

53rd ANNUAL REPORT 2012-13



SIMMONDS MARSHALL LIMITED

SIMMONDS MARSHALL LIMITED

Board of Directors:

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

CFO & Company Secretary:

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

Administrative 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

CONTENTS

NOTICE TO THE MEMBERS	3-4
DIRECTORS' REPORT	5-8
ANNEXURE TO DIRECTORS' REPORT	9-10
REPORT ON CORPORATE GOVERNANCE	11-20
ANNEXURE TO CORPORATE GOVERNANCE REPORT	21
CERTIFICATION BY CHIEF EXECUTIVE OFFICER/CFO	22
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE	23
SECRETARIAL COMPLIANCE CERTIFICATE.....	24-25
ANNEXURE "A" TO SECRETARIAL COMPLIANCE CERTIFICATE.....	26
ANNEXURE "B" TO SECRETARIAL COMPLIANCE CERTIFICATE	26
AUDITORS' REPORT	27-28
ANNEXURE TO AUDITORS' REPORT	29-31
BALANCE SHEET.....	32
STATEMENT OF PROFIT & LOSS.....	33
CASH FLOW STATEMENT	34
NOTES FORMING PART OF THE FINANCIAL STATEMENTS.....	35-56
AUDITORS REPORT TO CONSOLIDATED BALANCE SHEET	57
CONSOLIDATED BALANCE SHEET	58
CONSOLIDATED STATEMENT OF PROFIT & LOSS.....	59
CONSOLIDATED CASH FLOW STATEMENT	60
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS.....	61-81
PROXY FORM.....	83

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 53rd Annual General Meeting of the Members of Simmonds Marshall Limited will be held on Tuesday, the 17th September, 2013 at 12.00 Noon at Kwaliti 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 audited Profit and Loss Account for the year ended March 31, 2013 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. C. B. Bambawale who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board
Simmonds Marshall Limited

N.S. MARSHALL
MANAGING DIRECTOR

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

Dated: May 30, 2013
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 Register of Members and the Share Transfer Books of the Company will remain closed from 12/09/2013 to 16/09/2013 (both days inclusive).
3. The dividend, if declared, will be paid on and from the date of 20/09/2013 to the Members whose names stand in the Register of Members as on closing of business hours on 11/09/2013.
4. 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.
5. 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.

SIMMONDS MARSHALL LIMITED

6. The shares of the Company are listed on Mumbai Stock Exchange.
7. The Company has appointed M/s. SHAREX DYNAMIC (INDIA) PRIVATE LIMITED as Common Registrar & Transfer Agent of the Company for physical 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.
8. 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

9. 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.

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 Nos. 3):

A. Name	:	Mr. C. B. Bambawale
Age	:	79 [24.08.1934]
Qualifications	:	Bachelor of Arts (Economics)

Mr. C. B. Bambawale is associated with the Company since 29/12/1994.

Other Directorships : NIL

Other Audit Committee Member : -

Other Shareholders Grievance Committee

Member : -

Other Remuneration Committee Member : -

No. of shares held in the Company : 3,050 shares

By order of the Board
Simmonds Marshall Limited

N. S. MARSHALL
MANAGING DIRECTOR

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

Dated: May 30, 2013

Place: Mumbai

DIRECTORS' REPORT

To,
THE SHAREHOLDERS

Your Directors have great pleasure in presenting their 53rd Annual Report together with the Audited accounts for the year ended March 31, 2013.

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2013
Turnover	9034.36	9109.29
Profit for the year	517.89	1193.12
Less: Provisions for Tax :		
Current Tax	116.50	350.00
Deferred Tax	46.68	46.81
Previous Years Tax Adjustment	9.13	13.33
Add: Profit brought forward from the Previous year	2289.26	1701.34
Less: Provision for Tax on Dividend	9.52	9.08
Less: Transfer to Special Reserve	55.00	130.00
Less: Transfer to Reserves & Surplus	2514.32	2289.24
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 marginally reduced to ₹9034.36 lacs against ₹9109.29 lacs in the previous year; however the profit reduced due to pressure on margins from ₹1193.12 lacs to ₹517.89 lacs.

During the year, there has been a dramatic change in the economic environment and the costs of input went up considerably. The weakening of rupee against the USD continued to put inflationary pressures on the economy. Inflation also remained at a fairly high level during the year. The compound effect resulted in pressure on margins.

The Company is continuing its efforts to improve on 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.

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. C. B. Bambawale 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, 2013 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 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, 2014 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	26.15	27.60
Total Amount	In ₹	197.80	201.05
Average Rate	per unit	7.56	7.28
b. Consumption per unit of production Electricity (KWH)		691.85	646.77

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 adaptation 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 earning and expenditure appear at note nos. 35 and 36 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

N. S. MARSHALL
MANAGING DIRECTOR

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

Dated: May 30, 2013
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:

In spite 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 marginally reduced by less than 1% only.

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.

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 Company has evaluated the system and procedures of internal controls of the Company and works to strengthen the same. The management has appointed a firm of chartered accountants to carry out the internal audit of the transactions of the Company and planning to enlarge the scope of work of the internal auditors.

FINANCIAL AND OPERATIONAL PERFORMANCE:

During the year under review, the Company has achieved sales and other income of ₹9068.53 lacs as against sales and other income of ₹9130.15 lacs in the previous year. The Company has earned net profit before tax of ₹517.89 lacs during the year as against the net profit before tax of ₹1193.12 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 are comprised 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	5	NO	1	11	--	--
Mr. Navroze S. Marshall	Managing Director	Executive	5	YES	1	10	--	--
Mr. Imran M. Panju	Whole Time Director	Executive	4	YES	--	5	--	--
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	5	NO	3	11	--	--

During the financial year ended March 31, 2013, 5 [Five] board meetings were held on 20/04/2012, 15/05/2012, 25/07/2012, 05/11/2012 and 11/02/2013.

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 or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant development in the human resource and industrial relations front.
- 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, 2013, 5 [Five] Audit Committee Meetings were held on 20/04/2012, 15/05/2012, 25/07/2012, 05/11/2012 and 11/02/2013.

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

Name of the Members	Status	No. of Meetings Attended
Mr. F. K. Banatwalla	CHAIRMAN	5
Mr. Navroze S. Marshall	MEMBER	5
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 member of committee and their attendance are as follows:

Name of the Members	Status	No. of meetings Attended
Mr. C. B. Bambawale	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 2012-13 are given below:

(in ₹)

Particulars	Shiamak Jeejeebhoy Marshall	Navroze Shiamak Marshall	Imran M. Panju
Salary	1727676.00	2879448.00	270000.00
Fixed Components: Contribution to Provident Fund	351240.00	1017304.00	95391.00
Commission	293500.00	293500.00	--
Total	2372416.00	4190252.00	365391.00

The details of remuneration paid to non executive directors during the financial year 2012-2013 are given below:

Particulars	S. C. Saran	C. B. Bambawale	F. K. Banatwalla
Sitting Fees	12000.00	9000.00	15000.00
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.

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

Name of the Members	Status	No. of meetings Attended
Mr. C. B. Bambawalee	Chairman	1
Mr. Navroze S. Marshall	Member	3
Mr. S. C. Saran	Member	3

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	2	2	NIL
	Total	2	2	NIL

There were no shares pending for transfer as on 31st March, 2013.

4. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
31.03.2012	26.09.2012	12.00 Noon	Kwality Restaurant, Mumbai - Pune Road, Chinchwad, Pune – 411 019
31.03.2011	28.09.2011	12.00 Noon	-- As above --
31.03.2010	29.09.2010	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 Exchange, 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. N. S. MARSHALL, Managing Director in terms of clause 49 (V) of the listing agreements with the stock exchanges for the financial year ended 31st March, 2013 was placed before the board of directors of the Company in its meeting held on May 30, 2013.

6. MEANS OF COMMUNICATION

- (i) Quarterly results are submitted to the stock exchange where the shares of the Company are listed and are published in Free Press Journal and Navshakti.
- (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 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

	:	53rd Annual General Meeting
DAY & DATE	:	Tuesday, September 17, 2013
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, 2013 [Unaudited]	:	Mid of Aug. 2013
Financial reporting for the quarter ended Sept.30, 2013 [Uuaudited]	:	Mid of Nov. 2013
Financial reporting for the quarter ended Dec. 31, 2013 [Unaudited]	:	Mid of Feb., 2014
Financial reporting for the year ended March 31, 2014 [Audited]	:	Mid of May, 2014
Annual General Meeting for the year ended March 31, 2014	:	End of Sep., 2014

7.3 DATE OF BOOK CLOSURE: 12/09/2013 TO 16/09/2013 [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, 2012	47.05	30.00	17664.10	17010.16
May, 2012	44.40	30.00	17432.33	15809.71
June, 2012	42.90	32.00	17448.48	15748.98
July, 2012	33.95	26.65	17631.19	16598.48
August, 2012	37.15	27.00	17972.54	17026.97
Sept., 2012	35.90	29.05	18869.94	17250.80
October, 2012	35.70	28.05	19137.29	18393.42
November, 2012	30.90	27.55	19372.70	18255.69
December, 2012	31.00	27.00	19612.18	19149.03
January, 2013	29.00	26.00	20203.66	19508.93
February, 2013	27.15	23.00	19966.69	18793.97
March, 2013	29.00	20.95	19754.66	18568.43

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, C F O & Company Secretary

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, 2013:

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	6117898	54.624
Mutual Funds /UTI	--	--
Financial Institutions / Banks	500	0.004
Bodies Corporate	2104786	18.793
Indian Public	2957152	26.403
NRI / OCBs	19664	0.176
Total	11200000	100

7.13 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013:

Share (Or Debenture) of Nominal value	No. of Shareholders	% of Shareholders	Total Amount (₹)	% of Total Amount
UPTO TO 5000	2092	91.12	2862360	12.78
5001 TO 10000	101	4.40	759632	3.39
10001 TO 20000	60	2.61	913976	4.08
20001 TO 30000	11	0.48	269936	1.21
30001 TO 40000	7	0.30	235766	1.05
40001 TO 50000	2	0.09	96000	.43
50001 TO 100000	11	0.48	839356	3.75
100001 TO ABOVE	12	0.52	16422974	73.31
Total	2296	100.00	22400000	100.00

7.14 DEMATERIALISATION OF SHARES:

As on March 31, 2013, 104,36,415 shares representing 93.182% 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 a Firm of Practicing Company Secretary regarding compliance of conditions of Corporate Governance and is attached to this report.

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

N. S. MARSHALL
Managing Director

Place : Mumbai
Dated : May 30, 2013

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, 2013.

N. S. MARSHALL
Managing Director

Place : Mumbai
Dated : May 30, 2013

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, 2013 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.

N. S. MARSHALL
Managing Director

Place : Mumbai
Dated : May 30, 2013

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, 2013 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, 2013

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,
M/s. SIMMONDS MARSHALL LIMITED
Mumbai-Pune Road,
Kasarwadi,
Pune - 411 034.

We have examined the registers, records, books and papers of M/s. SIMMONDS MARSHALL LIMITED as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on MARCH 31, 2013. 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 and its officers, we certify that in respect of the aforesaid financial year:

01. 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.
02. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Ministry of Corporate Affairs beyond the time prescribed under the Act and the rules made thereunder except as specified in the said Annexure.
03. The Company is a Limited Company and hence comments are not required.
04. The Board of Directors duly met 5 (Five) times on 20th April, 2012, 15th May, 2012, 25th July, 2012, 05th November, 2012 and 11th February, 2013 in respect of which proceedings were properly recorded and signed in the Minutes Books maintained for the purpose.
05. The Company closed its Register of Members from 20th September, 2012 to 26th September, 2012 (both days) during the financial year and complied with the provisions of Section 154 of the Act.
06. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 26th September, 2012 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.
07. No Extraordinary General Meeting was held during the financial year under scrutiny.
08. The Company has advanced loan to its related parties referred in the Section 295 of the Act.
09. 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 issued duplicate share certificates during the financial year under scrutiny.
13. The Company has :
 - i. delivered all the certificates on lodgment thereof for transfer and transmission in accordance with the provisions of the Act.
 - ii. deposited amount in a separate Bank Account as dividend was declared during the financial year.
 - 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 Company has not appointed any Managing Director or Whole-time Director 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 others during the financial year.
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.
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]
Partner
FCS : 3706 ; COP : 2324.

Place: Mumbai.
Date: May 30, 2013

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, 2013.**

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.
1.	Form No. 23D	233B	Information by Cost Auditor of his appointment to the Central Government.	5th June, 2012	--	--
2.	Form No. 23C	223B(2)	Appointment of Cost Auditor for the year ended 31st March, 2013	16th August, 2012	No	Yes
3.	Compliance Certificate in Form No. 66	383A	the year ended 31st March, 2012	25th October, 2012	Yes	No
4.	Annual Return in Form No. 20B	159	as on the date of the Annual General Meeting held on 26th September, 2012.	31st October, 2012	Yes	No
5.	Form 1INV	Rule 3 of IEPF	Statement of amounts credited to investor education and protection fund	2nd November, 2012	Yes	No
6.	Form No. 23D	233B	Information by Cost Auditor of his appointment to the Central Government.	9th November, 2012	-	-
7.	Form No. 23B	224(1A)	appointment of Auditor for the year ended 31st March, 2012	7th December, 2012	-	-
8.	Balance Sheet and Profit & Loss Account in Form No. 23AC XBRL and 23ACA XBRL	220	the year ended 31st March, 2012	7th January, 2013	Yes	No

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, 2013, 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. 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, 2013;
 - (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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable.
 - e. on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 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

Mumbai, May 30, 2013

HITESH R. SHAH
PARTNER
Membership No. 104795

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, 2013 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 record 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 ₹808.81 lakhs and the year-end balance of such loans aggregates to ₹733.84 lakhs. There are seven 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.

SIMMONDS MARSHALL LIMITED

- 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.
- 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, 2013 for a period of more than six months from the date they became payable except Income Tax Demand of ₹3.80 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	Rectification u/s. 154 to Income Tax Officer	7.60

- 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, 2013

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, 2013

Particulars	Note No.	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	224.00	224.00
(b) Reserves and surplus	3	3,092.32	2,812.24
		<u>3,316.32</u>	<u>3,036.24</u>
2 Non-current liabilities			
(a) Long-term borrowings	4	1,378.90	1,339.09
(b) Deferred tax liabilities (Net)	5	209.54	162.86
(c) Other long-term liabilities	6	5.13	3.43
		<u>1,593.57</u>	<u>1,505.38</u>
3 Current liabilities			
(a) Short-term borrowings	7	1,640.10	1,569.34
(b) Trade payables	8	793.14	916.21
(c) Other current liabilities	9	443.44	440.97
(d) Short-term provisions	10	85.96	96.27
		<u>2,962.64</u>	<u>3,022.79</u>
TOTAL		<u>7,872.53</u>	<u>7,564.41</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		1,933.41	1,929.77
(ii) Intangible assets		233.89	267.30
(iii) Capital work-in-progress		-	-
(iv) Intangible Asset under Development		16.68	16.68
		<u>2,183.98</u>	<u>2,213.75</u>
(b) Non-current investments	12	299.86	172.98
(c) Long-term loans and advances	13	90.70	60.19
(d) Other Long-term assets	14	24.69	23.12
		<u>2,599.23</u>	<u>2,470.04</u>
2 Current assets			
(a) Inventories	15	2,190.03	2,093.01
(b) Trade receivables	16	2,327.48	2,270.98
(c) Cash and cash equivalents	17	575.00	550.31
(d) Short-term loans and advances	18	167.57	174.78
(e) Other current assets	19	13.22	5.29
		<u>5,273.30</u>	<u>5,094.37</u>
TOTAL		<u>7,872.53</u>	<u>7,564.41</u>
NOTES TO THE ACCOUNTS	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, 2013

N S MARSHALL

Managing Director

**I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE**

Directors

N D BHARUCHA

CFO & Company Secretary

Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Note No.	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
1 Revenue from operations (gross)		10,116.90	9,988.44
Less: Excise duty		(1,082.54)	(879.15)
		9,034.36	9,109.29
2 Other income	20	34.17	20.86
3 Total revenue (1+2)		9,068.53	9,130.15
4 Expenses			
(a) Cost of materials consumed	21	3,785.49	3,927.03
(b) Purchase of traded goods		38.80	51.63
(c) Changes in inventories of finished goods and work-in-progress	22	(0.64)	(53.22)
(d) Employee benefits expense	23	1,391.58	1,233.50
(e) Finance costs	24	395.12	341.11
(f) Depreciation and amortisation expense		188.21	156.89
(g) Other expenses	25	2,752.08	2,280.09
5 Total expenses		8,550.64	7,937.03
6 Profit before tax (3 - 5)		517.89	1,193.12
7 Tax expense:			
(a) Current tax		116.50	350.00
(b) Deferred tax		46.68	46.81
(c) Tax adjustments of earlier years		9.13	13.33
		172.31	410.14
8 Profit for the year (6 - 7)		345.58	782.98
9 Earnings per share Basic & Diluted (₹):	30	3.09	6.99
10 Weighted Average Number of Equity Shares (Face Value of ₹2 each/-)		1,12,00,000	1,12,00,000
NOTES TO THE ACCOUNTS	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, 2013

N S MARSHALL

Managing Director

**I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE**

Directors

N D BHARUCHA

CFO & Company Secretary

SIMMONDS MARSHALL LIMITED

Cash Flow Statement for the year ended March 31, 2013

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Cash flow from operating activities				
Net Profit before tax		517.89		1,193.12
Adjustments for:				
Depreciation and amortisation	188.21		156.89	
Loss on sale of assets	-		3.91	
Finance costs	395.12		341.11	
Interest income	(19.71)		(11.09)	
Dividend income	(0.15)		(0.15)	
		<u>563.47</u>		<u>490.67</u>
Operating profit before working capital changes		1,081.36		1,683.79
Adjustments for:				
Inventories	(97.02)		(350.00)	
Trade receivables	(56.50)		(581.58)	
Loans and Advances	(3.55)		(38.80)	
Trade payables and other payables	<u>(120.61)</u>		<u>400.47</u>	
		<u>(277.68)</u>		<u>(569.91)</u>
Cash Flow Generated from Operation		803.68		1,113.88
Net income tax (paid)		<u>(163.93)</u>		<u>(434.02)</u>
Net cash flow from operating activities (A)		639.75		679.86
B. Cash flow from investing activities				
Purchase of Fixed Assets		(158.45)		(1,055.11)
Sale of Fixed Assets		-		6.22
Investments in Subsidiary		(126.88)		(160.19)
Interest Income		19.71		11.09
Dividend received		0.15		0.15
Net cash flow from investing activities (B)		(265.47)		(1,197.84)
C. Cash flow from financing activities				
Proceeds from issue of equity shares		-		-
Proceeds from Long Term Borrowings (net)		39.85		913.33
Short Term Borrowings (net)		70.76		200.52
Finance cost		(395.12)		(341.11)
Dividends paid		(56.00)		(56.00)
Tax on dividend paid		(9.08)		(17.08)
Net cash flow from financing activities (C)		(349.59)		699.66
Net increase in Cash and cash equivalents (A+B+C)		24.69		181.68
Cash and cash equivalents at the beginning of the year		550.31		368.63
Cash and cash equivalents at the end of the year		<u>575.00</u>		<u>550.31</u>

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, 2013

N S MARSHALL

Managing Director

I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE

Directors

N D BHARUCHA

CFO & Company Secretary

Notes forming part of the Financial Statements for the year ended on March 31, 2013

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) Sales of goods is recognised on transfer of significant risk and reward of ownership. 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 December 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 expense 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 & 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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Authorised		
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) Issued, Subscribed and fully paid up		
1,12,00,000 Equity shares of ₹ 2 each (Previous Year 1,12,00,000 Equity shares of ₹ 2 each)	224.00	224.00
TOTAL	<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, 2013		As at March 31, 2012	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares				
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, 2013		As at March 31, 2012	
	No. of Shares	%Holding	No. of Shares	%Holding
Equity Shares				
Navroze S Marshall	14,16,798	12.65	14,05,215	12.55
Shiamak J Marshall	14,89,765	13.30	14,89,765	13.30
Maki S Marshall	15,82,725	14.13	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	14,02,890	12.53

NOTE 3: RESERVES AND SURPLUS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Securities Premium Account		
Opening balance	154.00	154.00
Add : Amount received during the year	-	-
TOTAL	154.00	154.00
(b) General Reserve		
Opening balance	369.00	239.00
Add: Transferred from statement of Profit and Loss	55.00	130.00
TOTAL	424.00	369.00
(c) Surplus as per Statement of Profit & Loss		
Balance brought forward	2,289.26	1,701.34
Add: Profit for the year	345.58	782.98
Less:		
Dividends proposed to be distributed to equity shareholders (₹ 0.50 per share)	56.00	56.00
Tax on dividend	9.52	9.08
Transferred to General Reserve	55.00	130.00
TOTAL	2,514.32	2,289.24
TOTAL	3,092.32	2,812.24

The Board of Directors at its meeting held on May 30, 2013 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, 2013		As at March 31, 2012	
	₹ in Lakhs Non Current	₹ in Lakhs Current	₹ in Lakhs Non Current	₹ in Lakhs Current
I. Secured				
Term loans				
(i) Rupee Loan From Banks				
(a) Under Consortium				
1 Zoroastrian Cooperative Bank Ltd.	-	20.56	20.57	26.57
2 Union Bank of India	4.64	19.14	32.51	41.16
3 ICICI Bank Limited	40.01	40.00	80.00	40.00
(b) Others				
1 Zoroastrian Co.op. Bank Ltd.	47.80	39.83	73.85	55.68
2 ICICI Bank Limited	1.87	1.87	3.74	1.71
3 HDFC Bank Ltd	-	0.33	0.32	3.13
(ii) Foreign Currency Loan (ECB) - ICICI Bank Limited	538.82	95.09	596.91	-
From other parties				
Vehicle Loan	11.93	5.30	17.23	4.75
	645.07	222.12	825.13	173.00
II. Unsecured				
Loans and advances from related parties	733.83	-	513.96	-
	733.83	-	513.96	-
TOTAL	1,378.90	222.12	1,339.09	173.00

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) Zoroastrian Co.op. Bank Ltd.	-	-	-	-	-
(ii) Rate of Interest	-	-	-	-	-
(iii) Union Bank of India	3.58	1.06	-	-	4.64
(iv) Rate of Interest	13.50%	13.50%	13.50%	-	
(v) ICICI Bank Limited	40.01	-	-	-	40.01
(vi) Rate of Interest	13.75%	-	-	-	
				TOTAL	44.65

(vii) 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.	18.88	18.18	10.74	-	47.81
(ii) Rate of Interest	9.5% - 13.50%	13.50%	13.50%	-	
(iii) Details of Security					
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	
(i) ICICI Bank Limited	1.86	-	-	-	1.86
(ii) Rate of Interest	14.74%	-	-	-	
(iii) Details of Security					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

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) HDFC Bank Limited	-	-	-	-	-
(ii) Rate of Interest	-	-	-	-	-
(iii) Details of Security					
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	126.78	126.78	253.56	31.70	538.82
(ii) Rate of Interest	LIBOR + 5%				
(iii) Details of Security					
Secured by first and exclusive charge on plant & machineries funded under the ECB.					
All loans are secured against the personal guarantees of Chairman and the Managing Director.					
Others					
Each amount disbursed under ECB shall be repaid in 20 quarterly installment and repayments will start from August 2013 i.e. after the moratorium period of 18 months from the date of first disbursement (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	5.91	6.02	-	-	11.93
(ii) Rate of Interest	11.00%	11.00%	-	-	
(iii) Details of Security					
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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Deferred Tax Liability		
Opening Balance	162.86	116.05
Difference between accounting and tax depreciation	46.91	46.81
	<u>209.77</u>	<u>162.86</u>
Deferred Tax Assets		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	(0.23)	-
Tax effect of items constituting deferred tax assets	<u>(0.23)</u>	<u>-</u>
TOTAL	209.54	162.86

NOTE 6: OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Unsecured		
Others - Loan against Vehicles	5.13	3.43
TOTAL	5.13	3.43

NOTE 7: SHORT-TERM BORROWINGS

Particulars	As March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Secured		
Loans repayable on demand		
From Banks Rupee Loan	1,096.54	774.30
From Banks Foreign Currency Loan	543.56	795.04
TOTAL	1,640.10	1,569.34

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 pasu 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 pasu 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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Trade payables:		
Due to Micro, Small & Medium Enterprises	114.65	140.67
Others	678.49	775.54
TOTAL	793.14	916.21

Based on the information available with the company regarding total amount due to suppliers as at March 31, 2013 covered under Small and Medium Enterprises Act, 2006, amounts to ₹ 114.65 (2011 - 12 ₹ 140.67 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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Current maturities of long-term debt (Refer Note 4)	222.12	173.00
(b) Interest accrued but not due on borrowings	5.82	4.62
(c) Interest accrued and due on borrowings	4.87	6.24
(d) Unpaid dividends	13.20	12.71
(e) Other payables		
(i) Tax Deducted at source and other statutory dues	85.34	75.59
(ii) Employee Related Liabilities	45.92	131.75
(iii) Other current liabilities	14.00	9.60
(iv) Advances from customers	52.17	13.55
(v) Premium Payable on outstanding Forward Contract	-	13.91
TOTAL	443.44	440.97

NOTE 10: SHORT-TERM PROVISIONS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Provision for employee benefits		
Provision for gratuity (Net) (Refer Note 26)	20.44	22.15
	20.44	22.15
(b) Provision - Others:		
(i) Provision for Income Tax (Net)	-	9.04
(ii) Provision for proposed equity dividend	56.00	56.00
(iii) Provision for tax on proposed dividend	9.52	9.08
	65.52	74.12
TOTAL	85.96	96.27

Note 11: FIXED ASSETS

OWNED	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at April 1, 2012 ₹ in Lakhs	Additions ₹ in Lakhs	Disposals ₹ in Lakhs	Effect of foreign currency exchange differences ₹ in Lakhs	Balance as at March 31, 2013 ₹ in Lakhs	Balance as at April 1, 2012 ₹ in Lakhs	Depreciation / amortisation expense for the year ₹ in Lakhs	Eliminated on disposal of assets ₹ in Lakhs	Balance as at March 31, 2013 ₹ in Lakhs	Balance as at March 31, 2012 ₹ in Lakhs
A. TANGIBLE ASSETS										
(a) Buildings	193.95	13.83	-	-	207.78	41.39	6.35	-	160.04	152.56
(b) Plant and Equipment	2,387.92	92.74	-	37.00	2,517.66	846.08	118.08	-	1,553.50	1,541.84
(c) Furniture and Fixtures	37.48	3.97	-	-	41.45	15.01	2.11	-	24.33	22.47
(d) Vehicles	204.72	0.59	-	-	205.31	66.27	18.24	-	120.80	138.45
(e) Office equipment	33.26	2.85	-	-	36.11	17.67	1.91	-	16.53	15.59
(f) Others (specify nature)										
(1) Electrical Installations	59.90	6.13	-	-	66.03	19.49	4.29	-	42.25	40.41
(2) Computers	51.15	1.34	-	-	52.49	32.70	3.83	-	15.96	18.45
Total Tangible Assets	2,968.38	121.45	-	37.00	3,126.83	1,038.61	154.80	-	1,933.41	1,929.77
B. INTANGIBLE ASSETS										
Goodwill	267.30	-	-	-	267.30	-	33.41	-	233.89	267.30
(Acquired on account of Investment in Partnership Firm w.e.f January 1, 2012)										
Total Intangible Assets	267.30	-	-	-	267.30	-	33.41	-	233.89	267.30
Total Fixed Assets	3,235.68	121.45	-	37.00	3,394.13	1,038.61	188.21	-	2,167.30	2,197.07
Previous year	2,188.90	1,056.95	(16.00)	5.83	3,235.68	887.60	156.89	(5.87)	1,038.62	-
Capital Working Progress										
Intangible Asset under Development									16.68	16.68
(Refer Note No.43)									2,183.98	2,213.75

SIMMONDS MARSHALL LIMITED

NOTE 12: NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Investments (At cost):		
A. Trade		
Unquoted		
(a) Investment in equity instruments of associates 131051 (2011 - 2012: 131051) shares of ₹ 10 each fully paid up in Formex Private Limited	11.79	11.79
(b) Investment in partnership firms (Refer Note below)	287.07	160.19
B Non Trade		
Unquoted		
4000 (2011 - 2012: 4000) shares of ₹ 25 each fully paid up in Zoroastrian Cooperative Bank Limited	1.00	1.00
TOTAL	<u>299.86</u>	<u>172.98</u>
Aggregate amount of unquoted investments	299.86	172.98

Note: Other details relating to investment in partnership firms

Name of the firm	As at March 31, 2013		As at March 31, 2012	
	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
Partnership Firm STUD INDIA	287.07	-	160.19	-
(The company has acquired 99% share in the said partnership w.e.f from January 1, 2012)				
Name of the Partners				
Simmonds Marshall Limited		99%		99%
Navroze S. Marshall		1%		1%
	<u>287.07</u>	<u>100%</u>	<u>160.19</u>	<u>100%</u>

NOTE 13: LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Unsecured, considered good		
(a) Capital Advance	-	9.03
(b) Security deposits & Other Deposit	35.99	27.92
(c) Other loans and advances		
(i) Advance Tax (Net of Provision)	34.79	5.54
(ii) Value Added Tax	9.30	8.91
(iii) Central Excise	5.76	5.76
(iv) Professional Tax	-	1.03
(v) Loans to Employees	4.86	2.00
TOTAL	<u>90.70</u>	<u>60.19</u>

NOTE 14: OTHER LONG TERM ASSETS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Trade Receivable	23.17	21.23
Prepaid Expenses	1.52	1.89
TOTAL	24.69	23.12

NOTE 15: INVENTORIES (At lower of cost or net realisable value)

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Raw materials	745.84	607.50
Goods-in-transit	81.10	128.67
	826.94	736.17
(b) Work-in-progress	251.83	317.34
(c) Finished goods	396.13	316.34
Goods-in-transit	-	13.64
	396.13	329.98
(d) Stores and spares	7.35	5.88
Goods-in-transit	2.01	0.10
	9.36	5.98
(e) Others		
(i) Tools	697.52	692.44
Goods-in-transit	6.99	10.46
	704.51	702.90
(ii) Packing Material	1.26	0.64
Goods-in-transit	-	-
	1.26	0.64
TOTAL	2,190.03	2,093.01

NOTE 16: TRADE RECEIVABLES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Unsecured, Considered Good		
Outstanding exceeding six months	76.43	39.76
Others	2,251.05	2,231.22
TOTAL	2,327.48	2,270.98

SIMMONDS MARSHALL LIMITED

NOTE 17: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Cash and cash equivalents		
(i) Balances with Banks	321.86	281.58
(ii) Cash in Hand	-	-
(b) Other Bank Balances		
(i) Margin Money Deposit	239.95	256.04
(ii) Unclaimed Dividend Accounts	13.19	12.69
TOTAL	575.00	550.31

NOTE 18: SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Loans and advances to related parties	61.51	30.65
	61.51	30.65
(b) Other Loans and Advances		
(i) Loans to Employees	6.73	3.16
(ii) Prepaid expenses	24.66	52.36
(iii) CENVAT Recoverable	47.12	64.48
(iv) Advances to Trade Payable	27.49	24.13
(v) Others	0.06	-
	106.06	144.13
TOTAL	167.57	174.78

NOTE 19: OTHER CURRENT ASSETS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Interest accrued on deposits	13.22	5.29
TOTAL	13.22	5.29

NOTE 20: OTHER INCOME

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Interest Income	19.71	11.09
Dividend income	0.15	0.15
Other non-operating income	0.43	0.13
Share of Profit from Partnership Firm	13.88	9.49
TOTAL	34.17	20.86

NOTE 21: COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Opening stock	736.17	588.42
Add: Purchases	4,003.96	4,206.89
	<u>4,740.13</u>	<u>4,795.31</u>
Less: Scrap Sales	127.72	132.11
	<u>4,612.41</u>	<u>4,663.20</u>
Less: Closing stock	826.92	736.17
TOTAL	<u>3,785.49</u>	<u>3,927.03</u>

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

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Inventories at the end of the year:		
Finished goods	396.13	329.98
Work-in-progress	251.83	317.34
	<u>647.96</u>	<u>647.32</u>
Inventories at the beginning of the year:		
Finished goods	329.98	294.04
Work-in-progress	317.34	300.06
	<u>647.32</u>	<u>594.10</u>
TOTAL	<u>(0.64)</u>	<u>(53.22)</u>

NOTE 23: EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Salaries and wages	1,009.14	937.59
Contributions to provident and other funds	121.80	106.30
Staff welfare expenses	260.64	189.61
TOTAL	<u>1,391.58</u>	<u>1,233.50</u>

NOTE 24: FINANCE COSTS

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Interest expense	328.09	285.69
Other borrowing costs	67.03	55.42
TOTAL	<u>395.12</u>	<u>341.11</u>

SIMMONDS MARSHALL LIMITED

NOTE 25: OTHER EXPENSES

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Consumption of stores and spare parts	89.02	90.33
Consumption of tools	543.98	415.12
Consumption of packing materials	67.75	70.80
Power and fuel	209.67	196.59
Job Work Charges	891.39	654.67
Rent	146.43	160.33
Repairs and maintenance		
Buildings	-	1.11
Machinery	75.70	60.56
Others	47.40	36.26
	123.10	97.93
Insurance	15.71	14.61
Rates and taxes - excluding Taxes on Income		
Excise	13.04	17.34
Others	9.73	3.03
	22.77	20.37
Communication	16.21	14.69
Travelling and conveyance	87.58	77.14
Printing and stationery	14.74	14.05
Freight and forwarding	261.85	207.77
Sales commission	17.27	20.28
Donations and contributions	6.01	6.00
Legal and professional	117.11	109.31
Directors Fees	0.36	0.20
Net loss on foreign currency transactions and translation	16.27	20.45
Loss on fixed assets sold	-	3.91
Provision for estimated loss on derivatives	39.38	13.91
Prior period items	6.77	12.47
Sundry Balance Written off (net)	5.36	-
Miscellaneous expenses	53.35	59.16
TOTAL	2,752.08	2,280.09

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

During the year ended March 31, 2013, the company has recognised the following amounts in the profit and loss account.

	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Employer's contribution to Provident Fund & Family Pension Fund	70.85	57.45
Employer's contribution to Superannuation Fund	9.62	8.52

(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, 2013 is as under:

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Components of employer expense		
Current service cost	24.11	19.70
Interest cost	24.08	20.66
Expected return on plan assets	(26.00)	(22.53)
Actuarial losses/(gains)	16.01	21.01
Total expense recognised in the Statement of Profit and Loss	38.20	38.84
Actual contribution and benefit payments for year		
Actual benefit payments	(18.88)	(36.58)
Actual contributions	39.91	44.02
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	337.28	292.73
Fair value of plan assets	316.83	270.58
Funded status [Surplus / (Deficit)]	(20.45)	(22.15)
Net asset / (liability) recognised in the Balance Sheet	(20.45)	(22.15)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	292.73	267.16
Current service cost	24.11	19.70
Interest cost	24.08	20.66
Actuarial (gains) / losses	15.23	21.80
Benefits paid	(18.88)	(36.58)
Present value of DBO at the end of the year	337.28	292.73

SIMMONDS MARSHALL LIMITED

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Change in fair value of assets during the year		
Plan assets at beginning of the year	270.58	239.82
Acquisition adjustment	-	-
Expected return on plan assets	26.00	22.53
Actuarial gain / (loss)	(0.78)	0.79
Actual company contributions	39.91	44.02
Benefits paid	(18.88)	(36.58)
Plan assets at the end of the year	316.83	270.58
Actuarial assumptions		
Discount rate	8.05%	8.5%
Expected return on plan assets	9.25%	9.25%
Salary escalation	5%	5%
Composition of the plan assets is as follows:		
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 ₹25.22 lakhs (2011 - 2012 : ₹23.31 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, 2013	337.28	292.73
Fair Value of Plan Assets as at March 31, 2013	316.83	270.58
Funded status [Surplus/(Deficit)]	(20.45)	(22.15)
Experience adjustment on Plan Liabilities	(20.45)	(22.15)
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 Coatiings 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

		2012-13 ₹ in Lakhs		2011 - 12 ₹ in Lakhs
(i) Subsidiary				
Sales		89.09		-
Purchases		0.32		-
Investments		255.58		31.49
Outstanding balance as on 31.03.2013	Dr	367.25	Dr.	31.49
(ii) Associate Company		345.17		298.77
Outstanding balance as on 31.03.2013	Dr	61.51	Dr.	29.28
(iii) Key Management Personnel & Relatives				
(a) Remuneration		69.40		67.55
(b) Interest		65.61		15.77
(c) Payment for Services		-		0.45
Outstanding balance as on 31.03.2013	Cr.	675.16	Cr.	350.48
(iv) Enterprises in which Key Management Personnel have significant influence				
(a) Payment for Services		20.67		53.30
(b) Purchase of Materials		0.30		0.29
(c) Payment of Interest		17.39		7.68
(d) Payment of Rent / Rates & Taxes		167.23		160.33
(e) Receipt for share of expense		5.40		5.40
Outstanding balance as on 31.03.2013	Cr.	87.26	Cr.	194.69

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 ₹167.29 lakhs (Previous year ₹163.78 lakhs).

Total of future minimum lease rent payable is as follows :

Period	₹ in Lakhs
Payable within one year	53.93
Payable within 1 - 5 years	-

NOTE 30 : EARNINGS PER SHARE

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Earnings per share		
Net profit / (loss) for the year attributable to the equity shareholders	345.58	782.98
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 (₹)	3.09	6.99

NOTE 31: CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(i) Other money for which the Company is contingently liable		
(a) Bills Discounted	97.13	22.57
(b) Bonds given against import of machineries under EPCG scheme & Advance License	1,886.81	1,132.14
(c) Income Tax	46.02	-
(d) Excise	5.76	5.76
(e) Professional Tax	-	4.58
(f) Guarantees	0.02	-
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	-	9.23

NOTE 32: DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts entered into by the company and outstanding as on March 31, 2013

(i) For hedging Currency and Interest Rate Related Risks

Nominal amounts of derivative contracts entered into by the company and outstanding as on March 31, 2013 amount to ₹633.91 lakhs (Previous Year ₹1360.77 lakhs). Category wise break up is given below:

Particulars	Currency	As at March 31, 2013	As at March 31, 2012
Forward Contract	USD	-	15.00
	₹ in Lakhs	-	767.35
Interest swap	USD	11.60	-
	₹ in Lakhs	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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Receivables	GBP	-	28.13
	USD	15.88	18.88
	EURO	3.88	4.30
Payables	USD	249.89	503.97
	GBP	49.44	15.76
	JY	34.72	29.93
ECB Loan and Interest Payable	USD	633.91	599.94

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

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Nyloc Self Locking Nuts (Industrial Fastners)		
Opening Stocks as at April 1, 2012	329.98	294.04
Closing Stocks as at March 31, 2013	396.13	329.98

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

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Nyloc Self-locking Nuts (Industrial Fastners)	8,964.61	9,019.84
SALE OF GOODS TRADED BY THE COMPANY:		
Hexagonal Bolts	69.75	89.45
TOTAL	9,034.36	9,109.29

NOTE 35: PURCHASE OF GOODS TRADED BY THE COMPANY

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Hexagonal Bolts	38.80	51.63

SIMMONDS MARSHALL LIMITED

NOTE 36: RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Steel	3,315.53	3,556.31
Nylon Inserts	18.13	15.77
Nylon Moulding Powder	9.15	11.73
Plating Materials	72.27	74.25
Cage Clips, etc.	370.41	268.97
TOTAL	3,785.49	3,927.03

Note 37: DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Raw materials		
Imported *	2,251.85	1,924.84
% TO TOTAL CONSUMPTION	59.49	49.02
Indigenous *	1,533.64	2,002.18
% TO TOTAL CONSUMPTION	40.51	50.98
TOTAL	3,785.49	3,927.02
	100.00	100.00
* Sale of turnings, borings and pallets has been allocated in proportion to the consumption of imported and indigenous steel.		
Stores, Components & Spare Parts		
Imported	-	-
% TO TOTAL CONSUMPTION	-	-
Indigenous	89.02	90.33
% TO TOTAL CONSUMPTION	100.00	100.00
TOTAL	89.02	90.33
	100.00	100.00

NOTE 38: VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Raw materials	1,994.04	1,688.08
Tools	332.25	386.70
Capital goods	73.02	598.88

NOTE 39: EXPENDITURE IN FOREIGN CURRENCY

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Commission	5.13	6.48
Foreign Travelling	5.10	7.13
Interest on Loan	79.78	19.17
Professional Fees	-	0.77
Other matters	8.01	5.77
TOTAL	98.02	39.32

NOTE 40: EARNINGS IN FOREIGN CURRENCY

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Export of goods calculated on FOB basis	568.73	870.55

NOTE 41: PAYMENTS TO AUDITORS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(i) Audit Fees	3.80	3.80
(ii) Tax Audit fees	0.58	0.25
(iii) For Review and Other Certification Work	4.94	2.85
(iv) For Representation Work	0.50	3.93
(v) Reimbursement of Expenses & Service Tax	1.84	1.43
TOTAL	11.66	12.26

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 (2011 - 2012 : ₹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 ₹64.72 lakhs (2011 - 2012 : ₹51.68 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 ₹13.04 lakhs related to the difference between the closing stock and opening stock is charged to Profit & Loss Account under the head Rates and taxes - excluding Taxes on Income.

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.

SIMMONDS MARSHALL LIMITED

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, 2013

N S MARSHALL

Managing Director

I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE

}

Directors

N D BHARUCHA

CFO & Company Secretary

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, 2013, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. 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 did not audit the financial statements of a subsidiary (Partnership firm) whose financial statements reflects total assets of ` 525.50 lakhs as at March 31, 2013, total revenue of ` 821.96 lakhs and net cash flow of ` 3.30 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.

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, 2013;
- (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.

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

HITESH R. SHAH
PARTNER
Membership No. 104795

Mumbai, May 30, 2013

SIMMONDS MARSHALL LIMITED

Consolidated Balance Sheet as at March 31, 2013

Particulars	Note No.	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	2	224.00	224.00
(b) Reserves and surplus	3	3,089.81	2,816.29
		<u>3,313.81</u>	<u>3,040.29</u>
2 Minority Interest		9.54	4.10
3 Non-Current Liabilities			
(a) Long-term borrowings	4	1,378.90	1,339.09
(b) Deferred tax liabilities (Net)	5	213.63	163.82
(c) Other long-term liabilities	6	5.13	3.43
		<u>1,597.66</u>	<u>1,506.34</u>
4 Current Liabilities			
(a) Short-term borrowings	7	1,655.35	1,669.34
(b) Trade payables	8	914.56	1,085.13
(c) Other current liabilities	9	453.91	448.86
(d) Short-term provisions	10	85.96	103.14
		<u>3 109.78</u>	<u>3 306.47</u>
TOTAL		<u>8.030.79</u>	<u>7.857.20</u>
B ASSETS			
1 Non-Current Assets			
(a) Fixed assets	11		
(i) Tangible assets		2,037.07	2,027.81
(ii) Intangible assets		233.89	267.30
(iii) Capital work-in-progress		-	-
(iv) Intangible Asset under Development		16.68	16.68
		<u>2,287.64</u>	<u>2,311.79</u>
(b) Non-current investments	12	12.79	12.79
(c) Long-term loans and advances	13	111.92	61.98
(d) Other Long-term assets	14	36.80	23.12
		<u>2,449.15</u>	<u>2,409.68</u>
2 Current Assets			
(a) Inventories	15	2,368.64	2,214.39
(b) Trade receivables	16	2,447.13	2,488.70
(c) Cash and cash equivalents	17	579.88	551.89
(d) Short-term loans and advances	18	172.77	187.25
(e) Other current assets	19	13.22	5.29
		<u>5,581.64</u>	<u>5,447.52</u>
TOTAL		<u>8.030.79</u>	<u>7.857.20</u>
NOTES TO THE ACCOUNTS	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, 2013

N S MARSHALL

Managing Director

I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE

Directors

N D BHARUCHA

CFO & Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Note No.	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
1 Revenue from operations (gross)		10,959.72	10,245.74
Less: Excise duty		(1,183.93)	(903.78)
		9,775.79	9,341.97
2 Other income	20	34.17	25.28
3 Total revenue (1+2)		9 809.96	9 367.25
4 Expenses			
(a) Cost of materials consumed	21	4,384.04	4,101.21
(b) Purchases of traded goods		38.80	51.63
(c) Changes in inventories of finished goods and work-in-progress	22	(57.87)	(66.95)
(d) Employee benefits expense	23	1,494.88	1,254.86
(e) Finance costs	24	395.12	343.49
(f) Depreciation and amortisation expense		193.32	164.86
(g) Other expenses	25	2,835.03	2,303.39
5 Total expenses		9,283.32	8,152.49
6 Profit before tax (3 - 5)		526.64	1,214.76
7 Tax expense:			
(a) Current tax		117.35	357.04
(b) Deferred tax		49.80	47.78
(c) Short provision for tax adjustments in respect of earlier years		9.13	13.33
		176.28	418.15
8 Profit / (Loss) before minority interest (6 - 7)		350.36	796.61
9 Less: Minority Interest		0.07	0.10
10 Profit / (Loss) for the period (8 - 9)		350.28	796.52
11 Earnings per share Basic & Diluted ₹:	30	3.13	7.11
12 Weighted Average Number of Equity Shares (Face Value of ₹ 2 each/-)		1,12,00,000.00	1,12,00,000.00
NOTES TO THE ACCOUNTS	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, 2013

N S MARSHALL

Managing Director

**I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE**

Directors

N D BHARUCHA

CFO & Company Secretary

SIMMONDS MARSHALL LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2013

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
A. Cash flow from operating activities				
Net Net Profit / before tax		526.64		1,210.72
Adjustments for:				
Depreciation and amortisation	193.32		164.86	
Loss on sale of assets	1.53		3.91	
Finance costs	395.12		343.49	
Interest income	(19.71)		(11.47)	
Share of Profit from Partnership Firm	(13.88)		(13.53)	
Dividend income	(0.15)		(0.15)	
		<u>556.23</u>		<u>487.10</u>
Operating profit before working capital changes		1,082.87		1,697.82
Adjustments for:				
Inventories	(154.22)		(363.73)	
Trade receivables	41.57		(589.46)	
Loans and Advances	(22.68)		(44.80)	
Trade payables and other payables	<u>(165.53)</u>		<u>395.49</u>	
		<u>(300.86)</u>		<u>(602.50)</u>
Cash Flow Generated from Operation		<u>782.02</u>		<u>1,095.32</u>
Net income tax (paid)		<u>(176.80)</u>		<u>(436.54)</u>
Net cash flow from operating activities (A)		605.21		658.78
B. Cash flow from investing activities				
Purchase of Fixed Assets	(178.37)		(1,055.26)	
Sale of Fixed Assets	7.67		6.22	
Investments in Subsidiary	-		(129.28)	
Minority Interest	8.00		4.10	
Interest Income	19.71		11.47	
Dividend received	0.15		0.15	
Net cash flow from investing activities (B)		(142.84)		(1,162.59)
C. Cash flow from financing activities				
Proceeds from Long Term Borrowings (net)	39.81		752.55	
Short Term Borrowings (net)	(13.99)		300.52	
Finance cost	(395.12)		(343.49)	
Subsidy Received	-		0.67	
Dividends paid	(56.00)		(56.00)	
Tax on dividend paid	(9.08)		(17.08)	
Net cash flow from financing activities (C)		(434.38)		637.17
Net increase in Cash and cash equivalents (A+B+C)		27.99		133.36
Cash and cash equivalents at the beginning of the year		<u>551.89</u>		<u>418.53</u>
Cash and cash equivalents at the end of the year		<u>579.88</u>		<u>551.89</u>

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, 2013

N S MARSHALL

Managing Director

I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE

Directors

N D BHARUCHA

CFO & Company Secretary

Notes forming part of the Consolidated Financial Statements for the year ended on March 31, 2013

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 of goods is recognised on transfer of significant risk and reward of ownership. 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

Foregin 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 foregin 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.N0.17/133/2008 - CL V dated December 29, 2012 revising Accounting Standard (AS) 11 "The Effects of Change in Foregin 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 foregin 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.

SIMMONDS MARSHALL LIMITED

NOTE 2: SHARE CAPITAL

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Authorised 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) Issued, Subscribed and fully paid up 1,12,00,000 Equity shares of ₹ 2 each (Previous Year 1,12,00,000 Equity shares of ₹ 2 each)	224.00	224.00
TOTAL	<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, 2013		As at March 31, 2012	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares				
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.

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

Class of shares / Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	%Holding	No. of Shares	%Holding
Equity Shares				
Navroze S Marshall	14,16,798	12.65	14,05,215	12.55
Shiamak J Marshall	14,89,765	13.30	14,89,765	13.30
Maki S Marshall	15,82,725	14.13	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	14,02,890	12.53

NOTE 3: RESERVES AND SURPLUS

Particulars	As at	
	March 31, 2013 ₹ in Lakhs	March 31, 2012 ₹ in Lakhs
(a) Securities Premium Account		
Opening balance	154.00	154.00
Add : Amount received during the year	-	-
TOTAL	154.00	154.00
(b) General Reserve		
Opening balance	369.00	239.00
Add: Transferred from statement of Profit and Loss	55.00	130.00
TOTAL	424.00	369.00
(c) Surplus as per Statement of Profit & Loss		
Balance brought forward	2,289.26	1,701.34
Add: Profit for the year	350.29	796.52
Less: Share of Profit of Partnership Firm	7.21	9.49
	343.07	787.03
Less:		
Dividends proposed to be distributed to equity shareholders (₹ 0.50 per share)	56.00	56.00
Tax on dividend	9.52	9.08
Transferred to General Reserve	55.00	130.00
TOTAL	2,511.81	2,293.29
TOTAL	3 089.81	2 816.29

The Board of Directors at its meeting held on May 30, 2013 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, 2013		As at March 31, 2012	
	Non-Current ₹ in Lakhs	Current ₹ in Lakhs	Non-Current ₹ in Lakhs	Current ₹ in Lakhs
I. SECURED				
(A) Term loans				
(i) Rupee Loan From Banks				
(a) Under Consortium				
1 Zoroastrian Cooperative Bank Ltd.	-	20.56	20.57	26.57
2 Union Bank of India	4.64	19.14	32.51	41.16
3 ICICI Bank Limited	40.01	40.00	80.00	40.00
(b) Others				
1 Zoroastrian Cooperative Bank Ltd.	47.80	39.83	73.85	55.68
2 ICICI Bank Limited	1.87	1.87	3.74	1.71
3 HDFC Bank Ltd	-	0.33	0.32	3.13
(ii) Foreign Currency Loan (ECB) - ICICI Bank Limited	538.82	95.09	596.91	-
(B) From other parties				
Vehicle Loan	11.93	5.30	17.23	4.75
	645.07	222.12	825.13	173.00
II. Unsecured				
Loans and advances from related parties	733.83	-	513.96	-
	733.83	-	513.96	-
TOTAL	1 378.90	222.12	1 339.09	173.00

SIMMONDS MARSHALL LIMITED

4.1: Additional information to secured / unsecured loans

The long term portion of term loans are shown under long term borrowings and current maturities (payable within twelve months) of 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) Zorostrian Co.op. Bank Ltd.	-	-	-	-	-
(ii) Rate of Interest	-	-	-	-	-
(iii) Union Bank of India	3.58	1.06	-	-	4.64
(iv) Rate of Interest	13.50%	13.50%	13.50%	-	-
(v) ICICI Bank Limited	40.01	-	-	-	-
(vi) Rate of Interest	13.75%	-	-	-	-
				TOTAL	4.64
(vii) 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.					

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.	18.88	18.18	10.74	-	47.81
(ii) Rate of Interest	9.5% - 13.50%	13.50%	13.50%	-	-
(iii) Details of Security					
"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	
(i) ICICI Bank Limited	1.86	-	-	-	1.86
(ii) Rate of Interest	14.74%	-	-	-	-
(iii) Details of Security					
Secured by first charge by way of hypothecation of vehicles acquired under the specific facility granted by the Bank.					

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) HDFC Bank Limited	-	-	-	-	-
(ii) Rate of Interest	-	-	-	-	-
(iii) Details of Security					
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	126.78	126.78	253.56	31.70	538.82
(ii) Rate of Interest	LIBOR + 5%				
(iii) Details of Security					
Secured by first and exclusive charge on plant & machineries funded under the ECB.					
All loans are secured against the personal guarantees of Chairman and the Managing Director.					
Other Terms					
Each amount disbursed under ECB shall be repaid in 20 quarterly installment and repayments will start from August 2013 i.e. after the moratorium period of 18 months from the date of first disbursement (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	5.91	6.02	-	-	11.93
(ii) Rate of Interest	11.00%	11.00%	-	-	
(iii) Details of Security					
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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Deferred Tax Liability		
Opening Balance	163.83	116.04
Difference between accounting and tax depreciation	50.03	47.78
	<u>213.86</u>	<u>163.82</u>
Deferred Tax Assets		
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)	-
TOTAL	<u>213.63</u>	<u>163.82</u>

NOTE 6: OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Unsecured		
Others - Loan against Vehicles	5.13	3.43
TOTAL	<u>5.13</u>	<u>3.43</u>

NOTE 7: SHORT-TERM BORROWINGS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Secured		
Loans repayable on demand		
From Banks Rupee Loan	1,096.54	774.30
From Banks Foreign Currency Loan	543.56	795.04
Others	15.25	100.00
TOTAL	<u>1,655.35</u>	<u>1,669.34</u>

SIMMONDS MARSHALL LIMITED

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 pasu 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 pasu other than specific assets financed by respective banks.
- (ii) All loans are secured against the personal guarantee of Chairman.

NOTE 8: TRADE PAYABLES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Trade payables:		
Due to Micro, Small & Medium Enterprises	114.65	140.67
Others	799.91	944.46
TOTAL	914.56	1,085.13

Based on the information available with the company regarding total amount due to suppliers as at March 31, 2013 covered under Small and Medium Enterprises Act, 2006, amount to ₹114.65 (2011 - 12 ₹140.67 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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Current maturities of long-term debt (Refer Note 4)	222.12	173.00
(b) Interest accrued but not due on borrowings	5.82	4.62
(c) Interest accrued and due on borrowings	4.87	6.24
(d) Unpaid dividends	13.20	12.71
(e) Other payables		
(i) Tax Deducted at source and other statutory dues	87.96	77.30
(ii) Employee Related Liabilities	53.39	137.93
(iii) Other current liabilities	14.00	9.60
(iv) Advances from customers	52.54	13.55
(v) Premium Payable on outstanding Forward Contract	-	13.91
TOTAL	453.91	448.86

NOTE 10: SHORT-TERM PROVISIONS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Provision for employee benefits:		
Provision for gratuity (Net) (Refer Note 26)	20.44	22.15
	<u>20.44</u>	<u>22.15</u>
(b) Provision - Others:		
(i) Provision for Income Tax (Net)	-	15.91
(ii) Provision for proposed equity dividend	56.00	56.00
(iii) Provision for tax on proposed dividend	9.52	9.08
	<u>65.52</u>	<u>80.99</u>
TOTAL	85.96	103.14

Note 11: FIXED ASSETS

	OWNED	Gross block						Accumulated depreciation and impairment				Net block	
		Balance as at April 1, 2012 ₹ in Lakhs	Additions ₹ in Lakhs	Disposals ₹ in Lakhs	Subsidy ₹ in Lakhs	Effect of foreign currency exchange differences ₹ in Lakhs	Balance as at March 31, 2013 ₹ in Lakhs	Balance as at April 1, 2012 ₹ in Lakhs	Depreciation/ amortisation expense for the year ₹ in Lakhs	Eliminated on disposal of assets ₹ in Lakhs	Balance as at March 31, 2013 ₹ in Lakhs	Balance as at March 31, 2012 ₹ in Lakhs	
A	TANGIBLE ASSETS												
	(a) Land	8.71	-	-	-	-	8.71	-	-	-	8.71	8.71	
	(b) Buildings	194.61	13.83	-	-	-	208.44	6.36	-	47.75	160.69	153.22	
	(c) Plant and Equipment	2,463.44	93.89	2.22	-	37.00	2,592.11	121.62	-	968.60	1,623.51	1,616.47	
	(d) Furniture and Fixtures	38.13	4.30	-	-	-	42.43	2.16	-	17.18	25.25	23.11	
	(e) Vehicles	215.70	6.01	7.21	-	-	214.50	19.06	0.23	85.38	129.12	149.16	
	(f) Office equipment	34.49	8.03	-	-	-	42.52	2.21	-	19.89	22.63	16.81	
	(g) Others (specify nature)												
	(1) Electrical Installations	60.96	13.76	-	-	-	74.72	4.58	-	24.09	50.63	41.45	
	(2) Computers	51.62	1.55	-	-	-	53.17	3.92	-	36.64	16.53	18.90	
	Total Tangible Assets	3,067.65	141.37	9.43	-	37.00	3,236.59	159.91	0.23	1,199.52	2,037.07	2,027.81	
B	INTANGIBLE ASSETS												
	Goodwill	267.30	-	-	-	-	267.30	33.41	-	33.41	233.89	267.30	
	Total Intangible Assets	267.30	-	-	-	-	267.30	33.41	-	33.41	233.89	267.30	
	Total Fixed Assets	3,334.95	141.37	9.43	-	37.00	3,503.89	193.32	0.23	1,232.93	2,270.96	2,295.11	
	Previous year	2,555.99	789.80	(16.00)	(0.68)	5.83	3,334.94	158.11	(5.87)	1,039.84	-	-	
C	Capital Work-in-Progress												
D	Intangible Asset under Development										16.68	16.68	
	(Refer Note No.43)										2,287.64	2,311.79	

SIMMONDS MARSHALL LIMITED

NOTE 12: NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Investments (At cost):		
A. Trade		
Unquoted		
(a) Investment in equity instruments of Associates 131051 (2011 - 2012: 131051) shares of ₹ 10 each fully paid up in Formex Private Limited	11.79	11.79
(b) Investment in partnership firms (Refer Note below)	7.21	-
Less: Share of Profit of Partnership Firm	<u>7.21</u>	<u>-</u>
B Non Trade :		
Unquoted		
4000 (2011 - 2012: 4000) shares of ₹ 25 each fully paid up in Zoroastrian Co - op Bank Limited	1.00	1.00
TOTAL	<u>12.79</u>	<u>12.79</u>
Aggregate amount of unquoted investments	<u>12.79</u>	<u>12.79</u>

Note: Other details relating to investment in partnership firms

Name of the firm	As at March 31, 2013		As at March 31, 2012	
	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
1 Partnership Firm STUD INDIA (The company has acquired 99% share in the said partnership w.e.f from January 1, 2012)	287.07		160.19	
Name of the Partners				
Simmonds Marshall Limited		99%		99%
Navroze S. Marshall		1%		1%
	<u>287.07</u>		<u>160.19</u>	

NOTE 13: LONG-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Unsecured, considered good		
(a) Capital Advance	14.00	9.03
(b) Security deposits & Other Deposit	37.57	29.50
(c) Other loans and advances		
(i) Advance Tax (Net of Provision)	39.94	5.54
(ii) Value Added Tax	9.79	9.12
(iii) Central Excise	5.76	5.76
(iv) Professional Tax	-	1.03
(v) Loans to Employees	4.86	2.00
TOTAL	111.92	61.98

NOTE 14: OTHER LONG TERM ASSETS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Trade Receivable	23.17	21.23
Prepaid Expenses	1.52	1.89
Others	12.11	-
TOTAL	36.80	23.12

NOTE 15: INVENTORIES

(At lower of cost or net realisable value)

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Raw materials	745.84	607.50
Goods-in-transit	81.10	128.67
	826.94	736.17
(b) Work-in-progress	430.44	438.72
(c) Finished goods	396.13	316.34
Goods-in-transit	-	13.64
	396.13	329.98
(d) Stores and spares	7.35	5.88
Goods-in-transit	2.01	0.10
	9.36	5.98
(e) Others		
(i) Tools	697.52	692.44
Goods-in-transit	6.99	10.46
	704.51	702.90
(ii) Packing Material	1.26	0.64
Goods-in-transit	-	-
	1.26	0.64
TOTAL	2,368.64	2,214.39

SIMMONDS MARSHALL LIMITED

NOTE 16: TRADE RECEIVABLES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Unsecured, Considered Good		
Outstanding exceeding six months	67.76	39.76
Unsecured, considered good	2,379.37	2,448.94
TOTAL	2,447.13	2,488.70

NOTE 17: CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(a) Cash and cash equivalents		
(i) Balances with Banks	326.60	282.99
(ii) Cash in Hand	0.15	0.17
(b) Other Bank Balances		
(i) Margin Money Deposit	239.95	256.04
(ii) Unclaimed Dividend Accounts	13.19	12.69
TOTAL	579.88	551.89

NOTE 18: SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Unsecured, considered good		
(a) Loans and advances to related parties		
	61.51	30.65
	61.51	30.65
(b) Other Loans and Advances		
(i) Loans to Employees	8.21	1.60
(ii) Prepaid expenses	24.66	59.57
(iii) CENVAT Recoverable	50.38	66.41
(iv) Advances to Trade Payable	27.79	26.13
(v) Others	0.21	2.89
	111.26	156.60
TOTAL	172.77	187.25

NOTE 19: OTHER CURRENT ASSETS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Interest accrued on deposits	13.22	5.29
TOTAL	13.22	5.29

NOTE 20: OTHER INCOME

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Interest Income	19.71	11.47
Dividend income	0.15	0.15
Other non-operating income	0.43	0.13
Share of Profit from Partnership Firm	13.88	13.53
TOTAL	34.17	25.28

NOTE 21: COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Opening stock	736.17	588.42
Add: Purchases	4,602.86	4,381.07
	5,339.03	4,969.49
Less: Scrap Sales	127.72	132.11
	5,211.31	4,837.38
Less: Closing stock	826.92	736.17
TOTAL	4,384.39	4,101.21

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

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Inventories at the end of the year:		
Finished goods	396.13	329.98
Work-in-progress	430.44	438.72
	826.57	768.70
Inventories at the beginning of the year:		
Finished goods	329.98	294.04
Work-in-progress	438.72	407.71
	768.70	701.75
TOTAL	(57.87)	(66.95)

NOTE 23: EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Salaries and wages	1,097.69	955.85
Contributions to provident and other funds	131.19	108.35
Staff welfare expenses	266.00	190.66
TOTAL	1,494.88	1,254.86

SIMMONDS MARSHALL LIMITED

NOTE 24: FINANCE COSTS

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	₹ in Lakhs		₹ in Lakhs	
(a) Interest expense	328.09		288.07	
(b) Other borrowing costs	67.03		55.42	
TOTAL	395.12		343.49	

NOTE 25: OTHER EXPENSES

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Consumption of stores and spare parts	89.02		90.33	
Consumption of loose tools	543.98		415.12	
Consumption of packing materials	67.75		70.80	
Power and fuel	214.80		198.22	
Job Work Charges	891.39		654.67	
Rent	152.79		161.29	
Repairs and maintenance				
Buildings	-		1.80	
Machinery	79.82		60.77	
Others	55.95		36.55	
	135.77		99.12	
Insurance	15.71		14.61	
Rates and taxes - excluding Taxes on Income				
Excise	13.04		17.34	
Others	11.72		3.25	
	24.76		20.59	
Communication	17.86		15.68	
Travelling and conveyance	90.15		79.42	
Printing and stationery	15.52		14.40	
Freight and forwarding	292.18		214.97	
Sales commission	17.27		20.28	
Donations and contributions	6.09		6.27	
Legal and professional	120.67		109.57	
Directors Fees	0.36		0.20	
Net loss on foreign currency transactions and translation	16.27		20.45	
Loss on fixed assets sold	1.53		3.91	
Provision for estimated loss on derivatives	39.38		13.91	
Prior period items	6.77		12.47	
Sundry Balance Written off (net)				
Miscellaneous expenses	68.93		67.11	
TOTAL	2,828.95		2,303.39	

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

During the year ended March 31, 2013, the Company has recognised the following amounts in the profit and loss account.

	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Employer's contribution to Provident Fund & Family Pension Fund	80.24	57.45
Employer's contribution to Superannuation Fund	9.62	8.52

(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, 2013 is as under :

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Components of employer expense		
Current service cost	24.11	19.70
Interest cost	24.08	20.66
Expected return on plan assets	(26.00)	(22.53)
Actuarial losses/(gains)	16.01	21.01
Total expense recognised in the Statement of Profit and Loss	38.20	38.84
Actual contribution and benefit payments for year		
Actual benefit payments	(18.88)	(36.58)
Actual contributions	39.91	44.02
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	337.28	292.73
Fair value of plan assets	316.83	270.58
Funded status [Surplus / (Deficit)]	(20.45)	(22.15)
Net asset / (liability) recognised in the Balance Sheet	(20.45)	(22.15)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	292.73	267.16
Current service cost	24.11	19.70
Interest cost	24.08	20.66
Actuarial (gains) / losses	15.23	21.80
Benefits paid	(18.88)	(36.58)
Present value of DBO at the end of the year	337.28	292.73

SIMMONDS MARSHALL LIMITED

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Change in fair value of assets during the year		
Plan assets at beginning of the year	270.58	239.82
Acquisition adjustment	-	-
Expected return on plan assets	26.00	22.53
Actuarial gain / (loss)	(0.78)	0.79
Actual company contributions	39.91	44.02
Benefits paid	(18.88)	(36.58)
Plan assets at the end of the year	316.83	270.58
Actuarial assumptions		
Discount rate	8.05%	8.5%
Expected return on plan assets	9.25%	9.25%
Salary escalation	5%	5%
Composition of the plan assets is as follows:		
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 ₹25.22 lakhs (2011 - 2012 : ₹ 23.31 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, 2013 ₹ in Lakhs	For the year ended March 31, 2013 ₹ in Lakhs
Present value of Defined Benefit Obligation as at March 31, 2013	337.28	292.73
Fair Value of Plan Assets as at March 31, 2013	316.83	270.58
Funded status [Surplus/(Deficit)]	(20.45)	(22.15)
Experience adjustment on Plan Liabilities	(20.45)	(22.15)
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 Coatiings 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

	2012 - 13	2011 - 12
	₹ in Lakhs	₹ in Lakhs
(i) Associate Company	345.17	298.77
Outstanding balance as on 31.03.2013	Dr 61.51	Dr. 29.28
(ii) Key Management Personnel & Relatives		
(a) Remuneration	69.40	67.55
(b) Interest	65.61	15.77
(c) Payment for Services	-	0.45
Outstanding balance as on 31.03.2013	Cr. 675.16	Cr. 350.48
(iii) Enterprises in which Key Management Personnel have significant influence		
(a) Payment for Services	20.67	53.30
(b) Purchase of Materials	0.30	0.29
(c) Payment of Interest	17.39	7.68
(d) Payment of Rent / Rates & Taxes	167.23	160.33
(e) Receipt for share of expense	5.40	5.40
Outstanding balance as on 31.03.2013	Cr. 87.26	Cr. 194.69

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 (2011 - 2012 ₹164.74 lakhs).

Total of future minimum lease rent payable is as follows :

Period	₹ in Lakhs
Payable within one year	62.33
Payable within 1 - 5 years	9.60

NOTE 30 : EARNINGS PER SHARE

Particulars	For the year ended March 31, 2013 ₹ in Lakhs	For the year ended March 31, 2012 ₹ in Lakhs
Earnings per share		
Net profit/(loss) for the year attributable to the equity shareholders	350.28	796.52
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 (₹)	3.13	7.11

NOTE 31: CONTINGENT LIABILITIES & COMMITMENTS NOT PROVIDED FOR

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(i) Other money for which the Company is contingently liable		
(a) Bills Discounted	97.13	22.57
(b) Bonds given against import of machineries under EPCG scheme & Advance License	1,886.81	1,132.14
(c) Income Tax	46.02	-
(d) Excise	5.76	5.76
(e) Professional Tax	-	4.58
(f) Guarantees	0.02	-
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets	14.00	9.23

NOTE 32: DERIVATIVE FINANCIAL INSTRUMENTS

Derivative contracts entered into by the company and outstanding as on March 31, 2013

(i) For Hedging Currency and Interest Rate Related Risks

Nominal amounts of derivative contracts entered into by the Company and outstanding as on March 31, 2013 amount to ₹633.91 lakhs (2011 - 2012 ₹1360.77 lakhs). Category wise break up is given below:

Particulars	Currency	As at March 31, 2013	As at March 31, 2012
Forward Contract	USD	-	15.00
	₹ in Lakhs	-	767.35
Interest Swap	USD	11.60	-
	₹ in Lakhs	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, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Receivables	GBP	-	28.13
	USD	15.88	18.88
	EURO	3.88	4.30
Payables	USD	249.89	503.97
	GBP	49.44	15.76
	JY	34.72	29.93
ECB Loan and Interest Payable	USD	633.91	599.94

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

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
NUTS & BOLTS		
Opening Stocks as at April 1, 2012	329.98	294.04
Closing Stocks as at March 31, 2013	396.13	329.98

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

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
NUTS & BOLTS	8,884.43	9,019.84
STUD		821.96
SALE OF GOODS TRADED BY THE COMPANY:		
Hexagonal Bolts		69.75
TOTAL	9,776.14	9,341.97

NOTE 35: PURCHASE OF GOODS TRADED BY THE COMPANY

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Hexagonal Bolts	38.80	51.63

SIMMONDS MARSHALL LIMITED

NOTE 36: RAW MATERIALS AND COMPONENTS CONSUMED

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Steel	3,726.72	3,683.14
Nylon Inserts	18.13	15.77
Nylon Moulding Powder	9.15	11.73
Plating Materials	72.27	74.25
Cage Clips, etc.	558.12	316.32
TOTAL	4,384.39	4,101.21

Note 37: DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS ITEMS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Raw materials		
Imported *	2,251.85	1,924.84
% TO TOTAL CONSUMPTION	51.36	46.93
Indigenous *	2,132.54	2,176.37
% TO TOTAL CONSUMPTION	48.64	53.07
TOTAL	4,384.39	4,101.21
	100.00	100.00

* Sale of turnings, borings and pallets has been allocated in proportion to the consumption of imported and indigenous steel.

Stores, Components & Spare Parts

Imported	-	-
% TO TOTAL CONSUMPTION	-	-
Indigenous	89.02	90.33
% TO TOTAL CONSUMPTION	100.00	100.00
TOTAL	89.02	90.33
	100.00	100.00

NOTE 38: VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Raw materials	1994.04	1,688.08
Tools	332.25	386.70
Capital goods	73.02	598.88

NOTE 39: EXPENDITURE IN FOREIGN CURRENCY

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Commission	5.12	6.48
Foreign Travelling	5.10	7.13
Interest on Loan	79.78	19.17
Professional Fees	-	0.77
Other matters	8.01	5.77
Total	98.01	39.32

NOTE 40: EARNINGS IN FOREIGN CURRENCY

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
Export of goods calculated on FOB basis	568.73	870.55

NOTE 41: PAYMENTS TO AUDITORS

Particulars	As at March 31, 2013 ₹ in Lakhs	As at March 31, 2012 ₹ in Lakhs
(i) Audit Fees	4.90	4.83
(ii) Tax Audit fees	0.58	0.25
(iii) For Review and Other Certification Work	4.94	2.85
(iv) For Representation Work	0.50	3.93
(v) Reimbursement of Expenses & Service Tax	1.84	1.43
TOTAL	12.76	13.29

NOTE 42

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 (2011 - 2012 : ₹ 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 ₹64.72 lakhs (2011 - 2012 : ₹51.68 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 ₹13.04 lakhs related to the difference between the closing stock and opening stock is charged to Profit & Loss Account under the head Rates and taxes - excluding Taxes on Income.

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, 2013

N S MARSHALL

Managing Director

**I M PANJU
F K BANATWALLA
S C SARAN
C.B.BAMBAWALE**

Directors

N D BHARUCHA

CFO & Company Secretary

SIMMONDS MARSHALL LIMITED

PROXY FORM

(TO BE FILLED IN BLOCK LETTERS)

I/We _____
of _____ being
Member(s) of the above named Company hereby appoint _____
_____ of _____ or
failing him _____ of
_____ as my/our proxy of vote for me/
us and on my/ our behalf at the Fifty Third Annual General Meeting of the Company to be held on
Tuesday, September 17, 2013 at 12:00 noon and at any adjournment thereof

Register Folio No. _____ Signature _____

Re. 1
Revenue
Stamp

No. of Shares held _____

Proxies to be valid must be deposited at the Registered Office of the Company at
Mumbai – Pune Road, Kasarwadi, Pune – 411 034 not later than 12:00 Noon on September 16, 2013.

Signed this _____ day of _____ 2013

SIMMONDS MARSHALL LIMITED

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

(TO BE FILLED IN BLOCK LETTERS)

Full Name of the Member/Joint Holder attending _____

Name of Proxy _____

I hereby record my presence at the FIFTY THIRD ANNUAL GENERAL MEETING of the Company
held at Kquality Restaurant, Mumbai – Pune Road, Near Titan Showroom, Chinchwad, Pune – 411 019, on
Tuesday, September 17, 2013 at 12:00 Noon

Register Folio No. _____

No. of Shares held _____

Members/Proxy's Signature
(To be signed at the time of
handing over the slip)

BOOK - POST

If undelivered please return to :

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
E-mail : sharexindia@vsnl.com

FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1.	Name of the Company	SIMMONDS MARSHALL LIMITED
2.	Annual standalone financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	N.A.
5.	<p>To be signed by:</p> <ul style="list-style-type: none"> • Managing Director • Chief Finance Officer • Audit Committee Chairman • Auditor of the Company 	<div style="border-bottom: 1px solid black; margin-bottom: 10px;">  </div> <div style="border-bottom: 1px solid black; margin-bottom: 10px;">  </div> <div style="border-bottom: 1px solid black; margin-bottom: 10px;">  </div> <p>Refer our Audit Report dated May 30, 2013 on the standalone financial statements of the Company</p> <p>For S H R & CO. Chartered Accountants (Firm Registration No. 120491W)</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;">  </div> <p>Hitesh R Shah (Partner) (Membership No. 104795)</p> <p>Mumbai, Date: May 30, 2013.</p>