



# SIMMONDS MARSHALL LIMITED

**Regd. Office & Factory :**  
Mumbai-Pune Road, Kasarwadi, Pune 411 034.  
Tel. : (91-020) 3078-2160 / 3078-2170  
Fax : (91-020) 3078-2195  
E-Mail : [smpune@simmondsmarshall.com](mailto:smpune@simmondsmarshall.com)  
CIN : L29299PN1960PLC011645

**Admn. & Sales Office :**  
Apeejay Chambers, 5, Wallace Street, Mumbai-400 001.  
Tel. : (91-022) 6633-7425 / 6633-7426 / 6633-7427  
Fax : (91-022) 6633-7433 / 6633-7434  
E-Mail : [sales@simmondsmarshall.com](mailto:sales@simmondsmarshall.com)  
Website : [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

Date: September 13, 2017

**Bombay Stock Exchange Ltd.,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 400 001

**Scrip Code: 507998**

Dear Sirs,

**Sub: 57<sup>th</sup> Annual General Meeting**

We are enclosing herewith Annual Report of the Company for the Financial Year 2016-17 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approved and adopted at the 57<sup>th</sup> Annual General Meeting of the Company held on Friday, September 8, 2017 at 12.00 Noon at Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019. The Annual General Meeting concluded at 12:20 p.m.

Kindly take the above on record.

Thanking you,

Yours faithfully,  
For SIMMONDS MARSHALL LIMITED

**S. J. MARSHALL**  
(DIN: 00085682)  
CHAIRMAN

Encl: as above



SATF No. 0696543  
ISO-9001:2009



ISO 14001:2004  
Reg. No. 8702-E



# SIMMONDS MARSHALL LIMITED

## **Board of Directors:**

Mr. S. J. Marshall (Chairman)  
Mr. N. S. Marshall (Managing Director)  
Mr. I. M. Panju  
Mr. C. B. Bambawale  
Mr. F. K. Banatwalla  
Mr. S. C. Saran  
Mrs. A. V. Chowdhary

## **Chief Financial Officer:**

Mr. Vikash Verma

## **Company Secretary:**

Mr. Nirmal Gupta

## **Auditors:**

M/s. SHR & Co.  
Chartered Accountants  
212-A - 203, Rewa Chambers,  
Sir Vithaldas Thackersey Marg,  
Mumbai - 400 020.

## **Bankers:**

ICICI Bank  
Union Bank of India  
The Zoroastrian Co-Operative Bank Limited

## **Administrative Office:**

Apeejay Chambers  
5, Wallace Street, Fort,  
Mumbai - 400 001

## **Registered Office & Factory:**

Mumbai - Pune Road,  
Kasarwadi,  
Pune - 411 034

## **Registrars & Share Transfer Agent:**

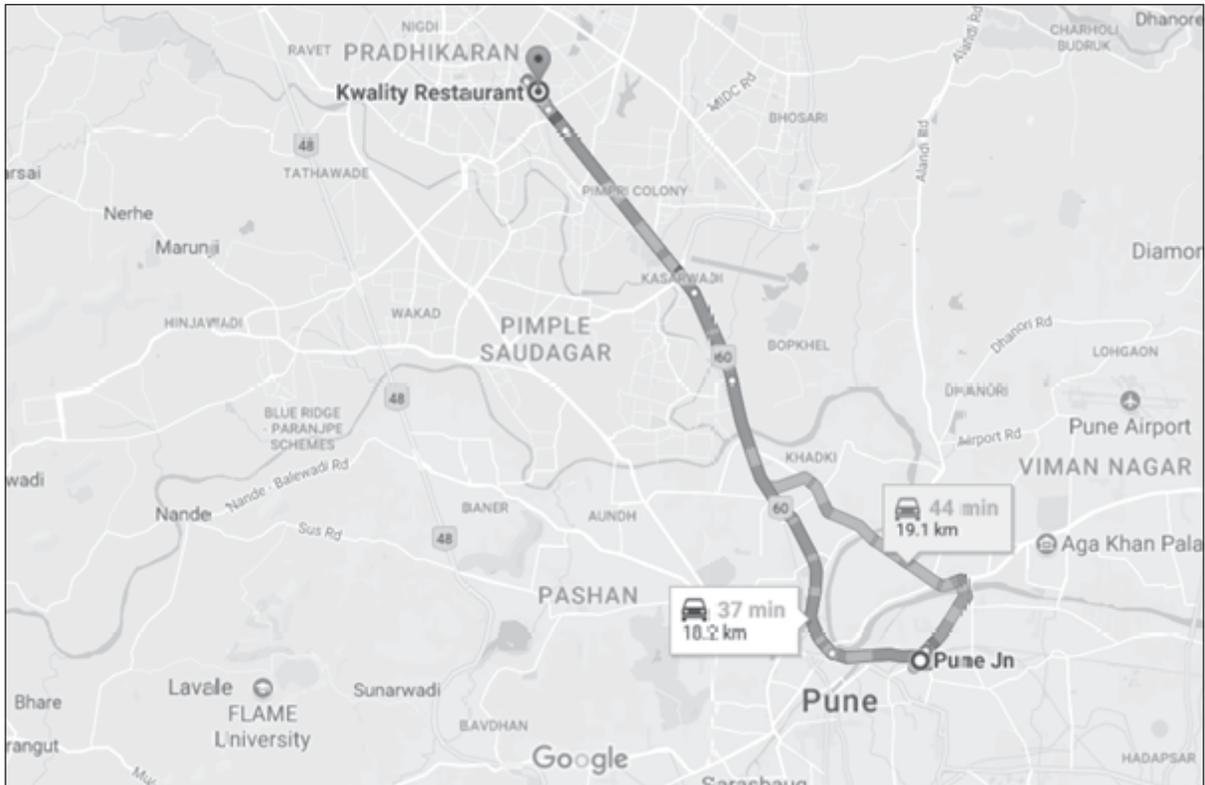
Sharex Dynamic (India) Pvt. Ltd.  
Unit No.1, Luthra Industrial Premises,  
Andheri Kurla Road, Andheri (East),  
Mumbai - 400 072  
Tel.: 28515606 / 28515644  
E-mail: sharexindia@vsnl.com

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**Route Map to the AGM Venue**

Venue : Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019.



Landmark: Near World of Titan / Fab India Showroom, Chinchwad

## **NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the 57th Annual General Meeting (AGM) of the Members of **SIMMONDS MARSHALL LIMITED (CIN: L29299PN1960PLC011645)** will be held on Friday, September 8, 2017 at 12.00 Noon at Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019 to transact, with or without modification(s) the following businesses:

### **ORDINARY BUSINESS:**

#### **Item no. 1 - Adoption of Financial Statements:**

To consider and adopt the Audited Financial Statements (including the Consolidated and Standalone Financial Statements) of the Company for the Financial Year ended March 31, 2017, and the Reports of the Board of Directors ("the Board") and Auditors thereon.

#### **Item no. 2 - To Declare Divided on Equity Shares for the year ended March 31, 2017:**

#### **Item no. 3 - Appointment of Mr. I. M. Panju as a Director liable to retire by rotation:**

To appoint a Director in place of Mr. I. M. Panju, having Director's Identification Number 00121748 who retires by rotation and being eligible, offers himself for re-appointment.

#### **Item no. 4 - Appointment of Auditors:**

To appoint Statutory Auditors, M/s. Lodha & Co., Chartered Accountants in place of M/s. SHR & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting and to fix their remuneration and in this regard 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 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. Lodha & Co., Chartered Accountants, Mumbai (Firm Registration No. 301051E with the Institute of Chartered Accountants of India) be and are appointed as the Statutory Auditors of the Company in place of M/s. SHR & Co., Chartered Accountants, the retiring Auditors, to hold office from the conclusion of the ensuing AGM until the conclusion of the 62<sup>nd</sup> AGM to be held in 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM) at such remuneration as may be agreed upon by the Audit Committee / Board of Directors in consultation with the Statutory Auditors."

### **SPECIAL BUSINESS:**

#### **Item no. 5 - Appointment of Mr. S. J. Marshall as Chairman and Whole Time Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. S. J. Marshall (DIN: 00085682) as Chairman & Whole Time

Director of the Company for a period of 3 years, w.e.f. April 01, 2017 at a consolidated remuneration not exceeding Rs. 84,00,000/- per annum as per the terms and conditions tabled before the Board, subject to approval of the shareholders at the ensuing Annual General Meeting.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution.”

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in the Schedule V, Part II, Section II read with other applicable provisions, if any, of the Companies Act, 2013, or any amendments thereto or enactments thereof from time to time and further in the event of sufficient profits in any year during the tenure of his appointment to pay maximum permissible remuneration as provided in Section 197 of the Companies Act, 2013.”

**Item no. 6 – Appointment of Mr. N. S. Marshall as Managing Director of the Company:**

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 Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. N.S. Marshall (DIN 00085754) as the Managing Director of the Company for a period of 3 (Three) Years w.e.f. April 1, 2017 at a consolidated remuneration not exceeding Rs. 84,00,000/- per annum as per the terms and conditions tabled before the Board, subject to approval of the shareholders at the ensuing Annual General Meeting.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in the Schedule V, Part II, Section II read with other applicable provisions, if any, of the Companies Act, 2013, or any amendments thereto or enactments thereof from time to time and further in the event of sufficient profits in any year during the tenure of his appointment to pay maximum permissible remuneration as provided in Section 197 of the Companies Act, 2013.

**Item no. 7 – Appointment of Mr. I. M. Panju as Whole Time Director of the Company:**

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 Sections 149, 196, 197, Schedule V of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. I. M. Panju (DIN 00121748) as the Whole Time Director of the Company for a period of 3 (Three) Years w.e.f. April 1, 2017 at a consolidated remuneration not exceeding Rs. 84,00,000/- per annum as per the terms and conditions tabled before the Board, subject to approval of the shareholders at the ensuing Annual General Meeting.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to alter and / or vary the terms and conditions of the appointment including remuneration payable to him from time to time, provided however that the remuneration payable shall not exceed the limits specified in Schedule V of the Companies Act, 2013 as existing or as amended, modified or re-enacted from time to time.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby authorized to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in the Schedule V, Part II, Section II read with other applicable provisions, if any, of the Companies Act, 2013, or any amendments thereto or enactments thereof from time to time and further in the event of sufficient profits in any year during the tenure of his appointment to pay maximum permissible remuneration as provided in Section 197 of the Companies Act, 2013."

**Item no. 8 – Payment of Remuneration to M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), the Cost Auditors of the Company for the Financial Year 2017-18:**

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 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company's and for Cost Compliance Report, be paid a remuneration for the Financial Year ending March 31, 2017 as set out in the Statement annexed to the Notice convening this Meeting.

For and on behalf of the Board of Directors  
**SIMMONDS MARSHALL LIMITED**

**Registered Office:**  
Mumbai-Pune Road,  
Kasarwadi,  
Pune - 411 034.

**S. J. MARSHALL**  
(DIN: 00085682)  
CHAIRMAN

July 3, 2017.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and the Rules framed thereunder, a person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such proxy shall not act as a proxy for any other person or Member.

2. The business set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 20. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. A statement giving the details of the Directors seeking appointment / reappointment, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / chairmanships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing Obligation and Disclosure requirements), 2015, are provided in the Annexure.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from **September 02, 2017 to September 08, 2017** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
8. (a) Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 dividends for the financial year ended March 31, 2010 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the "Investor Education & Protection Fund" ("IEPF") constituted by the Central Government. The Members, who have not encashed their dividend warrant(s) for the Financial Year ended 31st March, 2010 or any subsequent financial year(s) are urged to claim such amount from the Share Department of the Company/ Registrar and Share Transfer Agent.  
(b) Further, pursuant to the Provisions of Sections 124 of the Companies Act, 2013 and of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed by the shareholder for seven years, the Company is required to transfer such Equity Shares of the members to the Demat Account of the Investor Education and Protection Fund Authority. The Company had also published a Notice in the leading Newspapers both in English and Vernacular language, with respect to the formalities and process of such transfer. The Company is in the process to transfer such shares to the Demat Account of Investor Education and Protection Fund Authority.

- (c) The members/claimants whose Shares will be transferred and unclaimed dividend have been transferred to the "Fund", may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fees. The member/claimant can file only one consolidated claim in a financial year as per IEPF Rules.
- (d) Members are requested to claim their unclaimed shares lying with the Company by sending proper documentary evidence to establish their bona fides. Till such claim, as per Para E in Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on such shares shall remain frozen.
9. The dividend on Equity Shares, if declared at the Annual General Meeting of the Company will be payable on or after **September 13, 2017** to those members:
- (a) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Transfer Agent on or before **September 01, 2017**; and
- (b) whose names appear as Beneficial Owners in the list of Beneficial Owners on **September 01, 2017** furnished by Central Depository Services (India) Limited (CDSL) for this purpose.

The details of dividend paid by the Company and the corresponding due dates for transfer of unencashed dividend to IEPF are furnished hereunder:

Sr. No.	Year ended	Date of Declaration	Due date of transfer to IEPF
1.	31/03/2010	29/09/2010	28/10/2017
2.	31/03/2011	28/09/2011	27/10/2018
3.	31/03/2012	26/09/2012	25/10/2019
4.	31/03/2013	17/09/2013	16/10/2020
5.	31/03/2014	23/09/2014	22/10/2021
6.	31/03/2015	23/09/2015	22/10/2022
7.	31/03/2016	16/03/2016 • The Company declared & Paid Interim Dividend	15/04/2023

Members who have not encashed the dividend warrant(s) so far in respect of the above financial years are therefore requested to make their claims to the Registrar of the Company or the Company at the Registered Office, with full details.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
11. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
12. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
13. The Company's shares are listed on BSE Limited, Mumbai.

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14. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

**M/S. SHAREX DYNAMIC (INDIA) PVT LTD**  
**[Unit: Simmonds Marshall Limited]**  
Unit No.1, Luthra Ind. Premises, Andheri Kurla Road,  
Safed Pool, Andheri (East), MUMBAI - 400 072  
**Tel: 022 2851 5606 / 2851 5644**  
**Email: sharexindia@vsnl.com**

15. Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection at the administrative office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
16. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
17. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
18. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
19. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
20. Voting through electronic means:
  - (i) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Securities Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.
  - (ii) The Board of Directors of the Company has appointed M/s. GMJ & Associates, Company Secretaries, Mumbai as Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
  - (iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - (iv) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.

- (v) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. **September 01, 2017**.
- (vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. **September 01, 2017** only shall be entitled to avail the facility of e-voting/remote e-voting.
- (vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **September 01, 2017**, may obtain the User ID and password from SHAREX DYNAMIC (INDIA) PVT LTD (Registrar & Transfer Agents of the Company).
- (viii) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company ([www.simmondsmarshall.com](http://www.simmondsmarshall.com)) and on the website of CDSL (<https://www.evotingindia.com>). The results shall simultaneously be communicated to the Stock Exchange.
- (ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **September 08, 2017**.
- (x) The instructions for shareholders voting electronically are as under:
  - (i) The voting period begins at 9.00 a.m. (IST) on **September 05, 2017** and ends at 5.00 p.m. (IST) on **September 07, 2017** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 01, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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(viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format</p>
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Simmonds Marshall Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after June 30, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a corporate user who would be able to link the accounts they would be able to cast their vote.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

For and on behalf of the Board of Directors  
**SIMMONDS MARSHALL LIMITED**

**Registered Office:**  
Mumbai-Pune Road,  
Kasarwadi,  
Pune - 411 034.

**S. J. MARSHALL**  
(DIN: 00085682)  
CHAIRMAN

July 3, 2017.

## **ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No.5:**

Mr. S. J. Marshall was appointed as Chairman of the Company at the AGM held on September 23, 2014 for a term of 3 years upto March 31, 2017. Mr. S. J. Marshall is on the Board of the Company since April, 1960 and has attained the age of 79 years and he looks after overall management and activities of the Company. The terms of appointment & ceiling of remuneration of Rs. 84,00,000/- p.a. as proposed have been cleared and approved by Nomination & Remuneration Committee. This ceiling is on overall remuneration proposed and Board will be at liberty to vary the same within this aforesaid overall ceiling.

In case the Board decides to pay commission to the Chairman the same shall be paid as per the maximum ceiling allowed under the Companies Act, 2013, but the same shall be within the overall ceiling of Rs. 84,00,000/- p.a.

In addition to above Salary and allowance, he will be also entitled to the following perquisites:

- (a) Leave Travel Concession for self and family once a year incurred in accordance with the rules of the Company.
- (b) Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.

The resolution seeks the approval of the members as a Special Resolution in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. S. J. Marshall as a Chairman & Whole Time Director for a period of 3 years commencing April 01, 2017.

### **MEMORANDUM OF INTEREST**

Mr. S. J. Marshall is a close relative (Father) of Mr. N. S. Marshall and (Father in law) of Mr. I. M. Panju, is deemed to be concerned and interested in the resolution at Item no. 5. Except Mr. S. J. Marshall, Mr. N. S. Marshall and Mr. I. M. Panju, none of the Directors of the Company are concerned or interested in this resolution.

### **Item No.6:**

Mr. N. S. Marshall was appointed as Managing Director of the Company at the AGM held on September 23, 2014 for a term of 3 years upto March 31, 2017. Mr. N. S. Marshall is on the Board of the Company since July, 2003 and looks after overall activities of the Company. The terms of appointment & ceiling of remuneration of Rs. 84,00,000/- p.a. as proposed have been cleared and approved by the Nomination & Remuneration Committee. This ceiling is on overall remuneration proposed and board will be at liberty to vary the same within this aforesaid overall ceiling.

In case the Board decides to pay commission to the Managing Director the same shall be paid as per the maximum ceiling allowed under the Companies Act, 2013, but the same shall be within the overall ceiling of Rs. 84,00,000/- p.a.

In addition to above Salary and allowance, he will be also entitled to the following perquisites:

- (a) Gratuity payable at a rate of half month's salary for each completed year of service.
- (b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- (c) Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.
- (d) Leave Travel Concession for self and family once a year incurred in accordance with the rules of the Company.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. N. S. Marshall as a Managing Director for a period of 3 years commencing April 01, 2017.

**MEMORANDUM OF INTEREST**

Mr. N. S. Marshall is a close relative (son) of Mr. S. J. Marshall, and (Brother in law) of Mr. I. M. Panju is deemed to be concerned and interested in the resolution at Item no. 6. Except Mr. N. S. Marshall, Mr. S. J. Marshall and Mr. I. M. Panju, none of the Directors of the Company are concerned or interested in this resolution.

**Item No.7:**

Mr. I. M. Panju was appointed as Whole Time Director of the Company at the AGM held on September 23, 2014 for a term of 3 years upto March 31, 2017. Mr. I. M. Panju is on the Board of the Company since January, 1994 and looks after overall activities of the Company. The terms of appointment & ceiling of remuneration of Rs. 84,00,000/- p.a. as proposed have been cleared and approved by the Nomination & Remuneration Committee. This ceiling is on overall remuneration proposed and board will be at liberty to vary the same within this aforesaid overall ceiling.

In addition to above Salary and allowance, he will be also entitled to the following perquisites:

- (a) Gratuity payable at a rate of half month's salary for each completed year of service.
- (b) Company's contribution towards Provident Fund as per Rules of the Company, but the same shall not exceed 25% of the salary, subject to the condition that the contribution to Provident Fund and Superannuation Fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
- (c) Leave unavailed of will be allowed to be encashed at the end of the tenure as per Company's Rules.
- (d) Leave Travel Concession for self and family once a year incurred in accordance with the rules of the Company.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. I. M. Panju as a Whole Time Director for a period of 3 years commencing April 01, 2017.

## SIMMONDS MARSHALL LIMITED

### MEMORANDUM OF INTEREST

Mr. I. M. Panju is a close relative (son in law) of Mr. S. J. Marshall and (Sisters Husband) of Mr. N. S. Marshall is deemed to be concerned and interested in the resolution at Item no. 7. Except Mr. I. M. Panju, Mr. S. J. Marshall and Mr. N. S. Marshall, none of the Directors of the Company are concerned or interested in this resolution.

### ANNEXURE "A" TO THE EXPLANATORY STATEMENT

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment / re-appointment of Mr. S. J. Marshall, Mr. N. S. Marshall and Mr. I. M. Panju.

#### I. GENERAL INFORMATION:

1. Nature of Industry: The main business of the Company is manufacturing and sale of Industrial Fasteners used in Auto Industry.
2. Date or expected date of commencement of commercial production: Not Applicable, as the Company is an existing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

(₹ in lakhs)

Sr. No.	Particulars	2016-2017	2015-2016	2014-2015
1.	Gross Income	14554.88	13649.10	13552.99
2.	Profit before tax	891.04	767.67	1108.81
3.	Profit after tax	588.52	493.76	712.64
4.	Dividend paid (including tax)	67.40	67.40	67.40
5.	Rate of dividend %	25%	25%	25%

5. Foreign Investments or collaborations, if any - NIL

**II. INFORMATION ABOUT THE APPOINTEE**

(₹ in lakhs)

<b>Name of Director</b>	<b>Mr. S. J. Marshall</b>	<b>Mr. N. S. Marshall</b>	<b>Mr. I. M. Panju</b>
<b>Date of Birth</b>	October 15, 1937	March 21, 1976	February 8, 1960
<b>Date of Appointment</b>	April, 1960	July, 2003	January, 1994
<b>Brief resume of the Director</b>	Mr. S. J. Marshall is an Economics Graduate. He started his career with the Company since inception and is looking after overall activities of the Company.	Mr. N. S. Marshall is a MBA from Institute of Management Development, Lausanne, Switzerland responsible for the overall functioning of the Company including Production, Marketing, Accounts and HR	Mr. I. M. Panju is a MBA from Indiana University of Pennysilvia, USA and is responsible for the overall functioning of the Company including Production, Planning and Finance.
<b>Recognition or awards</b>	NIL	NIL	NIL
<b>Past remuneration</b>	Rs. 31.19 Lakhs p.a.	Rs. 46.75 Lakhs p.a.	Rs. 2.70 Lakhs p.a.
<b>Nature of his expertise in specific functional areas</b>	Looks after overall affairs of the Company and plays an imperative role in the progress of the Company	Looks after the overall functioning of the Company including Production, Marketing, Accounts and HR	Looks after the overall functioning of the Company including Production, Planning and Finance.
<b>Remuneration Proposed</b>	Rs. 84.00 Lakhs p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)	Rs. 84.00 Lakhs p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)	Rs. 84.00 Lakhs p.a. (This is proposed remuneration and actual will be decided from time to time within the overall ceilings by the Board.)
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	Not possible being a unique nature of the industry. However as compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.	Not possible being a unique nature of the industry. However as compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.	Not possible being a unique nature of the industry. However as compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.
<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</b>	Being promoter, he is directly related to the Company and is a close relative of Mr. N. S. Marshall and Mr. I. M. Panju	Being promoter, he is directly related to the Company and is a close relative of Mr. S. J. Marshall	Being promoter, he is directly related to the Company and is a close relative of Mr. S. J. Marshall

## SIMMONDS MARSHALL LIMITED

### III. OTHER INFORMATION:

1. Reasons of loss or inadequate profits: Because of market competition and higher overhead cost.
2. Steps taken or proposed to be taken for improvement: With steps taken by the Management of the Company, now the company makes adequate profits and expected to improve further. However the Profit was inadequate for payment of remuneration to the Executive Directors.
3. Expected increase in productivity and profits in measurable terms: The management expects about 10-15% increase in performance and profits.

### IV. DISCLOSURES:

Necessary disclosures shall be made in the Directors Report annually and Shareholders will be provided all the necessary information.

The Board recommends the resolution set forth in Item No.5, 6 & 7 subject to the approval of the Members at the ensuing Annual General Meeting

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015:

Name	Mr. S. J. Marshall	Mr. N. S. Marshall	Mr. I. M. Panju
<b>Directors Identification Number (DIN)</b>	00085682	00085754	00121748
<b>Brief resume &amp; Nature of expertise in specific functional areas</b>	Economics Graduate	MBA Expertise in Production, Marketing, Accounting and Human Resources	MBA Expertise in Production, Planning and Finance
<b>Disclosure of relationship between directors inter-se</b>	Father of Mr. N. S. Marshall Father in law of Mr. I. M. Panju	Son of Mr. S. J. Marshall	Son in law of Mr. S. J. Marshall
<b>Names of listed entities in which the person also holds the directorship</b>	1. Hindustan Hardy Spicer Ltd.	1. Ador Fontech Limited 2. Ador Multi Products Limited	1. Stewart & Mackertich Wealth Management Limited
<b>No. of Shares held in the Company</b>	15,12,965 Equity Shares	15,18,548 Equity Shares	Nil
<b>Membership &amp; Chairmanships of Committees of the Board</b>	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance

**Item No.8:**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of the M/s. Joshi Apte & Associates, Cost Accountants as the Cost Auditor, to conduct the audit of the cost records of the Company for the financial year 2017-18, at a remuneration of Rs. 200,000/- (Two Lakhs Only) (Exclusive of Taxes), subject to approval of the Members.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be approved by the Members of the Company.

Accordingly, the members are requested to approve the remuneration payable to the Cost Auditors during the financial year 2017-18 as set out in the resolution for the services to be rendered by them.

The Board recommends the resolution set out at Item No.8 of the Notice for approval of the Members by an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and the relatives of the Directors and/or are Key Managerial Personnel, are concerned or interested in the said resolution.

For and on behalf of the Board of Directors  
**SIMMONDS MARSHALL LIMITED**

**Registered Office:**  
Mumbai-Pune Road,  
Kasarwadi,  
Pune - 411 034.

**S. J. MARSHALL**  
(DIN: 00085682)  
CHAIRMAN

July 3, 2017.

## **DIRECTORS' REPORT**

To  
The Members,  
**Simmonds Marshall Limited**

Your Directors have great pleasure in presenting their 57th Annual Report together with the Audited Financial Statements, for the year ended March 31, 2017.

### **FINANCIAL HIGHLIGHTS:**

(₹ in lakhs)

<b>Particulars</b>	<b>Year ended 31.03.2017</b>	<b>Year ended 31.03.2016</b>
Total Income (net)	14554.88	13649.10
Profit before interest, depreciation and tax	1603.06	1588.11
Finance Cost	283.22	382.52
Depreciation & Amortization expenses	428.80	437.92
<b>Profit Before Tax</b>	<b>891.04</b>	<b>767.67</b>
Provision for - Current Tax	356.00	293.00
- Deferred Tax	(53.48)	(19.09)
<b>Profit After Tax</b>	<b>588.52</b>	<b>493.76</b>
<b>Add: Surplus of Previous year</b>	<b>3832.62</b>	<b>3406.26</b>
<b>Net Profit available for Appropriation</b>	<b>4421.14</b>	<b>3900.02</b>
<b>Appropriation:</b>		
Interim Dividend	0	56.00
Proposed (final) Dividend	56.00	0
Tax on Dividends	11.40	11.40
Transferred to General Reserve	0	0
<b>Surplus carried to Balance Sheet</b>	<b>4353.74</b>	<b>3832.62</b>

### **OPERATIONAL REVIEW:**

The total revenue during the year is ₹ 14554.88 Lakhs as against ₹ 13649.10 Lakhs in the previous year. The profitability is ₹ 588.52 Lakhs as against ₹ 493.76 Lakhs in the previous year.

During the year under review, the Financial Performance of the Company was affected due to Demonetization and rupee appreciation against GBP because of BREXIT.

### **DIVIDEND:**

Your Directors have pleasure in recommending, for approval of the Members, at its 57th Annual General Meeting, a Dividend of ₹ 0.50/- per share i.e. 25% for the year ended March 31, 2017. If approved at the forthcoming Annual General Meeting, it will result in an outflow of ₹ 56.00 Lakhs to the Members of the Company, coupled with ₹ 11.40 Lakhs as Dividend Distribution Tax.

The Company has not transferred any amount to General Reserve during the financial year.

**SHARE CAPITAL OF THE COMPANY:**

The Paid up Equity Share Capital, as at March 31, 2017 was ₹ 2,24,00,000/- divided into 1,12,00,000 Equity Shares, having face value of ₹ 2/- each fully paid up. During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock neither options nor sweat equity.

**SUBSIDIARIES & ASSOCIATE COMPANIES:**

The Company does not have any subsidiary but has an Associate Company, Formex Private Limited. Further, a statement containing the salient features of the Financial Statement of our Associate Company in the prescribed format AOC-1 is appended as Annexure 'A'.

**RESEARCH & DEVELOPMENT:**

The R&D Department of the Company has been arduously working to provide quality and value for money to the customer in keeping with market trends.

**EXPORTS:**

During the year under review, the Company exported goods worth F.O.B. ₹ 1381.75 Lakhs against ₹ 1651.64 Lakhs in the previous year. The Export of the Company has been affected by the appreciation of Rupee against GBP because of BREXIT.

**BOARD OF DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of the Company, Mr. I. M. Panju, Whole Time Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. S. J. Marshall as Chairman and Whole-time Director, Mr. N. S. Marshall as Managing Director and Mr. I. M. Panju as Whole Time Director.

Mr. C. B. Bambawale, Independent Director has resigned from the company w.e.f. 25th May, 2017.

All Independent Directors have given declarations that they meet criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 of the Companies Act, 2013, the Directors confirm:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) that 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 and of the profit and loss of the company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

## SIMMONDS MARSHALL LIMITED

- iv. the Directors had prepared the annual accounts on a going concern basis;
- v. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. 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.

### KEY MANAGERIAL PERSONNEL:

The Company is having the following persons as the Key Managerial Personnel.

Sr. No.	Name of the Person	Designation
1.	Mr. S. J. Marshall	Chairman and Whole-time Director
2.	Mr. N. S. Marshall	Managing Director
3.	Mr. I. M. Panju	Whole time Director
4.	Mr. N.D. Bharucha (Upto August 10, 2016)	Chief Financial Officer
5.	Mr. Vikash Verma (W.e.f August 11, 2016)	Chief Financial Officer
6.	Ms. Nidhi Sharda (Upto June 30, 2016)	Company Secretary
7.	Mr. Nirmal Gupta (W.e.f July 1, 2016)	Company Secretary

### ANNUAL PERFORMANCE EVALUATION:

The Board of Directors carried out an annual evaluation of its own performance, committees and individual directors pursuant to the provisions of the Act and as prescribed by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of the criteria as under:

- Board composition and structure
- Effectiveness of Board processes, information and functioning

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as:

- Composition of committees
- Effectiveness of committee meetings
- Achievements during the year based on their duties
- Reviewing the terms of reference of the committees

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as;

- Contribution of the director to the Board's strategic thinking
- Leadership and commitment of the director
- Participation in Board and Committee meetings
- Communication and interpersonal skills of the director
- Ethical issues and dilemmas faced by the director
- Relationship of the director with the senior management.

In addition, the Chairman was also evaluated on the key aspects of his role.

Performance evaluation of Independent directors was done by the entire Board, excluding the independent director being evaluated.

**Evaluation criteria for Independent Directors**

- Role & Accountability**
- Understanding of nature and role of independent directors' position
  - Understanding of risks associated with the business
  - Application of knowledge for rendering advice to Management for resolution of business issues
  - Active engagement with the Management and attentiveness to progress of decisions taken
- Objectivity**
- Own recommendations given professionally without tending to majority views
- Leadership & Initiative**
- Heading Board Sub Committees
  - Leading the functions of the Committees based on knowledge and experience
- Personal attributes**
- Commitment to role & fiduciary responsibilities as a board member
  - Attendance and active participation and not done perfunctorily
  - Proactive and strategic thinking

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

The details of the number of meetings of the Board held during the Financial Year 2016-17 forms a part of the Corporate Governance Report.

**COMMITTEES OF BOARD OF DIRECTORS:**

As on March 31, 2017, the Company has in place the following Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Shareholders Relationship Committee
- Corporate Social Responsibility Committee

Details of the Committees of the Board of Directors and meetings held during the year under review are provided separately in the Corporate Governance Report, which forms part of this Annual Report.

**REMUNERATION POLICY:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria for selection and appointment of Board Members. The details of the policy are explained in the Corporate Governance Report.

**RISK MANAGEMENT POLICY:**

Company has a Risk Management Policy with the Objective to formalize the process of Identification of Potential risk and adopt appropriate risk mitigation measures through a risk management structure. The Policy is a step by the Company towards strengthening the existing internal controls and updating the same as may be required from time to time.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a Vigil Mechanism / Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism / Whistle Blower policy has been posted on the website of the Company ([www.simmondsmarshall.com](http://www.simmondsmarshall.com))

### **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further, there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

All related party transactions are placed before the Audit Committee and also before the Board for their approval in accordance with the Policy on Related Party Transactions formulated by the Board of Directors of the Company and has been posted on the website of the Company ([www.simmondsmarshall.com](http://www.simmondsmarshall.com)). Omnibus approval was obtained from the Audit Committee for transactions which were of repetitive nature with monitoring and review on quarterly basis.

### **DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

There is no loan given, guarantee given or security provided by the Company to any entity covered under Section 186 of Companies Act, 2013. However, the Company has made investment in entity covered under Section 186 of Companies Act, 2013.

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company has in place a "Corporate Social Responsibility" (CSR) Committee. As part of its initiatives under CSR, the company has contributed funds for the schemes of eradicating hunger and poverty, promotion of education and medical aid.

The Annual Report on CSR activities is annexed herewith as: **Annexure 'B'**.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators or Courts that would impact the going status of the Company and its future operations.

### **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure 'C'** and forms an integral part of this Report.

### **DEPOSITORY SERVICES:**

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. NE657D01021.

Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

### **CODE OF CONDUCT:**

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has

implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code made in accordance with the requirements of SEBI (LODR) Regulations, 2015 has been posted on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com).

All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

**APPOINTMENT OF STATUTORY AUDITORS:**

Your Board proposes to appoint M/s. Lodha & Co., Chartered Accountants, Mumbai (Firm Registration No. 301051E with the Institute of Chartered Accountants of India) in place of M/s. SHR & Co., Chartered Accountants, the retiring Auditors, to hold office from the conclusion of the ensuing AGM until the conclusion of the 62nd AGM to be held in 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM). As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. Lodha & Co., Chartered Accountants that their appointment, if made, would be in conformity with the limits specified in the said Section.

**COST AUDIT:**

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company has been carrying out audit of the cost records of the Company every year.

The Board of Directors, on the recommendation of the Audit Committee, have appointed M/s. Joshi Apte & Associates, Cost Accountants as the Cost Auditors to audit the accounts of the Company for the Financial Year 2017-18 at a remuneration of Rs. 2,00,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

**SECRETARIAL AUDIT:**

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed M/s. GMJ & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure 'D'** and forms an integral part to this Report.

**AUDITOR'S / SECRETARIAL AUDITOR'S OBSERVATIONS:**

The observations of the Auditors contained in their Report have been adequately dealt with in the Notes to the Accounts which are self-explanatory and, therefore, do not call for any further comments.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board /and to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:**

The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (LODR) Regulation, 2015.

### **PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure 'E'** to this Report.

### **SEXUAL HARASSMENT:**

The Company has constituted an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. During the year under review, no complaints were reported.

### **ENVIRONMENT AND SAFETY:**

The Company is aware of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources at the Plant.

### **PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure F & G** to this Report.

### **LISTING:**

The Company's Shares are listed on BSE Limited, Mumbai.

### **APPRECIATION:**

Your Directors would like to express their sincere appreciation to the Company's Shareholders, Vendors and Stakeholders including Banks, Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors also wish to place on record their appreciation for impressive growth achieved through the competence, hard work, solidarity, cooperation and support of employees at all levels.

For and on behalf of the Board of Directors  
**SIMMONDS MARSHALL LIMITED**

**Registered Office:**  
Mumbai-Pune Road,  
Kasarwadi,  
Pune - 411 034.

**S. J. MARSHALL**  
(DIN: 00085682)  
CHAIRMAN

July 3, 2017.

## ANNEXURE 'A' TO THE BOARDS REPORT 2016-17

**Form AOC-1**

Part "A": Subsidiaries – Not Applicable

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	Formex Private Limited*
1. Latest audited Balance Sheet Date	31st March 2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
- No.	131051
- Amount of Investment in Associates/Joint Venture	₹ 11.79 lakhs
- Extend of Holding %	49 %
3. Description of how there is significant influence	By virtue of Holdings being 20% or more
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	- 1.10 lakhs
6. Profit/Loss for the year	
i. Considered in Consolidation	₹ 3.57 lakhs
ii. Not Considered in Consolidation	-

\* Considered on the basis of audited financial statements/ details

As per our report attached of even date

For S H R &amp; CO

Chartered Accountants

FRN: 120491W

Deep N Shroff

Partner

M. No. 122592

Mumbai, July 03, 2017

For and on behalf of the Board

S J MARSHALL

Chairman

N S MARSHALL

VIKASH VERMA

NIRMAL GUPTA

Managing Director

Chief Financial Officer

Company Secretary

**ANNEXURE 'B' TO THE BOARDS REPORT 2016-17**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Board of Directors of Simmonds Marshall Limited., after taking into account the recommendations of the CSR Committee, has approved this CSR Policy for the company. As required under section 135(4) of the Companies Act, 2013, this policy is uploaded on the company's website.

The Company has been focusing predominantly in the area of education.

Apart from education, Simmonds is also involved, in a small way, in addressing the issue of Medical Aid and Poverty Relief to the economically backward and underprivileged society.

2. The Composition of the CSR Committee.

(I) Mr. S.C. Saran

(II) Mr. C.B. Bambawale

(III) Mrs. Amrita Chowdhury

3. Average net profit of the company for last three financial years ₹ 856.49 lakhs.
4. Prescribed CSRExpenditure (two percent of the amount as in item3 above) ₹ 17.13 lakhs
5. Details of CSR spent during the financial year 2016-17.
  - (a) Total amount to be spent for the financial year; ₹ 27.59 lakhs (including ₹ 10.46 lakhs unspent in previous year)
  - (b) Amount unspent, if any; ₹ 2.59 lakhs. (Justification given herein under)

(c) Manner in which the amount spent during the financial year is detailed below.

₹ in Lakhs

1.	2.	3.	4.	5.	6.	7.	8.
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1.	Various	Education	Maharashtra	6.00	3.11	3.11	Marshall Charitable Foundation
2.	Various	Medical Aid	Maharashtra	20.00	20.48	23.59	Marshall Charitable Foundation
3.	Various	Poverty Relief	Maharashtra	2.00	1.41	25	Marshall Charitable Foundation
	Total			28	25	25	

6. The Board of Directors has constituted a Corporate Social Responsibility Committee comprising Mr. C. B. Bambawale, Mr. S.C. Saran and Mrs. Amrita Chowdhury. Mr. S. C. Saran is the Chairman of this Committee.

The Company intends to undertake projects, in accordance with Schedule VII of the Companies Act, 2013 as a part of its initiatives under CSR. In this regard, the Board has approved a CSR policy for implementation by the Committee.

The Company was required to spend a sum of ₹ 27.59 lakhs (including ₹ 10.46 unspent for previous year ended 31st March 2016) by March 31, 2017 towards activities as stipulated under Schedule VII of the Companies Act, 2013. As the Committee is in the process of identifying new appropriate NGO other than above mentioned sectors, the committee has decided to spend remaining 2.59 lakhs (i.e. unspent amount) in upcoming years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR committee confirms that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of the company.

**S. J. Marshall**  
(Chairman)

**S. C. Saran**  
(Chairman CSR Committee)

**ANNEXURE 'C' TO THE BOARDS REPORT 2016-17**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31-03-2017

[Pursuant to Section 92(3) of the Companies act, 2013 read with

[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

**A. REGISTRATION AND OTHER DETAILS:**

<b>CIN:</b>	L29299PN1960PLC011645
<b>Registration Date:</b>	16/04/1960
<b>Name of the Company:</b>	Simmonds Marshall Limited
<b>Category Sub-Category of the Company:</b>	Public Limited Company non-Government Company
<b>Address of the Registered office and contact details:</b>	Mumbai-Pune Road, Kasarwadi, Pune - 411034 Tel No. (91-020) 30782150 Fax No. (91-020) 30782195 E-mail: secretarial@simmondsmarshall.com Website: www.simmondsmarshall.com
<b>Whether listed company:</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any:</b>	M/s. Sharex Dynamic (India) Pvt Ltd. Unit No.1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072. Tel: 022 2851 5606 / 2851 5644 Email: sharexindia@vsnl.com"

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
a.	Nyloc Self Locking Nuts	25991	100%

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
a.	Formex Private Limited	U29254PN1986PTC039849	Associate	49%
b.	Stud India (Partnership Firm)	Not Applicable	Subsidiary	99%

**D. SHARE HOLDING PATTERN**

**i) Category/wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2016				No. of Shares held at the end of the year 31-03-2017				Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a) individual	6074758	0	6074758	54.239	6126758	0	6126758	54.703	0.464
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	200800	0	200800	1.793	200800	0	200800	1.793	0
(e) FIINS / BANKS	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>6275558</b>	<b>0</b>	<b>6275558</b>	<b>56.032</b>	<b>6327558</b>	<b>0</b>	<b>6327558</b>	<b>56.496</b>	<b>0.464</b>
<b>(2). FOREIGN</b>									
(a) Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any Other Specify	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6275558</b>	<b>0</b>	<b>6275558</b>	<b>56.032</b>	<b>6327558</b>	<b>0</b>	<b>6327558</b>	<b>56.496</b>	<b>0.464</b>
<b>(B) (1) PUBLIC SHAREHOLDING</b>									
(a) Mutual Funds	214942	0	214942	1.919	0	0	0	0	-1.919
(b) Banks / FI	0	500	500	0.004	0	500	500	0.004	0.000
(c) Central Govt.	0	0	0	0	0	0	0	0	0.000
(d) State Govt.	0	0	0	0	0	0	0	0	0.000
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.000

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(f) Insurance Companies	0	0	0	0	0	0	0	0	0.000
(g) FIs	0	0	0	0	0	0	0	0	0.000
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(l) Others (specify)	0	0	0	0	0	0	0	0	0.000
<b>Sub-total (B)(1):-</b>	<b>214942</b>	<b>500</b>	<b>215442</b>	<b>1.923</b>	<b>0</b>	<b>500</b>	<b>500</b>	<b>0.004</b>	<b>-1.919</b>
<b>2. Non-Institutions</b>									
<b>(a) BODIES CORP.</b>									
(i) Indian	803822	19000	822822	7.347	826103	19000	845103	7.546	0.199
(ii) Overseas	0	0	0	0	0	0	0	0	0.000
<b>(b). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2711355	638830	3350185	29.912	2728515	620330	3348845	29.900	-0.012
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	384193	0	384193	3.430	324671	0	324671	2.899	-0.531
<b>(c) Other (specify)</b>									
Non Resident Indians	106773	500	107273	0.958	82355	500	82855	0.74	-0.218
Overseas Corporate Bodies	0	0	0	0	218973	0	218973	1.955	1.955
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	44527	0	44527	0.398	51495	0	51495	0.46	0.062
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>4050670</b>	<b>658330</b>	<b>4709000</b>	<b>42.045</b>	<b>4232112</b>	<b>639830</b>	<b>4871942</b>	<b>43.5</b>	<b>1.455</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>4265612</b>	<b>658830</b>	<b>4924442</b>	<b>43.968</b>	<b>4232112</b>	<b>640330</b>	<b>4872442</b>	<b>43.504</b>	<b>-0.464</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>10541170</b>	<b>658830</b>	<b>11200000</b>	<b>100.00</b>	<b>10559670</b>	<b>640330</b>	<b>11200000</b>	<b>100.00</b>	<b>0</b>

<b>(ii) Shareholding of Promoters</b>								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% changes in share holding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	MAKI SHIAMAK MARSHALL	1640435	14.647	0	1667435	14.888	0	0.241
2	NAVROZE SHIAMAK MARSHALL	1493548	13.335	0	1518548	13.558	0	0.223
3	SHIAMAK J MARSHALL	1512965	13.509	0	1512965	13.509	0	0
4	KAMAL IMRAN PANJU	717155	6.403	0	717155	6.403	0	0
5	KAYAN J PANDOLE	710655	6.345	0	710655	6.345	0	0
6	JJI MARSHALL TRADING COMPANY PRIVATE LIMITED.	155800	1.391	0	155800	1.391	0	0
7	DIAMTOOLS PVT.LTD.	45000	0.402	0	45000	0.402	0	0

<b>(iii) Change in Promoters' Shareholding (please specify, if there is no change)</b>								
Sr. No	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in share-holding	Reason	No. of shares	
1.	MAKI SHIAMAK MARSHALL	1640435	14.647	01-04-2016	0		0	0
		0	0	17-06-2016	10000	Buy	1650435	14.736
		0	0	30-06-2016	1517	Buy	1651952	14.750
		0	0	15-07-2016	8483	Buy	1660435	14.825
		0	0	09-12-2016	7000	Buy	1667435	14.888
	-Closing Balance			31-03-2017	0		1667435	14.888
2.	NAVROZE SHIAMAK MARSHALL	1493548	13.335	01-04-2016	0		0	0
		0	0	17-06-2016	1000	Buy	1494548	13.344
		0	0	24-06-2016	1815	Buy	1496363	13.360
		0	0	30-06-2016	7185	Buy	1503548	13.425
		0	0	09-12-2016	15000	Buy	1518548	13.558
	-Closing Balance	0	0	31-03-2017	0		1518548	13.558

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(iv) Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):								
Sr. No	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing / De-creasing in share-holding	Reason	No. of shares	% of total Shares of the company
1.	Clover Technologies Pvt Ltd.	539887	4.82	01-04-2016	0		0	0
		0	0	22-04-2016	7976	Buy	547863	4.892
		0	0	12-08-2016	6983	Buy	554846	4.954
		0	0	19-08-2016	53267	Buy	608113	5.430
		0	0	26-08-2016	29839	Buy	637952	5.696
		0	0	11-11-2016	-5000	Sold	632952	5.651
		0	0	18-11-2016	-30401	Sold	602551	5.380
		0	0	25-11-2016	4289	Buy	606840	5.418
		0	0	02-12-2016	-8282	Sold	598558	5.344
		0	0	16-12-2016	-1724	Sold	596834	5.329
		0	0	03-02-2017	2534	Buy	599368	5.351
		0	0	10-02-2017	1	Buy	599369	5.352
		0	0	17-02-2017	20000	Buy	619369	5.530
	-Closing Balance	0	0	31-03-2017	0		619369	5.530
2.	SBI PIPE FUND - 1	214942	1.919	01-04-2016	0		0	0
		0	0	08-04-2016	4031	Buy	218973	1.955
	-Closing Balance	0	0	31-03-2017	0		218973	1.955
3.	BOMSI WADIA	105000	0.938	01-04-2016	0		0	0
	-Closing Balance	0	0	31-03-2017	0	No Change	105000	0.938
4.	HAFEEZ SORAB CONTRACTOR	100000	0.893	01-04-2016	0	0	0	0
	-Closing Balance	0	0	31-03-2017	0	No Change	100000	0.893
5.	RASHNE BURJOR DUBASH	56133	0.501	01-04-2016	0		0	0
		0	0	20-05-2016	10000	Buy	66133	0.590
	-Closing Balance	0	0	31-03-2017	0	0	66133	0.590
6.	BHARAT BHAWANJI GADA	15000	0.134	01-04-2016	0	0	0	0
		0	0	20-05-2016	6020	Buy	21020	0.188
		0	0	27-05-2016	5000	Buy	26020	0.232
		0	0	17-06-2016	1484	Buy	27504	0.246
		0	0	12-08-2016	15000	Buy	42504	0.380
		0	0	30-09-2016	10000	Buy	52504	0.469

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		0	0	11-11-2016	4034	Buy	56538	0.505
		0	0	10-03-2017	-2000	Sold	54538	0.487
	-Closing Balance	0	0	31-03-2017	-1000	Sold	53538	0.478
7.	CYRUS JAMSHED GUZDER	13973	0.125	23-09-2016	0			
		0	0	30-09-2016	7710	Buy	21683	0.194
		0	0	07-10-2016	10687	Buy	32370	0.289
		0	0	21-10-2016	5295	Buy	37665	0.336
		0	0	25-11-2016	7000	Buy	44665	0.399
		0	0	02-12-2016	5335	Buy	50000	0.446
	-Closing Balance	0	0	31-03-2017	0		50000	0.446
8.	APARNAA SAREES PVT LTD	2000	0.018	01-04-2016	0		0	0
		0	0	08-07-2016	2000	Buy	4000	0.036
		0	0	09-09-2016	110	Buy	4110	0.037
		0	0	16-09-2016	2000	Buy	6110	0.055
		0	0	21-10-2016	1890	Buy	8000	0.071
		0	0	28-10-2016	12817	Buy	20817	0.186
		0	0	04-11-2016	5000	Buy	25817	0.231
		0	0	11-11-2016	12976	Buy	38793	0.346
		0	0	18-11-2016	9083	Buy	47876	0.427
		0	0	25-11-2016	4031	Buy	51907	0.463
		0	0	02-12-2016	4252	Buy	56159	0.501
		0	0	10-02-2017	-5622	Sold	50537	0.451
		0	0	17-03-2017	2175	Buy	52712	0.471
		0	0	24-03-2017	7840	Buy	60552	0.541
	-Closing Balance	0	0	31-03-2017	-11129	Sold	49423	0.441
9.	RACHANA ANKIT VAKHARIA	53528	0.478	01-04-2016	0		0	0
		0	0	15-04-2016	2000	Buy	55528	0.496
		0	0	29-04-2016	1000	Buy	56528	0.505
		0	0	25-11-2016	-8250	Sold	48278	0.431
		0	0	02-12-2016	-28	Sold	48250	0.431
	-Closing Balance			31-03-2017	0		48250	0.431
10.	BHARAT BHAWANJI GADA (H.U.F)	44806	0.400	01-04-2016		0	0	0
	-Closing Balance	0	0	31-03-2017	No Change	44806	0.400	0.400

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11.	SURESH DINDAYAL KHATRI	40080	0.358	01-04-2016		0	0	0
	-Closing Balance	0	0	31-03-2017	No Change	40080	0.358	0.358
12.	ARC MARITIME PVT. LTD.	100841	0.900	01-04-2016		0	0	0
		0	0	21-10-2016	-6145	Sold	94696	0.846
		0	0	28-10-2016	-60826	Sold	33870	0.302
	-Closing Balance	0	0	04-11-2016	-33870	Sold	0	0
13.	JASON JOSEPH FERNANDES	69532	0.621	01-04-2016		0	0	0
	-Closing Balance	0	0	15-04-2016	-69532	Sold	0	0

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing /De-creasing in share-holding	Reason	No. of shares	% of total Shares of the company
1	C B BAMBAWALE	10	0	01-04-2016			0	0
	-Closing Balance	0	0	31-03-2017		No Change	10	0

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	984.89	617.00	0	1601.89
ii) Interest due but not paid	4.63	0	0	4.63
iii) Interest accrued but not due	3.47	0	0	3.47
Total (i+ii+iii)	992.99	617.00	0	1609.99
Change in Indebtedness during the financial year				
• Addition	88.95	0	0	88.95
• Reduction	0	44.00	0	44.00
Net Change	88.95	44.00	0	44.95
Indebtedness at the end of the financial year				
i) Principal Amount	1072.79	573.00	0	1645.79
ii) Interest due but not paid	6.53		0	6.53
iii) Interest accrued but not	2.62		0	2.62
Total (i+ii+iii)	1081.94	573.00	0	1654.94

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ in lakhs

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		CHAIRMAN	MANAGING DIRECTOR	WHOLETIME DIRECTOR	
		S. J. MARSHALL	N. S. MARSHALL	I. M. PANJU	
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.19	41.75	2.70	70.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	5.00	5.00	0	10.00
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total (A)	31.19	46.75	2.70	80.64
	Ceiling as per the Act	84.00	84.00	84.00	252.00

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors Manager				Total Amount
		C. B. BAMBAWALE	F. K. BANATWALLA	S. C. SARAN	A. V. CHOWDHARY	
1	Independent Directors					
	• Fee for attending board / committee meetings	0.09	0.16	0.19	0.19	0.63
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>0.09</b>	<b>0.16</b>	<b>0.19</b>	<b>0.19</b>	<b>0.63</b>
2.	Other Non-Executive Directors	0	0	0	0	0
	• Fee for attending board / committee meetings	0	0	0	0	0
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	<b>Total (B)=(1+2)</b>	<b>0.09</b>	<b>0.16</b>	<b>0.19</b>	<b>0.19</b>	<b>0.63</b>
	<b>Total Managerial Remuneration</b>	<b>0.09</b>	<b>0.16</b>	<b>0.19</b>	<b>0.19</b>	<b>0.63</b>
	<b>Overall Ceiling as per the Act</b>	Not Applicable				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CFO		Company Secretary		
		N.D. Bharucha (Upto August 10, 2016)	Vikash Verma (w.e.f August 11, 2016)	Nidhi Sharda (Upto June 30, 2016)	Nirmal Gupta (w.e.f July 1, 2016)	
1.	Gross salary	4.21	17.22	0.45	1.58	23.46
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0	0
2.	Stock Option	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0
4.	Commission- as % of profit- others, specify...	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	<b>Total</b>	<b>4.21</b>	<b>17.22</b>	<b>0.45</b>	<b>1.58</b>	<b>23.46</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
Penalty					
Punishment			NOT APPLICABLE		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NOT APPLICABLE		
Compounding					

**ANNEXURE 'D' TO THE BOARDS REPORT 2016-17**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Members,  
**SIMMONDS MARSHALL LIMITED**  
Mumbai - Pune Road,  
Kasarwadi,  
Pune - 411034

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SIMMONDS MARSHALL 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- (iv) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
  - (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the period of audit].

- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit].
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the period of audit].
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; [Not applicable during the period of audit].
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: [Not applicable during the period of audit].
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable during the period of audit].
- v. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

Further, considering the nature of its business, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

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

We report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

We further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

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. There is no change in the composition of the Board of Directors during the period under review.

Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of the decisions being carried through were captured and recorded as part of the minutes.

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

**For GMJ & ASSOCIATES**  
Company Secretaries

[MAHESH SONI]  
PARTNER  
FCS: 3706; COP: 2324

PLACE: MUMBAI  
DATE: JULY 3, 2017

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

## **ANNEXURE - I**

To,  
The Members,  
**SIMMONDS MARSHALL LIMITED**  
Mumbai - Pune Road,  
Kasarwadi,  
Pune - 411034

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

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

For **GMJ & ASSOCIATES**  
Company Secretaries

[MAHESH SONI]  
PARTNER  
FCS: 3706; COP: 2324

PLACE: MUMBAI  
DATE: JULY 3, 2017

**ANNEXURE 'E' TO THE BOARDS REPORT 2016-17**

Efficient use of energy in all form has been a consistent corporate trust in the Company. Better maintenance of equipments, improved operating practice and installation of most modern machinery has resulted in lot of saving in energy cost and consumption of raw materials.

**A. CONSERVATION OF ENERGY:**

The Company is consistently doing research in the field of saving energy by implementing new cost-effective ideas. Form for disclosure of particulars with respect of Consumption of Energy is enclosed herewith.

	Units	Current Year	Previous Year
a. Power & Fuel Consumption			
Electricity – Purchased			
Unit (KWH)	Units	29.33	22.72
Total Amount	In Rs.	258.98	227.09
Average Rate	per unit	8.56	8.33
b. Consumption per unit of production		526.09	539.27
Electricity (KWH)/Tonne			

**B. TECHNOLOGY ABSORPTION:**

(a) Research & Development

The Research & Development department of the Company has been arduously working to provide quality and value for money to the customer in keeping with market trends. Research and Development is being carried out in the following areas.

- Making design modifications in the products so as to simplify the manufacturing process and enhance productivity.
- Improvements to tool design.
- Upgradation of machines.
- Design and development of special machines required for increasing capacity.
- Development of equipment required for testing product reliability at various stages.

(b) Technology absorption, adaptation and innovation.

Innovation and adaption of number of processes for manufacture of nuts is done to suit Original Equipment Manufacturer's requirements in the Automobile sector. Methods of manufacture and productivity improvement are an on-going process.

**C. FOREIGN EXCHANGE EARNED AND USED:**

The particulars regarding foreign exchange earnings and expenditure appear at note nos. 40 and 41 to the accounts.

**ANNEXURE 'F' TO THE BOARDS REPORT 2016-17**

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH THE RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

Sr. No.	Requirements	Disclosure	
		Name of the Director	Ratio
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Mr. S. J. Marshall	9.32x
		Mr. N. S. Marshall	13.83x
		Mr. I. M. Panju	0.94x
		1. The median remuneration of employees of the Company was ₹. 3.45 lakhs. 2. For this purpose, Sitting fees paid to the Directors have not been considered as remuneration. 3. Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year.	<b>Director</b>	
		Mr. S. J. Marshall	8.64%
		Mr. N. S. Marshall	8%
		Mr. I. M. Panju	-
		KMP	
		# Mr. N. D. Bharucha (Upto (August 10, 2016)	N.A.
		# Mr. Vikash Verma (w.e.f. August 11, 2016)	N.A.
		# Ms. Nidhi Sharda (Upto June 30, 2016)	N.A.
		# Ms. Nidhi Darak (w.e.f. July 1, 2016)	N.A.
* Increase in remuneration is made as per appraisal system and Remuneration and Nomination Policy of the Company. # Not Applicable, because employed for part of the year.			
3.	The percentage increase in the median remuneration of employees in the financial year.	During FY 2016-17, the percentage increase in the median remuneration of employees as compared to previous year was approximately 5.00%.	
4.	The number of permanent employees on the rolls of company.	There were 339 employees as on March 31, 2017.	
5.	The explanation on the relationship between average increase in remuneration and company performance.	Average increase in remuneration of all employees was 7.00% for the year 2016-17 which is partly based on the performance of the company and partly based on the individual employee's performance. The total profit after tax for the year 2016-17 is ₹ 588.52 lakhs as against ₹ 493.76 lakhs in 2015-16.  Further Factors considered while recommending increase in compensation are: 1. Financial performance of the company. 2. Comparison with peer companies. 3. Industry Bench marking. 4. Contribution made by the employee. 5. Regulatory guidelines as applicable to Managerial Personnel.	

## SIMMONDS MARSHALL LIMITED

6.	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company.	Average increase in remuneration of Key Managerial Personnel was 8% for the year 2016-17 which is partly based on the performance of the company and partly on individual performance.		
7.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies.	The market capitalization of the company has increased from ₹ 74.93 crores as on March 31, 2016 to ₹105.72 crores as on March 31, 2017. Over the same period, the price to earnings ratio moved from 15.17 to 17.75. The company made last public offer in April 1994 at a price of Rs.10/- each equity share issued at par.		
8.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 7% for employees other than Managerial Personnel and 8% for the Managerial Personnel.		
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	Key Managerial Personnel	Increase / (Decrease) in Remuneration	Performance of Company
		Chairman	₹ 2.38 lakhs	Increase in Profit after tax by ₹ 140.81 lakhs
		Managing Director	₹ 3.80 lakhs	
		Whole Time Director	-	
		*CFO	-	
*CFO has been changed during the financial year. Therefore figures are not comparable.				
10.	The key parameters for any variable component of remuneration availed by the directors.	Mr. S. J. Marshall, Chairman and Mr. N. S. Marshall, Managing Director are paid commission as per the Remuneration and Nomination Policy of the company.		
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	This is not applicable to the company.		
12.	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, it is confirmed.		

**ANNEXURE 'G' TO THE BOARDS REPORT 2016-17**

**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH THE RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2017.**

- (a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than ₹ 1,02,00,000/- : Nil
- (b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than ₹ 8,50,000/- per month : Nil
- (c) The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 : N.A.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW:**

The main business of the Company is manufacturing and sale of Industrial Fasteners used in Auto Industry, railways, white goods, farm equipment amongst others.

### **OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:**

The domestic market continued to be affected by demonetization, macro economic problems, poor monsoon, high inflation, high petroleum product prices, high interest rates and poor consumer sentiments. Volatility in foreign exchange rates due to Rupee appreciation against GBP because of BREXIT. In spite of all this, your company was able to sustain its market share and top line.

### **EXPORTS:**

The Company is fast consolidating its resources to build a significant market presence in the international arena. Exports during the year stood at ₹ 1381.75 Lakhs and we are expecting an impressive increase in current year.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Internal Control Systems are designed to ensure the reliability of financial and other records and accountability of executive action to the management's authorization. The internal control systems are reviewed by the top management and by the audit committee of the board and proper follow up action is ensured wherever required. Regular audit committee meetings are held where statutory auditors as well as internal auditors participate and internal audit reports are discussed and reviewed. The internal audit of the transactions of the Company is carried out and the company is planning to enlarge the scope of work of the internal auditors.

### **FINANCIAL AND OPERATIONAL PERFORMANCE:**

During the year under review, the Company has achieved the sales and other income of ₹ 14554.88 Lakhs as against the sales and other income of ₹ 13649.10 Lakhs in the previous year. The Company has earned net profit before tax of ₹ 891.04 Lakhs during the year as against the net profit before tax of ₹ 767.67 Lakhs in the previous year.

### **HUMAN RESOURCES:**

Development of skills and updating of knowledge are essential for continuous growth of any organization.

Your Company considers human resources as a key asset. Therefore, your Company not only implemented many in house training programs but also sent selected employees to suitable outside programs to keep them appraised of the latest developments in the industry and economy.

### **CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

## REPORT ON CORPORATE GOVERNANCE:

In accordance with the SEBI (LODR) Regulations, 2015 (Listing Regulations) on Corporate Governance, the Report containing the details is as under:

### 1. CORPORATE GOVERNANCE AND STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Simmonds Marshall Limited ("the Company") is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the Company's Governance process include independence, integrity, accountability, transparency, responsibility and fairness.

Simmonds Marshall Limited is focused towards its vision of:

- Inspiring, nurturing and empowering the next generation of professionals.
- Achieving continuous improvements through innovation and state of the art technology.
- Committing to highest standards in health, safety, security and environment.

The Corporate Governance structure specifies the distribution of rights, responsibilities and powers among different participants in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are preceded ahead after approval of the Board.

The Company is committed to enhance shareholders value in the fair and transparent manner and has been in the forefront for bench marking itself with the best business practices globally.

Strong Governance has indeed helped the Company to deliver wealth to its shareholders in the form of uninterrupted dividends.

### 2. BOARD OF DIRECTORS:

As on March 31, 2017 the structure of the Board of the Company maintained an optimum mix of Executive, Non- Executive and Independent Directors and the same is in conformity with the Listing Regulations. The Board's current strength is 7 members, who are eminent personalities from various walks of life having rich experience in the field of marketing, finance, industry, business and management.

Besides the Chairman, who is an Executive Promoter Director, the Board comprises of 2 Executive Directors and 4 Non-Executive Independent Directors.

The details of Composition of the Board, Category, Attendance of Directors at the Board Meetings and last Annual General Meeting, number of the other directorships and other Committee memberships are given below:

## SIMMONDS MARSHALL LIMITED

**Table 1: Composition of the Board of Directors as on March 31, 2017:**

The details of composition of the Board, category, attendance of Directors at Board Meetings during financial year and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Sr No.	Name of Director	Category	No. of Board Meeting attended	Attendance at last AGM	No. of other companies in which directorships is held		No. of outside committee position held	
					Public	Private	Member	Chairman
1.	Mr. S. J. Marshall	Promoter Executive/ Chairman	4	Yes	1	7	-	-
2.	Mr. N. S. Marshall	Promoter Executive / Managing Director	4	Yes	2	9	1	-
3.	Mr. I. M. Panju	Executive/ Whole Time Director	4	No	-	4	-	-
4.	Mr. S. C. Saran	Non Executive Independent	4	No	4	2	1	-
5.	Mr. C. B. Bambawale	Non Executive Independent	3	No	-	-	-	-
6.	Mr. F. K. Banatwalla	Non Executive Independent	3	Yes	2	13	2	2
7.	Mrs. A. V. Chowdhury	Non Executive Independent	2	No	-	3	-	-

### Relationships between Directors inter-se

Mr. S. J. Marshall is related to Mr. N. S. Marshall as father and to Mr. I. M. Panju as father-in-law. None of the other Directors except as aforementioned are related to each other.

### Shareholding of Non- Executive Independent Directors

The shareholding in the Company by the Non-Executive Independent Directors in their own name is Nil, except Mr. C. B. Bambawale who holds 10 Shares of the Company in his own capacity.

### **Number of Board Meetings**

The Board meets at regular intervals to discuss and decide on various issues, including strategy related matters pertaining to the business of the Company. The tentative calendar of Board Meetings is circulated to the Directors in advance to facilitate them and to ensure their active participation at the Meetings of the Company. Apart from this, the approval of the Board is obtained through Circulation of Resolution to all the Directors in case some urgent/special situation arises. Such Circular Resolution is also confirmed at the next Board Meeting.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the Meeting of the Board.

The Board of Directors met 4 (Four) times during the Financial Year i.e. May 23, 2016, August 11, 2016, November 7, 2016 and February 10, 2017.

The Company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than 120 days, as stipulated in Regulation 17(2) of the Listing Regulations.

As mandated by Regulation 26 of the Listing Regulations, none of the Directors are members of more than 10 Board level committees, nor are they Chairman of more than 5 committees in which they are members of such committees.

**INFORMATION SUPPLIED TO BOARD:**

The Board has complete access to all information with the Company.

All Board meetings are governed by a structured agenda which is backed by comprehensive background information. Inter-alia, the following information is regularly provided to the Board, as part of the agenda papers well in advance of the Board meetings, or is tabled in the course of the Board meeting:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement
- Any transactions that involves substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer etc.

The Board has an effective post meeting follow up procedure. The Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board.

The Board has established procedures to enable the Board to periodically review Compliance reports of all laws applicable to the Company, prepared by the Company, as well as steps taken by the Company to rectify instances of non-compliance.

The performance evaluation of the Independent Directors has been carried out by the entire Board of Directors to its satisfaction. In the above evaluation process the directors, who have were subjected to evaluation did not participate.

### **Obligation of Independent Directors:**

As mandated by Regulation 25 of the Listing Regulations, the Independent Directors of the Company's held their meeting without the presence of Non-Independent Directors and Members of the management to:

- (a) review the performance of non-independent directors and the board of directors as a whole;
- (b) review the performance of the chairman of the listed entity, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Accordingly, the performance evaluation of the Chairman, Executive and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

### **Familiarization Programme for Independent Directors:**

The Company has framed a policy for familiarization programme for Independent Director and the same is disclosed on the website of the Company i.e. [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

### **COMMITTEES OF BOARD:**

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees of Independent Directors with specific terms of reference / scope. The committee operates as empowered agents of the Board. The inputs and details required for the decision is provided by the operating managers. The Minutes of the Meeting of all the Committees of the board are placed before the Board for discussions / noting.

**Details of the Committees of the Board and other related information are as follows:**

#### **3. AUDIT COMMITTEE:**

The Company has reconstituted the existing Audit Committee comprising of four qualified independent Members. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. All the members have financial and accounting knowledge.

The Committee acts as a link between the Management, the Internal Auditors, the Statutory Auditors and the Board of Directors of the Company. The Committee focus its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

The Senior Manager – Finance Manager of the Company and the representative of the Statutory Auditors is always invited to attend these meetings.

**The terms of reference of the Audit Committee are as under:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - (b) Changes, if any, in accounting policies and practices and reasons for the same
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management
  - (d) Significant adjustments made in the financial statements arising out of audit findings
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions
  - (g) Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit functions;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management, if any;
- Management letters / letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses, if any.
- Statement of deviations, if any; in terms of Regulation 32(1) & 32(7) of the Listing Regulations.

Head of the Finance and Accounts Department, representative of the Statutory Auditors and other executives as are considered necessary, attend meetings of the Audit Committee.

The Committee met four (4) times during the year on May 23, 2016, August 11, 2016, November 7, 2016 and February 10, 2017.

Attendance record at the meetings of the Audit Committee of Directors during financial year 2016–17:

Name of the Members	Designation	No. of Meetings Held	Meeting Attended
Mr. F. K. Banatwalla	Chairman	4	3
Mr. N. S. Marshall	Member	4	4
Mr. S. C. Saran	Member	4	4
Ms. Amrita Verma Choudhary	Member	2	2

The Chairman of the Committee was present at the Annual General Meeting held on September 20, 2016 to attend the shareholder’s queries.

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Company is having “Nomination and Remuneration Committee” constituted in accordance with Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee comprises of Mr. C. B. Bambawale, Chairman, Mr. S. C. Saran and Mr. F. K. Banatwalla as Members. All matters relating to review and approval of compensation payable to the executive and non-executive directors are considered by the Nomination and Remuneration Committee and necessary recommendations are made by the Committee to the Board for the approval within the overall limits approved by the Members and as per Schedule V to the Companies Act, 2013.

**Terms of Reference of Nomination and Remuneration Committee, inter-alia is as follows:**

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

**Policy Relating To Remuneration of Directors, KMP & Senior Management Personnel:**

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

## SIMMONDS MARSHALL LIMITED

### Following criteria are also to be considered:-

- Responsibilities and duties;
- Time & efforts devoted;
- Value addition;
- Profitability of the Company & growth of its business;
- Analyzing each and every position and skills for fixing the remuneration yardstick;
- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.

The Committee met Three (3) times during the year on May 23, 2016, August 11, 2016 and February 10, 2017.

The names of members of committee and their attendance are as follows:

Name of the Members	Designation	No. of Meetings Held	Meetings Attended
Mr. F. K. Banatwalla	Chairman	3	2
Mr. C. B. Bambawale	Member	3	2
Mr. S. C. Saran	Member	3	3

### 5. REMUNERATION OF DIRECTORS:

The Company pays remuneration to its Chairman, Managing Director and its Whole time Director by way of Salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per Schedule V to the Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the Financial Year 2016-17.

The details of remuneration paid to executive directors during the financial year 2016-17 are given below:

(In Rs.)

Particulars	S. J. Marshall	N. S. Marshall	I. M. Panju
Salary	2619120	4175388	270000
Fixed Components: Contribution to Provident Fund, etc.	532552	1475305	95400
Commission	500000	500000	0
<b>Total</b>	<b>3651672</b>	<b>6150693</b>	<b>365400</b>

The details of remuneration paid to non executive directors during the financial year 2016-17 are given below:

Particulars	S. C. Saran	C. B. Bambawale	F. K. Banatwalla	A. V. Chowdhury
Sitting Fees	19000	9000	16000	19000
Shareholding in the Company	0	10 Equity shares	0	0

The Company does not have any stock option plans and hence such instrument does not form part of the remuneration package payable to any Executive Director and / or Non-Executive Director.

During the period under review, none of the directors were paid any performance linked incentive.

The performance of Independent Directors was evaluated on the following criteria:

- Exercise of independent judgment in the best interest of Company;
- Ability to contribute to and monitor corporate governance practice;
- Adherence to the code of conduct for independent directors.

The Committee reviewed the performance of the Directors i.e. Non-Executive, Independent, Executive Directors and also the senior managerial personnel including Key Managerial Personnel during the year. The Director being evaluated did not participate in the Evaluation process at the time of the respective evaluation process of the individual director.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company is having a 'Stakeholders Relationship Committee' in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee shall specifically look into the mechanism of redressal of grievances of shareholders & other security holders pertaining to transfer of shares, non- receipt of declared dividends, non-receipt of Annual Report, issues concerning de-materialization etc.

The Company has designated the e-mail ID: [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com) exclusively for the purpose of registering complaint by investors electronically. This e-mail ID is displayed on the Company's website i.e. [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

During the financial year 2016-17, 4 (Four) meetings were held on May 23, 2016, August 11, 2016, November 7, 2016 and February 10, 2017.

Name of the Members	Designation	No. of Meetings held	Meeting Attended
Mr. C. B. Bambawale	Chairman	4	3
Mr. N. S. Marshall	Member	4	4
Mr. S. C. Saran	Member	4	4

## SIMMONDS MARSHALL LIMITED

The following table shows the nature of complaints received from the shareholders during the year 2016-17.

Sr. No.	Nature of Complaints	Received	Disposed off	Pending
1.	Non receipt of Share Certificate (Split)	--	--	--
2.	Non receipt of Demat Rejected S/C's	--	--	--
3.	Non receipt of Dividend Warrant	--	--	--
4.	Non receipt of Annual Report	--	--	--
	<b>Total</b>	--	--	--

There were no complaints pending as on 31st March, 2017.

### RISK MANAGEMENT:

Pursuant to Regulation 21(5) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, constitution of Risk Management Committee is applicable to the top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Our Company does not fall in the category of top 100 listed companies. Therefore, the Board has dissolved the existing Risk Management Committee w.e.f. February 10, 2017.

### 7. GENERAL BODY MEETINGS:

(i) Location and time, where last 3 AGM's held:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
31/03/2016	20/09/2016	12.00 Noon	Ador Welding Academy Pvt. Ltd., A-108, 'H' Block, MIDC, Near Morwadi Court, Pimpri, Pune- 411 018.
31/03/2015	23/09/2015	12.00 Noon	Kwality Restaurant, Mumbai - Pune Road, Chinchwad, Pune - 411 019.
31/03/2014	23/09/2014	12.00 Noon	Kwality Restaurant, Mumbai - Pune Road, Chinchwad, Pune - 411 019.

(ii) Whether any Special Resolution passed in previous 3 AGM's :

Date of AGM	Description of Special Resolution:
20/09/2016	No Special resolution was passed
23/09/2015	Adoption of new set of Articles of Association
23/09/2014	(i) Special resolution for re-appointment of Mr. S. J. Marshall as Chairman of the Company for a period of 3 years. (ii) Special resolution for re-appointment of Mr. N. S. Marshall as Managing Director of the Company for a period of 3 years. (iii) Special resolution for re-appointment of Mr. I. M. Panju as Whole time Director of the Company for a period of 3 years. (iv) Special Resolution under 180(1) (c) for borrowing. (v) Special Resolution under 180(1)(a) for creation of security

(iii) Whether any Special Resolution passed last year through Postal Ballot – details of voting pattern: No special resolution was required to be put through postal ballot last year.

(iv) Person who conducted the postal ballot exercise : NOT APPLICABLE

(v) Whether any special resolution is proposed to be conducted through postal ballot : NOT APPLICABLE

**8. MEANS OF COMMUNICATION:**

(i) Quarterly results: Results are submitted to Stock Exchanges electronically & published in newspapers and uploaded on the Company's website.

(ii) Newspapers wherein results normally prominent: Free Press Journal & Navshakti.

(iii) Any website where displayed: www.simmondsmarshall.com

(iv) Whether it also displays official news releases: No official release was made.

(v) The presentations made to institutional investors or to the analysts : No presentations were made during the year

**9. GENERAL SHAREHOLDERS INFORMATION:**

(i) **Annual General Meeting** : **Date, Time and Venue**  
 ANNUAL GENERAL MEETING : 57th Annual General Meeting.  
 DAY & DATE : Friday, September 08, 2017  
 TIME : 12:00 Noon  
 VENUE : Kwaliti Restaurant, Mumbai - Pune Road,  
 M.I.D.C., Chinchwad, Pune - 411 019.

(ii) **Financial Year:**

\* Financial reporting for the quarter ended June 30, 2017 [Unaudited]: Mid of Aug. 2017.

\* Financial reporting for the quarter ended Sept.30, 2017 [Unaudited]: Mid of Nov. 2017.

\* Financial reporting for the quarter ended Dec. 31, 2017 [Unaudited]: Mid of Feb.2018.

\* Financial reporting for the year ended March 31, 2018[Audited]: Mid of May, 2018.

(iii) **Dividend Payment Date** : **On or after September 13, 2017**

(iv) **Listing on Stock Exchanges:**

The Company's Shares are listed on BSE Limited. The annual listing fee for the year 2017 -18 has been paid.

(v) **Stock Code:**

BSE Limited, Mumbai

Scrip Name : SIMMONDS MARSHALL LIMITED.

Scrip Code : 507998

Electronic Mode (ISIN) : INE657D01021

DEPOSITORY CONNECTIVITY : NSDL and CDSL.

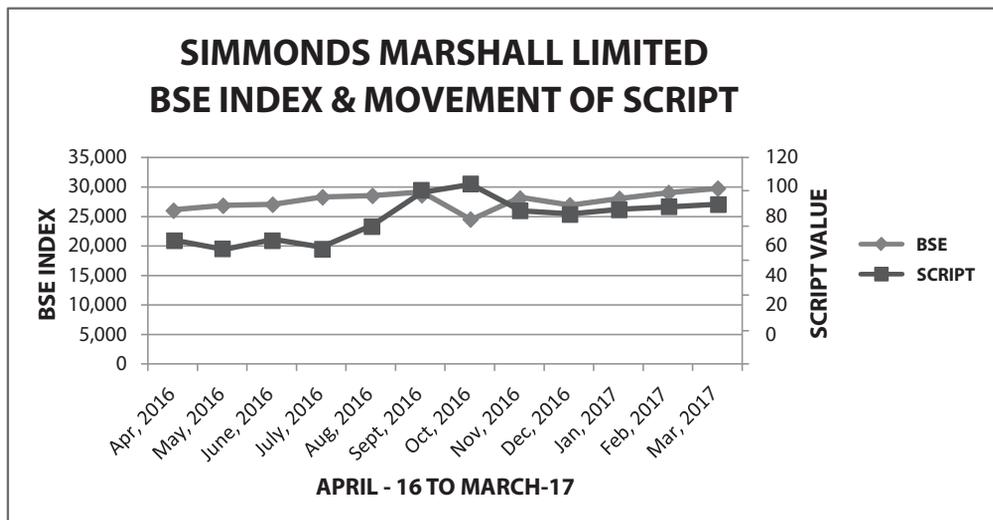
ISIN NO FOR THE COMPANY'S SECURITY : INE657D01021

## SIMMONDS MARSHALL LIMITED

(vi) Market price data : High, Low during each month in last financial year :

Month	Company's Share [Rs.]		BSE Sensex	
	High	Low	High	Low
April, 2016	77.90	66.25	26100.54	24523.20
May, 2016	79.00	62.00	26837.20	25057.93
June, 2016	76.00	63.60	27105.41	25911.33
July, 2016	77.00	65.00	28240.20	27034.14
August, 2016	86.50	64.20	28532.25	27627.97
September, 2016	109.00	78.10	29077.28	27716.78
October, 2016	109.25	96.40	28477.65	27488.30
November, 2016	109.70	80.00	28029.80	25717.93
December, 2016	93.00	79.90	26803.76	25753.74
January, 2017	94.90	84.00	27980.39	26447.06
February, 2017	106.90	87.90	29065.31	27590.10
March, 2017	95.90	86.60	29824.62	28716.21

(vii) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.



(viii) In case the securities are suspended from trading, the directors report shall explain the reason thereof:- Not Applicable

(ix) **Registrar to an issue and Share Transfer Agents:**  
 SHAREX DYNAMIC (INDIA) PRIVATE LIMITED  
 Unit: [SIMMONDS MARSHALL LIMITED]  
 Unit No.1, Luthra Ind. Premises, Andheri Kurla Road,  
 Safed Pool, Andheri (East), MUMBAI - 400 072  
 Tel: 022 2851 5606 / 2851 5644  
 Email: sharexindia@vsnl.com

(x) **Share Transfer System:**

Share Transfer Requests are received at the registered office of the Company as well as directly at RTAs office. RTA does the verification and processing of documents. In order to comply with the requirements of SEBI Circular Nos. CIR/MIRSD/8/2012 dated July 5, 2012 to effect transfer of shares within 15 days, the RTA has been authorised to process, approve and effect transfer of shares on behalf of the Company at fortnightly intervals. The share certificates duly endorsed for transfer are returned to shareholders within stipulated time of 30 days.

(xi) **Distribution of Shareholding:**

**SHAREHOLDING PATTERN AS ON MARCH 31, 2017:**

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	6327558	56.496
Mutual Funds /UTI/FII's	218973	1.955
Financial Institutions / Banks	500	0.004
Bodies Corporate	839003	7.491
Indian Public	3679616	32.854
NRI / OCBs	134350	1.2
<b>Total</b>	<b>11200000</b>	<b>100</b>

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017:**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	3299	746720	6.67
501-1000	451	397701	3.55
1001-5000	530	1171584	10.46
5001-10000	74	542943	4.84
10001 -100000	42	1115152	9.96
100001 & above	9	7225900	64.52
<b>Total</b>	<b>4405</b>	<b>11200000</b>	<b>100</b>

(xii) **Dematerialization Of Shares And Liquidity:**

As on March 31, 2017, 1,05,59,670 Shares representing 94.28% of total Equity Shares were held in dematerialized form with NSDL and CDSL.

Liquidity: Average Monthly Trading Volume of the Company's Shares on BSE during financial year 2016-17.

Number of Trades: 1997

Number of Shares: 2,67,444 Equity Shares

(xiii) **Outstanding GDR's /ADR's / Warrants or any Convertible instruments, conversion date and likely impact on equity:** NOT APPLICABLE

(xiv) **Commodity price risk or foreign exchange risk and hedging activities – Market driven**

(xv) **Plant Locations:** Mumbai Pune Road, Kasarwadi, Pune- 411 034.

(xvi) **Address for Correspondence:**

**SIMMONDS MARSHALL LIMITED**

Mumbai Pune Road, Kasarwadi,

Pune- 411 034.

E-mail: [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com)

Telephone Nos: 020-30782150

### 10. OTHER DISCLOSURES

(i) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

None of the transactions with any of the related parties were in conflict with the interests of the Company.

(ii) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

None

(iii) **Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee**

Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations the Company has adopted a Vigil Mechanism/Whistle Blower Policy. The Company believes in professionalism, transparency, integrity and ethical behavior and had thus established a 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.

(iv) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all mandatory requirements of Listing Regulations and has implemented the following non mandatory requirements:

- **The Board:** Not Applicable since the Company has an Executive Chairman
- **Shareholders Rights:** Presently the Company is not sending half yearly communication.
- **Modified opinion(s) in the Audit Report:** It is always the Company's endeavor to present unqualified financial statements. There are no audit modified opinions in the Company's financial statement for the year under review.
- **Separate posts of Chairman and CEO:** The Company is already having separate posts for Chairman and Managing Director/CEO.
- **Reporting of Internal Auditor:** The Internal Auditor is directly reporting to Audit Committee

(v) **Web link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable

(vi) **Web link where policy on dealing with related party transactions;** [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

(vii) **Disclosure of commodity price risks and commodity hedging activities:** Market driven

**11. NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARAS (2) TO (10) OF PARA C OF CORPORATE GOVERNANCE REPORT OF SCHEDULE V: ANNUAL REPORT OF LISTING REGULATIONS**

NONE

**12. DISCLOSURE TO THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED:**

As Per Details Given under the Heading "Other Disclosures", Sub point (d) – Non Mandatory Requirements.

**13. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT:**

Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations, required information has been hosted on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

**14. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business and that the provisions of Section 188 of the Companies Act, 2013 & Regulation 23 of the Listing Regulations were not attracted. Further, there were no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

All related party transactions are placed before the Audit Committee and also before the Board for their approval in accordance with the Policy on Related Party Transactions formulated by the Board of Directors of the Company and has been posted on the website of the Company ([www.simmondsmarshall.com](http://www.simmondsmarshall.com)). Omnibus approval was obtained from the Audit Committee for transactions which were of repetitive nature with monitoring and review on quarterly basis.

**15. CODE OF CONDUCT:**

The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for the effective period. The Declaration by the Chairman to that effect forms part of this Report.

**16. DISCLOSURE OF EVENTS OR INFORMATION:**

In accordance with Regulation 30(4)(ii) of Listing Regulations, the Company has framed a policy for determination of materiality, based on criteria specified in Regulation 30(4)(i), duly approved by the Board of Directors, which shall be disclosed on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

Further, the Company has authorized KMP's for the purpose of determining the materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under the said regulation and the contact details of such personnel has been disclosed to the stock exchange(s) and as well is placed on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

The Company has framed an Archival Policy for the disclosures posted on the website of the Company under Regulation 30 of the Listing Agreement which has been disclosed on the Company's website.

**17. MANAGEMENT DISCUSSIONS & ANALYSIS:**

Management Discussion and Analysis Report is given in a separate section forming part of the Directors' Report in this Annual Report.

**18. STEPS FOR PREVENTION OF INSIDER TRADING:**

In compliance with the requirements of the Regulation 8 & Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI Circular dated May 11, 2015; the Board of Directors has formulated and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by its employees and other connected persons, are uploaded on the website of the Company [www.simmondsmarshall.com](http://www.simmondsmarshall.com).

**19. CEO CERTIFICATION:**

As required under Regulation 17(8) of Listing Regulations, a Certificate duly signed by Mr. N.S. Marshall, has been obtained. The Certificate is annexed to this Report.

**20. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:**

The Company has obtained a Certificate from Auditors of the Company regarding compliance with the provisions relating to the corporate governance laid down in the Listing Regulations. This Certificate is annexed to the report.

**21. DECLARATION:**

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations is so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2017.

Registered Office:  
Mumbai-Pune Road,  
Kasarwadi,  
Pune -411 034.

July 3, 2017.

For and on behalf of the Board  
**SIMMONDS MARSHALL LIMITED**

**S. J. MARSHALL**  
(DIN:00085682)  
CHAIRMAN

## **ANNEXURE TO CORPORATE GOVERNANCE REPORT**

### **Declaration regarding affirmation of Code of Conduct**

In terms of the requirements of regulation 26 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2017.

Place: Mumbai  
Dated: July 3, 2017

**S. J. MARSHALL**  
CHAIRMAN

## **CEO CERTIFICATION**

The Board of Directors  
Simmonds Marshall Limited  
Mumbai Pune Road  
Kasarwadi  
Pune - 411 034

### **Re: Financial Statements for the year 2016-17 – Certification by CEO**

I, the undersigned, in my capacity as Chief Executive Officer of Simmonds Marshall Limited (“the Company”), to the best of my knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2017 and that to the best of my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company’s code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that
  - (i) There have been no significant changes in internal control over financial reporting during the year;
  - (ii) There have been no significant changes in accounting policies during the year; and
  - (iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place: Mumbai  
Dated: July 3, 2017

**N.S. MARSHALL**  
MANAGING DIRECTOR

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
**Simmonds Marshall Limited**

We have examined the compliance of conditions of Corporate Governance by Simmonds Marshall Limited ('the Company') for the year ended on 31st March, 2017 as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For GMJ & Associates**  
Company Secretaries

**MAHESH SONI**  
PARTNER  
FCS: 3706; COP:2324

Place : Mumbai  
Dated : July 3, 2017

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SIMMONDS MARSHALL LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Simmonds Marshall Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred in under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, read together with notes to the accounts thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in case of balance sheet of the state of affairs of the Company as at March 31, 2017,
- b. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 9. As required by the Companies (Auditors' 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.
- 10. As required by Section 143 (3) of the Act, we report that:
  - (a) We 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.
  - (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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 31 to the financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv) The company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016, refer Note 33 to the standalone financial statements. As per the information and explanation provided to us and based on the representation received from the management, we state that the said disclosure are in accordance with the books of accounts maintained by the Company.

Mumbai, May 25, 2017

**For S H R & CO.**  
Chartered Accountants  
FRN: 120491W

**Deep N Shroff**  
Partner  
Membership No. 122592

## ANNEXURE A TO THE AUDITORS' REPORT

The annexure referred to in Paragraph 9 Of Our Report of Even Date On the Standalone Financial Statements For The Year Ended March 31, 2017 Of Simmonds Marshall Limited, we report that:

(i) **In respect of Fixed Assets:**

- (a) According to the information and explanations given to us, the company has updated its fixed assets records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of five years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanations provided to us and based on our examination, the title deeds of immovable property are held in the name of the company.

(ii) **In respect of Inventories:**

As explained to us, inventory have been physically verified during the year by the management, except for inventory lying with outside parties, for which confirmations have been obtained from them. The discrepancies which were noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.

(iii) **In respect of Granting of Loan:**

According to the information and explanations given to us, the Company has not granted any loan to any party covered in the register maintained u/s 189 of the Companies Act, 2013 (the "Act").

Thus the clause relating to terms and conditions of grant of loan, repayment of principal and interest and amount overdue are not applicable to the company.

- (iv) In our opinion and according to information and explanations provided to us, the company has not granted any loan, made any investment, given any guarantee or provided any securities covered under section 185 and 186 of the Act during the year under review, except loans to employees as part of condition of services.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provision of the Act and the rule framed there under during the year. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.
- (vi) We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate.

**(vii) In respect of Statutory dues:**

(a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at March 31, 2017 for a period of more than six months from the date they became payable except Income Tax Demand of Rs. 3.79 lakhs, which the company expects to get adjusted against refund arising on account of pending rectification.

(b) According to the information and explanations given to us, there are no dues of value added tax, service tax, duty of customs, duty of excise or cess outstanding on account of any dispute except as mentioned below:

Name of the Statute	Nature of Dues	Financial Year	Forum where matter is pending	Amount (Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	2006 – 2007	Rectification u/s. 154 to Income Tax Officer	16.20
		2007 – 2008	Rectification u/s. 154 to Income Tax Officer	6.62
		2008 – 2009	Rectification u/s. 154 to Income Tax Officer	1.10
		2009 – 2010	Rectification u/s. 154 to Income Tax Officer	25.17
		2011 – 2012	Rectification u/s. 154 to Income Tax Officer	0.07
		2013 – 2014	Rectification u/s. 154 to Income Tax Officer	1.48
	Dividend Distribution Tax	2014 – 2015	Rectification to Departmental Authority	11.16
Income Tax Act, 1961	Income Tax - TDS	2007 – 2008	Rectification to Departmental Authority	0.17
		2008 – 2009	Rectification to Departmental Authority	1.48
		2009 – 2010	Rectification to Departmental Authority	0.16
		2010 – 2011	Rectification to Departmental Authority	0.99
		2011 – 2012	Rectification to Departmental Authority	2.24
		2012 – 2013	Rectification to Departmental Authority	2.75
		2015 – 2016	Rectification to Departmental Authority	0.03
		2016 – 2017	Rectification to Departmental Authority	0.05
Central Sales Tax Act, 1956	Central Sales Tax	2012 – 2013	Appeal filed with the Joint Commissioner of Sales Tax	54.04

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in repayment of dues to a financial institution or bank.

(ix) According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained. The company has not raised any moneys by way of further public offer (including debt instruments).

(x) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on the company by its officers or employees or by the Company have been noticed or reported during the year.

- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act 1934.

**For S H R & CO.**  
Chartered Accountants  
FRN: 120491W

**Deep N Shroff**  
Partner  
Membership No. 122592

Mumbai, May 25, 2017

## **ANNEXURE: B REFERRED TO IN PARA 10(f) OF THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENT OF SIMMONDS MARSHALL LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

1. We have audited the internal financial controls over financial reporting of Simmonds Marshall Limited (the "Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements for the year ended on that date.

#### **2. Management's Responsibility for Internal Financial Controls**

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

#### **3. Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have 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 issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects to the extent applicable.

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 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**4. Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control 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 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.

**5. 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.

**6. Opinion**

In our opinion, 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, 2017, 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.

**For S H R & CO.**  
Chartered Accountants  
FRN: 120491W

**Deep N Shroff**  
Partner  
Membership No. 122592

Mumbai, May 25, 2017

# SIMMONDS MARSHALL LIMITED

## Balance Sheet as at March 31, 2017

Particulars	Note No.	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	2	224.00	224.00
(b) Reserves and surplus	3	5,037.74	4,516.62
		<b>5,261.74</b>	<b>4,740.62</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	1,326.60	1,274.51
(b) Deferred tax liabilities (Net)	5	175.45	228.93
(c) Long Term Provision	6	34.56	25.20
		<b>1,536.61</b>	<b>1,528.64</b>
<b>3 Current Liabilities</b>			
(a) Short-term borrowings	7	1,522.96	1,619.11
(b) Trade payables	8		
Total outstanding dues of micro enterprises & small enterprises		111.50	92.21
Total outstanding dues of creditors other than micro enterprises & small enterprises		1,429.67	1,093.32
(c) Other current liabilities	9	620.01	613.07
(d) Short-term provisions	10	227.38	110.53
		<b>3,911.52</b>	<b>3,528.24</b>
<b>TOTAL</b>		<b>10,709.87</b>	<b>9,797.50</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		2,494.35	1,986.72
(ii) Intangible assets		149.58	249.98
(iii) Capital work-in-progress		46.67	38.70
(iv) Intangible Asset under Development		-	-
		<b>2,690.60</b>	<b>2,275.40</b>
(b) Non-current investments	12	383.06	360.57
(c) Long-term loans and advances	13	147.08	209.33
(d) Other Long-term assets	14	51.29	20.18
		<b>3,272.03</b>	<b>2,865.48</b>
<b>2 Current Assets</b>			
(a) Inventories	15	3,135.86	2,867.30
(b) Trade receivables	16	3,689.55	3,241.81
(c) Cash and cash equivalents	17	290.02	555.13
(d) Short-term loans and advances	18	317.44	263.63
(e) Other current assets	19	4.97	4.15
		<b>7,437.84</b>	<b>6,932.02</b>
<b>TOTAL</b>		<b>10,709.87</b>	<b>9,797.50</b>
<b>NOTES TO THE ACCOUNTS</b>	1		
The accompanying notes including other explanatory information form an integral part of the financial statements.			

As per our report attached of even date

**For S H R & CO**

Chartered Accountants

FRN: 120491W

**Deep N Shroff**

Partner

M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

**S J MARSHALL**

Chairman

**N S MARSHALL**

**VIKASH VERMA**

**NIRMAL GUPTA**

Managing Director

Chief Financial Officer

Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2017

Particulars	Note No.	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
1 (a) Sale of Products (gross)		15,944.91	14,838.82
Less: Excise duty		(1,651.74)	(1,499.88)
		<b>14,293.17</b>	<b>13,338.94</b>
(b) Other Operating Revenue			
Export Incentive		37.84	150.64
Sales of Scrap (net of excise)		169.05	123.68
		<b>206.89</b>	<b>274.32</b>
<b>Revenue from operations (Net) (a + b)</b>		<b>14,500.06</b>	<b>13,613.26</b>
2 Other income	20	54.82	35.84
3 <b>Total revenue (1+2)</b>		<b>14,554.88</b>	<b>13,649.10</b>
4 <b>Expenses</b>			
(a) Cost of materials consumed	21	5,681.06	4,986.70
(b) Purchases of traded goods		80.84	31.93
(c) Changes in inventories of finished goods and work-in-progress	22	(237.01)	40.78
(d) Employee benefits expense	23	2,514.53	2,229.86
(e) Finance costs	24	283.22	382.52
(f) Depreciation and amortisation expense		428.80	437.92
(g) Other expenses	25	4,912.40	4,771.72
5 <b>Total expenses</b>		<b>13,663.84</b>	<b>12,881.43</b>
6 <b>Profit before tax (3 - 5)</b>		<b>891.04</b>	<b>767.67</b>
7 <b>Tax expense:</b>			
(a) Current tax		356.00	293.00
(b) Deferred tax		(53.48)	(19.09)
(c) Tax adjustments of earlier years		-	-
		<b>302.52</b>	<b>273.91</b>
8 <b>Profit for the year (6 - 7)</b>		<b>588.52</b>	<b>493.76</b>
9 <b>Earnings per share Basic &amp; Diluted (₹):</b>	29	5.25	4.41
10 <b>Weighted Average Number of Equity Shares (Face Value of ₹ 2 each/-)</b>		1,12,00,000	1,12,00,000
<b>NOTES TO THE ACCOUNTS</b>	1		
The accompanying notes including other explanatory information form an integral part of the financial statements.			

As per our report attached of even date

For S H R &amp; CO

Chartered Accountants

FRN: 120491W

Deep N Shroff

Partner

M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

S J MARSHALL

Chairman

N S MARSHALL

VIKASH VERMA

NIRMAL GUPTA

Managing Director

Chief Financial Officer

Company Secretary

**Cash Flow Statement for the year ended March 31, 2017**

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit before tax		891.04		767.67
Adjustments for:				
Depreciation and Amortisation	428.80		437.92	
Sundry Balance Written off (Net)	4.69		5.84	
Profit on sale of assets	(16.67)		-	
Finance costs	283.22		382.52	
Interest income	(15.51)		(20.53)	
Dividend income	(0.15)		(0.15)	
		<u>684.38</u>		<u>805.60</u>
<b>Operating profit before working capital changes</b>		<b>1,575.42</b>		<b>1,573.27</b>
Adjustments for:				
Inventories	(268.56)		294.52	
Trade receivables	(447.74)		51.33	
Loans and Advances	(18.91)		(101.20)	
Trade payables and other payables	420.45		(492.99)	
		<u>(314.76)</u>		<u>(248.34)</u>
<b>Cash Flow Generated from Operation</b>		<b>1,260.66</b>		<b>1,324.93</b>
Net income tax (paid)		(360.58)		(393.07)
<b>Net cash flow from operating activities (A)</b>		<b>900.08</b>		<b>931.86</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets		(889.13)		(139.25)
Sale of Fixed Assets		57.00		-
Investments in Subsidiary		(22.49)		(15.16)
Interest Income		15.51		20.53
Dividend received		0.15		0.15
<b>Net cash flow from investing activities (B)</b>		<b>(838.96)</b>		<b>(133.73)</b>
<b>C. Cash flow from financing activities</b>				
Long Term Borrowings (net)		52.09		(321.13)
Short Term Borrowings (net)		(96.15)		32.29
Finance cost		(282.17)		(382.52)
Dividends paid		-		(112.00)
Tax on dividend paid		-		(22.80)
<b>Net cash flow from financing activities (C)</b>		<b>(326.22)</b>		<b>(806.15)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>		<b>(265.11)</b>		<b>(8.02)</b>
Cash and cash equivalents at the beginning of the year		555.13		563.15
<b>Cash and cash equivalents at the end of the year</b>		<b>290.02</b>		<b>555.13</b>

As per our report attached of even date

**For S H R & CO**

Chartered Accountants

**FRN: 120491W**
**Deep N Shroff**

Partner

M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

**S J MARSHALL**

Chairman

**N S MARSHALL**
**VIKASH VERMA**
**NIRMAL GUPTA**

Managing Director

Chief Financial Officer

Company Secretary

## Notes forming part of the Financial Statements for the year ended March 31, 2017

### Note Particulars

#### 1 Significant Accounting Policies

##### 1.1 Basis of Accounting and Preparation of Financial Statements

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 2013.

##### 1.2 Use of estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

##### 1.3 Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any. All cost, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

##### 1.4 Investments

###### (i) Recognition and Measurement:

Investments, which are readily realisable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

Non Current investments which are intended to be held for more than a year, from the date of acquisition, are considered as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

##### 1.5 Inventories

Inventories are valued at lower of cost or net realisable value.

- (i) Cost of raw materials, stores & spare parts, packing materials and loose tools is arrived at on the basis of weighted average cost.
- (ii) Work in process and finished goods include conversion costs in addition to landed cost of raw materials.
- (iii) Scrap is valued at net realisable value.

##### 1.6 Revenue Recognition

- (i) Sale is recognised on despatch of goods. Export sales are accounted for on basis of the dates of bill of lading. Sales are net of trade discounts, sales tax, sales returns and remissions. Excise Duty recovered is presented as reduction from gross turnover.
- (ii) Revenue from services is recognised when services are rendered.
- (iii) Dividend is accounted when right to receive is established.

- (iv) Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.
- (v) Export benefits under duty exemption scheme is being accounted in the year of exports.

### 1.7 Sale of Turnings, Borings and Pallets

Sale of turnings, borings and pallets coming out of the production line as scrap, shown as other operating revenue.

### 1.8 Depreciation

#### (i) Tangible Assets

Depreciation on assets is provided on Straight Line Method, pro-rata to the period of use, based on the useful life of the assets as prescribed under the Schedule II of the Companies Act, 2013.

#### (ii) Intangible Assets

- (a) Cost relating to Goodwill an intangible assets, which is acquired is capitalised and amortised on a straight line basis over useful life of 10 years.
- (b) Costs relating to the acquisition of software and licenses are capitalized and subsequently amortized over the estimated useful life of 3 years.
- (c) Expenditure incurred on acquiring manufacturing rights and trade mark is amortised on straight line method over the period of agreement i.e. 3 years.

### 1.9 Foreign Currency Transactions

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transactions. Monetary items (i.e. receivables, payables, loans etc) denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing on the date of balance sheet. Exchange difference arising on settlement and conversion of foreign currency transactions are recognised as income or expenses in the period in which they arise, except to the extent it results to long term monetary items.

During the year, consequent to the notification No. F.NO. 17/133/2008 - CL V dated March 29, 2011 revising Accounting Standard (AS) 11 "The Effects of Change in Foreign Exchange Rates", the company has exercised the option in terms of paragraph 46A. Accordingly, the exchange differences arising on settlement / translation of long term monetary items utilised for acquisition of fixed assets are adjusted to the carrying cost of fixed assets and depreciated over its remaining useful life.

Non-monetary items denominated in foreign currency are carried at the exchange rate in force at the date of the transaction.

### 1.10 Employee benefits

#### (i) Defined Contribution Plan:

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the statement of profit and loss for the year when the contributions to the respective funds are due.

#### (ii) Defined Benefit Plan:

##### Gratuity

The company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contribution are based on actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are recognised in the statement of profit and loss.

**(iii) Other Long Term Benefits:****Compensated Absences**

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / entitlement. Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

**1.11 Borrowing costs**

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take substantial period of time to get ready for the intended use are capitalised. Other borrowing costs are charged to the profit and loss account.

**1.12 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**1.13 Taxation**

Tax Expenses comprises of current tax and deferred tax.

Current Tax is provided on taxable income using applicable tax rates and tax laws.

The deferred tax for timing difference between the book and tax profits/losses for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of Balance Sheet date.

Deferred tax assets arising on account of unabsorbed depreciation and brought forward losses are recognised to the extent there is virtual certainty that the assets can be realised in future.

Advance Taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same governing taxation laws.

**1.14 Impairment of Assets**

The Company assesses at each balance sheet date for possible impairment in carrying value of assets based on external and internal sources of information and indications. In case of recoverable amount of assets / cash generating unit is less than carrying amount, impairment loss is recognised in the Profit & Loss Account for difference in carrying value of assets / cash generating units and recoverable amount.

**1.15 Provision and contingent liabilities**

- (i) Provision in respect of present obligation arising out of past events is made in accounts when reliable estimates can be made of the amount of obligation and it is probable that an outflow of resources will be required to settle the obligation.
- (ii) Contingent liabilities are disclosed by way of note to the financial statements after careful valuation by the management of the facts and legal aspects of matter involved. Contingent Assets are not recognised in the financial statements.

## SIMMONDS MARSHALL LIMITED

### NOTE 2: SHARE CAPITAL

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(a) <b>Authorised</b> 5,00,00,000 Equity shares of ₹ 2 each (Previous Year 5,00,00,000 Equity shares of ₹ 2 each)	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
(b) <b>Issued, Subscribed and fully paid up</b> 1,12,00,000 Equity shares of ₹ 2 each (Previous Year 1,12,00,000 Equity shares of ₹ 2 each)	224.00	224.00
<b>TOTAL</b>	<u>224.00</u>	<u>224.00</u>

#### 2.1: Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>Equity Shares</b>				
Shares outstanding at the Beginning of the year	1,12,00,000	224.00	1,12,00,000	224.00
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	1,12,00,000	224.00	1,12,00,000	224.00

#### 2.2: Terms / Rights attached to shares:

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

#### 2.3: Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares</b>				
Navroze S Marshall	15,18,548	13.56	14,93,548	13.34
Shiamak J Marshall	15,12,965	13.51	15,12,965	13.51
Maki S Marshall	16,67,435	14.89	16,40,435	14.65
Kamal I Panju	7,17,155	6.40	7,17,155	6.40
Kayan J Pandole	7,10,655	6.35	7,10,655	6.35
Clover Technologies Pvt. Ltd.	6,19,369	5.53	5,39,887	4.82

**NOTE 3: RESERVES AND SURPLUS**

Particulars	As at	
	March 31, 2017 ₹ in Lakhs	March 31, 2016 ₹ in Lakhs
<b>(a) Securities Premium Reserve</b>		
Opening balance	154.00	154.00
Add : Amount received during the year	-	-
<b>TOTAL</b>	<b>154.00</b>	<b>154.00</b>
<b>(b) General Reserve</b>		
Opening balance	530.00	530.00
Add: Transferred from statement of Profit and Loss	-	-
<b>TOTAL</b>	<b>530.00</b>	<b>530.00</b>
<b>(c) Surplus as per Statement of Profit &amp; Loss</b>		
Balance brought forward	3,832.62	3,406.26
Add: Profit for the year	588.52	493.76
Less:		
Proposed Dividend (Rs. 0.50 per share)	56.00	-
Interim Dividend (Rs. 0.50 per share)	-	56.00
Tax on dividend	11.40	11.40
<b>TOTAL</b>	<b>4,353.74</b>	<b>3,832.62</b>
<b>TOTAL</b>	<b>5,037.74</b>	<b>4,516.62</b>

The Board of Directors at its meeting held on May 25, 2017 has recommended a final dividend of ₹ 0.50 per equity share. The proposal is subject to approval of shareholders at the ensuing Annual General Meeting.

**NOTE 4: LONG TERM BORROWINGS**

Particulars	As at March 31, 2017		As at March 31, 2016	
	₹ in Lakhs Non Current	₹ in Lakhs Current	₹ in Lakhs Non Current	₹ in Lakhs Current
<b>I. SECURED</b>				
<b>(A) Term loans</b>				
(i) Rupee Loan From Banks				
1 Zoroastrian Cooperative Bank Ltd.	562.53	130.39	281.28	146.71
2 ICICI Bank Limited	1.38	5.39	6.77	4.86
(ii) Foreign Currency Loan (ECB) - ICICI Bank Limited	179.85	179.86	368.01	167.27
<b>(B) From other parties</b>				
Vehicle Loan	9.84	3.55	1.45	8.54
	<b>753.60</b>	<b>319.19</b>	<b>657.51</b>	<b>327.38</b>
<b>II. UNSECURED</b>				
Loans and advances from related parties	573.00	-	617.00	-
	<b>573.00</b>	<b>-</b>	<b>617.00</b>	<b>-</b>
<b>TOTAL</b>	<b>1,326.60</b>	<b>319.19</b>	<b>1,274.51</b>	<b>327.38</b>

## SIMMONDS MARSHALL LIMITED

### 4.1: Additional information to secured / unsecured loans

The long term portion of term loans are shown under long term borrowings and current maturities (payable within twelve months) of the balance sheet date are shown under the current liabilities as per disclosure requirement of the Revised Schedule III.

### 4.2: Details of securities and Terms of payment

#### 2. Term Loan -4 (I) (A) (I) 1

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				TOTAL
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	
Zoroastrian Co.op. Bank Ltd.	145.53	162.44	254.56	-	562.53
Rate of Interest	10.50% to 12.00%				
<b>Details of Security</b>					
Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the Bank. All loans are secured against the personal guarantee of Managing Director.					

#### Other Terms

Amount disbursed under the term loan shall be repaid in monthly instalments varying from ₹ 4,33,767/- to ₹ 7,36,599/- (including Interest), over a period of 50 to 58 months.

#### 2. Term Loan -4 (I) (A) (I) 2

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				TOTAL
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	
ICICI Bank Limited	1.38	-	-	-	1.38
Rate of Interest	10.50%				
<b>Details of Security</b>					
Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the Bank.					

#### Other Terms

Amount disbursed under the term loan shall be repaid in monthly instalment of ₹ 16,252 (including Interest), over a period of 15 months.

### 3. Foreign Currency Loan (ECB) - 4 (I) (A) (ii)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				TOTAL
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	
ICICI Bank Limited	179.85	-	-	-	179.85
Rate of Interest	LIBOR + 5.75%				
<b>Details of Security</b>					
Secured by first and exclusive charge on plant & machineries funded under the ECB.					
Secured by Fixed Deposit amounting to ₹ 127.68 lakhs kept with the bank.					
All loans are secured against the Corporate guarantee of M/s. J. N. Marshall & Company (Engineering Department) and the personal guarantee of Chairman and Managing Director.					

#### Other Terms

Each amount disbursed under ECB shall be repaid in 9 periodically instalments varying from USD 63,043/- to USD 2,77,391/-.

## 4. From other parties - 4 (I) (B)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	TOTAL
<b>Vehicle Loan</b>	2.29	2.53	5.02	-	<b>9.84</b>
Rate of Interest	9.5% to 9.99%				
<b>Details of Security</b>					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Finance Company.					

**Other Terms**

Amount disbursed under the term loan shall be repaid in monthly instalments varying from ₹ 13,085/- to ₹ 27,388/- (including Interest), over a period of 2 months to 57 months.

**NOTE 5: DEFERRED TAX LIABILITIES (NET)**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Deferred Tax Liability</b>		
Opening Balance	228.93	248.02
Difference between accounting and tax depreciation	(20.79)	(28.76)
	<u>208.14</u>	<u>219.26</u>
<b>Deferred Tax Assets</b>		
Disallowances under Section 40(a)(I), 43B of the Income Tax Act, 1961	(32.69)	9.67
Tax effect of items constituting deferred tax assets	(32.69)	9.67
<b>TOTAL</b>	<b>175.45</b>	<b>228.93</b>

**NOTE 6: LONG-TERM PROVISION**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Provision for employee benefits:</b>		
Provision for compensated absences	34.56	25.20
<b>TOTAL</b>	<b>34.56</b>	<b>25.20</b>

**NOTE 7: SHORT-TERM BORROWINGS**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Secured Loans repayable on demand</b>		
From Banks Rupee Loan	1,522.96	955.71
From Banks Foreign Currency Loan	-	663.40
<b>TOTAL</b>	<b>1,522.96</b>	<b>1,619.11</b>

**7.1: Details of Security: for Rupee Loan**

- (i) Working capital loans are secured against hypothecation of raw materials, finished goods, stores & spares, book debts etc. and entire block of assets (both present & future) in favour of consortium of banks on pari passu other than specific assets financed by respective banks.
- (ii) All loans are secured against the personal guarantee of Managing Director.

## SIMMONDS MARSHALL LIMITED

### 7.2: Details of Security: for Foreign Currency Loan

- (i) Working capital loans are secured against hypothecation of raw materials, finished goods, stores & spares, book debts etc. and entire block of assets (both present & future) in favour of consortium of banks on pari pasu other than specific assets financed by respective banks.
- (ii) All loans are secured against the personal guarantee of Managing Director.

### NOTE 8: TRADE PAYABLES

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Trade payables:</b>		
Due to Micro, Small & Medium Enterprises	111.50	92.21
Others	1,429.67	1,093.32
<b>TOTAL</b>	<b>1,541.17</b>	<b>1,185.53</b>

Pursuant to disclosure of amount due to Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED ACT) included under the head "Trade Payable", the Company has initiated process of seeking necessary information from its suppliers. Based on the information available with the company regarding total amount due to supplier as at March 31, 2017 covered under MSMED Act, amounts to ₹ 111.50 lakhs (2015 - 16 ₹ 92.21 Lakhs). The company is generally regular in making payment of dues to such enterprise. There are no overdues beyond the credit period extended to the company which is less than 45 days hence liability for payment of interest or premium thereof and related disclosure under the said Act does not arise.

### NOTE 9: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(a) Current maturities of long-term debt (Refer Note 4)	319.19	327.38
(b) Interest accrued but not due on borrowings	2.62	3.47
(c) Interest accrued and due on borrowings	6.53	4.63
(d) Unpaid dividends	13.73	18.63
(e) Other payables		
(i) Tax Deducted at source and other statutory dues	103.42	113.65
(ii) Employee Related Liabilities	163.40	134.27
(iii) Other current liabilities	1.42	1.32
(iv) Advances from customers	9.70	9.72
<b>TOTAL</b>	<b>620.01</b>	<b>613.07</b>

### NOTE 10: SHORT-TERM PROVISIONS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(a) Provision for employee benefits:		
Provision for gratuity (Refer Note 26)	137.64	96.49
Provision for compensated absences (Refer Note 26)	22.34	14.04
	159.98	110.53
(b) Provision - Others:		
(i) Provision for proposed equity dividend	56.00	-
(ii) Provision for tax on proposed dividends	11.40	-
	67.40	-
<b>TOTAL</b>	<b>227.38</b>	<b>110.53</b>

**NOTE 11: FIXED ASSETS**

Fixed Assets	Gross block					Accumulated Depreciation and Amortisation					Net block
	Balance as at 1st Apr 2016	Additions	Disposals / Adjustment	Foreign currency exchange differences	Balance as at 31st Mar 2017	Balance as at 1st Apr 2016	Depreciation for the year	Disposals / Adjustment	Prior Period Adjustments	Balance as at 31st Mar 2017	Balance as at 31st Mar 2017
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. TANGIBLE ASSETS</b>											
(a) Buildings	212.20	-	(18.65)	-	193.55	70.44	6.32	(18.65)	-	58.11	135.44
(b) Plant and Equipment	3,270.74	832.31	(120.10)	(5.37)	3,977.58	1,578.83	274.83	(80.36)	-	1,773.30	2,204.28
(c) Furniture and Fixtures	47.12	3.55	(4.59)	-	46.08	30.35	4.29	(4.59)	-	30.05	16.03
(d) Vehicles	217.22	30.69	(6.16)	-	241.75	120.32	23.72	(6.16)	-	137.88	103.87
(e) Office equipment	44.18	6.93	(6.61)	-	44.50	38.27	2.78	(6.61)	-	34.44	10.06
(f) Electrical Installations	70.19	-	(2.71)	-	67.48	48.58	8.87	(2.71)	-	54.74	12.74
(g) Computers	72.61	7.68	(32.55)	-	47.74	60.75	7.59	(32.53)	-	35.81	11.93
<b>Total Tangible Assets</b>	<b>3,934.26</b>	<b>881.16</b>	<b>(191.37)</b>	<b>(5.37)</b>	<b>4,618.68</b>	<b>1,947.55</b>	<b>328.40</b>	<b>(151.61)</b>	<b>-</b>	<b>2,124.33</b>	<b>2,494.35</b>
<b>B. INTANGIBLE ASSETS</b>											
(a) Goodwill	267.30	-	-	-	267.30	113.60	26.73	-	-	140.33	126.97
(b) Software	16.68	-	-	-	16.68	11.12	5.56	-	-	16.68	-
(c) Royalty	204.36	-	-	-	204.36	113.64	68.11	-	-	181.75	22.61
<b>Total Intangible Assets</b>	<b>488.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488.34</b>	<b>238.36</b>	<b>100.40</b>	<b>-</b>	<b>-</b>	<b>338.76</b>	<b>149.58</b>
<b>Total Fixed Assets</b>	<b>4,422.60</b>	<b>881.16</b>	<b>(191.37)</b>	<b>(5.37)</b>	<b>5,107.02</b>	<b>2,185.91</b>	<b>428.80</b>	<b>(151.61)</b>	<b>-</b>	<b>2,463.09</b>	<b>2,643.93</b>
<b>C Capital Working Progress</b>	38.70	46.67	(38.70)	-	46.67	-	-	-	-	-	46.67
											<b>2,690.60</b>

Fixed Assets	Gross block					Accumulated Depreciation and Amortisation					Net block
	Balance as at 1st Apr 2015	Additions	Disposals / Adjustment	Foreign currency exchange differences	Balance as at 31st Mar 2016	Balance as at 1st Apr 2015	Depreciation for the year	Disposals / Adjustment	Prior Period Adjustments	Balance as at 31st Mar 2016	Balance as at 31st Mar 2016
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. TANGIBLE ASSETS</b>											
(a) Buildings	212.20	-	-	-	212.20	65.41	5.03	-	-	70.44	141.76
(b) Plant and Equipment	3,243.90	48.99	(58.29)	36.14	3,270.74	1,362.00	275.11	58.29	-	1,578.83	1,691.92
(c) Furniture and Fixtures	44.72	2.40	-	-	47.12	25.10	5.25	-	-	30.35	16.77
(d) Vehicles	194.28	22.94	-	-	217.22	96.44	23.88	-	-	120.32	96.90
(e) Office equipment	41.92	2.26	-	-	44.18	34.35	3.92	-	-	38.27	5.91
(f) Electrical Installations	68.54	1.65	-	-	70.19	38.61	9.98	-	-	48.59	21.60
(g) Computers	66.21	6.40	-	-	72.61	53.00	7.75	-	-	60.75	11.86
<b>Total Tangible Assets</b>	<b>3,871.77</b>	<b>84.64</b>	<b>58.29</b>	<b>36.14</b>	<b>3,934.26</b>	<b>1,674.90</b>	<b>330.92</b>	<b>58.29</b>	<b>-</b>	<b>1,947.55</b>	<b>1,986.72</b>
<b>B. INTANGIBLE ASSETS</b>											
(a) Goodwill	267.30	-	-	-	267.30	80.28	33.32	-	-	113.60	153.70
(b) Software	16.68	-	-	-	16.68	5.56	5.56	-	-	11.12	5.56
(c) Royalty	204.36	-	-	-	204.36	45.53	68.11	-	-	113.64	90.72
<b>Total Intangible Assets</b>	<b>488.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488.34</b>	<b>131.37</b>	<b>106.99</b>	<b>-</b>	<b>-</b>	<b>238.36</b>	<b>249.98</b>
<b>Total Fixed Assets</b>	<b>4,360.11</b>	<b>84.64</b>	<b>58.29</b>	<b>36.14</b>	<b>4,422.60</b>	<b>1,806.27</b>	<b>437.92</b>	<b>58.29</b>	<b>-</b>	<b>2,185.91</b>	<b>2,236.70</b>
<b>C Capital Working Progress</b>	-	38.70	-	-	38.70	-	-	-	-	-	38.70
											<b>2,275.40</b>

## SIMMONDS MARSHALL LIMITED

### NOTE 12: NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Investments (At cost):		
<b>A. Trade</b>		
<b>Unquoted</b>		
(a) Investment in equity instruments of Associate 131051 (2015 - 2016: 131051) shares of ₹ 10 each fully paid up in Formex Private Limited	11.79	11.79
(b) Investment in partnership firms (Refer Note below)	370.27	347.78
<b>B Non Trade :</b>		
<b>Unquoted</b>		
4000 (2015 - 2016: 4000) shares of ₹ 25 each fully paid up in Zoroastrian Co - op Bank Limited	1.00	1.00
<b>TOTAL</b>	<b>383.06</b>	<b>360.57</b>
Aggregate amount of unquoted investments	<b>383.06</b>	<b>360.57</b>

Note: Other details relating to investment in partnership firms

Name of the firm	As at March 31, 2017		As at March 31, 2016	
	Total capital ₹ in Lakhs	Share of each partner in the profits of the firm	Total capital ₹ in Lakhs	Share of each partner in the profits of the firm
<b>Partnership Firm</b> <b>STUD INDIA</b> (The company has acquired 99% share in the said partnership)	<b>370.27</b>		<b>347.78</b>	
<b>Name of the Partners</b>				
Simmonds Marshall Limited		99%		99%
Navroze S. Marshall		1%		1%
	<b>370.27</b>		<b>347.78</b>	

### NOTE 13: LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Unsecured, considered good</b>		
(a) Security deposits & Other Deposit	44.77	44.57
(b) Other loans and advances		
(i) Advance Tax (Net of Provision)	68.51	63.93
(ii) Export Incentive Receivable	28.16	89.14
(iii) Value Added Tax	0.36	5.82
(iv) Loans to Employees	5.28	5.87
<b>TOTAL</b>	<b>147.08</b>	<b>209.33</b>

**NOTE 14: OTHER LONG TERM ASSETS**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Trade Receivable	49.11	19.38
Prepaid Expenses	2.18	0.80
<b>TOTAL</b>	<b>51.29</b>	<b>20.18</b>

**NOTE 15: INVENTORIES**

(At lower of cost or net realisable value)

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(a) Raw materials	871.26	983.08
Goods-in-transit	81.07	19.94
	<u>952.33</u>	<u>1,003.02</u>
(b) Work-in-progress	<u>748.63</u>	<u>463.50</u>
(c) Finished goods	497.17	564.79
	<u>497.17</u>	<u>564.79</u>
(d) Stores and spares	4.71	6.19
Goods-in-transit	0.45	2.58
	<u>5.16</u>	<u>8.77</u>
(e) Others		
(i) Tools	930.23	801.79
Goods-in-transit	-	23.60
	<u>930.23</u>	<u>825.39</u>
(ii) Packing Material	2.34	1.83
	<u>2.34</u>	<u>1.83</u>
<b>TOTAL</b>	<b>3,135.86</b>	<b>2,867.30</b>

**NOTE 16: TRADE RECEIVABLES**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Unsecured, Considered Good</b>		
Outstanding exceeding six months	119.82	68.07
Others	3,569.73	3,173.74
<b>TOTAL</b>	<b>3,689.55</b>	<b>3,241.81</b>

## SIMMONDS MARSHALL LIMITED

### NOTE 17: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Cash and cash equivalents</b>		
(a) <b>Balances with banks</b>		
Balances with Banks	70.24	317.39
(b) <b>Earmarked Balances with Banks:</b>		
(i) Margin Money Deposit	78.37	99.97
(ii) Margin Money Deposit against ECB loan	127.68	119.14
(iii) Unclaimed Dividend Accounts	13.73	18.63
<b>TOTAL</b>	<b>290.02</b>	<b>555.13</b>

### NOTE 18: SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Unsecured, considered good</b>		
(a) <b>Loans and advances to related parties</b>		
	53.01	86.35
	<b>53.01</b>	<b>86.35</b>
(b) <b>Other Loans and Advances</b>		
(i) Loans to Employees	9.49	13.88
(ii) Prepaid expenses	56.17	39.96
(iii) CENVAT Recoverable	150.22	81.88
(iv) Advances to Trade Payable	48.12	41.31
(v) Others	0.43	0.25
	<b>264.43</b>	<b>177.28</b>
<b>TOTAL</b>	<b>317.44</b>	<b>263.63</b>

### NOTE 19: OTHER CURRENT ASSETS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Interest accrued on deposits	4.97	4.15
<b>TOTAL</b>	<b>4.97</b>	<b>4.15</b>

### NOTE 20: OTHER INCOME

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Interest Income	15.51	20.53
Dividend income	0.15	0.15
Share of Profit from Partnership Firm	22.49	15.16
Profit on Sale of Fixed Assets	16.67	-
<b>TOTAL</b>	<b>54.82</b>	<b>35.84</b>

**NOTE 21: COST OF MATERIALS CONSUMED**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Opening stock	1,003.02	1,216.00
Add: Purchases	5,630.37	4,773.72
	<u>6,633.39</u>	<u>5,989.72</u>
Less: Closing stock	952.33	1,003.02
<b>TOTAL</b>	<u>5,681.06</u>	<u>4,986.70</u>

**NOTE 22: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>A. Inventories at the beginning of the year:</b>		
Finished goods	564.79	661.74
Work-in-progress	463.50	429.11
	<u>1,028.29</u>	<u>1,090.85</u>
<b>B. Inventories at the end of the year:</b>		
Finished goods	497.17	564.79
Work-in-progress	748.63	463.50
	<u>1,245.80</u>	<u>1,028.29</u>
<b>Sub Total (A-B)</b>	<u>(217.51)</u>	<u>62.56</u>
<b>Add/ (Less): Excise Duty on opening and closing of Finished Goods (Net) (Refer Note 43)</b>	(19.50)	(21.78)
<b>TOTAL</b>	<u>(237.01)</u>	<u>40.78</u>

**NOTE 23: EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Salaries and wages	1,884.26	1,595.21
Contributions to provident and other funds	206.03	218.14
Staff welfare expenses	424.24	416.51
<b>TOTAL</b>	<u>2,514.53</u>	<u>2,229.86</u>

**NOTE 24: FINANCE COSTS**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Interest expense	249.76	347.06
Other borrowing costs	33.46	35.46
<b>TOTAL</b>	<u>283.22</u>	<u>382.52</u>

## SIMMONDS MARSHALL LIMITED

### NOTE 25: OTHER EXPENSES

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Consumption of stores and spare parts	142.27	116.79
Consumption of tools	690.15	822.58
Consumption of packing materials	125.70	120.22
Power and fuel	282.66	247.40
Job Work Charges	2,134.67	1,956.70
Rent	236.80	194.73
Repairs and maintenance		
Buildings	-	1.40
Machinery	112.73	128.58
Others	57.22	39.43
	169.95	169.41
Insurance	8.24	18.48
Rates and taxes - excluding Taxes on Income	13.50	7.58
Communication	24.09	19.87
Travelling and conveyance	166.55	147.89
Printing and stationery	24.22	27.12
Freight and forwarding	552.71	490.71
Sales commission	20.40	18.58
Donations and contributions	0.05	0.01
Legal and professional	150.57	175.37
Directors Fees	0.63	0.42
Net loss on foreign currency transactions and translation (Net)	46.31	81.03
Prior period items	-	0.13
Sundry Balance Written off (net)	4.69	5.84
Miscellaneous expenses	93.24	135.82
CSR Expenses (Refer Note 44)	25.00	15.04
<b>TOTAL</b>	<b>4,912.40</b>	<b>4,771.72</b>

**NOTE 26: DISCLOSURE RELATING TO EMPLOYEE BENEFIT - AS PER REVISED AS 15****(i) Defined Contribution Plan**

During the year ended March 31, 2017, the company has recognised the following amounts in the profit and loss account.

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Employer's contribution to Provident fund & Family Pension Fund	93.05	94.07
Employer's contribution to Superannuation Fund	9.42	9.90

**(ii) Defined Benefit plan**

A. The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on term not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India.

B. Details of defined benefit plan as per actuarial valuation report as at March 31, 2017 is as under :

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>Components of employer expense</b>		
Current service cost	31.43	31.14
Interest cost	32.34	31.44
Expected return on plan assets	(28.91)	(32.38)
Actuarial losses/(gains)	61.55	77.91
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>96.41</b>	<b>108.11</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(167.79)	(88.79)
Actual contributions	55.26	69.27
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	440.09	488.19
Fair value of plan assets	302.44	391.70
Funded status [Surplus / (Deficit)]	(137.65)	(96.49)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(137.65)</b>	<b>(96.49)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	488.19	437.45
Current service cost	31.43	31.14
Interest cost	32.34	31.44
Actuarial (gains) / losses	55.91	76.95
Benefits paid	(167.79)	(88.79)
Present value of DBO at the end of the year	<b>440.09</b>	<b>488.19</b>

## SIMMONDS MARSHALL LIMITED

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	391.70	379.80
Acquisition adjustment	-	-
Expected return on plan assets	28.91	32.38
Actuarial gain / (loss)	(5.64)	(0.96)
Actual company contributions	55.26	69.27
Benefits paid	(167.79)	(88.79)
Plan assets at the end of the year	<u>302.44</u>	<u>391.70</u>
<b>Actuarial assumptions</b>		
Discount rate	7.40%	8.00%
Expected return on plan assets	8.15%	8.75%
Salary escalation	4.50%	3.00%
<b>Composition of the plan assets is as follows:</b>		
Government bonds		
PSU bonds		
Equity mutual funds		
Others - Insurer Managed Funds	100%	100%

The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is ₹28.91 lakhs (2015 - 2016 : ₹32.38 lakhs)

The assumption of the future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

<b>Experience Adjustments</b>		
Present value of Defined Benefit Obligation as at March 31, 2017	440.09	488.19
Fair Value of Plan Assets as at March 31, 2017	302.44	391.70
Funded status [Surplus/(Deficit)]	(137.65)	(96.49)
Experience adjustment on Plan Liabilities	16.52	76.95
Experience adjustment on plan Assets	5.64	0.96

### (iii) Other Long Term Benefits:

The Employee Benefits towards Compensated absences are provided based on actuarial valuation made at the end of the year.

Employee benefits towards Compensated absences recognised in the Statement of Profit and Loss are as follows:

	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
(a) Current Service Cost	26.62	22.95
(b) Interests Cost	2.94	3.23
(c) Net actuarial (gain) / loss	(7.19)	(23.12)
	<u>22.37</u>	<u>3.06</u>
<b>Actuarial assumptions</b>		
Discount rate	7.40%	8.00%
Salary escalation	4.50%	3%

The assumption of the future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

**NOTE 27: SEGMENT REPORTING AS - 17****a) Business segment**

The Company's business activity falls within a single primary business segment, viz manufacture of Industrial Fasteners such as nuts, bolts etc. Hence, no disclosure is required for business segment.

**b) Geographical segments**

Revenue is segregated into two segments namely India (sales to customer within India) and other countries (sales to customer outside India) on the basis of geographical location of customers for the purpose of reporting geographical segments.

The accounting policy adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 1 above.

Information in respect of Secondary Segment	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>(i) Segment Revenue</b>		
India	12,911.42	11,687.30
Other Countries	1,381.75	1,651.64
	<u>14,293.17</u>	<u>13,338.94</u>
<b>(ii) Carrying Amount of Segment Assets</b>		
India	10,411.97	9,548.64
Other Countries	297.90	248.86
	<u>10,709.87</u>	<u>9,797.50</u>
<b>(iii) Capital Expenditure</b>		
India	889.13	159.48
Other Countries	-	-
	<u>889.13</u>	<u>159.48</u>

**NOTE 28: RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18**

**Related party transactions**

**A. Details of related parties**

<b>Description of relationship</b>	<b>Names of related parties</b>
Subsidiary	Stud India - Partnership Firm
Associates Company	Formex Private Limited
Key Management Personnel (KMP)	Mr. S. J. Marshall (Chairman) Mr. N. S. Marshall (Managing Director) Mr. I. M. Panju (Whole-Time Director) Mr. N. D. Bharucha (Chief Financial Officer) (Upto 10th Aug 2016) Mr. Vikash Verma ( Chief Financial Officer) (w.e.f. 11th Aug 2016)
Relatives of KMP	Mrs. N. N. Bharucha (Upto 10th Aug 2016)
Company and Enterprises in which KMP / Relatives of KMP can exercise significant influence	Corrodyne Coatiings Pvt.Ltd. J. N. Marshall & Co. (Steel Dept.) J. N. Marshall & Co. - Custom House Clearing Agents J. N. Marshall Engineering Pvt. Ltd. J. N. Marshall Pvt. Ltd. Marshall Real Estate & Investment Corporation Powair Automation Equipments Pvt. Ltd. Marshall Charitable Foundation

<b>B. Related Party Transactions</b>	<b>2016 - 17</b>	<b>2015 - 16</b>
	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
<b>(i) Subsidiary</b>		
Sales	67.67	51.09
Purchases	7.20	0.93
Investments as at March 31, 2017	370.27	347.78
Outstanding balance as on March 31, 2017	Dr 19.17	Dr 42.33
<b>(ii) Associate Company</b>		
Payment for Services	792.05	615.60
Outstanding balance as on March 31, 2017	Dr 53.01	Dr 83.94
<b>(iii) Key Management Personnel &amp; Relatives</b>		
(a) Remuneration	125.14	121.11
(b) Interest	40.81	63.07
(c) Payment for Services	3.14	0.20
Outstanding balance as on March 31, 2017	Cr. 573.00	Cr. 617.00
<b>(iv) Enterprises in which Key Management Personnel have significant influence</b>		
(a) Payment for Services	192.34	151.82
(b) Purchase of Materials	-	3.58
(c) Payment of Rent / Rates & Taxes	203.64	181.85
(d) Receipt for share of expense	3.67	3.23
(e) Amount contributed for CSR Expenditure	25.00	15.04
Outstanding balance as on March 31, 2017	Cr. 34.62	Cr. 53.84

There are no write offs/write back of any amounts for any of the above parties.

The disclosure as required to be given under regulation 34(3) and 53(f) of Listing Obligations and Disclosure (Requirements) Regulations, 2015 has been made in the above note 28 to the Financial Statement.

**NOTE 29: LEASE TRANSACTIONS**

The Company's significant leasing arrangements are in respect of operating lease for premises and Vehicles. The period of agreement is generally for one year and is renewable by mutual consent. The aggregate lease rental expense are ₹ 236.80 lakhs (Previous year ₹ 194.73 lakhs)

Total of future minimum lease rent payable is as follows:

Period	₹ in Lakhs
Payable within one year	228.00
Payable within 2 - 5 years	456.00

**NOTE 30 : EARNINGS PER SHARE**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Earnings per share</b>		
Net profit for the year attributable to the equity shareholders (₹ in Lakhs)	5,88.52	4,93.76
Weighted average number of equity shares	1,12,00,000	1,12,00,000
Par value per share (₹)	2.00	2.00
<b>Basic and diluted Earning per share (₹)</b>	<b>5.25</b>	<b>4.41</b>

**NOTE 31: CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(i) Other money for which the Company is contingently liable		
(a) Bills Discounted	190.25	221.74
(b) Bonds given against import of machineries under EPCG scheme & Advance License	375.05	550.54
(c) Income Tax	63.03	47.52
(d) Sales Tax	54.04	-
(e) Guarantees	0.02	0.02
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	17.00	-

**NOTE 32: DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative contracts entered into by the company and outstanding as on March 31, 2017

For hedging Currency and Interest Rate Related Risks

Nominal amounts of derivative contracts entered into by the company and outstanding as on March 31, 2017 amount to ₹ 359.71 lakhs (Previous Year ₹ 535.28 lakhs). Category wise break up is given below:

Particulars	Currency	As at March 31, 2017	As at March 31, 2016
Interest swap	USD	5.55	8.07
	₹ in Lakhs	359.71	535.31

## SIMMONDS MARSHALL LIMITED

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at Balance Sheet date are as follows:

Particulars	Currency	As at March 31, 2017	As at March 31, 2016
Receivables	GBP	261.70	226.88
	USD	32.08	11.62
	EURO	4.12	26.58
Payables	USD	228.84	500.63
	GBP	0.67	0.79
	JY	51.57	30.90
ECB Loan and Interest Payable	USD	361.49	538.61
FCNR Loan	USD	-	663.40

**NOTE 33: The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as follows:**

(₹ in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash on hand as on 08.11.2016	-	0.31	0.31
(+) Permitted receipts	-	3.57	3.57
(-) Permitted payments	-	3.54	3.54
(-) Amount deposited in Banks	-	-	-
Closing cash on hand as on 30.12.2016	-	0.34	0.34

**NOTE 34: OPENING & CLOSING STOCKS OF GOODS MANUFACTURED BY THE COMPANY:**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Nyloc Self Locking Nuts (Industrial Fastners)		
Opening Stocks as at April 1, 2016	564.79	661.74
Closing Stocks as at March 31, 2017	497.17	564.79

**NOTE 35: SALE OF GOODS MANUFACTURED AND TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Nyloc Self-locking Nuts (Industrial Fastners)	14,165.60	13,282.34
<b>SALE OF GOODS TRADED BY THE COMPANY:</b>		
Hexagonal Bolts	127.57	56.60
<b>TOTAL</b>	<b>14,293.17</b>	<b>13,338.94</b>

**NOTE 36: PURCHASE OF GOODS TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Hexagonal Bolts	80.84	31.93

**NOTE 37: RAW MATERIALS AND COMPONENTS CONSUMED**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Steel	4,957.77	4,246.78
Nylon Inserts	19.85	17.25
Nylon Moulding Powder	18.73	19.15
Plating Materials	83.39	87.09
Cage Clips, etc.	608.61	616.43
<b>TOTAL</b>	<b>5,681.06</b>	<b>4,986.70</b>

**NOTE 38: DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>Raw materials</b>		
Imported *	2,368.01	2,750.40
% to Total Consumption	41.68	55.15
Indigenous *	3,313.05	2,236.30
% to Total Consumption	58.32	44.85
<b>TOTAL</b>	<b>5,681.06</b>	<b>4,986.70</b>
	<b>100.00</b>	<b>100.00</b>
* Sale of turnings, borings and pallets has been allocated in proportion to the consumption of imported and indigenous steel.		
<b>Stores, Components &amp; Spare Parts</b>		
Imported	-	-
% to Total Consumption	-	-
Indigenous	142.27	116.79
% to Total Consumption	100.00	100.00
<b>TOTAL</b>	<b>142.27</b>	<b>116.79</b>
	<b>100.00</b>	<b>100.00</b>

**NOTE 39: VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Raw materials	1,776.89	2,580.09
Tools	540.20	544.39
Capital goods	655.93	52.87
Stores & Spares	3.01	1.30

**NOTE 40: EXPENDITURE IN FOREIGN CURRENCY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Commission	5.65	7.10
Foreign Travelling	18.28	1.90
Interest on Loan	60.73	66.15
Other matters	8.33	3.18
<b>TOTAL</b>	<b>92.99</b>	<b>78.33</b>

**NOTE 41: EARNINGS IN FOREIGN CURRENCY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Export of goods calculated on FOB basis	1381.75	1651.64

**NOTE 42: PAYMENTS TO AUDITORS**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>As Auditors</b>		
(i) Audit Fees	7.25	7.25
(ii) Tax Audit & MVAT Audit Fees	0.86	1.10
(iii) Limited Review	1.08	1.08
(iv) Consolidation Fees	0.75	1.00
<b>In other Capacity</b>		
(i) Certification Work & Other Capacity	2.95	1.37
(ii) Representation before Statutory Authority	2.91	2.07
<b>Reimbursement of Expenses &amp; Service Tax</b>	<b>0.20</b>	<b>1.25</b>
<b>TOTAL</b>	<b>16.00</b>	<b>15.12</b>

**NOTE 43**

In compliance with Accounting Standards-2 (AS-2) revised, excise duty liability estimated at ₹ 67.04 lakhs (2015 - 2016: ₹ 86.54 lakhs) on finished goods lying in factory premises has been loaded on the valuation of Finished goods. However, it has no impact on the Profit and Loss Account. The Excise duty of ₹ 19.50 lakhs related to the difference between the closing stock and opening stock is given effect in the Profit & Loss Account (Refer Note 22).

**NOTE 44**  
**CSR Expenditure**

- (a) Gross amount required to be spent by the company during the Financial Year 2016-17: ₹ 27.59 Lakhs (including unspent of ₹ 10.46 lakhs of earlier years).
- (b) Amount spent during the year.

(₹ in Lakhs)

Particulars	In cash	Yet to be paid	Total
(i) On Construction / Acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	25.00	-	25.00
<b>Total</b>	<b>25.00</b>	<b>-</b>	<b>25.00</b>

**NOTE 45**

In the opinion of the management, inventories continue to have a realisable value of at least amount at which they are stated in Balance sheet.

**NOTE 46**

Balance of sundry debtors, loans & advances and sundry creditors balances are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmations, if any, it is shown as good in nature.

**NOTE 47**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached of even date

**For S H R & CO**

Chartered Accountants

**FRN: 120491W**

**Deep N Shroff**

Partner

M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

**S J MARSHALL**

Chairman

**N S MARSHALL**

**VIKASH VERMA**

**NIRMAL GUPTA**

Managing Director

Chief Financial Officer

Company Secretary

## **INDEPENDENT AUDITORS' REPORT**

**To the Members Of SIMMONDS MARSHALL LIMITED**

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

1. We have audited the accompanying consolidated financial statements of Simmonds Marshall Limited (hereinafter referred to as "the Holding Company") and subsidiary (Partnership Firm) (the Holding Company and its subsidiary together referred to as "the Group"), its associate, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the companies and the partners of the firm included in the Group and the Board of Directors of its associates 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.
7. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

#### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, read together with notes to the accounts thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated Balance Sheet, of the consolidated state of affairs of the Group and its associate as at March 31, 2017;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Other Matters**

9. We did not audit the financial statements of a subsidiary (Partnership Firm), whose financial statements reflect total assets of ₹ 676.62 Lakhs as at March 31, 2017, total revenues of ₹ 1039.69 lakhs and net cash outflows amounting to ₹ 15.09 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.
10. The consolidated financial statements also include the Group's share of net profit of ₹ 1.75 lakhs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

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**

11. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statement.
- (b) 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.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and as per information provided by the management in respect of associate company, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the group, its associates as referred to in Note 31 to the financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary (Partnership Firm) and associate.

- iv. The company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016, refer Note 33 to the consolidation financial statements. As per the information and explanation provided to us and based on the representation received from the management, we state that the said disclosure are in accordance with the books of accounts maintained by the Company.

**For S H R & CO.**  
Chartered Accountants  
FRN: 120491W

**Deep N Shroff**  
Partner  
Membership No. 122592

Mumbai, May 25, 2017

## **ANNEXURE: A Referred to in Para 11(f) of the Independent Auditor's Report Of Even Date On The Consolidated Financial Statements Of Simmonds Marshall Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Simmonds Marshall Limited (hereinafter referred to as "the Holding Company") and its associate company which are companies incorporated in India, as of that date.

### **2. Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 Companies Act, 2013.

### **3. Auditors' 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 (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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 Company's internal financial controls system over financial reporting.

**4. Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control 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 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.

**5. 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.

**6. Opinion**

In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, 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, 2017, 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.

**7. Other Matters**

Our aforesaid report under section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting is not applicable to its subsidiary being a partnership firm thus the auditor of the said subsidiary has not commented on the operating effectiveness of the internal financial controls over financial reporting.

Our aforesaid reports under Section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to an associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Mumbai, May 25, 2017

**For S H R & CO.**  
Chartered Accountants  
FRN: 120491W

**Deep N Shroff**  
Partner  
Membership No. 122592

# SIMMONDS MARSHALL LIMITED

## Consolidated Balance Sheet as at March 31, 2017

Particulars	Note No.	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	2	224.00	224.00
(b) Reserves and surplus	3	5,037.84	4,515.00
		<u>5,261.84</u>	<u>4,739.00</u>
<b>2 Minority Interest</b>		10.25	10.03
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		1,326.60	1,274.51
(b) Deferred tax liabilities (Net)		183.87	237.30
(c) Long Term Provision		34.56	25.20
		<u>1,545.03</u>	<u>1,537.01</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	7	1,532.96	1,634.36
(b) Trade payables	8		
Total outstanding dues of micro enterprises & small enterprises		111.50	92.21
Total outstanding dues of creditors other than micro enterprises & small enterprises		1,665.69	1,228.05
(c) Other current liabilities	9	634.17	625.03
(d) Short-term provisions	10	235.74	110.53
		<u>4,180.06</u>	<u>3,690.18</u>
<b>TOTAL</b>		<u>10,997.18</u>	<u>9,976.22</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		2,589.46	2,090.01
(ii) Intangible assets		149.58	249.98
(iii) Capital work-in-progress		46.67	38.70
		<u>2,785.71</u>	<u>2,378.69</u>
(b) Non-current investments	12	12.93	11.16
(c) Long-term loans and advances	13	148.66	213.37
(d) Other Long-term assets	14	59.30	28.19
		<u>3,006.60</u>	<u>2,631.41</u>
<b>2 Current assets</b>			
(a) Inventories	15	3,429.01	3,081.54
(b) Trade receivables	16	3,940.11	3,417.41
(c) Cash and cash equivalents	17	294.86	575.07
(d) Short-term loans and advances	18	321.63	266.64
(e) Other current assets	19	4.97	4.15
		<u>7,990.58</u>	<u>7,344.81</u>
<b>TOTAL</b>		<u>10,997.18</u>	<u>9,976.22</u>
<b>NOTES TO THE ACCOUNTS</b>	1		
The accompanying notes including other explanatory information form an integral part of the financial statements.			

As per our report attached of even date

**For S H R & CO**

Chartered Accountants

FRN: 120491W

**Deep N Shroff**

Partner

M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

**S J MARSHALL**

Chairman

**N S MARSHALL**

**VIKASH VERMA**

**NIRMAL GUPTA**

Managing Director

Chief Financial Officer

Company Secretary

**Consolidated Statement of Profit and Loss for the year ended March 31, 2017**

Particulars	Note No.	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
1 (a) Sale of Products (gross)		17,031.80	15,883.32
Less: Excise duty		(1,779.71)	(1,620.87)
		<u>15,252.09</u>	<u>14,262.45</u>
(b) Other Operating Revenue			
Export Incentive		37.84	150.64
Sales of Scrap (net of excise)		174.95	128.00
		<u>212.79</u>	<u>278.64</u>
<b>Revenue from operations (Net) (a + b)</b>		<u><b>15,464.88</b></u>	<u><b>14,541.09</b></u>
2 Other income	20	55.47	38.49
3 <b>Total revenue (1+2)</b>		<u><b>15,520.35</b></u>	<u><b>14,579.58</b></u>
4 <b>Expenses</b>			
(a) Cost of materials consumed	21	6,256.76	5,538.33
(b) Purchases of traded goods		80.84	31.93
(c) Changes in inventories of finished goods and work-in-progress	22	(183.69)	126.22
(d) Employee benefits expense	23	2,675.57	2,378.19
(e) Finance costs	24	283.22	382.52
(f) Depreciation and amortisation expense		436.99	446.75
(g) Other expenses	25	5,047.08	4,886.16
5 <b>Total expenses</b>		<u><b>14,596.77</b></u>	<u><b>13,790.10</b></u>
6 <b>Profit before tax (3 - 5)</b>		<u><b>923.58</b></u>	<u><b>789.48</b></u>
7 <b>Tax expense:</b>			
(a) Current tax		366.00	298.63
(b) Deferred tax		(53.43)	(18.23)
(c) tax adjustments of earlier years		(0.23)	-
		<u>312.34</u>	<u>280.40</u>
8 <b>Profit Before Minority Interest (6 - 7)</b>		<u><b>611.24</b></u>	<u><b>509.08</b></u>
9 <b>Less: Minority Interest</b>		<u><b>0.23</b></u>	<u><b>0.15</b></u>
10 <b>Add: Share of Profit of Associate</b>		<u><b>1.75</b></u>	<u><b>(36.98)</b></u>
11 <b>Profit for the period (8 - 9)</b>		<u><b>612.76</b></u>	<u><b>471.95</b></u>
12 <b>Earnings per share Basic &amp; Diluted (₹):</b>	30	5.47	4.21
13 <b>Weighted Average Number of Equity Shares (Face Value of ₹ 2 each/-)</b>		1,12,00,000	1,12,00,000
<b>NOTES TO THE ACCOUNTS</b>	1		
The accompanying notes including other explanatory information form an integral part of the financial statements.			

As per our report attached of even date

**For S H R & CO**

Chartered Accountants

FRN: 120491W

**Deep N Shroff**

Partner

M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

**S J MARSHALL**

Chairman

**N S MARSHALL**

**VIKASH VERMA**

**NIRMAL GUPTA**

Managing Director

Chief Financial Officer

Company Secretary

**Consolidated Cash Flow Statement for the year ended March 31, 2017**

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit before tax	923.58		789.48	
Adjustments for:				
Depreciation and Amortisation	436.99		446.75	
Sundry Balance Written Off (Net)	4.69		5.84	
Loss on sale of assets	-		2.74	
Profit on sale of assets	(16.67)	-		
Finance costs	283.22		382.52	
Interest income	(15.62)		(20.53)	
Dividend income	(0.15)		(0.15)	
Share of profit from partnership firms	(22.49)		(15.16)	
		669.97		802.01
<b>Operating profit before working capital changes</b>		<b>1,593.55</b>		<b>1,591.49</b>
Adjustments for:				
Inventories	(347.47)		287.41	
Trade receivables	(522.70)		24.03	
Loans and Advances	(19.98)		(58.56)	
Trade payables and other payables	529.81		(500.83)	
		(360.34)		(247.95)
<b>Cash Flow Generated from Operation</b>		<b>1,233.21</b>		<b>1,343.54</b>
Net income tax (paid)		(365.58)		(400.38)
<b>Net cash flow from operating activities (A)</b>		<b>867.63</b>		<b>943.16</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets		(889.13)		(180.01)
Sale of Fixed Assets		57.00		2.50
Interest Income		15.62		20.53
Dividend received		0.15		0.15
<b>Net cash flow from investing activities (B)</b>		<b>(816.36)</b>		<b>(156.83)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from Long Term Borrowings (net)		52.09		(321.13)
Short Term Borrowings (net)		(101.40)		32.29
Finance cost		(282.17)		(382.52)
Dividends paid		-		(112.00)
Tax on dividend paid		-		(22.80)
<b>Net cash flow from financing activities (C)</b>		<b>(331.48)</b>		<b>(806.16)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>		<b>(280.21)</b>		<b>(19.82)</b>
Cash and cash equivalents at the beginning of the year		575.07		594.89
<b>Cash and cash equivalents at the end of the year</b>		<b>294.86</b>		<b>575.07</b>

As per our report attached of even date

**For S H R & CO**

Chartered Accountants

**FRN: 120491W**
**Deep N Shroff**

Partner

M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

**S J MARSHALL**

Chairman

**N S MARSHALL**
**VIKASH VERMA**
**NIRMAL GUPTA**

Managing Director

Chief Financial Officer

Company Secretary

## Notes forming part of the Financial Statements for the year ended on March 31, 2017

### Note Particulars

#### 1 Significant Accounting Policies

##### 1.1 PRINCIPLES OF CONSOLIDATION:

- (a) The Consolidated financial statements comprise of the financial statements of Simmonds Marshall Limited (hereinafter referred to as "the holding Company") and its subsidiary (partnership firm) (hereinafter referred to as "the group"). The holding company holds 99% share in subsidiary – M/s. STUD INDIA a partnership firm established in India which has been considered for consolidation. There is no change in the ownership interest as compared to previous year.
- (b) The holding company has 49% ownership interest in associate namely M/s. Formex Private Limited, incorporated in India. The proportionate interest in the said entity as per the latest available Balance Sheet (unaudited) as at March 31, 2017 have been considered for preparation of the aforesaid consolidated financial statements.
- (c) Consolidated financial statements have been prepared in the same format as adopted by the holding Company, to the extent possible, as required by Accounting Standard (AS) 21 'Consolidated Financial Statements' and Accounting Standard (AS) 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and comprise of the consolidated balance sheet, consolidated statement of profit and loss, and notes, other statements and explanatory material that form an integral part thereof.
- (d) The difference between the cost of investment in the subsidiary and associate, and the Group's share of net assets at the time of acquisition of interest in the subsidiary and associate is disclosed in the financial statements as Goodwill or Capital Reserve as the case may be.
- (e) The financial statement of the subsidiaries drawn upto the same reporting date viz. year ended March 31, 2017 has been used for the purpose of consolidation.
- (f) The Consolidated financial statements of the holding Company and its Subsidiary Companies have been consolidated on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised Profits/ Losses as per Accounting Standard (AS) 21 'Consolidated Financial Statements'.
- (g) Minority Interest in the net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.
- (h) Minority interest in the net assets of consolidated subsidiaries consists of:
  - (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
  - (b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence.
- (i) Minority's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit After Tax of the Group.
- (j) Investment in associates where the Company directly holds more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements.
- (k) The Group accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

## 1.2 Basis of Accounting and Preparation of Financial Statements

The financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 2013.

## 1.3 Use of estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised

## 1.4 Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any. All cost, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalised.

## 1.5 Investments

### Recognition and Measurement:

Investments, which are readily realisable and intended to be held for not more than one year from balance sheet date, are classified as current investments. All other investments are classified as non-current investments.

Non Current investments which are intended to be held for more than a year, from the date of acquisition, are considered as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments. Investments other than long-term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.

## 1.6 Inventories

Inventories are valued at lower of cost or net realisable value.

- i) Cost of raw materials, stores & spare parts, packing materials and loose tools is arrived at on the basis of weighted average cost.
- ii) Work in process and finished goods include conversion costs in addition to landed cost of raw materials.
- iii) Scrap is valued at net realisable value.

## 1.7 Revenue Recognition

- i) Sale is recognised on despatch of goods. Export sales are accounted for on basis of the dates of bill of lading. Sales are net of trade discounts, sales tax, sales returns and remissions. Excise Duty recovered is presented as reduction from gross turnover.
- ii) Revenue from services is recognised when services are rendered.
- iii) Dividend is accounted when right to receive is established.
- iv) Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.
- v) Export benefits under duty exemption scheme is being accounted in the year of exports.

## 1.8 Sale of Turnings, Borings and Pallets

Sale of turnings, borings and pallets coming out of the production line as scrap, shown as other operating revenue.

## 1.9 Depreciation

### (i) Tangible Assets

Depreciation on assets is provided on Straight Line Method, pro-rata to the period of use, based on the useful life of the assets as prescribed under the Schedule II of the Companies Act, 2013.

### (ii) Intangible Assets

- (a) Cost relating to Goodwill an intangible assets, which is acquired is capitalised and amortised on a straight line basis over useful life of 10 years.
- (b) Costs relating to the acquisition of software and licenses are capitalized and subsequently amortized over the estimated useful life of 3 years.
- (c) Expenditure incurred on acquiring manufacturing rights and trade mark is amortised on straight line method over the period of agreement i.e. 3 years.

## 1.10 Foreign Currency Transactions

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of the transactions. Monetary items (i.e. receivables, payables, loans etc) denominated in foreign currency and outstanding at the Balance Sheet date are translated at the exchange rate prevailing on the date of balance sheet. Exchange difference arising on settlement and conversion of foreign currency transactions are recognised as income or expenses in the period in which they arise, except to the extent it results to long term monetary items.

During the year, consequent to the notification No. F.NO.17/133/2008 - CLV dated March 29, 2011 revising Accounting Standard (AS) 11 "The Effects of Change in Foreign Exchange Rates", the company has exercised the option in terms of paragraph 46A. Accordingly the exchange differences arising on settlement / translation of long term monetary items utilised for acquisition of fixed assets are adjusted to the carrying cost of fixed assets and depreciated over its remaining useful life. Non-monetary items denominated in foreign currency are carried at the exchange rate in force at the date of the transaction.

## 1.11 Employee benefits

### (i) Defined Contribution Plan:

Employee benefits in the form of contribution to Superannuation Fund, Provident Fund, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the statement of profit and loss for the year when the contributions to the respective funds are due.

### (ii) Defined Benefit Plan:

#### Gratuity

The company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contribution are based on actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are recognised in the statement of profit and loss.

### (iii) Other Long Term Benefits:

#### Compensated Absences

The company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / entitlement. Compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses, if any, are immediately recognised in the statement of profit and loss.

### 1.12 Borrowing costs

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take substantial period of time to get ready for the intended use are capitalised. Other borrowing costs are charged to the profit and loss account.

### 1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 1.14 Taxation

Tax Expenses comprises of current tax and deferred tax.

Current Tax is provided on taxable income using applicable tax rates and tax laws.

The deferred tax for timing difference between the book and tax profits/losses for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of Balance Sheet date.

Deferred tax assets arising on account of unabsorbed depreciation and brought forward losses are recognised to the extent there is virtual certainty that the assets can be realised in future.

Advance Taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same governing taxation laws.

### 1.15 Impairment of Assets

The Company assesses at each balance sheet date for possible impairment in carrying value of assets based on external and internal sources of information and indications. In case of recoverable amount of assets / cash generating unit is less than carrying amount, impairment loss is recognised in the Profit & Loss Account for difference in carrying value of assets / cash generating units and recoverable amount.

### 1.16 Provision and contingent liabilities

- (i) Provision in respect of present obligation arising out of past events is made in accounts when reliable estimates can be made of the amount of obligation and it is probable that an outflow of resources will be required to settle the obligation.
- (ii) Contingent liabilities are disclosed by way of note to the financial statements after careful valuation by the management of the facts and legal aspects of matter involved. Contingent Assets are not recognised in the financial statements.

**NOTE 2: SHARE CAPITAL**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>(a) Authorised</b>		
5,00,00,000 Equity shares of ₹ 2 each (Previous Year 5,00,00,000 Equity shares of ₹ 2 each)	1,000.00	1,000.00
	<u>1,000.00</u>	<u>1,000.00</u>
<b>(b) Issued, Subscribed and fully paid up</b>		
1,12,00,000 Equity shares of ₹ 2 each (Previous Year 1,12,00,000 Equity shares of ₹ 2 each)	224.00	224.00
<b>TOTAL</b>	<u>224.00</u>	<u>224.00</u>

**2.1: Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>Equity Shares</b>				
Shares outstanding at the Beginning of the year	1,12,00,000	224.00	1,12,00,000	224.00
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	1,12,00,000	224.00	1,12,00,000	224.00

**2.2: Terms / Rights attached to shares:**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**2.3: Details of shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity shares</b>				
Navroze S Marshall	1,518,548	13.56	1,493,548	13.34
Shiamak J Marshall	1,512,965	13.51	1,512,965	13.51
Maki S Marshall	1,667,435	14.89	1,640,435	14.65
Kamal I Panju	717,155	6.40	717,155	6.40
Kayan J Pandole	710,655	6.35	710,655	6.35
Clover Technologies Pvt. Ltd.	619,369	5.53	539,887	4.82

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### NOTE 3: RESERVES AND SURPLUS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>(a) Securities Premium Account</b>		
Opening balance	154.00	154.00
Add : Amount received during the year	-	-
<b>TOTAL</b>	<b>154.00</b>	<b>154.00</b>
<b>(b) General Reserve</b>		
Opening balance	530.00	530.00
Add: Transferred from statement of Profit and Loss	-	-
<b>TOTAL</b>	<b>530.00</b>	<b>530.00</b>
<b>(c) Surplus as per Statement of Profit &amp; Loss</b>		
Balance brought forward	3,831.00	3,441.62
Add: Profit for the year	612.76	471.94
Less: Share of Profit of Partnership Firm	22.49	15.16
	590.27	456.78
Less:		
Proposed Dividend (₹ 0.50 per share)	56.00	-
Interim Dividend (₹0.50 per share)	-	56.00
Tax on Dividend	11.40	11.40
<b>TOTAL</b>	<b>4,353.84</b>	<b>3,831.00</b>
<b>TOTAL</b>	<b>5,037.84</b>	<b>4,515.00</b>

### NOTE 4: LONG TERM BORROWINGS

Particulars	As at March 31, 2017		As at March 31, 2016	
	Non Current ₹ in Lakhs	Current ₹ in Lakhs	Non Current ₹ in Lakhs	Current ₹ in Lakhs
<b>I. SECURED</b>				
<b>(A) Term loans</b>				
(i) Rupee Loan From Banks				
1. Zorostrian Co.op. Bank Ltd.	562.53	130.39	281.28	146.71
2. ICICI Bank Limited	1.38	5.39	6.77	4.86
(ii) Foreign Currency Loan (ECB) - ICICI Bank Limited	179.85	179.86	368.01	167.27
<b>(B) From other parties</b>				
Vehicle Loan	9.84	3.55	1.45	8.54
	<b>753.60</b>	<b>319.19</b>	<b>657.51</b>	<b>327.38</b>
<b>II. UNSECURED</b>				
Loans and advances from related parties	573.00	-	617.00	-
	<b>573.00</b>	<b>-</b>	<b>617.00</b>	<b>-</b>
<b>TOTAL</b>	<b>1,326.60</b>	<b>319.19</b>	<b>1,274.51</b>	<b>327.38</b>

**4.1: Additional information to secured/unsecured loans**

The long term portion of term loans are shown under long term borrowings and current maturities ( payable within twelve months) of long term borrowings are shown under the current liabilities as per disclosure requirement of the Revised Schedule III.

**4.2: Details of securities and Terms of payment**

**2. Term Loan -4 (I) (A) (I) 1**

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				TOTAL
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	
Zoroastrian Co.op. Bank Ltd.	145.53	162.44	254.56	-	562.53
(I) Rate of Interest	10.50% to 12.00%				
<b>(ii) Details of Security</b>					
Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the Bank. All loans are secured against the personal guarantee of Managing Director. Other Terms Amount disbursed under the term loan shall be repaid in monthly instalments varying from ₹ 4,33,767/- to ₹ 7,36,599/- (including Interest), over a period of 50 to 58 months.					

**2. Term Loan - 4 (I) (A) (I) 2**

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				TOTAL
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	
ICICI Bank Limited	1.38	-	-	-	1.38
(I) Rate of Interest	10.50%				
<b>(ii) Details of Security</b>					
Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the Bank. All loans are secured against the personal guarantee of Chairman. Other Terms Amount disbursed under the term loan shall be repaid in monthly instalment of ₹16,252 (including Interest), over a period of 15 months.					

**3. Foreign Currency Loan (ECB) - 4 (I) (A) (ii)**

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				TOTAL
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	
ICICI Bank Limited	179.85	-	-	-	179.85
Rate of Interest	LIBOR + 5.75%				
<b>Details of Security</b>					
Secured by first and exclusive charge on plant & machineries funded under the ECB. Secured by Fixed Deposit amounting to ₹ 127.68 lakhs kept with the bank. All loans are secured against the Corporate guarantee of M/s. J. N. Marshall & Company (Engineering Department) and the personal guarantee of Chairman and Managing Director. <b>Other Terms</b> Each amount disbursed under ECB shall be repaid in 9 periodly instalments varying from USD 63,043/- to USD 2,77,391/-.					

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### 4. From other parties - 4 (I) (B)

Particulars	Maturity Period from the date of Balance Sheet (₹ in Lakhs)				TOTAL
	1 - 2 years	2 - 3 years	3 - 5 years	5 years and Above	
Vehicle Loan	2.29	2.53	5.02	-	9.84
Rate of Interest	9.50% to 9.99%				
<b>Details of Security</b>					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					
<b>Other Terms</b>					
Amount disbursed under the term loan shall be repaid in monthly instalments varying from ₹ 13,085/- to ₹ 27,388/- (including Interest), over a period of 2 months to 57 months					

### NOTE 5: DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Deferred Tax Liability</b>		
Opening Balance	237.30	255.54
Difference between accounting and tax depreciation	(19.60)	(25.89)
	<u>217.70</u>	<u>229.65</u>
<b>Deferred Tax Assets</b>		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	(33.83)	7.65
Tax effect of items constituting deferred tax assets	(33.83)	7.65
<b>TOTAL</b>	<u>183.87</u>	<u>237.30</u>

### NOTE 6: LONG-TERM PROVISIONS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Provision for employee benefits:</b>		
Provision for compensated absences	34.56	25.20
<b>TOTAL</b>	<u>34.56</u>	<u>25.20</u>

### NOTE 7: SHORT-TERM BORROWINGS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Secured Loans repayable on demand</b>		
From Banks Rupee Loan	1,522.96	955.71
From Banks Foreign Currency Loan	-	663.40
Others	10.00	15.25
<b>TOTAL</b>	<u>1,532.96</u>	<u>1,634.36</u>

#### 7.1: Details of Security: for Rupee Loan

- (i) Working capital loans are secured against hypothecation of raw materials, finished goods, stores & spares, book debts etc. and entire block of assets (both present & future) in favour of consortium of banks on pari passu other than specific assets financed by respective banks.
- (ii) All loans are secured against the personal guarantee of Managing Director.

#### 7.2: Details of Security: for Foreign Currency Loan

- (i) Working capital loans are secured against hypothecation of raw materials, finished goods, stores & spares, book debts etc. and entire block of assets (both present & future) in favour of consortium of banks on pari passu other than specific assets financed by respective banks.
- (ii) All loans are secured against the personal guarantee of Managing Director.

**NOTE 8: TRADE PAYABLES**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Trade payables:</b>		
Due to Micro, small & Medium Enterprises	111.50	92.21
Others	1,665.69	1,228.05
<b>TOTAL</b>	<b>1,777.19</b>	<b>1,320.26</b>

Based on the information available with the company regarding total amount due to supplier as at March 31, 2017 covered under small and medium enterprises Act, 2006, amount to ₹ 111.50 Lakhs (2015 - 16: ₹ 92.21 Lakhs). The company is generally regular in making payment of dues to such enterprise. There are no over dues beyond the credit period extended to the company which is less than 45 days hence liability for payment of interest or premium thereof and related disclosure under the said Act does not arise

**NOTE 9: OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(a) Current maturities of long-term debt (Refer Note 4)	319.19	327.38
(b) Interest accrued but not due on borrowings	2.62	3.47
(c) Interest accrued and due on borrowings	6.53	4.63
(d) Unpaid dividends	13.73	18.63
(e) Other payables		
(i) Tax Deducted at source and other statutory dues	107.27	115.28
(ii) Employee Related Liabilities	173.71	144.25
(iii) Other current liabilities	1.42	1.67
(iv) Advances from customers	9.70	9.72
<b>TOTAL</b>	<b>634.17</b>	<b>625.03</b>

**NOTE 10: SHORT-TERM PROVISIONS**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(a) Provision for employee benefits		
Provision for gratuity (Net) (Refer Note 26)	141.00	96.49
Provision for compensated absences (Refer Note 26)	22.34	14.04
	<b>163.34</b>	<b>110.53</b>
(b) Provision - Others:		
(i) Provision for Income Tax (Net)	5.00	-
(ii) Provision for proposed equity dividend	56.00	-
(iii) Provision for tax on proposed dividend	11.40	-
	<b>72.40</b>	<b>-</b>
<b>TOTAL</b>	<b>235.74</b>	<b>110.53</b>

## NOTE 11: FIXED ASSETS

Fixed Assets	Gross block					Accumulated Depreciation and Amortisation				Net block
	Balance as at 1st Apr 2016	Additions	Disposals / Adjustment	Foreign currency exchange differences	Balance as at 31st Mar 2017	Balance as at 1st Apr 2016	Depreciation for the year	Disposals / Adjustment	Balance as at 31st Mar 2017	Balance as at 31st Mar 2017
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. TANGIBLE ASSETS</b>										
(a) Land	8.71	-	-	-	8.71	-	-	-	-	8.71
(b) Buildings	213.33	-	(18.65)	-	194.68	70.51	6.34	(18.65)	58.20	136.48
(c) Plant and Equipment	3,372.44	832.31	(120.10)	(5.37)	4,079.28	1,601.68	281.60	(80.36)	1,802.92	2,276.36
(d) Furniture and Fixtures	50.10	3.55	(4.59)	-	49.06	31.17	4.57	(4.59)	31.15	17.91
(e) Vehicles	218.19	30.69	(6.16)	-	242.72	120.69	23.81	(6.16)	138.34	104.38
(f) Office equipment	51.03	6.93	(6.61)	-	51.35	39.34	2.88	(6.61)	35.61	15.74
(g) Electrical Installations	78.67	-	(2.71)	-	75.96	51.05	9.68	(2.71)	58.02	17.94
(h) Computers	73.63	7.68	(32.55)	-	48.76	61.65	7.71	(32.53)	36.83	11.93
<b>Total Tangible Assets</b>	<b>4,066.08</b>	<b>881.16</b>	<b>(191.37)</b>	<b>(5.37)</b>	<b>4,750.50</b>	<b>1,976.09</b>	<b>336.59</b>	<b>(151.61)</b>	<b>2,161.07</b>	<b>2,589.45</b>
<b>B. INTANGIBLE ASSETS</b>										
(a) Goodwill	267.30	-	-	-	267.30	113.60	26.73	-	140.33	126.97
(b) Software	16.68	-	-	-	16.68	11.12	5.56	-	16.68	-
(c) Royalty	204.36	-	-	-	204.36	113.64	68.11	-	181.75	22.61
<b>Total Intangible Assets</b>	<b>488.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488.34</b>	<b>238.36</b>	<b>100.40</b>	<b>-</b>	<b>338.76</b>	<b>149.58</b>
<b>Total Fixed Assets</b>	<b>4,554.42</b>	<b>881.16</b>	<b>(191.37)</b>	<b>(5.37)</b>	<b>5,238.84</b>	<b>2,214.44</b>	<b>436.99</b>	<b>(151.61)</b>	<b>2,499.83</b>	<b>2,739.03</b>
<b>C. Capital Working Progress</b>	<b>38.70</b>	<b>46.67</b>	<b>(38.70)</b>	<b>-</b>	<b>46.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46.67</b>
										<b>2,785.70</b>

Fixed Assets	Gross block					Accumulated Depreciation and Amortisation				Net block
	Balance as at 1st Apr 2015	Additions	Disposals / Adjustment	Foreign currency exchange differences	Balance as at 31st Mar 2016	Balance as at 1st Apr 2015	Depreciation for the year	Disposals / Adjustment	Balance as at 31st Mar 2016	Balance as at 31st Mar 2016
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. TANGIBLE ASSETS</b>										
(a) Land	8.71	-	-	-	8.71	-	-	-	-	8.71
(b) Buildings	213.33	-	-	-	213.33	65.46	5.05	-	70.51	142.82
(c) Plant and Equipment	3,345.28	49.31	58.29	36.14	3,372.44	1,378.08	281.89	58.29	1,601.68	1,770.76
(d) Furniture and Fixtures	47.70	2.40	-	-	50.10	25.63	5.54	-	31.17	18.93
(e) Vehicles	203.47	22.94	8.22	-	218.19	99.23	24.44	2.98	120.69	97.50
(f) Office equipment	48.77	2.26	-	-	51.03	35.34	4.00	-	39.34	11.69
(g) Electrical Installations	77.02	1.65	-	-	78.67	40.27	10.78	-	51.05	27.62
(h) Computers	67.23	6.40	-	-	73.63	53.58	8.07	-	61.65	11.98
<b>Total Tangible Assets</b>	<b>4,011.51</b>	<b>84.96</b>	<b>66.51</b>	<b>36.14</b>	<b>4,066.08</b>	<b>1,697.59</b>	<b>339.77</b>	<b>61.27</b>	<b>1,976.09</b>	<b>2,090.01</b>
<b>B. INTANGIBLE ASSETS</b>										
(a) Goodwill	267.30	-	-	-	267.30	80.28	33.32	-	113.60	153.70
(b) Software	16.68	-	-	-	16.68	5.56	5.56	-	11.12	5.56
(c) Royalty	204.36	-	-	-	204.36	45.53	68.11	-	113.64	90.72
<b>Total Intangible Assets</b>	<b>488.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488.34</b>	<b>131.37</b>	<b>106.99</b>	<b>-</b>	<b>238.36</b>	<b>249.98</b>
<b>Total Fixed Assets</b>	<b>4,499.85</b>	<b>84.96</b>	<b>66.51</b>	<b>36.14</b>	<b>4,554.42</b>	<b>1,828.96</b>	<b>446.76</b>	<b>61.27</b>	<b>2,214.45</b>	<b>2,339.99</b>
<b>C. Capital Working Progress</b>	<b>-</b>	<b>38.70</b>	<b>-</b>	<b>-</b>	<b>38.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38.70</b>
										<b>2,378.69</b>

**NOTE 12: NON-CURRENT INVESTMENTS**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Investments (At cost):		
<b>A. Trade</b>		
<b>Unquoted</b>		
(a) i. Investment in equity instruments of associates 131051 (2015 - 16: 131051) shares of ₹10 each fully paid up in Formex Private Limited	10.16	47.14
ii. Share of Post acquisition Profit	1.75	(36.98)
	<u>11.91</u>	<u>10.16</u>
(b) Investment in partnership firms (Refer Note below) Less: Share of Profit of Partnership Firm	22.51 <u>22.51</u>	- -
<b>B Non Trade :</b>		
<b>Unquoted</b>		
4000 (2015 - 16: 4000) shares of ₹ 25 each fully paid up in Zoroastrian Cooperative Bank Limited	1.00	1.00
<b>TOTAL</b>	<u>12.91</u>	<u>11.16</u>
Aggregate amount of unquoted investments	<u>12.91</u>	<u>11.16</u>

Note: Other details relating to investment in partnership firms

Name of the firm	As at March 31, 2017		As at March 31, 2016	
	Total capital ₹ in Lakhs	Share of each partner in the profits of the firm	Total capital ₹ in Lakhs	Share of each partner in the profits of the firm
<b>Partnership Firm</b>				
1 <b>STUD INDIA</b>	370.27		347.78	
(The company has acquired 99% shares in the said partnership)				
<b>Name of the Partners</b>				
Simmonds Marshall Limited		99%		99%
Navroze S. Marshall		1%		1%
	<u>370.27</u>	<u>100%</u>	<u>347.78</u>	<u>100%</u>

**NOTE 13: LONG-TERM LOANS AND ADVANCES**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Unsecured, considered good</b>		
(a) Security deposits & Other Deposit	46.35	46.15
(b) Other loans and advances		
(i) Advance Tax (Net of Provision)	68.51	66.28
(ii) Export Incentive Receivable	28.16	89.25
(iii) Value Added Tax	0.36	5.82
(iv) Loans to Employees	5.28	5.87
<b>TOTAL</b>	<u>148.66</u>	<u>213.37</u>

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### NOTE 14: OTHER LONG TERM ASSETS

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Trade Receivable	49.11	19.38
Prepaid Expenses	2.18	0.80
Others	8.01	8.01
<b>TOTAL</b>	<b>59.30</b>	<b>28.19</b>

### NOTE 15: INVENTORIES

(At lower of cost or net realisable value)

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(a) Raw materials	1,003.49	1,075.63
Goods-in-transit	81.07	19.94
	<b>1,084.56</b>	<b>1,095.57</b>
(b) Work-in-progress	<b>909.55</b>	<b>585.19</b>
(c) Finished goods	497.17	564.79
Goods-in-transit	-	-
	<b>497.17</b>	<b>564.79</b>
(d) Stores and spares	4.71	6.19
Goods-in-transit	0.45	2.58
	<b>5.16</b>	<b>8.77</b>
(e) Others		
(i) Tools	930.23	801.79
Goods-in-transit	-	23.60
	<b>930.23</b>	<b>825.39</b>
(ii) Packing Material	2.34	1.83
Goods-in-transit	-	-
	<b>2.34</b>	<b>1.83</b>
<b>TOTAL</b>	<b>3,429.01</b>	<b>3,081.54</b>

### NOTE 16: TRADE RECEIVABLES

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>Unsecured, Considered Good</b>		
Outstanding exceeding six months	128.03	102.92
Others	3,812.09	3,314.49
<b>TOTAL</b>	<b>3,940.11</b>	<b>3,417.41</b>

**NOTE 17: CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
<b>(a) Cash and cash equivalents</b>		
(i) Cash in Hand	3.73	0.34
(ii) Balances with Banks	71.35	336.99
<b>(b) Other Bank Balances</b>		
(i) Margin Money Deposit	78.37	99.97
(ii) Margin Money Deposit against ECB loan	127.68	119.14
(iii) Unclaimed Dividend Accounts	13.73	18.63
<b>TOTAL</b>	<b>294.86</b>	<b>575.07</b>

**NOTE 18: SHORT-TERM LOANS AND ADVANCES**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Unsecured, considered good		
(a) Loans and advances to related parties	53.01	86.35
	<u>53.01</u>	<u>86.35</u>
(b) Other Loans and Advances		
(i) Loans to Employees	10.52	15.32
(ii) Prepaid expenses	56.17	39.96
(iii) CENVAT Recoverable	153.38	83.45
(iv) Advances to Trade Payable	48.12	41.31
(v) Others	0.43	0.25
	<u>268.62</u>	<u>180.29</u>
<b>TOTAL</b>	<b>321.63</b>	<b>266.64</b>

**NOTE 19: OTHER CURRENT ASSETS**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Interest accrued on deposits	4.97	4.15
<b>TOTAL</b>	<b>4.97</b>	<b>4.15</b>

## SIMMONDS MARSHALL LIMITED

### NOTE 20: OTHER INCOME

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Interest Income	15.62	20.53
Freight charges received	0.48	1.87
Miscellaneous Income	0.06	0.79
Dividend income	0.15	0.15
Share of Profit from Partnership Firm	22.49	15.16
Profit on Sale of Fixed Assets	16.67	-
<b>TOTAL</b>	<b>55.47</b>	<b>38.50</b>

### NOTE 21: COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Opening stock	1,003.02	1,216.00
Add: Purchases	6,338.30	5,417.90
	<b>7,341.32</b>	<b>6,633.90</b>
Less: Closing stock	1,084.56	1,095.57
<b>TOTAL</b>	<b>6,256.76</b>	<b>5,538.33</b>

### NOTE 22: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Inventories at the beginning of the year:		
Finished goods	564.79	661.74
Work-in-progress	677.74	636.24
	<b>1,242.53</b>	<b>1,297.98</b>
Inventories at the end of the year:		
Finished goods	497.17	564.79
Work-in-progress	909.55	585.19
	<b>1,406.72</b>	<b>1,149.98</b>
<b>Sub Total (A-B)</b>	<b>(164.19)</b>	<b>148.00</b>
Add/ (Less): Excise Duty on opening and closing of Finished Goods (Net) (Refer Note 43)	(19.50)	(21.78)
	<b>(183.69)</b>	<b>126.22</b>

### NOTE 23: EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Salaries and wages	2,001.78	1,704.62
Contributions to provident and other funds	228.72	241.17
Staff welfare expenses	445.07	432.40
<b>TOTAL</b>	<b>2,675.57</b>	<b>2,378.19</b>

**NOTE 24: FINANCE COSTS**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
(a) Interest expense	249.76	347.06
(b) Other borrowing costs	33.46	35.46
<b>TOTAL</b>	<b>283.22</b>	<b>382.52</b>

**NOTE 25: OTHER EXPENSES**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Consumption of stores and spare parts	142.27	116.79
Consumption of loose tools	690.15	822.58
Consumption of packing materials	125.70	120.22
Power and fuel	295.64	257.94
Job Work Charges	2,155.57	1,971.43
Rent	246.40	203.53
Repairs and maintenance -		
- Buildings	-	1.40
- Machinery	118.32	131.70
- Others	68.36	48.10
	186.68	181.20
Insurance	8.28	18.70
Rates and taxes - excluding Taxes on Income	13.50	7.58
Communication	25.82	21.61
Travelling and conveyance	168.37	149.73
Printing and stationery	27.41	29.00
Freight and forwarding	587.09	528.81
Sales commission	20.40	18.58
Donations and contributions	0.05	0.01
Legal and professional	151.41	181.24
Directors Fees	0.63	0.42
Net loss on foreign currency transactions and translation (net)	46.31	81.03
Loss on fixed assets sold	-	2.74
Prior period items	-	0.13
Sundry Balance Written off (net)	4.69	5.84
Miscellaneous expenses	125.71	152.01
CSR Expenses (Refer Note 44)	25.00	15.04
<b>TOTAL</b>	<b>5,047.08</b>	<b>4,886.16</b>

**NOTE 26: DISCLOSURE RELATING TO EMPLOYEE BENEFIT - AS PER REVISED AS 15**
**(i) Defined Contribution Plan**

During the year ended March 31, 2017, the company has recognised the following amounts in the profit and loss account.

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Employer's contribution to Provident fund & Family Pension Fund	104.76	104.92
Employer's contribution to Superannuation Fund	9.42	9.90

**(ii) Defined Benefit plan**

A. The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on term not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India.

B. Details of defined benefit plan as per actuarial valuation report as at March 31, 2017 is as under:

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Components of employer expense		
Current service cost	31.43	31.14
Interest cost	32.34	31.44
Expected return on plan assets	(28.91)	(32.38)
Actuarial losses/(gains)	61.55	77.91
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>96.41</b>	<b>108.11</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(167.79)	(88.79)
Actual contributions	55.26	69.27
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	440.09	488.19
Fair value of plan assets	302.44	391.70
Funded status [Surplus / (Deficit)]	(137.65)	(96.49)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(137.65)</b>	<b>(96.49)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	488.19	437.45
Current service cost	31.43	31.14
Interest cost	32.34	21.44
Actuarial (gains) / losses	55.91	76.95
Benefits paid	(167.79)	(88.79)
Present value of DBO at the end of the year	<b>440.08</b>	<b>478.19</b>

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	391.70	379.80
Expected return on plan assets	28.91	32.38
Actuarial gain / (loss)	(5.64)	0.96
Actual company contributions	55.26	69.27
Benefits paid	(167.79)	(88.79)
Plan assets at the end of the year	<b>302.44</b>	<b>393.62</b>
<b>Actuarial assumptions</b>		
Discount rate	7.40%	8.00%
Expected return on plan assets	8.15%	8.75%
Salary escalation	4.5%	3%
<b>Composition of the plan assets is as follows:</b>		
Government bonds		
PSU bonds		
Equity mutual funds		
Others - Insurer Managed Funds	100%	100%

The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is ₹ 28.91 lakhs (2015 - 16 : ₹ 32.38 lakhs)

The assumption of the future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

<b>Experience Adjustments</b>		
Present value of Defined Benefit Obligation as at March 31, 2016	440.09	488.19
Fair Value of Plan Assets as at MARCH 31, 2016	302.44	391.70
Funded status [Surplus/(Deficit)]		(96.49)
Experience adjustment on Plan Liabilities	16.52	76.95
Experience adjustment on plan Assets	5.64	0.96

**(iii) Other Long Term Benefits:**

The Employee Benefits towards Compensated absences are provided based on actuarial valuation made at the end of the year.

Employee benefits towards Compensated absences recognised in the Statement of Profit and Loss are as follows:

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
(a) Current Service Cost	26.62	22.95
(b) Interests Cost	2.94	3.23
(c) Net actuarial (gain) / loss	(7.19)	(23.12)
	<b>22.37</b>	<b>3.06</b>
<b>Actuarial assumptions</b>		
Discount rate	7.40%	8.00%
Salary escalation	4.5%	3%

The assumption of the future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.

**NOTE 27: SEGMENT REPORTING AS - 17**
**a) Business segment**

The Company's business activity falls within a single primary business segment, viz. manufacture of Industrial Fasteners such as nuts, bolts etc. Hence, no disclosure is required for business segment.

**b) Geographical segments**

Revenue is segregated into two segments namely India (sales to customer within India) and other countries (sales to customer outside India) on the basis of geographical location of customers for the purpose of reporting geographical segments.

The accounting policy adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 1 above.

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>Information in respect of Secondary Segment</b>		
<b>(i) Segment Revenue</b>		
India	13,870.34	12,610.81
Other Countries	1,381.75	1,651.64
	<b>15,252.09</b>	<b>14,262.45</b>
<b>(ii) Carrying Amount of Segment Assets</b>		
India	10,699.28	9,727.37
Other Countries	297.90	248.86
	<b>10,997.18</b>	<b>9,976.23</b>
<b>(iii) Capital Expenditure</b>		
India	922.46	159.78
Other Countries	-	-
	<b>922.46</b>	<b>159.78</b>

**NOTE 28: RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18**
**Related party transactions**
**A. Details of related parties**
**Description of relationship**

Associate Company

Key Management Personnel (KMP)

Relatives of KMP

Company and Enterprises in which KMP /

Relatives of KMP can exercise significant influence

**Names of related parties**

Formex Private Limited

Mr. S. J. Marshall (Chairman)

Mr. N. S. Marshall (Managing Director)

Mr. I. M. Panju (Whole-Time Director)

Mr. N. D. Bharucha (Chief Financial Officer) (Upto 10th Aug 2016)

Mr. V. Verma (Chief Financial Officer) (w.e.f 11th Aug 2016)

Mrs. N. N. Bharucha (Upto 10th August 2016)

Corrodyne Coatings Pvt. Ltd.

J. N. Marshall &amp; Co. (Steel Dept.)

J. N. Marshall &amp; Co. - Custom House Clearing Agents

J. N. Marshall &amp; Co. (Engg. Dept.)

J. N. Marshall Engineering Pvt. Ltd.

J. N. Marshall Pvt. Ltd.

Marshall Real Estate &amp; Investment Corporation

Powair Automation Equipments Pvt. Ltd.

Marshall Charitable Foundation

<b>B. Related Party Transactions</b>		<b>2016 - 17</b>		<b>2015 - 16</b>
		<b>₹ in Lakhs</b>		<b>₹ in Lakhs</b>
<b>(i) Associate Company</b>				
Payment for Services		792.05		615.60
Outstanding balance as on March 31, 2017	Dr	53.01	Dr.	83.94
<b>(ii) Key Management Personnel &amp; Relatives</b>				
(a) Remuneration		125.14		121.11
(b) Interest		40.81		63.07
(c) Payment for Services		3.14		0.20
Outstanding balance as on March 31, 2017	Cr.	573.00	Cr.	617.00
<b>(iii) Enterprises in which Key Management Personnel have significant influence</b>				
(a) Payment for Services		192.34		151.82
(b) Purchase of Materials		-		3.58
(e) Payment of Rent / Rates & Taxes		203.64		181.85
(f) Receipt for share of expense		3.67		3.23
(g) Amount contributed for CSR Expenditure		25.00		15.04
Outstanding balance as on March 31, 2017	Cr.	34.62	Cr.	53.84

There are no write offs/write back of any amounts for any of the above parties.

**NOTE 29: LEASE TRANSACTIONS**

The Company's significant leasing arrangements are in respect of operating lease for premises and Vehicles. The period of agreement is generally for one year and is renewable by mutual consent. The aggregate lease rental expense are ₹ 246.40 lakhs (2015 - 16 ₹ 194.73 lakhs).

Total of future minimum lease rent payable is as follows :

Period	₹ in Lakhs
Payable within one year	228.00
Payable within 1 - 5 years	456.00

## SIMMONDS MARSHALL LIMITED

### NOTE 30 : EARNINGS PER SHARE

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Earnings per share		
Net profit for the year attributable to the equity shareholders (₹ in Lakhs)	612.76	471.95
Weighted average number of equity shares	1,12,00,000	1,12,00,000
Par value per share (₹)	2.00	2.00
Basic and diluted Earning per share (₹)	5.47	4.21

### NOTE 31: CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
(i) Other money for which the Company is contingently liable		
(a) Bills Discounted	190.25	221.74
(b) Bonds given against import of machineries under EPCG scheme & Advance License	375.05	550.54
(c) Income Tax	63.03	47.52
(d) Sales Tax	54.04	-
(e) Guarantees	0.02	0.02
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	17.00	-

### NOTE 32: DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts entered into by the company and outstanding as on March 31, 2017

For hedging Currency and Interest Rate Related Risks

Nominal amounts of derivative contracts entered into by the company and outstanding as on March 31, 2017 amount to ₹ 359.71 lakhs (Previous Year ₹ 535.28 lakhs). Category wise break up is given below:

Particulars	Currency	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Interest Swap	USD	5.55	8.07
	₹ in Lakhs	359.71	535.28

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at Balance Sheet date are as follows:

Particulars	Currency	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
Receivables	GBP	261.70	226.88
	USD	32.08	11.62
	EURO	4.12	26.58
Payables	USD	228.84	500.63
	GBP	0.67	0.79
	JY	51.57	30.90
ECB Loan and Interest Payable	USD	361.49	538.61
FCNR Loan	USD	-	663.40

**NOTE 33: The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as follows :**

₹ in Lakhs

Particulars	SBNs	Other denomination notes	Total
Closing cash on hand as on 08.11.2016	0.40	0.84	1.24
(+) Permitted receipts	-	4.73	4.73
(-) Permitted payments	-	4.83	4.83
(-) Amount deposited in Banks	0.40	-	0.40
Closing cash on hand as on 30.12.2016	-	0.73	0.73

**NOTE 34: OPENING & CLOSING STOCKS OF GOODS MANUFACTURED BY THE COMPANY:**

Particulars	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2016 ₹ in Lakhs
NUTS & BOLTS		
Opening Stocks as at April 1, 2016	564.79	661.74
Closing Stocks as at March 31, 2017	497.17	564.79

**NOTE 35: SALE OF GOODS MANUFACTURED AND TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
NUTS & BOLTS	14,090.73	13,231.26
STUD	1,033.79	974.59
<b>SALE OF GOODS TRADED BY THE COMPANY:</b>		
Hexagonal Bolts	127.57	56.60
<b>TOTAL</b>	<b>15,252.09</b>	<b>14,262.45</b>

**NOTE 36: PURCHASE OF GOODS TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Hexagonal Bolts	80.84	31.93

## SIMMONDS MARSHALL LIMITED

### NOTE 37: RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Steel	5,526.18	4,798.41
Nylon Inserts	19.85	17.25
Nylon Moulding Powder	18.73	19.15
Plating Materials	83.39	87.09
Cage Clips, etc.	608.61	616.43
<b>TOTAL</b>	<b>6,256.76</b>	<b>5,538.33</b>

### NOTE 38: DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>Raw materials</b>		
Imported *	2,368.01	2,750.40
% TO TOTAL CONSUMPTION	37.85	49.66
Indigenous *	3,888.75	2,787.93
% TO TOTAL CONSUMPTION	62.15	50.34
<b>TOTAL</b>	<b>6,256.76</b>	<b>5,538.33</b>
	<b>100.00</b>	<b>100.00</b>
* Sale of turnings, borings and pallets has been allocated in proportion to the consumption of imported and indigenous steel.		
<b>Stores, Components &amp; Spare Parts</b>		
Imported	-	-
% TO TOTAL CONSUMPTION	-	-
Indigenous	142.27	116.79
% TO TOTAL CONSUMPTION	100.00	100.00
<b>TOTAL</b>	<b>142.27</b>	<b>116.79</b>
	<b>100.00</b>	<b>100.00</b>

### NOTE 39: VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Raw materials	1,776.89	2,580.09
Tools	540.20	544.39
Capital goods	655.93	52.87
Stores & Spares	3.01	1.30

**NOTE 40: EXPENDITURE IN FOREIGN CURRENCY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Commission	5.65	7.10
Foreign Travelling	18.28	1.90
Interest on Loan	60.73	66.15
Other matters	8.33	3.18
<b>TOTAL</b>	<b>92.99</b>	<b>78.33</b>

**NOTE 41: EARNINGS IN FOREIGN CURRENCY**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
Export of goods calculated on FOB basis	1,381.75	1,651.64

**NOTE 42: PAYMENTS TO AUDITORS**

Particulars	For the year ended March 31, 2017 ₹ in Lakhs	For the year ended March 31, 2016 ₹ in Lakhs
<b>As Auditors</b>		
(i) Audit Fees	7.25	7.25
(ii) Tax Audit & MVAT Audit Fees	0.86	1.10
(iii) Limited Review	1.08	1.08
(iv) Consolidation Fees	0.75	1.00
<b>In other Capacity</b>		
(i) Certification Work & Other Capacity	2.95	1.37
(ii) Representation before Statutory Authority	2.91	2.07
<b>Reimbursement of Expenses &amp; Service Tax</b>	<b>0.20</b>	<b>1.25</b>
<b>TOTAL</b>	<b>16.00</b>	<b>15.12</b>

**NOTE 43**

In compliance with Accounting Standards-2 (AS-2) revised, excise duty liability estimated at ₹ 67.04 lakhs (2015 - 16: ₹ 86.54 lakhs) on finished goods lying in factory premises has been loaded on the valuation of Finished goods. However, it has no impact on the Profit and Loss Account. The Excise duty of ₹ 19.50 lakhs related to the difference between the closing stock and opening stock is given effect in the Profit & Loss Account.

**NOTE 44**

CSRExpenditure

- (a) Gross amount required to be spent by the company during the Financial Year 2016-17: ₹ 27.59 Lakhs (including unspent of ₹ 10.46 lakhs of earlier years)
- (b) Amount spent during the year

Particulars	In cash	Yet to be paid	Total
(i) On Construction / Acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	25.00	-	25.00
Total	25.00	-	25.00

**NOTE 45**

In the opinion of the management, inventories continue to have a realisable value of at least amount at which they are stated in Balance sheet.

**NOTE 46**

Balance of sundry debtors, loans & advances and sundry creditors balances are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmations, if any, it is shown as good in nature.

**NOTE 47**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached of even date  
**For S H R & CO**  
 Chartered Accountants

**FRN: 120491W**  
**Deep N Shroff**  
 Partner  
 M. No. 122592

Mumbai, May 25, 2017

For and on behalf of the Board

**S J MARSHALL**

Chairman

**N S MARSHALL**  
**VIKASH VERMA**  
**NIRMAL GUPTA**

Managing Director  
 Chief Financial Officer  
 Company Secretary

## SIMMONDS MARSHALL LIMITED

Regd. Office: Mumbai-Pune Road, Kasarwadi, Pune, 411 034 Maharashtra  
Tel No. 020-30782150, Fax No. 020-30782195  
Website: www.simmondsmarshall.com Email ID: secretarial@simmondsmarshall.com  
CIN: L29299PN1960PLC011645

57th Annual General Meeting to be held on September 08, 2017 at 12 Noon  
At: Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019.

### ATTENDANCE SLIP

DP ID*		Registered Folio No.	
Client ID*		No. of Share(s)	

Name & Address of Shareholder:.....  
.....

I/We hereby record my / our presence at the 57th Annual General Meeting at Kwality Restaurant, Mumbai-Pune Road, M.I.D.C., Chinchwad, Pune - 411 019. on Friday, the September 08, 2017 at 12.00 Noon

\_\_\_\_\_  
Signature of Shareholder / Proxy

\*Applicable for investors holding shares in electronic form.

- A Member or his duly appointed Proxy wishing to attend the meeting must complete this admission slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters \_\_\_\_\_ (in case a Proxy attends the meeting)
- Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID.No/ \_\_\_\_\_

### FORM NO. MGT-11

#### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration), 2014]

CIN: L29299PN1960PLC011645

Name of the Company: Simmonds Marshall Limited

Registered Office: Mumbai-Pune Road, Kasarwadi, Pune – 411034

Name of the Member(s): _____
Registered Address: _____
_____ E-Mail Id: _____
Folio No./Client id: _____
DP ID: _____

I/We \_\_\_\_\_ of \_\_\_\_\_ being the member(s) of Simmonds Marshall Limited, hereby appoint:

- 1) Name \_\_\_\_\_ Email id \_\_\_\_\_  
Address \_\_\_\_\_ or failing him
- 2) Name \_\_\_\_\_ Email id \_\_\_\_\_  
Address \_\_\_\_\_ or failing him
- 3) Name \_\_\_\_\_ Email id \_\_\_\_\_  
Address \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57th Annual General Meeting of the Company, to be held on Friday, September 08, 2017 at 12.00 Noon at Kwaliti Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019. and at any adjournment thereof in respect of such resolution as are indicated below.

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars	Optional	
		For	Against
<b>Ordinary Business</b>			
1	To approve and adopt Audited Financial Statement, for the year ended March 31, 2017 and reports of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. I. M. Panju who retires by rotation.		
3	Appointment of M/s. Lodha & Co, Chartered Accountants in place of M/s. SHR & Co., Chartered Accountants as Auditors and fixing their remuneration.		
<b>Special Business</b>			
4	Appointment of Mr. S. J. Marshall as Chairman and Whole Time Director of the Company:		
5	Appointment of Mr. N. S. Marshall as Managing Director of the Company:		
6	Appointment of Mr. I. M. Panju as Whole Time Director of the Company:		
7	Ratification of the Remuneration of the Cost Auditor.		

Signed this..... Day of .....2017

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix Revenue Stamp of Rs. 1
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**Note:**

- (1) This form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of Annual General Meeting of the Company.
- (2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 57th Annual General Meeting.
- (3) \*\*This is only optional. Please put 'X' in the appropriate column against a resolutions indicated in the box.
- (4) Please complete all details including details of Member (s) in above box before Submission.





BOOK - POST

*If undelivered please return to :*

**SHAREX DYNAMIC (INDIA) PVT. LTD.**

Unit : Simmonds Marshall Limited  
Unit No. 1, Luthra Industrial Premises  
Andheri Kurla Road, Andheri (East)  
Mumbai - 400 072.  
Tel.: 28515606 / 28515644  
E-mail : sharexindia@vsnl.com

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