144.07)	-	96.89%
3	Amalgamations Repco Limited	01.08.1989	31-Mar-21	INR	94.88	2,567.59	6,692.37	9,354.84	90.48	15,923.86	628.11	190.55	437.56	47.44	68.13%
4	George Oakes Limited	30.04.1957	31-Mar-21	INR	250.00	4,437.41	7,191.54	11,878.95	-	21,712.07	529.33	171.59	357.74	-	100.00%
5	India Pistons Limited	30.04.1957	31-Mar-21	INR	7,500.00	(958.49)	23,885.26	30,426.77	1,319.51	19,883.89	(1,033.64)	(83.48)	(950.16)	-	100.00%
6	IP Pins & Liners Limited	01.12.2000	31-Mar-21	INR	333.00	(1,565.16)	1,492.67	260.51	-	-	13.64	35.16	(21.52)	-	100.00%
7	IPL Engine Components Private Limited	08.09.2010	31-Mar-21	INR	555.00	(2,355.33)	1,811.20	10.87	-	-	(118.98)	-	(118.98)	-	100.00%
8	IPL Green Power Limited	12.12.2011	31-Mar-21	INR	310.00	(274.60)	3.55	38.95	-	-	(0.57)	0.59	(1.16)	-	75.81%
9	Shardlow India Limited	19.12.1961	31-Mar-21	INR	4,500.00	(3,275.26)	10,559.53	11,784.27	-	7,746.17	(2,187.69)	7.75	(2,195.44)	-	100.00%
10	Simpson & General Finance Company Limited	01.02.1938	31-Mar-21	INR	200.00	3,290.17	605.31	4,095.48	1,943.85	383.07	295.99	72.48	223.51	20.00	100.00%
11	Sri Rama Vilas Service Limited	30.04.1957	31-Mar-21	INR	125.00	4,137.88	2,353.15	6,616.03	1,283.61	2,771.99	162.84	83.22	79.62	6.25	100.00%
12	Tractors & Farm Equipment Limited	27.12.1961	31-Mar-21	INR	1,153.90	6,98,127.68	1,69,803.64	8,69,085.22	6,20,818.37	6,55,958.46	1,06,970.41	25,519.65	81,450.76	5,538.72	79.29%
13	TAFE Motors & Tractors Limited	24.02.2005	31-Mar-21	INR	1,000.00	3,16,160.69	97,196.63	4,14,357.32	3,25,700.60	3,54,422.74	67,612.00	16,169.89	51,442.11	2,400.00	79.29%
14	TAFE Access Limited	28.09.1992	31-Mar-21	INR	411.60	10,671.23	3,685.96	14,768.79	3,632.59	34,360.34	1,817.50	435.41	1,382.09	102.90	77.62%
15	Southern Tree Farms Limited	01.04.1994	31-Mar-21	INR	189.99	867.20	300.31	1,357.51	63.77	1,299.95	177.43	15.40	162.03	-	79.29%
16	TAFE Reach Limited	07.11.2003	31-Mar-21	INR	450.00	(443.08)	0.97	7.89	-	-	0.29	0.07	0.22	-	79.29%
17	TAFE International Traktor Ve Tarim Ekipmani Sanayi Ve Ticaret, Sirketi	27.08.2008	31-Mar-21	TRY Millions TRY Ex Rate 8.83	5,314.35	5,553.97	7,167.10	18,035.42	-	20,040.21	2,951.74	183.07	2,768.67	-	79.29%
18	Alpump Limited	11.06.2005	31-Mar-21	INR	450.00	1,612.99	10.67	2,073.66	1,128.70	68.83	83.74	20.45	63.29	-	79.29%
19	TAFE Tractors Changshu Company Limited, China	31.03.2012	31-Mar-21	RMB Millions RMB Ex Rate 11.1275	4,556.87	(1,110.81)	59.08	3,505.14	-	1,315.57	(222.07)	-	(222.07)	-	79.29%
20	TAFE Properties Ltd	27.11.2017	31-Mar-21	INR	100.00	43.47	4,202.16	4,345.63	-	246.00	24.88	1.98	22.90	-	79.29%
21	T. Stanes & Company Limited	31.03.1961	31-Mar-21	INR	236.62	13,352.69	6,539.74	20,129.05	2,926.06	39,305.95	2,453.49	623.94	1,829.55	59.15	59.63%
22	Stanes Motors (South India) Limited	31.03.1961	31-Mar-21	INR	150.00	309.51	376.82	836.33	60.03	1,811.13	26.80	4.99	21.81	-	59.63%
23	Stanes Amalgamated Estates Limited	31.03.1983	31-Mar-21	INR	110.75	751.56	238.96	1,101.27	161.15	1,277.62	(128.19)	0.55	(128.74)	-	32.44%
24	Wheel & Precision Forgings India Limited	30.04.1957	31-Mar-21	INR	15.00	920.04	54.23	989.27	354.07	15.36	135.15	19.12	116.03	4.50	100.00%
25	IP Rings Limited	24.02.2017	31-Mar-21	INR	1,267.59	9,271.71	16,744.55	27,283.85	1.18	19,846.21	654.01	157.20	496.81	190.14	48.74%

Note: Reporting Period for all our Subsidiaries are: April 2020 to March 2021

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	L.M.Van Moppes Diamond Tools India Pvt. Ltd	BBL Daido Pvt. Ltd
1	Latest audited Balance Sheet Date	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021
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	1,98,450	48,00,000
	ii) Amount of Investment in Associates/Joint Venture	2,851.76	9.23	731.38	14.62	1,200.00
	Extent of effective holding including subsidiaries %	28.00%	25.72%	49.49%	49.00%	30.00%
3	Description of how there is significant influence	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries	Voting Power through Subsidiaries
4	Reason why the associate/ joint venture is not consolidated	NA	NA	NA	NA	NA
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	4,425.42	4,257.88	9,196.62	887.09	1,327.69
6	Profit / Loss for the year	164.70	1,262.68	1,514.08	167.60	(37.47)
	i) Considered in Consolidation	45.83	318.90	744.07	81.08	(11.24)
	ii) Not Considered in Consolidation	118.87	943.78	770.01	86.52	(26.23)