

BOOK - POST

54<sup>th</sup> ANNUAL REPORT 2013-14



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**SHAREX DYNAMIC (INDIA) PVT. LTD.**  
Unit : Simmonds Marshall Limited  
Unit No. 1, Luthra Industrial Estate  
Andheri Kurla Road, Andheri East  
Mumbai - 400 072.  
Tel.: 2270 2485, 2264 1376  
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SIMMONDS MARSHALL LIMITED

# SIMMONDS MARSHALL LIMITED

**Board of Directors:**

Mr. S. J. Marshall ( Chairman)  
Mr. N. S. Marshall (Manging Director)  
Mr. I. M. Panju  
Mr. C. B. Bambwale  
Mr. F. K. Banatwalla

**Chief Financial Officer:**

Mr. N. D. Bharucha

**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

**Adiministrative Office:**

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

**Registered Office & Factory:**

Mumbai - Pune Road  
Kasarwadi  
Pune - 411 034

**Registrars & Share Transfer Agents:**

Sharex Dynamic (India) Pvt. Ltd.  
Unit No.1, Luthra Industrial Estate  
Andheri Kurla Road, Andheri East  
Mumbai - 400 072  
Tel.: 2270 2485, 2264 1376  
E-mail: sharexindia@vsnl.com

## SIMMONDS MARSHALL LIMITED

Regd. Office: Mumbai-Pune Road, Kasarwadi, Pune, Maharashtra :-411 034.  
Tel. No.(91-020)3078-2160/3078-2170, Fax No.(91-020)3078-2195  
Website :- www.simmondsmarshall.com Email Id :- smlpune@simmondsmarshall.com  
Corporate identity Number: L29299PN1960PLC011645

### ATTENDANCE SLIP

DP ID*		Folio No.	
Client ID*		No. of Share(s)	

Name & Address of Shareholder:.....  
.....

I/We hereby record my / our presence at the 54th Annual General Meeting at Kwality Restaurant, Mumbai -Pune Road, Near Titan Showroom, Chinchwad, Pune – 411 019 on Tuesday, the 23rd day of September, 2014 at 12.00 Noon.

\_\_\_\_\_  
Signature of Shareholder / Proxy

\*Applicable for investors holdings shares in electronic form.

### FORM NO. MGT-11

### PROXY FORM

[Pursuant to the section 105(6) of the Companies Act, 2013and rule 19(3) of the Companies (Management and Administration), 2014.

**CIN: L29299PN1960PLC011645**

Name of the Member(s):_____
Registered Address:_____
_____ E-Mail Id:_____
Folio No./Client id:
DP ID:

I/We being the member(s) of \_\_\_\_\_ shares of Simmonds Marshall Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having email id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having email id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having email id \_\_\_\_\_

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 54th Annual General Meeting of the Company, to be held on Tuesday 23rd September, 2014 at 12.00 Noon at Kwality Restaurant, Mumbai - Pune Road, Near Titan Showroom, 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 receive, consider and adopt the audited statement of Profit & Loss for the financial year ended at March 31, 2014 and Balance Sheet as on that date and the Report of the Director's and Auditor's thereon.		
2	To declare Dividend on Equity Shares.		
3	To elect and appoint Directors in place of those retiring by rotation.		
4	To re-appoint, Auditors of the Company and to fix their remuneration.		
<b>Special Business</b>			
5	To appoint Mr. S. C. Saran as an Independent Director of the Company to hold office for a term of 5 years.		
6	To appoint Mr. C. B. Bambawale as an Independent Director of the Company to hold office for a term of 5 years.		
7	To appoint Mr. F. K. Banatwalla as an Independent Director of the Company to hold office for a term of 5 years.		
8	To Re-appoint Mr. S. J. Marshall as Chairman of the Company.		
9	To Re-appoint Mr. N. S. Marshall as Managing Director of the Company.		
10	To Re-appoint Mr. I. M. Panju as Whole time Director of the Company		
11	Approval of the Remuneration of the Cost Auditor.		
12	Special resolution under section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs.200 crore over and above the aggregate of the paid-up share capital and free reserves of the company.		
13	Special resolution under section 180(1)(a) of the Companies Act, 2013 for creation of security.		

Signed this..... Day of .....2014

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp of  
₹ 1

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 54th Annual General Meeting.
- (3) \*\* This is only optional. Please put a '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.

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## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 54th Annual General Meeting (AGM) of the Members of Simmonds Marshall Limited will be held on Tuesday, the 23rd September, 2014 at 12.00 Noon at Kwality Restaurant, Mumbai - Pune Road, Near Titan Showroom, Chinchwad, Pune – 411 019 to transact, with or without modification(s) the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To elect and appoint Directors in place of those retiring by rotation.
4. To re-appoint, Auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the third consecutive AGM and to fix their remuneration and to pass the following resolution thereof.

“RESOLVED THAT, pursuant to the provisions of Section 139 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. SHR & Co., Chartered Accountants having Firm Registration No. 120491W, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors.

### SPECIAL BUSINESS:

5. 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, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S. C. Saran (DIN : 00032194), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation.”

6. 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, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. C. B. Bambawale (DIN : 00121586), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation.”

7. 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, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. F. K. Banatwalla (DIN : 02670802), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation.”

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

**“RESOLVED THAT** in supersession of the earlier Resolution passed by the shareholders and 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 as Chairman of the Company for a period of 3 years, w.e.f. April 01, 2014 at a consolidated remuneration not exceeding ₹ 84,00,000/- per annum on the terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice.

**FURTHER RESOLVED THAT** specific powers be and are hereby given to the Board of Directors of the Company to decide his remuneration from time to time within the overall ceiling not exceeding ₹ 84,00,000/- p.a. and is hereby specifically approved with liberty to the Board of the Company to alter and vary the terms and conditions in such manner as may be agreed to between the Board and Mr. S. J. Marshall so as not to exceed the limits as 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.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised 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.

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

**“RESOLVED THAT** in supersession of the earlier Resolution passed by the shareholders and 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 as Managing Director of the Company for a period of 3 years, w.e.f. April 01, 2014 at a consolidated remuneration not exceeding ₹ 84,00,000/- per annum on the terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice.

**FURTHER RESOLVED THAT** specific powers be and are hereby given to the Board of Directors of the Company to decide his remuneration from time to time within the overall ceiling not exceeding ₹ 84,00,000/- p.a. and is hereby specifically approved with liberty to the Board of the Company to alter and vary the terms and conditions in such manner as may be agreed to between the Board and Mr. N. S. Marshall so as not to exceed

the limits as 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.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised 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.

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

**“RESOLVED THAT** in supersession of the earlier Resolution passed by the shareholders and 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 as Whole time Director of the Company for a period of 3 years, w.e.f. April 01, 2014 at a consolidated remuneration not exceeding ₹ 84,00,000/- per annum on the terms and conditions as specified in the Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice.

**FURTHER RESOLVED THAT** specific powers be and are hereby given to the Board of Directors of the Company to decide his remuneration from time to time within the overall ceiling not exceeding ₹ 84,00,000/- p.a. and is hereby specifically approved with liberty to the Board of the Company to alter and vary the terms and conditions in such manner as may be agreed to between the Board and Mr. I. M. Panju so as not to exceed the limits as 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.

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorised 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.

11. 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 all 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 be and are hereby appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

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

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

**"RESOLVED THAT** in supersession of the earlier Ordinary Resolution passed by the shareholders at the General Meeting of the Company, consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactments thereof for the time being in force) and the Articles of Association of the Company for borrowing, whether by way of Term Loan / Equipment Finance / Cash Credit facilities or the like, from time to time, any sum or sums at its discretion from Financial Institutions / Banks on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in the aggregate at any time ₹ 200 Crores/- (Rupees Two Hundred Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Directors or the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

**"RESOLVED THAT** pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby given to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with the power to take over the substantial assets of the Company in certain events in favour of the Financial Institutions/Banks/any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 200/- Crores (Rupees Two Hundred Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors be and are hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid and also to delegate all or any of the above powers to the Principal Officers of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

By order of the Board  
**Simmonds Marshall Limited**

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

**S. J. MARSHALL**  
CHAIRMAN

Dated: May 30, 2014  
Place: Mumbai

**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 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.

2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 17/09/2014 to 22/09/2014 (both days inclusive).
4. The dividend, if declared, will be paid on and from the date of 26/09/2014 to the Members whose names stand in the Register of Members as on closing of business hours on 16/09/2014.
5. Members are hereby informed that dividends which remain unclaimed/ unencashed over a period of 7 years have to be transferred by the Company to The Investors Education & Protection Fund (IEPF), constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956.

Members should note that no claim can be made by the shareholders for the unclaimed dividends which have been transferred to the credit of the IEPF of the Central Government under the amended provisions of section 205(B) of the Companies Act, 1956.

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.	31.03.2008	24/09/2008	23/10/2015
2.	31.03.2009	23/09/2009	22/10/2016
3.	31.03.2010	29/09/2010	28/10/2017
4.	31.03.2011	28/09/2011	27/10/2018
5.	31.03.2012	26/09/2012	25/10/2019
6.	31.03.2013	17/09/2013	16/10/2020

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.

6. 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.
7. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
8. The shares of the Company are listed on Mumbai Stock Exchange.

## **SIMMONDS MARSHALL LIMITED**

9. The Company has appointed M/s. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED as Common Registrar & Transfer Agent of the Company for physicals as well as demat mode of transfers. Members are therefore requested to send their grievances to them for early disposal at the address given below.
10. 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

11. 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.

## **ANNEXURE TO THE NOTICE**

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

#### **ITEM NOS. 5 TO 7**

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. S. C. Saran, Mr. C. B. Bambawale and Mr. F. K. Banatwalla, Independent Directors retire at the ensuing AGM. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five consecutive years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. S. C. Saran, Mr. C. B. Bambawale and Mr. F. K. Banatwalla, being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. S. C. Saran, Mr. C. B. Bambawale and Mr. F. K. Banatwalla, as Independent Directors on the Board of the Company for one term of five consecutive years commencing from April 1, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided hereunder.

Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Mr. S. C. Saran, Mr. C. B. Bambawale and Mr. F. K. Banatwalla, fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company.

The Company has received from each of them (i) consent in writing to act as a director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item nos. 5 to 7 for approval of the Members.

## SIMMONDS MARSHALL LIMITED

### ITEM NO.8

It is proposed to re-appoint Mr. S. J. Marshall, as Chairman for a period of 3 years w.e.f. April 01, 2014. Mr. S. J. Marshall is on the Board of the Company since April, 1960 and looks after overall management and activities of the Company. The terms of appointment & ceiling of remuneration of ₹84,00,000/- p.a. as proposed have been cleared and approved by 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 ₹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 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.
- e) Car and Telephone- Car for use of Company's business and telephone at residence and mobile phone expenses. Personal long distance calls and use of car for private purpose shall be billed by 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. S. J. Marshall as a Chairman for a period of 3 years commencing April 01, 2014.

Appointment of Mr. S. J. Marshall has been done as per Section II to Part-II of Schedule-V of the Companies Act, 2013. The disclosures are as under:

#### 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:

(Rs. in Lacs)

Sr. No.	Particulars	2013-2014	2012-2013	2011-2012
1.	Gross Income	10375.66	9068.53	9130.15
2.	Profit before tax	694.93	517.89	1193.12
3.	Profit after tax	438.62	345.58	782.98
4.	Dividend paid (including tax)	65.52	65.52	65.08
5.	Rate of dividend (%)	25%	25%	25%

5. Foreign Investments or collaborations, if any. NIL

**II. Information about the appointee**

(1) Background details

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.

(2) Past remuneration: ₹ 21,81,712/- p.a.

(3) Recognition or awards: N.A.

(4) Job profile and his suitability : Looks after the overall affairs of the Company and plays an imperative role in the progress of the Company

(5) Remuneration proposed: ₹ 84,00,000/- p.a. [Actual may differ depending on performance of the Company].

(6) 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)

Not possible being a unique nature of the industry. However, as compared to the size of our company, the remuneration to be paid is very comparative as per the industry norms.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Being promoter, he is directly related to the company.

**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, now the company has started making profits and expected to improve further.

(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.

No other Director, Key Managerial Personnel or their relatives except MR. S. J. Marshall, to whom this Resolution relates and Mr. N. S. Marshall being close relative of MR. S. J. Marshall is interested or concerned in the Resolution.

The Board recommends the Resolution set forth in Item No.8 for the approval of the Members.

**ITEM NO.9**

It is proposed to re-appoint Mr. N. S. Marshall as Managing Director for a period of 3 years w.e.f. April 01, 2014. 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 ₹84,00,000/- p.a. as proposed have been cleared and approved by 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 ₹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.
- e. Car and Telephone- Car for use of Company's business and telephone at residence and mobile phone expenses. Personal long distance calls and use of car for private purpose shall be billed by 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 for a period of 3 years commencing April 01, 2014.

Appointment of Mr. N. S. Marshall has been done as per Section II to Part-II of Schedule-V of the Companies Act, 2013. The disclosures are as under:

**V. 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:

(Rs. in Lacs)

Sr. No.	Particulars	2013-2014	2012-2013	2011-2012
1.	Gross Income	10375.66	9068.53	9130.15
2.	Profit before tax	694.93	517.89	1193.12
3.	Profit after tax	438.62	345.58	782.98
4.	Dividend paid (including tax)	65.52	65.52	65.08
5.	Rate of dividend (%)	25%	25%	25%

## 5. Foreign Investments or collaborations, if any. NIL

**VI. Information about the appointee**

## (1) Background details

Mr. N. S. Marshall is an MBA from Institute of Management Development, Lausanne, Switzerland responsible for the overall functioning of the Company including production, marketing, accounts, and HR.

## (2) Past remuneration: ₹ 36,03,312/- p.a.

## (3) Recognition or awards : N.A.

## (4) Job profile and his suitability: Looks after the overall functioning of the Company including production, marketing, accounts and HR.

## (5) Remuneration proposed: ₹ 84,00,000/- p.a. [Actual may differ depending on performance of the Company].

## (6) 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).

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.

## (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Being promoter, he is directly related to the company.

**VII. 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, now the company has started making profits and expected to improve further.

## 3) Expected increase in productivity and profits in measurable terms: The management expects about 10-15% increase in performance and profits.

**VIII. Disclosures:**

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

No other Director, Key Managerial Personnel or their relatives except Mr. N. S. Marshall, to whom this resolution relates and Mr. S. J. Marshall being close relative of Mr. N. S. Marshall is interested or concerned in the Resolution.

The Board recommends the Resolution set forth in Item No.9 for the approval of the Members.

**ITEM NO.10**

It is proposed to re-appoint Mr. I. M. Panju as Whole time Director for a period of 3 years w.e.f. April 01, 2014. 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 ₹84,00,000/- p.a. as proposed have been cleared and approved by 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.
- e. Car and Telephone- Car for use of Company's business and telephone at residence and mobile phone expenses. Personal long distance calls and use of car for private purpose shall be billed by 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 for a period of 3 years commencing April 01, 2014.

Appointment of Mr. I. M. Panju has been done as per Section II to Part-II of Schedule-V of the Companies Act, 2013. The disclosures are as under:

**IX. 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:

(Rs. in Lacs)

Sr. No.	Particulars	2013-2014	2012-2013	2011-2012
1.	Gross Income	10375.66	9068.53	9130.15
2.	Profit before tax	694.93	517.89	1193.12
3.	Profit after tax	438.62	345.58	782.98
4.	Dividend paid (including tax)	65.52	65.52	65.08
5.	Rate of dividend (%)	25%	25%	25%

## 5. Foreign Investments or collaborations, if any. NIL

**X. Information about the appointee**

## (1) Background details

Mr. I. M. Panju is an MBA from Indiana University of Pennsylvania, USA and is responsible for the overall functioning of the company including production, planning and finance.

## (2) Past remuneration: ₹ 2,84,300/- p.a.

## (3) Recognition or awards: N.A.

## (4) Job profile and his suitability: Looks after the overall functioning of the company including production, planning and finance.

## (5) Remuneration proposed: ₹ 84,00,000/- p.a. [Actual may differ depending on performance of the Company].

## (6) 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) 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.

## (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Being promoter, he is directly related to the company.

**XI. Other Information:**

- Reasons of loss or inadequate profits: Because of market competition and higher overhead cost.
- Steps taken or proposed to be taken for improvement: With steps taken by the management, now the company has started making profits and expected to improve further.
- Expected increase in productivity and profits in measurable terms: The management expects about 10-15% increase in performance and profits.

**XII. Disclosures:**

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

No other Director, Key Managerial Personnel or their relatives except Mr. I. M. Panju, to whom this Resolution relates is interested or concerned in the Resolution.

The Board recommends the Resolution set forth in Item No.10 for the approval of the Members.

**Item Nos. 11 & 12:**

The Shareholders of the Company had, by an Ordinary Resolution at the Annual General Meeting of the Company held on August 6, 2011, authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹ 100 Crores for the business of the Company.

At the same AGM of the Company, the shareholders had accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations etc. to secure aforesaid borrowings.

However, Section 180(1) of the Companies Act, 2013, provides that the Board of Directors of the Company shall exercise the said powers only with the consent of the Company by a Special Resolution. Hence, the Special Resolution at Item Nos. 11 and 12 is intended for this purpose. Looking at the size and nature of business of the Company, it is proposed to increase the limits to ₹ 200 crores.

It may be noted that Directors and Key Managerial Persons of the Company and their relatives who are members of the Company, may be deemed to be concerned or interested in this Resolution only to the extent of their respective shareholding in the Company to the same extent as that of every other member of the Company.

**Item No.13:**

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor, M/s. Joshi Apte & Associates, Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at an Audit Fee of ₹ 1,80,000/- (Exclusive of Taxes)

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.13 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 13 of the Notice for approval by the shareholders.

**LISTING REQUIREMENTS:**

As required under Clause 49 (IV) (G) (i) of the Listing Agreement, given below are the details of the Director who is seeking appointment/re-appointment as director (Resolution at Item No. 3):

A. Name : Mr. Farokh K. Banatwalla  
 Age : 65 [19/04/1949]  
 Qualifications : B.Com., LLB, CAIIB(I).

Mr. Farokh K. Banatwalla is associated with the Company since 28/07/2009.

Other Directorships : -

Name of Public Companies  
 in which a Director : Josts Engineering Co. Ltd. Director

Name of Private Limited Companies  
 in which a Director :

Oil Field Instrumentation (India) Pvt. Ltd.	Director
Clover Infotech Pvt. Ltd.	Director
Gramos Chemicals India Pvt. Ltd.	Director
Sameera Developers Pvt. Ltd.	Director
Clover Realty & Infrastructure Pvt. Ltd.	Director
Bullocks India Pvt. Ltd.	Director
Bullocks Paint Equipment Pvt. Ltd.	Director
Worthwhile Properties Pvt. Ltd.	Director
Uni-Abex Alloy Products Ltd.	Director
Logical Properties Pvt Ltd.	Director
Amalfi Realty Pvt. Ltd	Director

Committee Memberships  
 Audit Committee Member : -  
 Shareholders Grievance Committee  
 Member : -  
 Remuneration Committee Member : -  
 No. of shares held in the Company : -

By order of the Board  
**Simmonds Marshall Limited**

**S. J. MARSHALL**  
 CHAIRMAN

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

Dated: May 30, 2014  
 Place: Mumbai

## DIRECTORS' REPORT

To,  
THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 54th Annual Report together with the Audited accounts for the year ended March 31, 2014.

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Turnover	10314.10	9034.36
Profit for the year	694.93	517.89
Less: Provisions for Tax :		
Current Tax	217.00	116.50
Deferred Tax	39.31	46.68
Previous Years Tax Adjustment	--	9.13
Add: Profit brought forward from the Previous year	2514.37	2289.26
Less: Provision for Tax on Dividend	9.52	9.52
Less: Transfer to Special Reserve	56.00	55.00
Less: Transfer to Reserves & Surplus	2831.47	2514.32
Leaving a balance of	56.00	56.00

Your Directors recommend payment of Dividend of 25% on Equity Shares.

### OPERATIONS:

The turnover during the year increased to ₹10314.10 lacs against ₹9034.36 lacs in the previous year; registering an increase of 14.16% and the profitability has risen from ₹517.89 lacs to ₹694.93 lacs registering an increase of 34.18%.

During the year, the cost of input continued to increase and the weakness of rupee against USD continued to put inflationary pressures. In spite of this, your Company has been able to improve its performance.

### 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:

The Company is continuing its efforts to improve its export performance.

During the year under review, the Company exported goods worth F.O.B. ₹739.27 lacs against ₹568.73 lacs in the previous year registering an impressive increase of 30%. The Company hopes to do even better on this front in the future.

### ENVIRONMENT & ENERGY CONSERVATION:

Efforts for control of Environment and Conservation of energy are an on-going process in your Company. As required by the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relevant

data pertaining to conservation of energy, technology, absorption and Foreign Exchange Earnings and Outgo are given in the prescribed format as per Annexure to this Report.

**FIXED DEPOSITS:**

Your Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 from the public and the rules made there under.

**BOARD OF DIRECTORS:**

As per the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company, Mr. F. K. Banatwalla retires by rotation and being eligible offers himself for reappointment.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

An analysis of the Company's performance is discussed in the Management Discussion and Analysis Report which forms part of this Directors Report.

**CORPORATE GOVERNANCE:**

Your Company fully subscribes to the standards set out by the Securities And Exchange Board of India's Corporate Governance practices and has ensured compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange. A separate report on Corporate Governance together with Auditors' Certificate on its compliance is included in this Annual Report.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- ii. Appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for that year.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The annual accounts have been prepared on a going concern basis.

**CODE OF CONDUCT:**

The Company is committed to conduct 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 and Senior Management Personnel of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

A certificate from the Practicing Company Secretary confirming the Secretarial Compliance is annexed hereto.

**AUDITORS:**

M/s. SHR & Co., Chartered Accountants, auditors of the Company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if

## SIMMONDS MARSHALL LIMITED

re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2015 as set out in the Notice convening the Meeting.

### AUDIT COMMITTEE:

In accordance with the provisions of the Companies Act, 1956 and Listing Agreement the Company has constituted an Audit Committee. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

### 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 Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories. The Company has been allotted ISIN No. INE657D01021

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.

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

The information pursuant to section 217 (l) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are given as under.

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	27.29	26.15
Total Amount	In Rs.	204.05	197.80
Average Rate	per unit	7.48	7.56
b. Consumption per unit of production Electricity (KWH)/ Tonne		680.42	691.85

#### 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.
- Up gradation 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. 39 and 40 to the accounts.

**PARTICULARS OF EMPLOYEES:**

None of the employees of the Company came within the purview of the information required u/s. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**LISTING:**

Shares of the Company are listed at the Mumbai Stock Exchange.

**SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION:**

The Company has taken all the necessary steps for safety and environmental control and protection at the plant.

**ACKNOWLEDGMENT:**

The Directors wish to convey their appreciation to the Company's shareholders, customers, suppliers, bankers and distributors for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

By order of the Board  
**Simmonds Marshall Limited**

**S. J. MARSHALL**  
CHAIRMAN

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

Dated: May 30, 2014  
Place: Mumbai

## **ANNEXURE TO DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **BUSINESS OVERVIEW:**

The main business of the Company is manufacturing and sale of Industrial Fasteners used in Auto Industry.

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

Inspite of the dramatic change in the economic environment and the slow down across the board for all sectors of the economy, your Company's turnover increased by 14.16%.

The general outlook with respect to this Industry in India is of caution under immense competitive pressure. However the intrinsic strength of your company has helped us to effectively overcome such pressure and the sales therefore should register a modest but definite growth.

#### **EXPORTS:**

The Company is fast consolidating its resources to build a market presence in the international arena. The results are reflected with an impressive increase of 30% this year and are also continuing in the current year.

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

Internal Control Systems are designed to ensure the reliability of financial and other record 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 ₹10375.66 lacs as against the sales and other income of ₹9068.53 lacs in the previous year. The Company has earned net profit before tax of ₹694.93 lacs during the year as against the net profit before tax of ₹517.89 lacs 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 apprised 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

### A) MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE 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.

The Secretarial Audit Report placed before the Board is included in the Annual Report.

#### 2. BOARD OF DIRECTORS:

The Company presently has six directors. Three of the directors are executive directors and the other three are non executive directors. The Executive directors comprise of the Chairman, Managing Director and a whole time Director. The three non executive directors are independent directors and professionals with expertise and experience in general corporate management, finance and other allied fields.

As per clause 49 of the Listing Agreement, if the Chairman is an Executive Chairman at least half of the board should consist of non executive directors and half of the Board shall comprise of independent directors. In case of Simmonds Marshall Limited, one half of the directors are non executive, three out of the six directors are independent and non executive directors, which is very much in compliance of the Listing Agreement.

Composition of the Board of Directors has a healthy mix of Executive & Non Executive Directors and ensures the desired level of independence, functioning and decision making.

## SIMMONDS MARSHALL LIMITED

The details of composition of the Board, Category, attendance of directors at board meetings and last Annual General Meeting, number of other directorships and other committee memberships are given below:

Name of Director	Designation	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	Mem.	Chmn
Mr. Shiamak J. Marshall	Chairman	Executive	2	NO	1	11	--	--
Mr. Navroze S. Marshall	Managing Director	Executive	4	YES	2	10	--	--
Mr. Imran M. Panju	Whole Time Director	Executive	2	YES	--	6	--	--
Mr. S. C. Saran	Director	Non Executive and Independent	4	NO	5	1	--	--
Mr. C. B. Bambawale	Director	Non Executive and Independent	3	NO	--	--	--	--
Mr. F. K. Banatwalla	Director	Non Executive and Independent	3	NO	2	11	--	--

During the financial year ended March 31, 2014, 4 [Four] board meetings were held on 30/05/2013, 05/08/2013, 15/11/2013, and 07/02/2014.

### INFORMATION SUPPLIED TO BOARD:

Among others, this includes:

- Review of annual operating plans of business, capital budgets and updates.
- Quarterly results of the Company and its operating units
- Minutes of meeting of audit committee and other committees.
- Information on recruitment and remuneration of senior officers just below the board level.
- General notices of interests.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problem.
- Details of any joint venture of collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant development in the human resource and industrial relations fronts.
- Sale of material nature of investments and assets which is not in the normal course of business.
- Foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement.

- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda of board meeting or are placed during the course of the meeting.

**As mandated by the revised Clause 49, the independent directors on the board of the Company:**

- apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates that may affect independence of the director;
- are not related to promoters or persons occupying management positions at the board level or at one level below the board;
- have not been an executive of the Company in the immediately preceding three financial years;
- are not partners or executives or were not partners or executives during the preceding three financial years of any of the following;
  - Statutory audit firm or the internal audit firm that is associated with the Company; and
  - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence;
- are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

**3. 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 committee of the board and other related information are as follows:

**3.1 AUDIT COMMITTEE:**

The Company has a qualified and independent Audit Committee comprising of three Directors. Two members of the committee are independent and non executive directors and one member is executive director. All the members have financial and accounting knowledge and have related financial management expertise. The broad terms of reference of the Audit Committee are in consonance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

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 internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

## SIMMONDS MARSHALL LIMITED

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

The role of Audit Committee includes the following:

- To investigate into any matter referred to it by the Board and for that purpose to have full access to the information contained in the records of the Company and external professional advice, if necessary.
- To investigate any activity within its terms of reference.
- 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.
- To recommend the board the appointment, reappointment and if required replacement of statutory auditors and fixation of audit fee and also approval for payment of any other services.
- Reviewing with management the annual and quarterly financial statements before submission to the Board.
- Reviewing with management, performance of statutory and internal auditors, and the adequacy of internal control systems.
- To recommend the board the appointment, removal and terms of remuneration of internal auditors and review of adequacy of internal audit function.
- Discussion with internal auditors any significant finding and follow up thereon.
- Reviewing the Company's financial and risk management policies.
- 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.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any areas of concern.

During the financial year ended March 31, 2014, 4 [Four] Audit Committee Meetings were held on 30/05/2013, 05/08/2013, 15/11/2013, and 07/02/2014.

The names of members of Audit Committee are as under:-

Name of the Members	Status	No. of Meetings Attended
Mr. F. K. Banatwalla	CHAIRMAN	3
Mr. Navroze S. Marshall	MEMBER	4
Mr. S. C. Saran	MEMBER	4

### 3.2 REMUNERATION COMMITTEE:

The Company has set up a Remuneration Committee as required under the provisions of the Companies Act, 1956 and all matters relating to review and approval of compensation payable to the executive and non executive directors are considered by the 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 XIII to the Companies Act, 1956.

The Company pays remuneration to its Chairman, Managing Director and its Whole time Director by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and

as per Schedule XIII to the Companies Act, 1956. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 198 and 309 of the Companies Act, 1956.

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

Name of the Members	Status	No. of meetings Attended
Mr. C. B. Bambawalee	Chairman	1
Mr. S. C. Saran	Member	1
Mr. F. K. Banatwalla	Member	1

The details of remuneration paid to executive directors during the financial year 2013-14 are given below:

Particulars	Shiamak Jeejeebhoy Marshall	Navroze Shiamak Marshall	Imran M. Panju
Salary	18,48,612.00	30,81,012.00	2,70,000.00
Fixed Components: Contribution to Provident Fund	3,75,821.00	10,88,520.00	95,391.00
Commission	3,66,000.00	3,66,000.00	--
<b>Total</b>	<b>25,90,433.00</b>	<b>45,35,532.00</b>	<b>3,65,391.00</b>

The details of remuneration paid to non executive directors during the financial year 2013-14 are given below:

Particulars	S. C. Saran	C. B. Bambawale	F. K. Banatwalla
Sitting Fees	₹ 12000.00	₹ 9000.00	₹ 9000.00
Shareholding in the Company	--	3050 shares	--

### **3.3 SHAREHOLDERS GRIEVANCE COMMITTEE:**

The Company has constituted a Shareholders Grievance Committee at board level to strengthen the investor relations and to inter-alia look into issues relating to shareholders grievances pertaining to transfer of shares, non receipt of declared dividends, non receipt of annual report, issues concerning dematerialization etc.

During the financial year ended March 31, 2014, 4 [Four] meetings were held on 30/05/2013, 05/08/2013, 15/11/2013, and 07/02/2014.

The names of members of Shareholders Grievance Committee are as under:-

Name of the Members	Status	No. of Meetings Attended
Mr. C. B. Bambawale	CHAIRMAN	3
Mr. Navroze S. Marshall	MEMBER	4
Mr. S. C. Saran	MEMBER	4

Mr. N. D. Bharucha, C F O & Company Secretary is the Compliance Officer.

## SIMMONDS MARSHALL LIMITED

Details of Investors Complaints received during the year:

Sr. No.	Nature of Complaints	Received	Disposed Off	Pending
1.	Non Receipt of Share Certificates after transfer	NIL	NIL	NIL
2.	Non Receipt of Demat Rejected S/C's	NIL	NIL	NIL
3.	Others	NIL	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

There were no shares pending for transfer as on 31st March, 2014.

#### 4. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
31.03.2013	17.09.2013	12.00 Noon	Kwality Restaurant, Mumbai - Pune Road, Chinchwad, Pune - 411 019
31.03.2012	26.09.2012	12.00 Noon	-- As above --
31.03.2011	28.09.2011	12.00 Noon	-- As above --

All the matters as set out in the respective notices were passed by the shareholders. No special Resolution was required to be put through postal ballot at the last Annual General Meeting nor is proposed for the ensuing Annual General Meeting.

#### 5. DISCLOSURES:

- (i) During the year, the Company did not enter into any materially significant related party transactions with its promoters, directors, management or their relatives etc. that may have a potential conflict with the interests of the Company at large. However, the related party transactions are disclosed in note no. 28 to the accounts.
- (ii) No funds have been raised through issue of equity or debt in the form of public or rights or preferential issues during the year under review.
- (iii) A brief resume, nature of expertise in specific functional areas, names of companies in which the person already hold directorship and membership of committees of the Board and his shareholding in the Company forms part of the notice of the Annual General Meeting, annexed to this Annual Report for the directors seeking appointment/ reappointment.
- (iv) The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authority on all matters relating to capital markets during the last three years. No penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during last three years.
- (v) Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employees of the Company have been denied access to the Audit Committee of the Board of Directors of the Company.

- (vi) The Company has a periodic review and reporting to the Board of Directors of the Company of risk assessment by senior executives with a view to minimize risk.
- (vii) Certificate from Mr. S. J. Marshall, Chairman in terms of clause 49 (V) of the listing agreements with the stock exchanges for the financial year ended 31st March, 2014 was placed before the board of directors of the Company in its meeting held on May 30, 2014.

## 6. MEANS OF COMMUNICATION

- (i) Quarterly results are submitted to the stock exchanges where the shares of the Company are listed.
- (ii) All items required to be covered in the Management Discussion and Analysis has been included in the Annexure to the Directors' Report.
- (iii) No formal presentations were made to the institutional investors and analysts during the year under review.
- (iv) The Company has its own website i.e. [www.simmondsmarshall.com](http://www.simmondsmarshall.com) and all the vital information relating to the Company and its products are displayed on the web site.

## 7. GENERAL SHAREHOLDERS INFORMATION:

### 7.1 ANNUAL GENERAL MEETING

	:	54th Annual General Meeting
DAY & DATE	:	Tuesday, September 23, 2014
TIME	:	12.00 Noon
VENUE	:	Kwality Restaurant, Near Titan Showroom, Mumbai - Pune Road Chinchwad, Pune 411 019

### 7.2 FINANCIAL CALENDAR:

* Financial reporting for the quarter ended June 30, 2014 [Unaudited]	:	Mid of Aug. 2014
* Financial reporting for the quarter ended Sept.30, 2014 [Unaudited]	:	Mid of Nov. 2014
* Financial reporting for the quarter ended Dec. 31, 2014 [Unaudited]	:	Mid of Feb., 2015
* Financial reporting for the year ended March 31, 2015 [Audited]	:	Mid of May, 2015
* Annual General Meeting for the year ended March 31, 2014	:	End of Sep., 2014

### 7.3 DATE OF BOOK CLOSURE: 17/09/2012 TO 22/09/2012 [Both days inclusive].

### 7.4 LISTING:

The Stock Exchange, Mumbai.

### 7.5 STOCK CODE OF THE COMPANY : The Stock Exchange, Mumbai

Scrip Name	:	Simmonds Marshall Ltd.
Scrip Code	:	507998
Electronic Mode (ISIN)	:	INE657D01021

## SIMMONDS MARSHALL LIMITED

### 7.6 STOCK PRICES DATA & PERFORMANCE IN COMPARISON TO BSE SENSEX: [AS OBTAINED FROM BSE WEBSITE]

Month	Company's Share		BSE Sensex	
	High	Low	High	Low
April, 2013	25.00	21.30	19622.68	18144.22
May, 2013	31.95	22.10	20443.62	19451.26
June, 2013	29.50	24.90	19860.19	18467.16
July, 2013	25.00	17.20	20351.06	19126.82
August, 2013	20.00	16.20	19569.20	17448.71
September, 2013	24.50	15.50	20739.69	18166.17
October, 2013	26.70	21.00	21205.44	19264.72
November, 2013	25.40	18.10	21321.53	20137.67
December, 2013	27.00	24.00	21483.74	20568.70
January, 2014	27.00	18.70	21409.66	20343.78
February, 2014	22.05	17.60	21140.51	19963.12
March, 2014	23.10	17.90	22467.21	20920.98

### 7.7 REGISTRAR & TRANSFER AGENTS UNDER PHYSICAL AND DEMAT MODE:

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

### 7.8 SHARE TRANSFER SYSTEM:

Share transfer requests are received at the registered office of the Company as well as directly at RTA's office. RTA does the verification and processing of documents. In order to comply with the requirements of SEBI's circular No. SMD/POLICY/CIR-10/02 dated May 7, 2002 to effect transfer of shares within one month, the RTA has been authorized 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 the stipulated time of 30 days.

The turnaround time for completion of transfer of shares in physical mode is generally 15 days, if the documents are clear in all respects.

### 7.9 COMPLIANCE OFFICER:

Mr. N. D. Bharucha, Chief Financial Officer

### 7.10 DEPOSITORY CONNECTIVITY: NSDL and CDSL.

### 7.11 ISIN NO. FOR THE COMPANY'S SECURITY: INE657D01021.

**7.12 SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014:**

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	62,35,308	55.67
Mutual Funds /UTI	--	--
Financial Institutions / Banks	3,950	0.04
Bodies Corporate	18,12,049	16.18
Indian Public	31,27,669	27.93
NRI / OCBs	21,024	0.18
<b>Total</b>	<b>1,12,00,000</b>	<b>100</b>

**7.13 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014:**

SHARE(OR DEBENTURE) OF NOMINAL VALUE	NUMBER OF HOLDERS	(%) OF HOLDERS	TOTAL AMOUNT	% OF AMT
UPTO 5000	2042	91.00	27,80,840.00	12.41
5001 TO 10000	95	4.23	7,13,952.00	3.19
10001 TO 20000	62	2.76	9,32,902.00	4.16
20001 TO 30000	9	0.40	2,19,456.00	0.98
30001 TO 40000	10	0.45	3,42,258.00	1.53
40001 TO 50000	6	0.27	2,93,660.00	1.31
50001 TO 100000	8	0.36	5,95,198.00	2.66
100001 TO ABOVE	12	0.53	1,65,21,734.00	73.76
<b>**TOTAL**</b>	<b>2244</b>	<b>100.00</b>	<b>2,24,00,000.00</b>	<b>100.00</b>

**7.14 DEMATERIALISATION OF SHARES:**

As on March 31, 2014, 104,72,415 shares representing 96.182% of total equity shares were held in dematerialized form with NSDL and CDSL.

Members can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.

**7.15 OUTSTANDING GDRs/ ADRs/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:**

The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments.

**7.16 WORKS:**

Simmonds Marshall Limited  
Mumbai Pune Road  
Kasarwadi, Pune 411 034  
Telephone Nos: 020-30782160

**7.17 ADDRESS FOR CORRESPONDENCE:**

Simmonds Marshall Limited  
Mumbai Pune Road  
Kasarwadi, Pune 411 034  
Telephone Nos: 020-30782160

**7.18 COMPLIANCE:**

A certificate has been obtained from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance and is attached to this report. The Company is in process of complying with some of the conditions of corporate governance.

**8. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:**

The board of directors has laid down the Code of Conduct for all the board members and members of senior management of the Company. Certificate from the Managing Director affirming compliance of the said code by all the board members and members of senior management of the Company to whom the code is applicable is annexed separately to this report.

**9. STEPS FOR PREVENTION OF INSIDER TRADING**

In compliance of the SEBI (Prevention of inside Trading) Regulations as amended in 2002, the Company has issued comprehensive guidelines advising and cautioning management staff and other relevant business associates on the procedure to be followed while dealing in equity shares of Company and disclosure requirements in this regard. Company believes that "The Code of Internal Procedure and Conduct" and 'The Code of Corporate Disclosures Policies' framed by it in this regard will help in ensuring compliance of the amended SEBI regulations.

**B) NON-MANDATORY REQUIREMENTS**

**1. CHAIRMAN OF THE BOARD:**

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a non-executive chairman does not arise.

**2. REMUNERATION COMMITTEE:**

Please refer item no. 3.2 under Mandatory Requirements.

**3. SHAREHOLDERS RIGHTS:**

The Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

**4. POSTAL BALLOT:**

The provision relating to Postal Ballot will be complied in respect of matters, wherever applicable.

**5. TRAINING OF BOARD MEMBERS:**

Directors are fully briefed about all business related matters risks assessment market conditions of the product manufactured by the Company, competition and new initiative proposed by the Company.

For and on Behalf of the Board  
**Simmonds Marshall Limited**

**S. J. MARSHALL**  
CHAIRMAN

Place : Mumbai  
Dated : May 30, 2014

## **ANNEXURE TO CORPORATE GOVERNANCE REPORT**

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

In terms of the requirements of the amended clause 49 I (D) (ii) of the listing agreement, 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, 2014.

**S. J. MARSHALL  
CHAIRMAN**

Place : Mumbai  
Dated : May 30, 2014

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER**

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

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. I have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2014 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 statement that might be misleading;
  - (ii) these statements 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 my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept the responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
- d. I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which I 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.

**S. J. MARSHALL  
CHAIRMAN**

Place : Mumbai  
Dated : May 30, 2014

## **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, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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 and the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the abovementioned Listing Agreement.

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 : May 30, 2014

## **SECRETARIAL COMPLIANCE CERTIFICATE**

**(Under Proviso to Sub-Section (1) of Section 383A of the Companies Act, 1956)**

REGISTRATION NO. :11-011645 OF 1960

NOMINAL CAPITAL : ₹ 10,00,00,000/-

PAID UP CAPITAL : ₹ 2,24,00,000/-

The Members,  
SIMMONDS MARSHALL LIMITED

We have examined the registers, records, books and papers of SIMMONDS MARSHALL LIMITED having its registered office at Mumbai – Pune Road, Kasarwadi, Pune – 411 034 as required to be maintained under the Companies Act, 1956, (to the extent applicable), the Companies Act, 2013 (to be notified) and the rules made thereunder, The Companies Act, 2013 (to the extent notified) and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure “A”** to this certificate as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure “B”** to this certificate with the Ministry of Corporate Affairs within the time prescribed under the Act and the rules made thereunder except as specified in the said Annexure.
3. The Company is a Limited Company and hence comments are not required.
4. The Board of Directors duly met 4 (Four) times on 30th May, 2013, 5th August, 2013, 15th November, 2013 and 7th February, 2014 in respect of which proceedings were properly recorded and signed in the Minutes Books maintained for the purpose.
5. The Company closed its Register of Members from 12th September, 2013 to 16th September, 2013 (both days inclusive) during the financial year and complied with the provisions of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 17th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year under scrutiny.
8. The provisions of Section 295 relating to Loans to Director under the Companies Act, 1956 was applicable to the Company till 11.09.2013. Thereafter the provisions of section 185 of the Companies Act, 2013 were made applicable with effect from 12.09.2013. The Company has advanced loans to its group company during the year under scrutiny.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.

12. The Company has not issued duplicate share certificates during the financial year under scrutiny.
13. The Company has :
  - i. delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
  - ii. deposited amount in a separate Bank Account
  - iii. paid dividends to all the members within a period of 30 (Thirty) days from the date of declaration.
  - iv. amounts unpaid in dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years have been transferred to the Investor Education and Protection Fund.
  - v. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancy during the financial year under scrutiny.
15. The appointment of Managing Director and Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. However, there is no new appointment during the financial year under scrutiny.
16. The Company has not appointed any sole-selling agents during the financial year under scrutiny.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares/debentures/other securities during the financial year under scrutiny.
20. The Company has not bought back any shares during the financial year under scrutiny.
21. The Company has not issued any preference shares/debentures and hence there is no question of redemption of the same.
22. During the year there was no need for the Company to keep in abeyance right to dividend, rights shares and bonus shares.
23. The Company has not invited/accepted any deposits falling within the purview of Section 58A during the financial year under scrutiny.
24. The Company has borrowed funds from Banks and Financial Institutions during the financial year and complied with the provisions of Section 180 (a) & (c) of the Companies Act, 2013.
25. The Company has made investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.

## **SIMMONDS MARSHALL LIMITED**

27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
32. The Company has not received any sum as security from its employees during the year under scrutiny.
33. The Company has been generally regular in depositing both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

**FOR GMJ & Associates**  
Company Secretaries

**[MAHESH SONI]**  
FCS : 3706 ; COP : 2324.

Place: Mumbai.  
Dated: 30th May, 2014.

## SIMMONDS MARSHALL LIMITED

REGISTRATION NO. :11-011645 OF 1960  
 NOMINAL CAPITAL : ₹10,00,00,000/-  
 PAID UP CAPITAL : ₹2,24,00,000/-

**ANNEXURE 'A'****Registers as maintained by the Company**

1. Register of Charges U/S. 143.
2. Register of Members U/S. 150.
3. Attendance Register for General Meetings U/S. 174.
4. Minutes Books of General Meetings and Board Meetings U/S. 193.
5. Attendance Register for Board Meetings U/S. 287.
6. Register of Contracts U/S. 301.
7. Register of Directors U/S. 303.
8. Register of Directors Shareholding U/S. 307.
9. Register of Share Transfer.
10. Books of Accounts U/S. 209.
11. Register of Investments U/S. 372A.

**ANNEXURE 'B'****Forms and Returns as filed by the Company with the Ministry of Corporate Affairs during the financial year ended on 31st March, 2014.**

Sr. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/No
01.	Form No.17	138	satisfaction of charge on 25th April, 2013 in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort amounting to ₹ 25,00,000/-	30th April, 2013	Yes	-
02.	Form No.17	138	satisfaction of charge on 25th April, 2013 in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort, amounting to ₹ 38,00,000/-	30th April, 2013	Yes	-
03.	Form No.17	138	satisfaction of charge on 25th April, 2013 in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort, amounting to ₹ 22,40,000/-	30th April, 2013	Yes	-
04.	Form No.17	138	satisfaction of charge on 25th April, 2013 in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort, amounting to ₹ 8,00,000/-	30th April, 2013	Yes	-

**SIMMONDS MARSHALL LIMITED**

05.	Form No.17	138	satisfaction of charge on 25th April, 2013 in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort,. amounting to ₹39,60,000/-	30th April, 2013	Yes	-
06.	Form No.17	138	satisfaction of charge on 25th April, 2013 in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort,. amounting to ₹14,25,000/-	30th April, 2013	Yes	-
07.	Form No. 23C	223B(2)	appointment of Cost Auditor for the year ended 31st March, 2014	24th June, 2013	Yes	-
08.	Form No. 8	125	for creation of charge on immovable assets in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort, for ₹69.50 Lacs created on 2nd August, 2013.	14th August, 2013	Yes	-
09.	Form No. 23D	233B	Information by Cost Auditor of his appointment to the Central Government.	10th September, 2013	---	---
10.	Form No. 23B	224 (1A)	appointment of Auditor for the year ended 31st March, 2014.	8th October, 2013	Yes	-
11.	Compliance Certificate in Form No. 66	383A	the year ended 31st March, 2013	11th October, 2013	Yes	-
12.	Balance Sheet and Profit & Loss Account in Form No. 23AC XBRL and 23ACA XBRL	220	the year ended 31st March, 2013.	14th October, 2013	Yes	-
13.	Annual Return in Form No. 20B.	159	as on the date of the Annual General Meeting held on 17th September, 2013.	6th November, 2013	Yes	-
14.	Form 1INV	Rule 3 of IEPF	Statement of amounts credited to investor education and protection fund	20th November, 2013	Yes	-
15.	Form No.17	138	satisfaction of charge on 5th December, 2013 in favour of The Zoroastrian Co-Operative Bank Limited. Mumbai Main Branch Fort,. amounting to ₹55,00,000/-	17th December, 2013	Yes	-
16.	Form I-XBRL	233B(4)	Form for filing XBRL document in respect of cost audit report.	29th January, 2014	-	-
17.	Form No.17	138	satisfaction of charge on 24th February, 2014 which was originally created on 30th June, 2004 in favour of Sundaram Finance Ltd., Patullos Road, Chennai. amounting to ₹3,25,000/-	26th February, 2014	Yes	-

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SIMMONDS MARSHALL LIMITED REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of SIMMONDS MARSHALL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management Responsibility for the Financial Statements

2. Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

#### Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) in the case of the 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**

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable.
  - e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**HITESH R. SHAH**  
PARTNER  
Membership No. 104795

Mumbai, May 30, 2014

## ANNEXURE TO THE AUDITORS' REPORT

(ANNEXURE REFERRED TO IN PARAGRAPH 7 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014 OF SIMMONDS MARSHALL LIMITED)

- i.
  - (a) The Company is in process of updating its records showing particulars, including quantitative details and situation of fixed assets;
  - (b) According to information and explanations provided to us the company has carried out physical verification of its major assets viz. plant and machineries in accordance with its policy to conduct physical verification once in five years in a phased manner, which in our opinion, is reasonable having regard to the size of the company and nature of its business. We have been informed that the company is in process of updating its fixed assets register and necessary adjustments in respect of discrepancies if any between physical assets and book records will be made in the books on such updation.
  - (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii.
  - (a) 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.
  - (b) In our opinion and according to the information and explanation given to us, the procedures followed by the management for physical verification of inventory, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. 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.
  - (a) 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 301 of the Companies Act, 1956.
  - (b) According to the information and explanations given to us, the Company has taken unsecured loans from Companies, firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year is ₹730.98 lakhs and the year-end balance of such loans aggregates to ₹706.00 lakhs. There are five parties including Companies, firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956 from whom Company has taken loans.
  - (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company
  - (d) There is no stipulation as to repayments of principal amount in respect of aforesaid loans. The Company is regular in payment of interest.
- iv.
 

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal controls.

## SIMMONDS MARSHALL LIMITED

- v. (a) According to the information and explanations given to us, we are of the opinion that during the year, the particulars of contracts/arrangements that need to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of ₹5 lakhs have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. 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 58A and 58 AA of the Companies Act, 1956, and the rules 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.
- vii. The company has no formal internal audit system as such, but its control procedures and systems ensure reasonable internal checking of its financial and other records.
- viii. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 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.
- ix. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income Tax, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it 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, 2014 for a period of more than six months from the date they became payable except Income Tax Demand of ₹4.13 lakhs, which the company expects to get adjusted against refund arising on account of pending rectifications.
- (b) According to the information and explanations given to us, there are no dues of Value Added Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty or Cess outstanding on account of any dispute except as mentioned below:

Name of the Statute	Financial Year	Forum where matter is pending	Amount (₹)
Income Tax	2004 – 2005	Commissioner of Income Tax (Appeal)	0.76
Income Tax	2005 - 2006	Appeal filed by the Department to the Income Tax Appellate Tribunal	23.01
Income Tax	2006 – 2007	Appeal filed by the Department to the Income Tax Appellate Tribunal	21.14
Income Tax	2007 – 2008	Rectification u/s. 154 to Income Tax Officer	6.62
Income Tax	2008 – 2009	Rectification u/s. 154 to Income Tax Officer	157.68
Income Tax	2009 – 2010	Rectification u/s. 154 to Income Tax Officer	58.99
Income Tax	2010 – 2011	Commissioner of Income Tax (Appeal)	0.32

- x. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- xi. 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 banks.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/societies.
- xiv. The Company does not deal or trade in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- xvi. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us on an overall examination of Balance Sheet and Cash Flows of the Company, we report that the Company has not utilised funds raised on short-term basis for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not issue any debentures during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

Mumbai, May 30, 2014

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

**HITESH R. SHAH**  
PARTNER  
Membership No. 104795

**SIMMONDS MARSHALL LIMITED**
**Balance Sheet as at March 31, 2014**

Particulars	Note No.	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ 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	3,465.47	3,092.32
		<b>3,689.47</b>	<b>3,316.32</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	1,425.67	1,378.90
(b) Deferred tax liabilities (Net)	5	248.85	209.54
(c) Other long-term liabilities	6	-	5.13
		<b>1,674.52</b>	<b>1,593.57</b>
<b>3 Current Liabilities</b>			
(a) Short-term borrowings	7	1,461.97	1,640.10
(b) Trade payables	8	951.36	793.14
(c) Other current liabilities	9	374.83	443.44
(d) Short-term provisions	10	137.71	85.96
		<b>2,925.87</b>	<b>2,962.64</b>
<b>TOTAL</b>		<b>8,289.86</b>	<b>7,872.53</b>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed assets	11		
(i) Tangible asset		1,930.00	1,933.41
(ii) Intangible assets		207.16	233.89
(iii) Capital work-in-progress		179.48	16.68
(iv) Intangible Asset under Development		-	-
		<b>2,316.64</b>	<b>2,183.98</b>
(b) Non-current investments	12	330.84	299.86
(c) Long-term loans and advances	13	92.75	90.70
(d) Other Long-term assets	14	29.36	24.69
		<b>2,769.59</b>	<b>2,599.23</b>
<b>2 Current Assets</b>			
(a) Inventories	15	2,222.84	2,190.03
(b) Trade receivables	16	2,615.14	2,327.48
(c) Cash and cash equivalents	17	516.01	575.00
(d) Short-term loans and advances	18	162.68	167.57
(e) Other current assets	19	3.60	13.22
		<b>5,520.27</b>	<b>5,273.30</b>
<b>TOTAL</b>		<b>8,289.86</b>	<b>7,872.53</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

**Hitesh R Shah**  
 Partner  
 M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU** }  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer

**Statement of Profit and Loss for the year ended March 31, 2014**

Particulars	Note No.	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
1 Revenue from operations (gross)		11,635.14	10,116.90
Less: Excise duty		(1,321.04)	(1,082.54)
		<u>10,314.10</u>	<u>9,034.36</u>
2 Other income	20	61.56	34.17
<b>3 Total revenue (1+2)</b>		<u><b>10,375.66</b></u>	<u><b>9,068.53</b></u>
<b>4 Expenses</b>			
(a) Cost of materials consumed	21	4,242.48	3,785.49
(b) Purchases of traded goods		74.09	38.80
(c) Changes in inventories of finished goods and work-in-progress	22	(89.80)	(0.64)
(d) Employee benefits expense	23	1,566.78	1,391.58
(e) Finance costs	24	331.10	395.12
(f) Depreciation and amortisation expense		206.45	188.21
(g) Other expenses	25	3,349.63	2,752.08
<b>5 Total expenses</b>		<u><b>9,680.73</b></u>	<u><b>8,550.64</b></u>
<b>6 Profit before tax (3 - 5)</b>		<b>694.93</b>	<b>517.89</b>
<b>7 Tax expense:</b>			
(a) Current tax		217.00	116.50
(b) Deferred tax		39.31	46.68
(c) Tax adjustments of earlier years		-	9.13
		<u>256.31</u>	<u>172.31</u>
<b>8 Profit for the year (6 - 7)</b>		<u><b>438.62</b></u>	<u><b>345.58</b></u>
<b>9 Earnings per share Basic &amp; Diluted (₹):</b>	30	3.92	3.09
<b>10 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

**Hitesh R Shah**  
Partner  
M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU** }  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer

**SIMMONDS MARSHALL LIMITED**
**Cash Flow Statement for the year ended March 31, 2014**

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit before tax		694.93		517.89
Adjustments for:				
Depreciation and Amortisation				
For Current Year	206.45		188.21	
For Prior Period	15.80		-	
	<u>222.25</u>		<u>188.21</u>	
Loss on sale of assets	-		-	
Profit on sale of assets	(1.40)		-	
Finance costs	331.10		395.12	
Interest income	(18.17)		(19.71)	
Share of Profit from Partnership Firm	-		-	
Dividend income	(0.15)		(0.15)	
		<u>533.63</u>		<u>563.47</u>
<b>Operating profit before working capital changes</b>		<b>1,228.56</b>		<b>1,081.36</b>
Adjustments for:				
Inventories	(32.81)		(97.02)	
Trade receivables	(287.66)		(56.50)	
Loans and Advances	7.83		(3.55)	
Trade payables and other payables	90.84		(120.61)	
		<u>(221.80)</u>		<u>(277.68)</u>
<b>Cash Flow Generated from Operation</b>		<b>1,006.76</b>		<b>803.68</b>
Net income tax (paid)		(171.61)		(163.93)
<b>Net cash flow from operating activities (A)</b>		<b>835.15</b>		<b>639.75</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets		(370.68)		(158.45)
Sale of Fixed Assets		17.18		-
Investments in Subsidiary		(30.98)		(126.88)
Interest Income		18.17		19.71
Dividend received		0.15		0.15
Share of Profit of Partnership Firm		-		-
<b>Net cash flow from investing activities (B)</b>		<b>(366.16)</b>		<b>(265.47)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from Issue of equity shares		-		-
Long Term Borrowings (net)		46.77		39.85
Short Term Borrowings (net)		(178.13)		70.76
Finance cost		(331.10)		(395.12)
Dividends paid		(56.00)		(56.00)
Tax on dividend paid		(9.52)		(9.08)
<b>Net cash flow from financing activities (C)</b>		<b>(527.98)</b>		<b>(349.59)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>		<b>(58.99)</b>		<b>24.69</b>
Cash and cash equivalents at the beginning of the year		575.00		550.31
<b>Cash and cash equivalents at the end of the year</b>		<b>516.01</b>		<b>575.00</b>

As per our report attached of even date

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

**Hitesh R Shah**  
 Partner  
 M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU**  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer

## Notes forming part of the Financial Statements for the year ended on March 31, 2014

### 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, 1956.

##### 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

Long term investments are carried at cost less other than temporary diminution in value, if any. Current investments are carried at lower of cost or fair market value.

##### 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, is reduced while working out cost of raw materials.

##### 1.8 Depreciation

Depreciation on assets is provided on Straight Line Method, pro-rata to the period of use, at rates and in the manner specified under the Schedule XIV of the Companies Act, 1956 over their useful life.

Individual Assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

Cost relating to Goodwill an intangible asset which is acquired is capitalised and amortised on a straightline basis over useful life of 10 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.

In respect of forward contracts entered into to hedge foreign currency risks of existing assets and liabilities, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Further, the exchange difference arising on such contracts are recognised as income or expenses along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward contract is recognised during the year.

## 1.10 Employee benefits

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Profit & Loss Account.
- iii) Retirement benefit in form of gratuity, administered by Life Insurance Corporation of India, is a defined benefit obligation and is provided for on the basis of actuarial valuation as at Balance Sheet date. The actuarial gains and losses determined are recognised in the profit & loss account.

## 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 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.

## 1.13 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.

**1.14 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, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ 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, 2014		As at March 31, 2013	
	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	<u>1,12,00,000</u>	<u>224.00</u>	<u>1,12,00,000</u>	<u>224.00</u>

**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.

## SIMMONDS MARSHALL LIMITED

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

Class of shares / Name of shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	%Holding	No. of Shares	%Holding
<b>Equity Shares</b>				
Navroze S Marshall	14,63,298	13.07	14,16,798	12.65
Shiamak J Marshall	15,12,965	13.51	14,89,765	13.30
Maki S Marshall	16,30,435	14.56	15,82,725	14.13
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.	16,94,462	15.13	16,94,462	15.13

### NOTE 3: RESERVES AND SURPLUS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) <b>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	424.00	369.00
Add: Transferred from statement of Profit and Loss	56.00	55.00
<b>TOTAL</b>	<b>480.00</b>	<b>424.00</b>
(c) <b>Surplus as per Statement of Profit &amp; Loss</b>		
Balance brought forward	2,514.37	2,289.26
Add: Profit for the year	438.62	345.58
Less:		
Dividends proposed to be distributed to equity shareholders (₹0.50 per share)	56.00	56.00
Tax on dividend	9.52	9.52
Transferred to General Reserve	56.00	55.00
<b>TOTAL</b>	<b>2,831.47</b>	<b>2,514.32</b>
<b>TOTAL</b>	<b>3,465.47</b>	<b>3,092.32</b>

The Board of Directors at its meeting held on May 30, 2014 has recommended a final dividend of ₹ 0.50 per equity share. This proposal is subject to approval of shareholders at the ensuing Annual General Meeting.

**NOTE 4: LONG TERM BORROWINGS**

Particulars	As at March 31, 2014		As at March 31, 2013	
	₹ in Lakhs Non Current	₹ in Lakhs Current	₹ in Lakhs Non Current	₹ in Lakhs Current
<b>I. SECURED</b>				
(A) Term loans				
(i) Rupee Loan From Banks				
(a) Under Consortium				
1 Zoroastrian Cooperative Bank Ltd.	-	-	-	20.56
2 Union Bank of India	1.06	3.58	4.64	19.14
3 ICICI Bank Limited	-	40.00	40.01	40.00
(b) Others				
1 Zoroastrian Cooperative Bank Ltd.	103.81	48.49	47.80	39.83
2 ICICI Bank Limited	-	1.87	1.87	1.87
3 HDFC Bank Ltd	-	-	-	0.33
(ii) Foregin Currency Loan (ECB) - ICICI Bank Limited	608.78	63.92	538.82	95.09
(B) From other parties				
Vehicle Loan	6.02	5.91	11.93	5.30
	<u>719.67</u>	<u>163.77</u>	<u>645.07</u>	<u>222.12</u>
<b>II. Unsecured</b>				
(i) Loans and advances from related parties	706.00	-	733.83	-
	<u>706.00</u>	<u>-</u>	<u>733.83</u>	<u>-</u>
<b>TOTAL</b>	<b>1,425.67</b>	<b>163.77</b>	<b>1,378.90</b>	<b>222.12</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 VI.

**4.2: Details of securities and Terms of payment****1. Under Consortium - 4 (I) (A) (i) (a)**

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	
(i) Union Bank of India	1.06	-	-	-	1.06
(ii) Rate of Interest	BR + 3.5%	-	-	-	-
				<b>TOTAL</b>	<b>1.06</b>

**(iii) Details of Security**

First pari passu charge over present and future movable fixed assets of the company i.e. plant and machineries, equipments and entire block of assets other than specific assets financed by respective banks.

All loans are secured against the personal guarantee of Chairman.

Loan form ICICI is secured against the personal guarantee of Managing Director.

## SIMMONDS MARSHALL LIMITED

### 2. Others -4 (I) (A) (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	
(i) Zorostrian Co.op. Bank Ltd.	41.84	34.29	27.67	-	103.81
(ii) Rate of Interest	13.50%	13.50%	13.50%	-	
<b>(iii) Details of Security</b>					
Secured by first charge by way of hypothecation of plant & machineries acquired under the specific facility granted by the Bank.					
All loans are secured against the personal guarantee of Chairman.					

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	-	-	-	-	-
<b>Details of Security</b>					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

### 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	121.75	152.19	334.83	-	608.77
Rate of Interest	LIBOR + 5%				
<b>Details of Security</b>					
Secured by first and exclusive charge on plant & machineries funded under the ECB.					
Secured by Fixed Deposit amounting to ₹ 116.68 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 20 quarterly installments starting from August 2013, after the moratorium period of 18 months from the date of first disbursement i.e. November 2011.

### 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	6.02	-	-	-	6.02
Rate of Interest	11.00%	-	-	-	
<b>Details of Security</b>					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

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

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Deferred Tax Liability</b>		
Opening Balance	209.54	162.86
Difference between accounting and tax depreciation	39.31	46.91
	<u>248.85</u>	<u>209.77</u>
<b>Deferred Tax Assets</b>		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	-	(0.23)
Tax effect of items constituting deferred tax assets	-	(0.23)
<b>TOTAL</b>	<b>248.85</b>	<b>209.54</b>

**NOTE 6: OTHER LONG TERM LIABILITIES**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Unsecured</b>		
Others - Loan against Vehicles	-	5.13
<b>TOTAL</b>	<b>-</b>	<b>5.13</b>

**NOTE 7: SHORT-TERM BORROWINGS**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Secured</b>		
<b>Loans repayable on demand</b>		
From Banks Rupee Loan	859.12	1,096.54
From Banks Foreign Currency Loan	602.85	543.56
<b>TOTAL</b>	<b>1,461.97</b>	<b>1,640.10</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 Chairman.

**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 Chairman.

## SIMMONDS MARSHALL LIMITED

### NOTE 8: TRADE PAYABLES

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Trade payables:</b>		
Due to Micro, Small & Medium Enterprises	166.58	114.65
Others	784.78	678.49
<b>TOTAL</b>	<b>951.36</b>	<b>793.14</b>

Based on the information available with the company regarding total amount due to suppliers as at March 31, 2014 covered under Small and Medium Enterprises Act, 2006, amount to ₹166.58 (2012 - 13 ₹114.65 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, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Current maturities of long-term debt (Refer Note 4)	163.77	222.12
(b) Interest accrued but not due on borrowings	5.46	5.82
(c) Interest accrued and due on borrowings	1.36	4.87
(d) Unpaid dividends	13.26	13.20
(e) Other payables		
(i) Tax Deducted at source and other statutory dues	68.00	85.34
(ii) Employee Related Liabilities	109.10	45.92
(iii) Other current liabilities	7.26	14.00
(iv) Advances from customers	6.62	52.17
<b>TOTAL</b>	<b>374.83</b>	<b>443.44</b>

### NOTE 10: SHORT-TERM PROVISIONS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Provision for employee benefits:		
Provision for gratuity (Net) (Refer Note 26)	26.80	20.44
	<u>26.80</u>	<u>20.44</u>
(b) Provision - Others:		
(i) Provision for Income Tax (Net)	45.39	-
(ii) Provision for proposed equity dividend	56.00	56.00
(iii) Provision for tax on proposed dividend	9.52	9.52
	<u>110.91</u>	<u>65.52</u>
<b>TOTAL</b>	<b>137.71</b>	<b>85.96</b>

**Note 11: FIXED ASSETS**

OWNED	Gross block					Accumulated depreciation and impairment					Net block	
	Balance as at April 1, 2013	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at March 31, 2014	Balance as at April 1, 2013	Depreciation/amortisation expense for the year	Eliminated on disposal of assets	Prior Period Adjustments	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
	₹ in Lakhs	₹ 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	207.78	4.42	-	-	212.20	47.73	7.03	-	3.05	57.81	154.39	160.05
(b) Plant and Equipment	2,517.66	125.38	-	68.01	2,711.05	964.16	143.11	-	11.51	1,118.77	1,592.28	1,553.50
(c) Furniture and Fixtures	41.45	1.13	-	-	42.58	17.11	2.25	-	0.56	19.92	22.66	24.34
(d) Vehicles	205.31	-	(31.88)	-	173.43	84.52	16.80	(16.10)	-	85.22	88.21	120.79
(e) Office equipment	36.11	3.31	-	-	39.42	19.58	1.12	-	-	20.70	18.72	16.53
(f) Others (specify nature)												
(1) Electrical Installations	66.02	1.64	-	-	67.66	23.78	4.66	-	0.08	28.52	39.14	42.24
(2) Computers	52.49	3.99	-	-	56.48	36.53	4.74	-	0.61	41.88	14.60	15.96
<b>Total Tangible Assets</b>	<b>3,126.82</b>	<b>139.87</b>	<b>(31.88)</b>	<b>68.01</b>	<b>3,302.82</b>	<b>1,193.41</b>	<b>179.72</b>	<b>(16.10)</b>	<b>15.80</b>	<b>1,372.82</b>	<b>1,930.00</b>	<b>1,933.41</b>
<b>B. INTANGIBLE ASSETS</b>												
Goodwill	267.30	-	-	-	267.30	33.41	26.73	-	-	60.14	207.16	233.89
(Acquired on account of Investment in Partnership Firm w.e.f January 1, 2012)												
<b>Total Intangible Assets</b>	<b>267.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267.30</b>	<b>33.41</b>	<b>26.73</b>	<b>-</b>	<b>-</b>	<b>60.14</b>	<b>207.16</b>	<b>233.89</b>
<b>Total Fixed Assets</b>	<b>3,394.12</b>	<b>139.87</b>	<b>(31.88)</b>	<b>68.01</b>	<b>3,570.12</b>	<b>1,226.82</b>	<b>206.45</b>	<b>(16.10)</b>	<b>15.80</b>	<b>1,432.96</b>	<b>2,137.16</b>	<b>2,167.30</b>
<b>Previous year</b>	<b>3,235.68</b>	<b>121.45</b>	<b>-</b>	<b>37.00</b>	<b>3,394.13</b>	<b>1,038.61</b>	<b>188.21</b>	<b>-</b>	<b>-</b>	<b>1,226.83</b>		
<b>C Capital Work-in-Progress</b>	<b>16.68</b>	<b>162.80</b>	<b>-</b>	<b>-</b>	<b>179.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>179.48</b>	<b>16.68</b>
(Refer Note No.43)												
											<b>2,316.64</b>	<b>2,183.98</b>

## SIMMONDS MARSHALL LIMITED

### NOTE 12: NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Investments (At cost):		
<b>A. Trade</b>		
<b>Unquoted</b>		
(a) Investment in equity instruments of Associate 131051 (2012 - 2013: 131051) shares of ₹10 each fully paid up in Formex Private Limited	11.79	11.79
(b) Investment in partnership firm (Refer Note below)	318.05	287.07
<b>B Non Trade :</b>		
<b>Unquoted</b>		
4000 (2012 - 2013: 4000) shares of ₹25 each fully paid up in Zoroastrian Cooperative Bank Limited	1.00	1.00
<b>TOTAL</b>	<b>330.84</b>	<b>299.86</b>
Aggregate amount of unquoted investments	330.84	299.86

Note: Other details relating to investment in partnership firm

Name of the firm	As at March 31, 2014		As at March 31, 2013	
	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 STUD INDIA</b>	<b>318.05</b>	<b>-</b>	<b>287.07</b>	<b>-</b>
(The company has acquired 99% share in the said partnership w.e.f from January 1, 2012)				
<b>Name of the Partners</b>				
Simmonds Marshall Limited	-	99%	-	99%
Navroze S. Marshall	-	1%	-	1%
	<b>318.05</b>	<b>100%</b>	<b>287.07</b>	<b>100%</b>

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

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Unsecured, considered good		
(a) Security deposits & Other Deposit	43.29	35.99
(b) Other loans and advances		
(i) Advance Tax (Net of Provision)	34.79	34.79
(ii) Value Added Tax	8.26	9.30
(iii) Central Excise	-	5.76
(iv) Loans to Employees	6.41	4.86
<b>TOTAL</b>	<b>92.75</b>	<b>90.70</b>

**NOTE 14: OTHER LONG TERM ASSETS**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Trade Receivable	28.49	23.17
Prepaid Expenses	0.87	1.52
<b>TOTAL</b>	<b>29.36</b>	<b>24.69</b>

**NOTE 15: INVENTORIES**

(At lower of cost or net realisable value)

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Raw materials	625.14	745.84
Goods-in-transit	44.63	81.10
	<b>669.77</b>	<b>826.94</b>
(b) Work-in-progress	<b>424.09</b>	<b>251.83</b>
(c) Finished goods	313.67	396.13
Goods-in-transit	-	-
	<b>313.67</b>	<b>396.13</b>
(d) Stores and spares	7.99	7.35
Goods-in-transit	1.88	2.01
	<b>9.87</b>	<b>9.36</b>
(e) Others		
(i) Tools	762.10	697.52
Goods-in-transit	37.43	6.99
	<b>799.53</b>	<b>704.51</b>
(ii) Packing Material	5.91	1.26
Goods-in-transit	-	-
	<b>5.91</b>	<b>1.26</b>
<b>TOTAL</b>	<b>2,222.84</b>	<b>2,190.03</b>

**NOTE 16: TRADE RECEIVABLES**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Unsecured, Considered Good		
Outstanding exceeding six months	61.66	76.43
Others	2,553.48	2,251.05
<b>TOTAL</b>	<b>2,615.14</b>	<b>2,327.48</b>

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### NOTE 17: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Cash and cash equivalents		
Balances with Banks	330.70	321.86
(b) Other Bank Balances		
(i) Margin Money Deposit	55.35	123.27
(ii) Margin Money Deposit against ECB loan	116.68	116.68
(iii) Unclaimed Dividend Accounts	13.28	13.19
<b>TOTAL</b>	<b>516.01</b>	<b>575.00</b>

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

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Unsecured, considered good</b>		
(a) Loans and advances to related parties	6.24	61.51
	<b>6.24</b>	<b>61.51</b>
(b) Other Loans and Advances		
(i) Loans to Employees	4.78	6.73
(ii) Prepaid expenses	29.62	24.66
(iii) CENVAT Recoverable	69.45	47.12
(iv) Advances to Trade Payable	52.39	27.49
(v) Others	0.20	0.06
	<b>156.44</b>	<b>106.06</b>
<b>TOTAL</b>	<b>162.68</b>	<b>167.57</b>

### NOTE 19: OTHER CURRENT ASSETS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Interest accrued on deposits	3.60	13.22
<b>TOTAL</b>	<b>3.60</b>	<b>13.22</b>

### NOTE 20: OTHER INCOME

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Interest Income	18.17	19.71
Dividend income	0.15	0.15
Other non-operating income	22.35	0.43
Share of Profit from Partnership Firm	19.49	13.88
Profit on Sale of Fixed Assets	1.40	-
<b>TOTAL</b>	<b>61.56</b>	<b>34.17</b>

**NOTE 21: COST OF MATERIALS CONSUMED**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Opening stock	826.94	736.17
Add: Purchases	4,202.15	4,003.96
	<u>5,029.09</u>	<u>4,740.13</u>
Less: Scrap Sales	116.84	127.72
	<u>4,912.25</u>	<u>4,612.41</u>
Less: Closing stock	669.77	826.92
<b>TOTAL</b>	<b>4,242.48</b>	<b>3,785.49</b>

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

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Inventories at the end of the year:</b>		
Finished goods	313.67	396.13
Work-in-progress	424.09	251.83
	<u>737.76</u>	<u>647.96</u>
<b>Inventories at the beginning of the year:</b>		
Finished goods	396.13	329.98
Work-in-progress	251.83	317.34
	<u>647.96</u>	<u>647.32</u>
<b>TOTAL</b>	<b>(89.80)</b>	<b>(0.64)</b>

**NOTE 23: EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Salaries and wages	1,116.89	1,009.14
Contributions to provident and other funds	156.16	121.80
Staff welfare expenses	293.73	260.64
<b>TOTAL</b>	<b>1,566.78</b>	<b>1,391.58</b>

**NOTE 24: FINANCE COSTS**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Interest expense	318.05	328.09
Other borrowing costs	13.05	67.03
<b>TOTAL</b>	<b>331.10</b>	<b>395.12</b>

## SIMMONDS MARSHALL LIMITED

### NOTE 25: OTHER EXPENSES

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Consumption of stores and spare parts	106.54	89.02
Consumption of loose tools	566.63	543.98
Consumption of packing materials	76.25	67.75
Power and fuel	209.32	209.67
Job Work Charges	1,317.01	891.39
Rent	160.30	146.43
Repairs and maintenance		
Buildings	7.52	-
Machinery	74.44	75.70
Others	40.09	47.40
	122.05	123.10
Insurance	18.66	15.71
Rates and taxes - excluding Taxes on Income	4.64	22.77
Communication	16.57	16.21
Travelling and conveyance	84.53	87.58
Printing and stationery	19.42	14.74
Freight and forwarding	308.47	261.85
Sales commission	18.96	17.27
Donations and contributions	6.01	6.01
Legal and professional	108.76	117.11
Directors Fees	0.30	0.36
Net loss on foreign currency transactions and translation	114.75	16.27
Loss on derivatives	-	39.38
Prior period items	23.57	6.77
Sundry Balance Written off (net)	-	5.36
Miscellaneous expenses	66.89	53.35
<b>TOTAL</b>	<b>3,349.63</b>	<b>2,752.08</b>

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

During the year ended March 31, 2014, the company has recognised the following amounts in the profit and loss account.

	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Employer's contribution to Provident Fund & Family Pension Fund	74.49	70.85
Employer's contribution to Superannuation Fund	8.91	9.62

**(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 of LIC of India as at March 31, 2014 is as under :

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Components of employer expense</b>		
Current service cost	28.21	24.11
Interest cost	26.25	24.08
Expected return on plan assets	(29.66)	(26.00)
Actuarial losses/(gains)	46.17	16.01
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>70.97</b>	<b>38.20</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(57.01)	(18.88)
Actual contributions	64.61	39.91
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	379.79	337.28
Fair value of plan assets	352.99	316.83
Funded status [Surplus / (Deficit)]	(26.80)	(20.45)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(26.80)</b>	<b>(20.45)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	337.28	292.73
Current service cost	28.21	24.11
Interest cost	26.25	24.08
Actuarial (gains) / losses	45.06	15.23
Benefits paid	(57.01)	(18.88)
Present value of DBO at the end of the year	<b>379.79</b>	<b>337.28</b>

## SIMMONDS MARSHALL LIMITED

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	316.83	270.58
Acquisition adjustment	-	-
Expected return on plan assets	29.66	26.00
Actuarial gain / (loss)	(1.10)	(0.78)
Actual company contributions	64.61	39.91
Benefits paid	(57.01)	(18.88)
Plan assets at the end of the year	<b>352.99</b>	<b>316.83</b>
<b>Actuarial assumptions</b>		
Discount rate	9.20%	8.05%
Expected return on plan assets	9.25%	9.25%
Salary escalation	4%	5%
<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 ₹ 28.55 lakhs (2012 - 2013 : ₹ 25.22 lakhs)

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

### Experience Adjustments

Present value of Defined Benefit Obligation as at March 31, 2014	379.79	337.28
Fair Value of Plan Assets as at March 31, 2014	352.99	316.83
Funded status [Surplus/(Deficit)]	(26.80)	(20.45)
Experience adjustment on Plan Liabilities	(26.80)	(20.45)
Experience adjustment on plan Assets	-	-

### NOTE 27: SEGMENT REPORTING AS - 17

The Company's business activity falls within a single primary business segment, viz. manufacture of Industrial Fasteners such as nuts, bolts etc. As such there are no separate reportable segments as per Accounting Standard 17.

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

**Related party transactions**

**A. Details of related parties**

Description of relationship	Names of related parties
Subsidiaries	STUD INDIA - Partnership Firm
Associate 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)
Relatives of KMP	Mrs. M. S. Marshall Mrs. K. I. Panju Mrs. K. J. Pandole
Company in which KMP / Relatives of KMP can exercise significant influence	Corrodyne Coatings Pvt.Ltd. Desmet Ballestra (India) Pvt. Ltd Diamtools Pvt. Ltd. Jiji Marshall Trading Co. Pvt. Ltd. J. N. Marshall & Co. (Steel Dept.) J. N. Marshall & Co. - Custom House Clearing Agents J. N. Marshall & Co. (Engg. Dept.) J. N. Marshall Engineering Pvt. Ltd. J. N. Marshall Pvt. Ltd. Marshall Real Estates & Investment Corporation Powair Automation Equipments Pvt. Ltd. S. J. Marshall Trading Co. Pvt. Ltd. Spirax Marshall Ltd.

**B. Related Party Transactions**

	2013 - 14		2012 - 13
	₹ in Lakhs		₹ in Lakhs
<b>(i) Subsidiary</b>			
Sales	110.26		89.09
Purchases	0.91		0.32
Investments as at March 31, 2014	318.05		287.07
Outstanding balance as on March 31, 2014	Dr 409.73	Dr.	367.25
<b>(ii) Associate Company</b>			
Payment for Services	538.15		345.17
Outstanding balance as on 31.03.2014	Dr 4.23	Dr.	61.51
<b>(iii) Key Management Personnel &amp; Relatives</b>			
(a) Remuneration	74.92		69.40
(b) Interest	77.55		65.61
(c) Payment for Services	-		-
Outstanding balance as on March 31, 2014	Cr. 603.00	Cr.	675.16
<b>(iv) Enterprises in which Key Management Personnel have significant influence</b>			
(a) Payment for Services	119.71		20.67
(b) Purchase of Materials	1.65		0.30
(c) Payment of Interest	8.16		17.39
(d) Payment of Rent / Rates & Taxes	178.31		167.23
(e) Receipt for share of expense	5.40		5.40
Outstanding balance as on March 31, 2014	Cr. 107.45	Cr.	87.26

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

## SIMMONDS MARSHALL LIMITED

### 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 ₹ 162.05 lakhs (Previous year ₹ 149.43 lakhs)

Total of future minimum lease rent payable is as follows :

Period	₹ in Lakhs
Payable within one year	186.00
Payable within 1 - 5 years	274.94

### NOTE 30 : EARNINGS PER SHARE

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Earnings per share</b>		
Net profit for the year attributable to the equity shareholders (₹ in Lakhs)	438.62	345.58
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>3.92</b>	<b>3.09</b>

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

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(i) Other money for which the Company is contingently liable		
(a) Bills Discounted	70.88	97.13
(b) Bonds given against import of machineries under EPCG scheme & Advance License	1,888.71	1,186.81
(c) Income Tax	46.34	46.02
(d) Excise	-	5.76
(e) Guarantees	0.02	0.02
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	-	-

### NOTE 32: DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts entered into by the company and outstanding as on March 31, 2014

For hedging Currency and Interest Rate Related Risks

Nominal amounts of derivative contracts entered into by the company and outstanding as on March 31, 2014 amount to ₹ 688.62 lakhs (Previous Year ₹ 633.91 lakhs). Category wise break up is given below:

Particulars	Currency	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Interest Swap	USD	11.14	11.60
	₹ in Lakhs	678.12	633.91

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, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Receivables	GBP	29.82	-
	USD	46.73	15.88
	EURO	0.68	3.88
Payables	USD	191.15	249.89
	GBP	133.13	49.44
	JY	46.53	34.72
ECB Loan and Interest Payable	USD	678.12	633.91
FCNR Loan	USD	602.85	543.56

**NOTE 33: OPENING & CLOSING STOCKS OF GOODS MANUFACTURED BY THE COMPANY:**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Nyloc Self Locking Nuts (Industrial Fastners)		
Opening Stocks as at April 1, 2013	396.13	329.98
Closing Stocks as at March 31, 2014	313.67	396.13

**NOTE 34: SALE OF GOODS MANUFACTURED AND TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Nyloc Self-locking Nuts (Industrial Fastners)	10,177.48	8,964.61
<b>SALE OF GOODS TRADED BY THE COMPANY:</b>		
Hexagonal Bolts	136.62	69.75
<b>TOTAL</b>	<b>10,314.10</b>	<b>9,034.36</b>

**NOTE 35: PURCHASE OF GOODS TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Hexagonal Bolts	74.09	38.80

**NOTE 36: RAW MATERIALS AND COMPONENTS CONSUMED**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Steel	3,671.80	3,315.53
Nylon Inserts	39.86	18.13
Nylon Moulding Powder	11.23	9.15
Plating Materials	62.88	72.27
Cage Clips, etc.	456.86	370.41
<b>TOTAL</b>	<b>4,242.63</b>	<b>3,785.49</b>

## SIMMONDS MARSHALL LIMITED

### Note 37: DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Raw materials</b>		
Imported *	2,616.16	2,251.85
% TO TOTAL CONSUMPTION	61.66	59.49
Indigenous *	1,626.47	1,533.64
% TO TOTAL CONSUMPTION	38.34	40.51
<b>TOTAL</b>	<b>4,242.63</b>	<b>3,785.49</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	106.54	89.02
% TO TOTAL CONSUMPTION	100.00	100.00
<b>TOTAL</b>	<b>106.54</b>	<b>89.02</b>
	<b>100.00</b>	<b>100.00</b>

### NOTE 38: VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Raw materials	1,875.61	1,994.04
Tools	430.13	332.25
Capital goods	2,273.53	73.02
Stores & Spares	7.50	10.11

### NOTE 39: EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Commission	7.40	5.13
Foreign Travelling	3.73	5.10
Interest on Loan	72.12	79.78
Other matters	7.25	8.01
<b>TOTAL</b>	<b>90.50</b>	<b>98.02</b>

### NOTE 40: EARNINGS IN FOREIGN CURRENCY

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Export of goods calculated on FOB basis	739.27	568.73

**NOTE 41: PAYMENTS TO AUDITORS**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>As Auditors</b>		
(i) Audit Fees	3.80	3.80
(ii) Tax, MVAT & Domestic Transfer Pricing Audit	2.05	0.98
(iii) Limited Review	0.50	0.50
(iv) Consolidation Fees	0.50	0.50
<b>In other Capacity</b>		
(i) Certification Work & Other Capacity	2.71	3.54
(ii) Representation before Statutory Authority	0.50	0.50
<b>Reimbursement of Expenses &amp; Service Tax</b>	0.74	1.84
<b>TOTAL</b>	<b>10.80</b>	<b>11.66</b>

**NOTE 42: UNSECURED LOANS FROM DIRECTORS**

The company has relied on various judicial pronouncements and accordingly it has not considered the amount received from directors as deposits covered under Companies Deposit Acceptance Rule, 1975

**NOTE 43**

Capital Work in Progress shown in Fixed Assets schedule includes license to use software and related expenses of ₹ 16.68 lakhs (2012 - 2013 : ₹ 16.68 lakhs) pending implementation of ERP programme for smooth and efficient running of its business.

**NOTE 44**

In compliance with Accounting Standards-2 (AS-2) revised, excise duty liability estimated at ₹48.02 lakhs (2012 - 2013 : ₹64.72 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 ₹ 16.70 lakhs related to the difference between the closing stock and opening stock is given effect in the Profit & Loss Account.

**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

**Hitesh R Shah**  
Partner  
M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU**  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer

## **INDEPENDENT AUDITORS' REPORT**

### **To the Board of Directors of SIMMONDS MARSHALL LIMITED**

We have audited the accompanying consolidated financial statements of SIMMONDS MARSHALL LIMITED ("the Company") and its subsidiary (Partnership Firm), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 by the Companies (Accounting Standards) Rule, 2006.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements, read together with notes to the accounts thereon, 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 state of affairs of the Company as at March 31, 2014;
- (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 Matter**

We did not audit the financial statements of a subsidiary (Partnership firm) whose financial statements reflects total assets of ₹566.29 lakhs as at March 31, 2014, total revenue of ₹882.34 lakhs and net cash flow inflow of ₹24.12 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the reports of the other auditor.

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

Mumbai, May 30, 2014

**HITESH R. SHAH**  
**PARTNER**  
Membership No. 104795

**SIMMONDS MARSHALL LIMITED**
**Consolidated Balance Sheet as at March 31, 2014**

Particulars	Note No.	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ 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	3,465.47	3,089.81
		<u>3,689.47</u>	<u>3,313.81</u>
<b>2 Minority Interest</b>		<b>9.74</b>	<b>9.54</b>
<b>3 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	1,425.67	1,378.90
(b) Deferred tax liabilities (Net)	5	257.09	213.63
(c) Other long-term liabilities	6	-	5.13
		<u>1,682.76</u>	<u>1,597.66</u>
<b>4 Current Liabilities</b>			
(a) Short-term borrowings	7	1,477.22	1,655.35
(b) Trade payables	8	1,057.63	914.56
(c) Other current liabilities	9	388.85	453.90
(d) Short-term provisions	10	137.71	85.96
		<u>3,061.41</u>	<u>3,109.77</u>
<b>TOTAL</b>		<u><b>8,443.38</b></u>	<u><b>8,030.78</b></u>
<b>B ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		2,056.06	2,037.06
(ii) Intangible Asset		207.16	233.89
(iii) Capital work-in-progress		179.48	16.68
		<u>2,442.70</u>	<u>2,287.63</u>
(b) Non-current investments	12	12.79	12.79
(c) Long-term loans and advances	13	104.10	111.92
(d) Other Long-term assets	14	37.77	36.80
		<u>2,597.36</u>	<u>2,449.14</u>
<b>2 Current Assets</b>			
(a) Inventories	15	2,413.43	2,368.64
(b) Trade receivables	16	2,715.86	2,447.13
(c) Cash and cash equivalents	17	545.01	579.89
(d) Short-term loans and advances	18	168.12	172.76
(e) Other current assets	19	3.60	13.22
		<u>5,846.02</u>	<u>5,581.64</u>
<b>TOTAL</b>		<u><b>8,443.38</b></u>	<u><b>8,030.78</b></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

**Hitesh R Shah**  
 Partner  
 M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU**  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer

**Consolidated Statement of Profit and Loss for the year ended March 31, 2014**

Particulars	Note No.	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
1 Revenue from operations (gross)		12,513.90	10,959.75
Less: Excise duty		(1,429.64)	(1,183.93)
		<b>11,084.26</b>	<b>9,775.82</b>
2 Other income	20	63.08	34.17
<b>3 Total revenue (1+2)</b>		<b>11,147.34</b>	<b>9,809.99</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	21	4,790.31	4,384.05
(b) Purchases of traded goods		74.09	38.80
(c) Changes in inventories of finished goods and work-in-progress	22	(101.79)	(57.86)
(d) Employee benefits expense	23	1,691.54	1,494.88
(e) Finance costs	24	331.10	395.12
(f) Depreciation and amortisation expense		213.12	193.32
(g) Other expenses	25	3,422.99	2,835.03
<b>5 Total expenses</b>		<b>10,421.36</b>	<b>9,283.35</b>
<b>6 Profit before tax (3 - 5)</b>		<b>725.98</b>	<b>526.64</b>
<b>7 Tax expense:</b>			
(a) Current tax		221.65	117.35
(b) Deferred tax		43.46	49.80
(c) tax adjustments of earlier years		-	9.13
		<b>265.11</b>	<b>176.28</b>
<b>8 Profit for the year (6 - 7)</b>		<b>460.87</b>	<b>350.36</b>
<b>9 Less: Minority Interest</b>		<b>0.20</b>	<b>0.07</b>
<b>10 Profit for the period (8 - 9)</b>		<b>460.67</b>	<b>350.29</b>
<b>11 Earnings per share Basic &amp; Diluted (₹):</b>	30	4.11	3.13
<b>12 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

**Hitesh R Shah**  
Partner  
M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU** }  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer

## Consolidated Cash Flow Statement for the year ended March 31, 2014

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit before tax		725.98		526.64
Adjustments for:				
Depreciation and Amortisation				
For Current Year	213.12		193.32	
For Prior Period	15.80		-	
	<u>228.92</u>		<u>193.32</u>	
Loss on sale of assets	-		1.53	
Profit on sale of assets	(1.40)		-	
Finance costs	331.10		395.12	
Interest income	(18.17)		(19.71)	
Dividend income	(0.15)		(0.15)	
Share of Profit from Partnership Firm	(19.49)		(13.88)	
		520.81		556.23
<b>Operating profit before working capital changes</b>		<b>1,246.79</b>		<b>1,082.87</b>
Adjustments for:				
Inventories	(44.79)		(154.22)	
Trade receivables	(268.73)		41.57	
Loans and Advances	25.73		(22.68)	
Trade payables and other payables	79.24		(165.53)	
		(208.55)		(300.86)
<b>Cash Flow Generated from Operation</b>		<b>1,038.24</b>		<b>782.02</b>
Net income tax (paid)		(180.88)		(176.80)
<b>Net cash flow from operating activities (A)</b>		<b>857.36</b>		<b>605.21</b>
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(400.13)		(178.37)	
Sale of Fixed Assets	17.55		7.67	
Investments in Subsidiary	-		-	
Minority Interest	-		8.00	
Interest Income	18.17		19.71	
Dividend received	0.15		0.15	
Amounts received from partnership firms	-		-	
<b>Net cash flow from investing activities (B)</b>		<b>(364.26)</b>		<b>(142.84)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from Issue of equity shares	-		-	
Proceeds from Long Term Borrowings (net)	46.77		39.81	
Short Term Borrowings (net)	(178.13)		(13.99)	
Finance cost	(331.10)		(395.12)	
Subsidy Received	-		-	
Dividends paid	(56.00)		(56.00)	
Tax on dividend paid	(9.52)		(9.08)	
<b>Net cash flow from financing activities (C)</b>		<b>(527.98)</b>		<b>(434.38)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(34.88)</b>		<b>27.99</b>
Cash and cash equivalents at the beginning of the year		579.89		551.90
<b>Cash and cash equivalents at the end of the year</b>		<b>545.01</b>		<b>579.89</b>

As per our report attached of even date

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

**Hitesh R Shah**  
Partner  
M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU**  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer

## Notes forming part of the Consolidated Financial Statements for the year ended on March 31, 2014

### 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, 1956.

##### 1.2 Principles of Consolidation

The financial statements of the subsidiary (partnership firm) used in the consolidation are drawn up to the same reporting dates as of the company.

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the company and its subsidiary (partnership firm) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses as per the financial statement of respective entities after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- ii) The difference between the cost of investment in the subsidiary (partnership firm), over the net assets at the time of acquisition of interest in the subsidiary is recognised in the financial statement as a Goodwill or Capital Reserve as the case may be.
- iii) Minority interest in the net assets of consolidated subsidiary (partnership firm) consists of the amount of capital attributable to the minority at the date on which investment are made by the company in the subsidiary (partnership firm) and further movements in their share in the capital, subsequent to the dates of investment.
- iv) Minority Interest's share of net profit of consolidated subsidiary (partnership firm) for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to the shareholders of the company.

##### 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

Long term investments are carried at cost less other than temporary diminution in value, if any. Current investments are carried at lower of cost or fair market value.

##### 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, is reduced while working out cost of raw materials.

## 1.9 Depreciation

Depreciation on assets is provided on Straight Line Method, pro-rata to the period of use, at rates and in the manner specified under the Schedule XIV of the Companies Act, 1956 over their useful life.

Individual Assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

Cost relating to Goodwill an intangible assets which is acquired is capitalised and amortised on a straightline basis over useful life of 10 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 expense 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 December 29, 2012 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.

In respect of forward contracts entered into to hedge foreign currency risks of existing assets and liabilities, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of the contract. Further, the exchange difference arising on such contracts are recognised as income or expenses along with the exchange differences on the underlying assets / liabilities. Profit or loss on cancellations / renewals of forward contract is recognised during the year.

## 1.11 Employee benefits

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Profit & Loss Account.
- iii) Retirement benefit in form of gratuity, administered by Life Insurance Corporation of India, is a defined benefit obligation and is provided for on the basis of actuarial valuation as at Balance Sheet date. The actuarial gains and losses determined are recognised in the profit & loss account.

## 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 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.

**NOTE 2: SHARE CAPITAL**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ 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, 2014		As at March 31, 2013	
	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	<u>1,12,00,000</u>	<u>224.00</u>	<u>1,12,00,000</u>	<u>224.00</u>

## SIMMONDS MARSHALL LIMITED

### 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, 2014		As at March 31, 2013	
	No. of Shares	%Holding	No. of Shares	%Holding
<b>Equity Shares</b>				
Navroze S Marshall	14,63,298	13.07	14,16,798	12.65
Shiamak J Marshall	15,12,965	13.51	14,89,765	13.30
Maki S Marshall	16,30,435	14.56	15,82,725	14.13
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.	16,94,462	15.13	16,94,462	15.13

### NOTE 3: RESERVES AND SURPLUS

Particulars	As at March 31, 2014 ₹ in Lakhs		As at March 31, 2013 ₹ in Lakhs	
(a) <b>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		424.00		369.00
Add: Transferred from statement of Profit and Loss		56.00		55.00
<b>TOTAL</b>		<b>480.00</b>		<b>424.00</b>
(c) <b>Surplus as per Statement of Profit &amp; Loss</b>				
Balance brought forward		2,511.81		2,289.26
Add: Profit for the year	460.67		350.29	
Less: Share of Profit of Partnership Firm	19.49		7.21	
		441.18		343.07
Less:				
Dividends proposed to be distributed to equity shareholders (₹0.50 per share)		56.00		56.00
Tax on dividend		9.52		9.52
Transferred to General Reserve		56.00		55.00
<b>TOTAL</b>		<b>2,831.47</b>		<b>2,511.81</b>
<b>TOTAL</b>		<b>3,465.47</b>		<b>3,089.81</b>

The Board of Directors at its meeting held on May 30, 2014 has recommended a final dividend of ₹ 0.50 per equity share. This proposal is subject to approval of shareholders at the ensuing Annual General Meeting.

**NOTE 4: LONG TERM BORROWINGS**

Particulars	As at March 31, 2014		As at March 31, 2013	
	₹ in Lakhs Non Current	₹ in Lakhs Current	₹ in Lakhs Non Current	₹ in Lakhs Current
<b>I. SECURED</b>				
(A) Term loans				
(i) Rupee Loan From Banks				
(a) Under Consortium				
1 Zoroastrian Cooperative Bank Ltd.	-	-	-	20.56
2 Union Bank of India	1.06	3.58	4.64	19.14
3 ICICI Bank Limited	-	40.00	40.01	40.00
(b) Others				
1 Zoroastrian Cooperative Bank Ltd.	103.81	48.49	47.80	39.83
2 ICICI Bank Limited	-	1.87	1.87	1.87
3 HDFC Bank Ltd	-	-	-	0.33
(ii) Foregin Currency Loan (ECB) - ICICI Bank Limited	608.78	63.92	538.82	95.09
(B) From other parties				
Vehicle Loan	6.02	5.91	11.93	5.30
	<b>719.67</b>	<b>163.77</b>	<b>645.07</b>	<b>222.12</b>
<b>II. Unsecured</b>				
Loans and advances from related parties	706.00	-	733.83	-
	<b>706.00</b>	<b>-</b>	<b>733.83</b>	<b>-</b>
<b>TOTAL</b>	<b>1,425.67</b>	<b>163.77</b>	<b>1,378.90</b>	<b>222.12</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 VI.

**4.2: Details of securities and Terms of payment****1. Under Consortium - 4 (I) (A) (i) (a)**

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	
(i) Union Bank of India	1.06	-	-	-	<b>1.06</b>
(ii) Rate of Interest	BR + 3.5%	-	-	-	-
				<b>TOTAL</b>	<b>1.06</b>

**(iii) Details of Security**

First pari passu charge over present and future movable fixed assets of the company i.e. plant and machineries, equipments and entire block of assets other than specific assets financed by respective banks.

All loans are secured against the personal guarantee of Chairman.

Loan form ICICI is secured against the personal guarantee of Managing Director.

## SIMMONDS MARSHALL LIMITED

### 2. Others -4 (I) (A) (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	
(i) Zoroastrian Co.op. Bank Ltd.	41.84	34.29	27.67	-	103.81
(ii) Rate of Interest	13.50%	13.50%	13.50%	-	-
<b>(iii) Details of Security</b>					
Secured by first charge by way of hypothecation of plant & machineries and vehicles acquired under the specific facility granted by the Bank.					
All loans are secured against the personal guarantee of Chairman.					

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	-	-	-	-	-
<b>Details of Security</b>					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

### 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	
(i) ICICI Bank Limited	121.75	152.19	334.83	-	608.77
(ii) Rate of Interest	LIBOR + 5%				
<b>(iii) Details of Security</b>					
Secured by first and exclusive charge on plant & machineries funded under the ECB.					
Secured by Fixed Deposit amounting to ₹ 116.68 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 20 quarterly installments starting from August 2013, after the moratorium period of 18 months from the date of first disbursement i.e. November 2011.					

### 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	
(i) Vehicle Loan	6.02	-	-	-	6.02
(ii) Rate of Interest	11.00%	-	-	-	-
<b>(iii) Details of Security</b>					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

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

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Deferred Tax Liability</b>		
Opening Balance	213.63	163.83
Difference between accounting and tax depreciation	43.46	50.03
	<u>257.09</u>	<u>213.86</u>
<b>Deferred Tax Assets</b>		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	-	(0.23)
Tax effect of items constituting deferred tax assets	-	(0.23)
<b>TOTAL</b>	<u>257.09</u>	<u>213.63</u>

**NOTE 6: OTHER LONG TERM LIABILITIES**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Unsecured</b>		
Others - Loan against Vehicles	-	5.13
<b>TOTAL</b>	<u>-</u>	<u>5.13</u>

**NOTE 7: SHORT-TERM BORROWINGS**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Secured</b>		
<b>Loans repayable on demand</b>		
From Banks Rupee Loan	859.12	1,096.54
From Banks Foreign Currency Loan	602.85	543.56
Others	15.25	15.25
<b>TOTAL</b>	<u>1,477.22</u>	<u>1,655.35</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 Chairman.

**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 Chairman.

## SIMMONDS MARSHALL LIMITED

### NOTE 8: TRADE PAYABLES

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Trade payables:</b>		
Due to Micro, Small & Medium Enterprises	166.58	114.65
Others	891.05	799.91
<b>TOTAL</b>	<b>1,057.63</b>	<b>914.56</b>

Based on the information available with the company regarding total amount due to suppliers as at March 31, 2014 covered under Small and Medium Enterprises Act, 2006, amount to ₹166.58 (2012 - 13: ₹114.65 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, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Current maturities of long-term debt (Refer Note 4)	163.77	222.12
(b) Interest accrued but not due on borrowings	5.46	5.82
(c) Interest accrued and due on borrowings	1.36	4.87
(d) Unpaid dividends	13.26	13.20
(e) Other payables		
(i) Tax Deducted at source and other statutory dues	69.12	87.96
(ii) Employee Related Liabilities	118.26	53.39
(iii) Other current liabilities	7.26	14.00
(iv) Advances from customers	10.36	52.54
<b>TOTAL</b>	<b>388.85</b>	<b>453.90</b>

### NOTE 10: SHORT-TERM PROVISIONS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Provision for employee benefits:		
Provision for gratuity (Net) (Refer Note 26)	26.80	20.44
	<u>26.80</u>	<u>20.44</u>
(b) Provision - Others:		
(i) Provision for Income Tax (Net)	45.39	-
(ii) Provision for proposed equity dividend	56.00	56.00
(iii) Provision for tax on proposed dividend	9.52	9.52
	<u>110.91</u>	<u>65.52</u>
<b>TOTAL</b>	<b>137.71</b>	<b>85.96</b>

**Note 11: FIXED ASSETS**

OWNED	Gross block					Accumulated depreciation and impairment					Net block	
	Balance as at April 1, 2013	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at March 31, 2014	Balance as at April 1, 2013	Depreciation/amortisation expense for the year	Eliminated on disposal of assets	Prior Period Adjustments	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
	₹ in Lakhs	₹ 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) Land	8.71	-	-	-	8.71	-	-	-	-	-	8.71	8.71
(b) Buildings	208.44	4.89	-	-	213.33	47.74	7.05	-	3.05	57.84	155.48	160.69
(c) Plant and Equipment	2,592.75	151.67	-	68.01	2,812.43	969.23	147.69	-	11.51	1,128.43	1,684.00	1,623.52
(d) Furniture and Fixtures	42.43	3.13	-	-	45.56	17.17	2.44	-	0.56	20.17	25.39	25.26
(e) Vehicles	214.50	-	(31.88)	-	182.62	85.38	17.67	(16.10)	-	86.95	95.67	129.12
(f) Office equipment	42.52	3.65	-	-	46.17	19.90	1.44	-	-	21.34	24.83	22.62
(g) Others (specify nature)												
(1) Electrical Installations	74.71	1.65	(0.37)	-	75.99	24.09	5.21	-	0.08	29.37	46.62	50.62
(2) Computers	53.17	4.33	-	-	57.50	36.64	4.89	-	0.61	42.14	15.36	16.53
<b>Total Tangible Assets</b>	<b>3,237.22</b>	<b>169.32</b>	<b>(32.25)</b>	<b>68.01</b>	<b>3,442.30</b>	<b>1,200.15</b>	<b>186.39</b>	<b>(16.10)</b>	<b>15.80</b>	<b>1,386.24</b>	<b>2,056.06</b>	<b>2,037.06</b>
<b>B. INTANGIBLE ASSETS</b>												
Goodwill	267.30	-	-	-	267.30	33.41	26.73	-	-	60.14	207.16	233.89
<b>Total Intangible Assets</b>	<b>267.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>267.30</b>	<b>33.41</b>	<b>26.73</b>	<b>-</b>	<b>-</b>	<b>60.14</b>	<b>207.16</b>	<b>233.89</b>
<b>Total Fixed Assets</b>	<b>3,504.52</b>	<b>169.32</b>	<b>(32.25)</b>	<b>68.01</b>	<b>3,709.60</b>	<b>1,233.56</b>	<b>213.12</b>	<b>(16.10)</b>	<b>15.80</b>	<b>1,446.38</b>	<b>2,263.22</b>	<b>2,270.95</b>
Previous year	3,334.95	141.37	(9.43)	37.00	3,503.89	1,039.84	193.32	(0.23)	-	1,232.93		
<b>C Capital Work-in-Progress</b> (Refer Note No.43)	<b>16.68</b>	<b>162.80</b>	<b>-</b>	<b>-</b>	<b>179.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>179.48</b>	<b>16.68</b>
											2,442.70	2,287.63

## SIMMONDS MARSHALL LIMITED

### NOTE 12: NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2014		As at March 31, 2013	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Investments (At cost):				
<b>A. Trade</b>				
<b>Unquoted</b>				
(a) Investment in equity instruments of Associate 131051 (2012 - 2013: 131051) shares of ₹10 each fully paid up in Formex Private Limited		11.79		11.79
(b) Investment in partnership firm (Refer Note below)	19.49	-	7.21	
Less: Share of Profit of Partnership Firm	19.49	-	7.21	-
<b>B Non Trade :</b>				
<b>Unquoted</b>				
4000 (2012 - 2013: 4000) shares of ₹ 25 each fully paid up in Zoroastrian Cooperative Bank Limited		1.00		1.00
<b>TOTAL</b>		<b>12.79</b>		<b>12.79</b>
Aggregate amount of unquoted investments		<b>12.79</b>		<b>12.79</b>

Note: Other details relating to investment in partnership firm

Name of the firm	As at March 31, 2014		As at March 31, 2013	
	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 STUD INDIA</b>	<b>318.05</b>	<b>-</b>	<b>287.07</b>	<b>-</b>
(The company has acquired 99% share in the said partnership w.e.f from January 1, 2012)				
<b>Name of the Partners</b>				
Simmonds Marshall Limited	-	99%	-	99%
Navroze S. Marshall	-	1%	-	1%
	<b>318.05</b>	<b>100%</b>	<b>287.07</b>	<b>100%</b>

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Unsecured, considered good				
(a) Capital Advance		-		14.00
(b) Security deposits & Other Deposit		44.87		37.57
(c) Other loans and advances				
(i) Advance Tax (Net of Provision)		44.56		39.94
(ii) Value Added Tax		8.26		9.79
(iii) Central Excise		-		5.76
(iv) Professional Tax		-		-
(v) Loans to Employees		6.41		4.86
<b>TOTAL</b>		<b>104.10</b>		<b>111.92</b>

**NOTE 14: OTHER LONG TERM ASSETS**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Trade Receivable	28.49	23.17
Prepaid Expenses	0.87	1.52
Others	8.41	12.11
<b>TOTAL</b>	<b>37.77</b>	<b>36.80</b>

**NOTE 15: INVENTORIES**

(At lower of cost or net realisable value)

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Raw materials	625.14	745.84
Goods-in-transit	44.63	81.10
	<b>669.77</b>	<b>826.94</b>
(b) Work-in-progress	<b>600.22</b>	<b>430.44</b>
(c) Finished goods	313.67	396.13
Goods-in-transit	14.46	-
	<b>328.13</b>	<b>396.13</b>
(d) Stores and spares	7.99	7.35
Goods-in-transit	1.88	2.01
	<b>9.87</b>	<b>9.36</b>
(e) Others		
(i) Tools	762.10	697.52
Goods-in-transit	37.43	6.99
	<b>799.53</b>	<b>704.51</b>
(ii) Packing Material	5.91	1.26
Goods-in-transit	-	-
	<b>5.91</b>	<b>1.26</b>
<b>TOTAL</b>	<b>2,413.43</b>	<b>2,368.64</b>

**NOTE 16: TRADE RECEIVABLES**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Unsecured, Considered Good		
Outstanding exceeding six months	49.60	67.76
Others	2,666.25	2,379.37
<b>TOTAL</b>	<b>2,715.86</b>	<b>2,447.13</b>

## SIMMONDS MARSHALL LIMITED

### NOTE 17: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(a) Cash and cash equivalents		
Cash in hand	0.04	0.15
Balances with Banks	359.66	326.60
(b) Other Bank Balances		
(i) Margin Money Deposit	55.35	123.27
(ii) Margin Money Deposit against ECB loan	116.68	116.68
(iii) Unclaimed Dividend Accounts	13.28	13.19
<b>TOTAL</b>	<b>545.01</b>	<b>579.89</b>

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

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
<b>Unsecured, considered good</b>		
(a) Loans and advances to related parties	6.24	61.51
	<u>6.24</u>	<u>61.51</u>
(b) Other Loans and Advances		
(i) Loans to Employees	6.23	8.21
(ii) Prepaid expenses	29.62	24.66
(iii) CENVAT Recoverable	72.56	50.38
(iv) Advances to Trade Payable	52.92	27.79
(v) Others	0.55	0.21
	<u>161.88</u>	<u>111.25</u>
<b>TOTAL</b>	<b>168.12</b>	<b>172.76</b>

### NOTE 19: OTHER CURRENT ASSETS

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Interest accrued on deposits	3.60	13.22
<b>TOTAL</b>	<b>3.60</b>	<b>13.22</b>

### NOTE 20: OTHER INCOME

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Interest Income	18.17	19.71
Dividend income	0.15	0.15
Other non-operating income	23.87	0.43
Share of Profit from Partnership Firm	19.49	13.88
Profit on Sale of Fixed Assets	1.40	-
<b>TOTAL</b>	<b>63.08</b>	<b>34.17</b>

**NOTE 21: COST OF MATERIALS CONSUMED**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Opening stock	826.94	736.17
Add: Purchases	4,749.98	4,602.54
	<u>5,576.92</u>	<u>5,338.71</u>
Less: Scrap Sales	116.84	127.72
	<u>5,460.18</u>	<u>5,210.99</u>
Less: Closing stock	669.77	826.94
<b>TOTAL</b>	<b>4,790.31</b>	<b>4,384.05</b>

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

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Inventories at the end of the year:</b>		
Finished goods	328.13	396.13
Work-in-progress	600.22	430.43
	<u>928.35</u>	<u>826.56</u>
<b>Inventories at the beginning of the year:</b>		
Finished goods	396.13	329.98
Work-in-progress	430.43	438.72
	<u>826.56</u>	<u>768.70</u>
<b>TOTAL</b>	<b>(101.79)</b>	<b>(57.86)</b>

**NOTE 23: EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Salaries and wages	1,222.83	1,097.69
Contributions to provident and other funds	166.72	131.19
Staff welfare expenses	301.98	266.00
<b>TOTAL</b>	<b>1,691.54</b>	<b>1,494.88</b>

**NOTE 24: FINANCE COSTS**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Interest expense	318.05	328.09
Other borrowing costs	13.05	67.03
<b>TOTAL</b>	<b>331.10</b>	<b>395.12</b>

## SIMMONDS MARSHALL LIMITED

### NOTE 25: OTHER EXPENSES

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Consumption of stores and spare parts	106.54	89.02
Consumption of loose tools	566.63	543.98
Consumption of packing materials	76.25	67.75
Power and fuel	215.91	214.80
Job Work Charges	1,317.01	891.39
Rent	168.70	152.79
Repairs and maintenance		
Buildings	7.52	-
Machinery	78.23	79.82
Others	44.65	55.95
	130.41	135.77
Insurance	20.85	16.43
Rates and taxes - excluding Taxes on Income	5.93	24.76
Communication	18.41	17.86
Travelling and conveyance	84.53	90.15
Printing and stationery	20.48	15.52
Freight and forwarding	334.07	292.18
Sales commission	19.10	17.27
Donations and contributions	6.01	6.09
Legal and professional	111.52	120.67
Directors Fees	0.30	0.36
Net loss on foreign currency transactions and translation	114.75	16.27
Loss on fixed assets sold	-	1.53
Loss on derivatives	-	39.38
Prior period items	23.57	6.77
Sundry Balance Written off (net)	-	5.36
Miscellaneous expenses	82.03	68.93
<b>TOTAL</b>	<b>3,422.99</b>	<b>2,835.03</b>

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

During the year ended March 31, 2014, the company has recognised the following amounts in the profit and loss account.

	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Employer's contribution to Provident Fund & Family Pension Fund	85.06	80.24
Employer's contribution to Superannuation Fund	8.91	9.62

**(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 of LIC of India as at March 31, 2014 is as under :

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Components of employer expense</b>		
Current service cost	28.21	24.11
Interest cost	26.25	24.08
Expected return on plan assets	(29.66)	(26.00)
Actuarial losses/(gains)	46.17	16.01
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>70.97</b>	<b>38.20</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(57.01)	(18.88)
Actual contributions	64.61	39.91
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	379.79	337.28
Fair value of plan assets	352.99	316.83
Funded status [Surplus / (Deficit)]	(26.80)	(20.45)
Net asset / (liability) recognised in the Balance Sheet	(26.80)	(20.45)
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	337.28	292.73
Current service cost	28.21	24.11
Interest cost	26.25	24.08
Actuarial (gains) / losses	45.06	15.23
Benefits paid	(57.01)	(18.88)
Present value of DBO at the end of the year	<b>379.79</b>	<b>337.27</b>

## SIMMONDS MARSHALL LIMITED

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	316.83	270.58
Acquisition adjustment	-	-
Expected return on plan assets	29.66	26.00
Actuarial gain / (loss)	(1.10)	(0.78)
Actual company contributions	64.61	39.91
Benefits paid	(57.01)	(18.88)
Plan assets at the end of the year	<b>352.99</b>	<b>316.83</b>
<b>Actuarial assumptions</b>		
Discount rate	9.20%	8.05%
Expected return on plan assets	9.25%	9.25%
Salary escalation	4%	5%
<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 ₹ 28.55 lakhs (2012 - 2013 : ₹ 25.22 lakhs)

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

Experience Adjustments	For the year ended March 31, 2014	For the year ended March 31, 2013
Present value of Defined Benefit Obligation as at March 31, 2014	379.79	337.28
Fair Value of Plan Assets as at March 31, 2014	352.99	316.83
Funded status [Surplus/(Deficit)]	(26.80)	(20.45)
Experience adjustment on Plan Liabilities	(26.80)	(20.45)
Experience adjustment on plan Assets	-	-

### NOTE 27: SEGMENT REPORTING AS - 17

The Company's business activity falls within a single primary business segment, viz. manufacture of Industrial Fasteners such as nuts, bolts etc. As such there are no separate reportable segments as per Accounting Standard 17.

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

**Related party transactions**

**A. Details of related parties**

Description of relationship	Names of related parties
Subsidiaries	STUD INDIA - Partnership Firm
Associate 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)
Relatives of KMP	Mrs. M. S. Marshall Mrs. K. I. Panju Mrs. K. J. Pandole
Company in which KMP / Relatives of KMP can exercise significant influence	Corrodyne Coatings Pvt.Ltd. Desmet Ballestra (India) Pvt. Ltd Diamtools Pvt. Ltd. Jiji Marshall Trading Co. Pvt. Ltd. J. N. Marshall & Co. (Steel Dept.) J. N. Marshall & Co. - Custom House Clearing Agents J. N. Marshall & Co. (Engg. Dept.) J. N. Marshall Engineering Pvt. Ltd. J. N. Marshall Pvt. Ltd. Marshall Real Estates & Investment Corporation Powair Automation Equipments Pvt. Ltd. S. J. Marshall Trading Co. Pvt. Ltd. Spirax Marshall Ltd.

**B. Related Party Transactions**

	2013 - 14 ₹ in Lakhs	2012 - 13 ₹ in Lakhs
<b>(i) Associate Company</b>	538.15	345.17
Outstanding balance as on 31.03.2014	Dr 4.23	Dr. 61.51
<b>(ii) Key Management Personnel &amp; Relatives</b>		
(a) Remuneration	74.92	69.40
(b) Interest	77.55	65.61
(c) Payment for Services	-	-
Outstanding balance as on 31.03.2014	Cr. 603.00	Cr. 675.16
<b>(iii) Enterprises in which Key Management Personnel have significant influence</b>		
(a) Payment for Services	119.71	20.67
(b) Purchase of Materials	1.65	0.30
(c) Payment of Interest	8.16	17.39
(d) Payment of Rent / Rates & Taxes	178.31	167.23
(e) Receipt for share of expense	5.40	5.40
Outstanding balance as on March 31, 2014	Cr. 107.45	Cr. 87.26

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

## SIMMONDS MARSHALL LIMITED

### 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 ₹ 173.65 lakhs (2012 - 2013 ₹ 164.74 lakhs).

Total of future minimum lease rent payable is as follows :

Period	₹ in Lakhs
Payable within one year	186.00
Payable within 1 - 5 years	274.94

### NOTE 30 : EARNINGS PER SHARE

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Earnings per share</b>		
Net profit for the year attributable to the equity shareholders (₹ in Lakhs)	460.67	350.28
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 (₹)	4.11	3.13

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

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
(i) Other money for which the Company is contingently liable		
(a) Bills Discounted	70.88	97.13
(b) Bonds given against import of machineries under EPCG scheme & Advance License	1,888.71	1,186.81
(c) Income Tax	46.34	46.02
(d) Excise	-	5.76
(e) Guarantees	0.02	0.02
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	-	-

### NOTE 32: DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts entered into by the company and outstanding as on March 31, 2014

For hedging Currency and Interest Rate Related Risks

Nominal amounts of derivative contracts entered into by the company and outstanding as on March 31, 2014 amount to ₹ 678.12 lakhs (Previous Year ₹ 633.91 lakhs). Category wise break up is given below:

Particulars	Currency	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Interest Swap	USD	11.15	11.60
	₹ in Lakhs	678.12	633.91

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, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
Receivables	GBP	29.82	-
	USD	46.73	15.88
	EURO	0.68	3.88
Payables	USD	191.15	249.89
	GBP	133.13	49.44
	JY	46.53	34.72
ECB Loan and Interest Payable	USD	678.12	633.91
FCNR Loan	USD	602.85	543.56

**NOTE 33: OPENING & CLOSING STOCKS OF GOODS MANUFACTURED BY THE COMPANY:**

Particulars	As at March 31, 2014 ₹ in Lakhs	As at March 31, 2013 ₹ in Lakhs
NUTS & BOLTS		
Opening Stocks as at April 1, 2013	396.13	329.98
Closing Stocks as at March 31, 2014	328.13	396.13

**NOTE 34: SALE OF GOODS MANUFACTURED AND TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
NUTS & BOLTS	10,066.21	8,884.43
STUD	881.43	821.64
<b>SALE OF GOODS TRADED BY THE COMPANY:</b>		
Hexagonal Bolts	136.62	69.75
<b>TOTAL</b>	<b>11,084.26</b>	<b>9,775.82</b>

**NOTE 35: PURCHASE OF GOODS TRADED BY THE COMPANY**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Hexagonal Bolts	74.09	38.80

**NOTE 36: RAW MATERIALS AND COMPONENTS CONSUMED**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Steel	4,219.63	3,726.40
Nylon Inserts	39.71	18.13
Nylon Moulding Powder	11.23	9.15
Plating Materials	62.88	72.27
Cage Clips, etc.	456.86	558.12
<b>TOTAL</b>	<b>4,790.31</b>	<b>4,384.07</b>

## SIMMONDS MARSHALL LIMITED

### Note 37: DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>Raw materials</b>		
Imported *	2,616.16	2,251.85
% TO TOTAL CONSUMPTION	54.61	51.36
Indigenous *	2,174.15	2,132.22
% TO TOTAL CONSUMPTION	45.39	48.64
<b>TOTAL</b>	<b>4,790.31</b>	<b>4,384.07</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	106.54	89.02
% TO TOTAL CONSUMPTION	100.00	100.00
<b>TOTAL</b>	<b>106.54</b>	<b>89.02</b>
	<b>100.00</b>	<b>100.00</b>

### NOTE 38: VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Raw materials	1,875.61	1,994.04
Tools	430.13	332.25
Capital goods	2,273.53	73.02
Stores & Spares	7.50	10.11

### NOTE 39: EXPENDITURE IN FOREIGN CURRENCY

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Commission	7.40	5.13
Foreign Travelling	3.73	5.10
Interest on Loan	72.12	79.78
Other matters	7.25	8.01
<b>TOTAL</b>	<b>90.50</b>	<b>98.02</b>

### NOTE 40: EARNINGS IN FOREIGN CURRENCY

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Export of goods calculated on FOB basis	739.27	568.73

**NOTE 41: PAYMENTS TO AUDITORS**

Particulars	For the year ended March 31, 2014 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
<b>As Auditors</b>		
(i) Audit Fees	3.80	3.80
(ii) Tax, MVAT & Domestic Transfer Pricing Audit	2.05	0.98
(iii) Limited Review	0.50	0.50
(iv) Consolidation Fees	0.50	0.50
<b>In other Capacity</b>		
(i) Certification Work & Other Capacity	2.71	3.54
(ii) Representation before Statutory Authority	0.50	0.50
<b>Reimbursement of Expenses &amp; Service Tax</b>	0.74	1.84
<b>TOTAL</b>	<b>10.80</b>	<b>11.66</b>

**NOTE 42 : UNSECURED LOANS FROM DIRECTORS**

The company has relied on various case laws and accordingly it has not considered the amount received from directors as deposits covered under Companies Deposit Acceptance Rule, 1975.

**NOTE 43**

Capital Work in Progress shown in Fixed Assets schedule includes license to use software and related expenses of ₹16.68 lakhs (2012 - 2013 : ₹16.68 lakhs) pending implementation of ERP programme for smooth and efficient running of its business.

**NOTE 44**

In compliance with Accounting Standards-2 (AS-2) revised, excise duty liability estimated at ₹48.02 lakhs (2012 - 2013 : ₹64.72 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 ₹16.70 lakhs related to the difference between the closing stock and opening stock is given effect in the Profit & Loss Account.

**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**

The Company has acquired 99% share in the subsidiary (partnership Firm) w.e.f January 1, 2012. Accordingly financial statements of the subsidiary (partnership firm) for the three months period ended March 31, 2012 were consolidated with that of the company and hence not comparable with the current year figures.

**NOTE 48**

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

**Hitesh R Shah**  
Partner  
M. No. 104795

Mumbai, May 30, 2014

For and on behalf of the Board

**S J MARSHALL** Chairman  
**N S MARSHALL** Managing Director

**I M PANJU** }  
**C. B. BAMBAWALE** } Directors

**N D BHARUCHA** Chief Financial Officer



# SIMMONDS MARSHALL LIMITED

## E-VOTING INSTRUCTIONS

Dear Shareholders,

Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its members in respect of the business to be transacted at the AGM scheduled to be held on Tuesday, September 23, 2014 at 12 noon with a request to follow the instructions for voting electronically as under:-

The voting period begins on September 15, 2014 at 9.00 a.m. and ends on September 17, 2014 at 6.00 p.m.. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 14, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (ii) Click on "Shareholders" tab
- (iii) Now, select the "Simmonds Marshall Limited" from the drop down menu and click on "SUBMIT"
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• 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 last 8 digits of the demat account/folio number in the PAN field.</li><li>• In case the folio 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. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
DOB#	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.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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 number of shares held by you as on the cut off date in the Dividend Bank details field.</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for SIMMONDS MARSHALL LIMITED.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity 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 account(s) which they wish to vote on.
  - 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.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

The Company has appointed Mr. Mahesh Kumar Soni from M/s GMJ & Associates, Company Secretaries, Mumbai (C.P. No.2324) to act as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.

In case of members receiving the physical copy, please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.

- The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 14, 2014.
- A copy of this Notice has been placed on the website of the Company and the website of CDSL.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's/ CDSL's website within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.