59th ANNUAL REPORT 2018-19

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. F. K. Banatwalla
Mr. S. C. Saran
Ms. A. V. Chowdhury

Chief Financial Officer:

Mr. Vikash Verma

Company Secretary:

Mr. Nirmal Gupta

Auditors:

M/s. Lodha & Co.
6, Karim Chambers
40, A. Doshi Marg,
Hamam Street,
Mumbai - 400 001.

Secretarial Auditors :

M/s. GMJ & Associates
Company Secretaries
3rd Floor, Vasstu Darshan,B Wing
Above Central Bank of India
Mumbai 400 069

Bankers:

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

Administrative Office:

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

Registered Office & Factory:

Mumbai - Pune Road,
Kasarwadi,
Pune - 411 034

Registrars & Share Transfer Agent:

Sharex Dynamic (India) Pvt. Ltd.
C 101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai – 400 083.
Tel: 2851 5606/ 2851 5644 Fax: 2851 2885
E-mail: support@sharexindia.com

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Route Map to the AGM Venue

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

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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 59th Annual General Meeting (AGM) of the Members of **SIMMONDS MARSHALL LIMITED (CIN: L29299PN1960PLC011645)** will be held on Friday, September 13, 2019 at 11:00 a.m. at Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019 to transact, with or without modification(s) the following businesses:

ORDINARY BUSINESS:

Item no. 1 -- Adoption of Financial Statements:

To receive, consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the year ended March 31, 2019, including the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon and

b) the Audited Consolidated Financial Statements of the Company for the year ended March 31, 2019, including the Audited Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Cash Flow Statement for the year ended on that date together with the Auditors Reports thereon.

Item no. 2 – To Declare Divided on Equity Shares for the year ended March 31, 2019:

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

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

SPECIAL BUSINESS:

Item no. 4 – Payment of Remuneration to M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), the Cost Auditors of the Company for the Financial Year 2019-20:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, be paid a remuneration for the Financial Year ending March 31, 2020 of Rs. 200,000/- (Two Lakhs Only) plus GST as applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit."

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

Item No.5 - To approve continuation of payment of remuneration to Executive Directors who are Promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.

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

"**RESOLVED THAT** pursuant to Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the continuation of payment of remuneration as per existing terms and conditions as approved by the shareholders to Mr. S. J. Marshall, Chairman, Mr. Navroze S. Marshall, Managing Director and Mr. I. M. Panju, Whole time Director of the Company, at the Annual General Meeting held on September 8, 2017 and who are Executive Directors and Promoters of the Company notwithstanding:

i) annual remuneration to each of them exceeding Rs.5 Crores or 2.5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

ii) their aggregate annual remuneration exceeding 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013, till the expiry of their current term as such i.e. March 31, 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this Resolution."

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

August 13, 2019.

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

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

NOTES:

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

   The instrument appointing a Proxy should however be deposited at the registered office of the company duly completed not less than FORTY EIGHT hours before the commencement of the meeting.

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

2. **The business set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note No. 21 The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.

3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.

6. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / reappointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re-appointment.

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

Name	**Mr. I. M. Panju**
Directors Identification Number (DIN)	00121748
Brief resume & Nature of expertise in specific functional areas	Mr. I. M. Panju is a B.com, Graduate and MBA from Indiana University of Pennysilvia, U.S.A. He is associated with the Company since October 01, 2011.
Disclosure of relationship between directors inter-se	Son in law of Mr. S. J. Marshall
Names of listed entities in which the person also holds the directorship	NIL
No. of Shares held in the Company	NIL
Membership & Chairmanships of Committees of the Board	Not Applicable

7. The Register of Members and the Share Transfer Books of the Company will remain closed from **September 7, 2019** to **September 13, 2019** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.

8. The dividend on Equity Shares, if declared at the Annual General Meeting of the Company will be payable on or after **September 18, 2019** to those members:

   a. whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrar and Transfer Agent on or before **September 6, 2019**; and

   b. whose names appear as Beneficial Owners in the list of Beneficial Owners on **September 6, 2019** furnished by Central Depository Services (India) Limited (CDSL) for this purpose.

9. Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to the transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of IEPF Authority.

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

Sr. No.	Year ended	Date of Declaration	Due date of transfer to IEPF
1.	31/03/2012	26/09/2012	25/10/2019
2.	31/03/2013	17/09/2013	16/10/2020
3.	31/03/2014	23/09/2014	22/10/2021
4.	31/03/2015	23/09/2015	22/10/2022
5.	31/03/2016	16/03/2016 • The Company has declared & Paid Interim Dividend	15/04/2023
6.	31/03/2017	08/09/2017	14/10/2024
7.	31/03/2018	26/09/2018	01/11/2025

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

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar / Company.

11. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.

12. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

13. Members/Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of Annual Report will not be distributed at the meeting.

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

15. 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]
C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400083
Tel: 022 2851 5606 / 2851 5644
Fax: +91 22 8512885
Email: support@sharexindia.com

16. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/ First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.

    (b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.

    (c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.

17. Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection at the administrative office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

18. 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.

19. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.

20. In all correspondence with the Company, members are requested to quote their Folio Number and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.

21. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

22. **Voting through electronic means:**

(i) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation,2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Securities Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.

(ii) The Board of Directors of the Company has appointed M/s. GMJ & Associates, Company Secretaries, Mumbai as Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.

(iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

(iv) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.

(v) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. **September 6, 2019**

(vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e**. September 6, 2019** only shall be entitled to avail the facility of e-voting/remote e-voting.

(vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **September 6, 2019**, may obtain the User ID and password from SHAREX DYNAMIC (INDIA) PVT LTD (Registrar & Transfer Agents of the Company).

(viii) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company (www.simmondsmarshall.com) and on the website of CDSL (https://www.evotingindia.com) . The results shall simultaneously be communicated to the Stock Exchange.

(ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **September 13, 2019**

(x) **The instructions for shareholders voting electronically are as under**:

a) The voting period begins at 9.00 a.m. (IST) on **September 10, 2019** and ends at 5.00 p.m. (IST) on **September 12, 2019.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 6, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

c) The shareholders should log on to the e-voting website www.evotingindia.com

d) Click on Shareholders.

e) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

f) Next enter the Image Verification as displayed and Click on Login

g) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. ❖ If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (e).

i) After entering these details appropriately, click on "SUBMIT" tab.

j) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

l) Click on the EVSN for the relevant **SIMMONDS MARSHALL LIMITED** on which you choose to vote.

m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

o) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

q) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

r) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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

t) **Note for Non – Individual Shareholders and Custodians**

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

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

ANNEXURE TO THE NOTICE

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

Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of the M/s. Joshi Apte & Associates, Cost Accountants as the Cost Auditor, to conduct the audit of the cost records of the Company for the financial year 2019-20, at a remuneration of Rs. 200,000/- (Two Lakhs Only) plus GST as applicable and out of pocket expenses as may be incurred by them, if any, subject to approval of the Members. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be approved by the Members of the Company.

Accordingly, the members are requested to approve the remuneration payable to the Cost Auditors during the financial year 2019-20 as set out in the resolution for the services to be rendered by them.

The Board recommends the resolution set out at Item No.4 of the Notice for approval of the Members by an Ordinary Resolution.

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

Item No.5:

As per newly introduced Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018, the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

(i) the annual remuneration payable to such executive director exceeds Rs.5 Crore or 2.5 per cent of the net profits of the listed entity calculated as per the provisions of Section 198 of the Companies Act, 2013, whichever is higher; or

(ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, on the Board of Directors of the Company, there are three Executive directors who are promoters. They are Mr. S. J. Marshall, Chairman, Mr. Navroze S. Marshall, Managing Director and Mr. I. M. Panju, Wholetime Director of the Company. The shareholders have approved remuneration payable to them within the limits as prescribed at that time as per Companies Act, 2013, while approving their appointment on September 8, 2017, which is in excess of 2.5% of the net profits of the Company, individually and more than 5% of the net profits of the Company in aggregate. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of appointment of aforesaid Executive Directors including remuneration payable to them till the expiry of their respective term in order to comply with the above mentioned newly introduced Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015.

The Board approved the above proposal at their meeting held on August 13, 2019 after considering the valuable contributions of Mr. S. J. Marshall, Chairman, Mr. Navroze S. Marshall, Managing Director and Mr. I. M. Panju, Whole-time Director of the Company in the growth of the Company and remuneration prevalent for the similar positions in the companies of the like size.

The Board recommends the special resolution set out at Item No. 5 of the Notice for approval by the Members.

Except Mr. S. J. Marshall, Chairman, Mr. Navroze S. Marshall, Managing Director and Mr. I. M. Panju, Wholetime Director of the Company and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution.

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

August 13, 2019.

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

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

DIRECTORS' REPORT

To
The Members,
Simmonds Marshall Limited

Your Directors have pleasure in presenting the 59th Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2019. The consolidated performance of the company and its associate has been referred to wherever required.

FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	**Standalone**		**Consolidated**	
	Year ended 31.03.2019	**Year ended 31.03.2018**	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Revenue from operation (Net of tax)	18178.47	17500.76	19469.20	18764.77
Other Income	87.92	79.50	84.22	60.58
Total Income	18266.39	17580.26	19553.42	18825.35
Profit before Finance Cost and Depreciation	1586.15	2165.95	1597.39	2185.08
Less: Finance Cost	362.90	329.26	364.17	329.26
Less: Depreciation & Amortization expenses	449.41	395.50	457.64	403.62
Profit Before Tax	773.84	1441.19	775.57	1452.20
Tax Expenses				
-- Current Tax	234.18	460.33	236.79	472.67
-- Deferred Tax	(30.67)	(24.53)	(31.59)	(26.11)
-- Tax for earlier year	(6.26)		(6.26)	
Net Profit After Tax	576.59	1005.39	586.26	1000.98
Other Comprehensive Income (Net of tax)	41.98	39.75	41.98	39.75
Total Comprehensive Income After Tax	534.61	965.64	544.28	961.23
Earing Per Share	5.15	8.98	5.15	8.94

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

The Company has recorded total Revenue of Rs. 18266.39 Lakhs during the year as against Rs. 17580.26 Lakhs in the previous year. The Company has recorded net profit of Rs. 576.59 Lakhs during the financial year as against Rs. 1005.39 Lakhs in the previous year.

On consolidated basis, during the Financial year, the Company recorded Total Revenue of Rs. 19553.42 Lakhs as against Rs. 18825.35 Lakhs in the previous year. The Company has recorded net profit of Rs. 586.26 Lakhs during the financial year as against Rs. 1000.98 Lakhs in the previous year.

PERFORMANCE AND FINANCIAL POSITION OF THE ASSOCIATE:

Formex Private Limited: Formex Private Limited achieved a total turnover of Rs.1230.92 Lakhs as against Rs. 941.11 Lakhs in the previous year. The Company has recorded net profit of Rs.19.68 during the financial year as against the loss of Rs. 9 Lakhs in the previous year.

DIVIDEND:

Your Directors have pleasure in recommending, for approval of the Members, at its 59th Annual General Meeting, a Dividend of Rs. 0.50/- per share i.e. @ 25% for the year ended March 31, 2019. If approved at the forthcoming Annual General Meeting, it will result in an outflow of Rs. 56.00 Lakhs to the Members of the Company, coupled with Rs. 11.51 Lakhs as Dividend Distribution Tax.

TRANSFER TO RESERVES:

During the financial year, the Company has not transferred any amount to General Reserves.

EXPORTS:

During the year under review, the Company exported goods worth F.O.B. Rs. 1707.06 Lakhs against Rs.1780.10 Lakhs in the previous year.

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.

PUBLIC DEPOSITS:

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

SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital, as at March 31, 2019 was Rs. 2,24,00,000 /- divided into 1,12,00,000 Equity Shares, having face value of Rs. 2/- each fully paid up. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, advances and/or guarantee provided by the Company as per section 186 of the Companies Act, 2013, which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34 (3) read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) are provided in the standalone financial statements.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

DIRECTORS:

COMPOSITION:

The Board of Directors includes the Executive and Independent Directors so as to ensure proper governance and management. The Board consists of Six (6) Directors comprising of Three (3) Executive Director and Three (3) Independent Directors including One (1) Woman Director as on March 31, 2019.

RE-APPOINTMENTS:

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. I. M. Panju, Director of the Company, retires by rotation, and being eligible, has offered himself for reappointment.

KEY MANAGERIAL PERSONNEL:

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

Sr. No.	Name of Personnel	Designation
1.	Mr. S. J. Marshall	Chairman and Whole-time Director
2.	Mr. N. S. Marshall	Managing Director
3.	Mr. I. M. Panju	Whole time Director
4.	Mr. Vikash Verma	Chief Financial Officer
5.	Mr. Nirmal Gupta	Company Secretary

During the Financial Year under review, there was no change in the Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTOR(S):

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

SUBSIDIARIES & ASSOCIATE COMPANIES:

The Company has one Associate Company i.e. Formex Private Limited within the meaning of Section 2(6) of the Companies Act, 2013.

The Associate Company is carrying on the business of Manufacturing of Bolts, Nuts etc. and the Company holds 49% of the Equity Share Capital in Formex Private Limited as on March 31, 2019. There has been no material change in the nature of the business of the Associate Company.

Pursuant to provisions of Section 129(3) of the Act read with rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's Associate Company in Form AOC-1 is appended as **Annexure 'A'** and forms part of the Annual Report.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Audited Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, www.simmondsmarshall.com.

The Company does not have any subsidiary or joint venture as on March 31, 2019.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Act, is annexed as **Annexure 'B'** which forms an integral part of this Report and is also available on the Company's website viz. www.simmondsmarshall.com.

NUMBER OF MEETINGS:

a) Board of Directors

The Board of Directors met Four (4) times in the financial year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of the Annual Report.

b) Audit Committee

During the year, Four (4) Audit Committee Meetings were convened and held. The details pertaining to composition of Audit Committee and the attendance of the Audit Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

c) Nomination & Remuneration Committee

During the year, Three (3) Nomination and Remuneration Committee Meetings were convened and held. The details pertaining to composition of Nomination and Remuneration Committee and the attendance of the Nomination and Remuneration Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

d) Stakeholders Relationship Committee

During the year, Four (4) Stakeholders Relationship Committee Meetings were convened and held. The details pertaining to composition of Stakeholders Relationship Committee and the attendance of the Stakeholders Relationship Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

e) Corporate Social Responsibility Committee

During the year, One (1) Corporate Social Responsibility Committee Meetings was convened and held. The details pertaining to composition of Corporate Social Responsibility Committee and the attendance of the Corporate Social Responsibility Committee members are provided in the Corporate Governance Report, which forms part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT:

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

i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any';

ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities

iv. the Directors had prepared the annual accounts on a going concern basis.

v. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual directors on the basis of evaluation criteria suggested by the Nomination and Remuneration Committee and the SEBI (LODR) Regulations, 2015. Accordingly, the Board has carried out an evaluation of its performance after taking into consideration various performance related aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance. The performance evaluation of the Board as a whole, Chairperson and Non-Independent Directors was also carried out by the Independent Directors in their meeting held on February 14, 2019.

Similarly, the performance of various committees, individual Independent and Non Independent Directors was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like engagement, analysis, decision making, communication and interest of stakeholders.

The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual directors.

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS:

The Board of Directors as per recommendations of the Nomination & Remuneration Committee has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company.

The policy lays down the criteria for selection and appointment of Board Members. The details of the policy are explained in the Corporate Governance Report. The policy has been posted on the website of the Company www.simmondsmarshall.com.

RELATED PARTY TRANSACTIONS:

Your Company has formulated a policy on related party transactions which is also available on Company's website www.simmondsmarshall.com. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company had approved the criteria for making the omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the Financial Year were in ordinary course of the business and on an arm's length basis. No material related party transactions were entered during the Financial Year by your Company. Accordingly, no disclosure is made in respect of related party transactions, as required under Section 134(3)(h)of the Act in Form AOC 2. Members may refer to Note No. 39 of the financial statements which sets out related party disclosures pursuant to IND-AS-24.

AUDITORS:

a) Statutory Auditor

M/s. Lodha & Co., Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company at the 57th Annual General Meeting (AGM) held on September 8, 2017 and will hold office until the conclusion of the 62nd AGM to be held in 2022.

The first proviso to section 139(1) of the Companies Act, 2013 has been omitted vide section 40 of the Companies (Amendment) Act, 2017 notified on May 7, 2018. Therefore, it is not mandatory for the Company to place the matter relating to appointment of statutory auditor for ratification by members at every Annual General Meeting. Hence the Company has not included the ratification of statutory auditors in the Notice of AGM.

The Report given by M/s. Lodha & Co., Chartered Accountants, on the financial statements of the Company for the financial year 2018-2019 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

b) Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board on recommendation of the Audit Committee has re-appointed M/s. SHR & Co., as internal auditors of the Company.

c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ &

Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended as **Annexure 'C'** forms part of this report.

There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Secretarial Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

d) Cost Auditor

Based on the recommendations of the Audit Committee, the Board has appointed M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), as the Cost Auditors of the Company for the year ending March 31, 2020, subject to the ratification of the remuneration payable to them by the members in the ensuing Annual General Meeting pursuant to Section 148 of the Companies Act, 2013.

The Cost Audit Report for the Financial Year 2018-2019 pursuant to the Companies (Cost Accounting Records) Rules, 2011 will be filed within the period stipulated under the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has constituted a Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules). The details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the CSR Report is appended as **Annexure 'D'** and forms part of this report.

CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. The Code made in accordance with the requirements of SEBI (LODR) Regulations, 2015 has been posted on the Company's website www.simmondsmarshall.com

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

RISK MANAGEMENT POLICY:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company www.simmondsmarshall.com

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment.

The following table shows the nature of complaints received from the employees during the years 2018-2019.

Category	No. of Complaints filed during the Financial Year	No. of complaints pending as on end of the Financial Year
Child labour/forced labour/involuntary labour	--	--
Sexual harassment	--	--
Discriminatory employment	--	--

INVESTOR EDUCATION & PROTECTION FUND (IEPF):

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to the transferred by the Company to the IEPF established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of Rs. 12,30,814/- in respect of financial year 2010-11. Further, 6500 Equity shares were transferred as per the requirements of IEPF rules. The details are available on our website www.simmondsmarshall.com

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

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

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

HEALTH, SAFETY AND ENVIRONMENT:

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

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and on the date of this report.

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

There are no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

DEPOSITORY SERVICES:

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

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

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

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

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 appended as **Annexure 'F and G'** and forms part of this report.

AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS:

The Board of Directors of the Company has affirmed with the compliances of Secretarial Standards issued by Institute of Company Secretaries of India.

APPRECIATION:

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

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

May 28, 2019.

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

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

ANNEXURE 'A' TO THE BOARDS REPORT 2018-19

Form AOC-1

Part "A": Subsidiaries – Not Applicable

Part "B": Associates and Joint Ventures

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

Name of Associates	Formex Private Limited *
1. Latest audited Balance Sheet Date	31st March, 2019
2. Shares of Associate held by the company on the year end	
- No.	131051
- Amount of Investment in Associates	Rs.11.79 Lakhs
- Extend of Holding%	49 %
3. Description of how there is significant influence	By virtue of Holdings being 20% or more
4. Reason why the associate is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 9.58 Lakhs
6. Profit/Loss for the year	
i. Considered in Consolidation	Rs. 19.68 Lakhs
ii. Not Considered in Consolidation	--

* Considered on the basis of audited financial statements/ details

For LODHA & CO.
Chartered Accountants
FRN: 301051E

R. P. Baradiya
Partner
M. No. 44101

Place: Mumbai
Dated: May 28, 2019

S. J. Marshall Chairman

N. S. Marshall Managing Director

Vikash Verma Chief Financial Officer

Nirmal Gupta Company Secretary

ANNEXURE 'B' TO THE BOARDS REPORT 2018-19

EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2019
[Pursuant to Section 92(3) of the Companies Act, 2013 read with
The Companies (Management and Administration) Rules, 2014

FORM NO. MGT-9

A. REGISTRATION AND OTHER DETAILS:

CIN:-	**L29299PN1960PLC011645**
Registration Date:	16/04/1960
Name of the Company:	**SIMMONDS MARSHALL LIMITED**
Category **Sub-Category of the Company**	PUBLIC LIMITED COMPANY NON-GOVERNMENT COMPANY
Address of the Registered office and contact details:	MUMBAI-PUNE ROAD, KASARWADI, PUNE - 411034 TEL NO. (91-020) 30782150 FAX NO. (91-020) 30782195 E-MAIL: secretarial@simmondsmarshall.com WEBSITE: www.simmondsmarshall.com
Whether listed company	YES
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400083 Tel: 022 2851 5606 / 2851 5644 E-mail: support@sharexindia.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
a.	Nyloc Self Locking Nuts	73181600	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
a	Formex Private Limited	U29254PN1986PTC039849	Associate	49%

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1) INDIAN									
(a) Individual	6146758	0	6146758	54.882	6309190	0	6309190	56.332	1.45
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt(s).	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	200800	0	200800	1.793	200800	0	200800	1.793	0
(e) FIINS / BANKS	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**6347558**	**0**	**6347558**	**56.675**	**6509990**	**0**	**6509990**	**58.125**	**1.45**
(2) FOREIGN									
(a) Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks / FII	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**6347558**	**0**	**6347558**	**56.675**	**6509990**	**0**	**6509990**	**58.125**	**1.45**
(B) (1) PUBLIC SHAREHOLDING									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0.000
(b) Banks / FI	0	0	0	0	0	0	0	0	0.000
(c) Central Govt.	134000	0	134000	1.196	140500	0	140500	1.254	0.058
(d) State Govt.	0	0	0	0	0	0	0	0	0.000
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.000

(f) Insurance Companies	0	0	0	0	0	0	0	0	0.000
(g) FIIs	282489	0	282489	2.522	98574	0	98574	0.880	-1.642
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(i) Others (specify)	0	0	0	0	0	0	0	0	0.000
Sub-total (B)(1):-	**416489**	**0**	**416489**	**3.718**	**239074**	**0**	**239074**	**2.134**	**-1.584**
2. Non-Institutions									
(a) BODIES CORP.									
(i) Indian	823521	15000	838521	7.487	858264	15000	873264	7.797	0.310
(ii) Overseas	0	0	0	0	0	0	0	0	0.000
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2735903	464650	3200553	28.576	2756279	371140	3127419	27.923	-0.653
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	289253	0	289253	2.583	302039	0	302039	2.697	0.114
(c) Other (specify)									
Non Resident Indians	62881	0	62881	0.561	120638	0	120638	1.077	0.516
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	44745	0	44745	0.4	27576	0	27576	0.246	-0.154
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**3956303**	**479650**	**4435953**	**39.607**	**4064796**	**386140**	**4450936**	**39.74**	**0.133**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**4372792**	**479650**	**4852442**	**43.325**	**4303870**	**386140**	**4690010**	**41.874**	**-1.451**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.000**
Grand Total (A+B+C)	**10720350**	**479650**	**11200000**	**100.000**	**10813860**	**386140**	**11200000**	**100.000**	**0.00**

ii) Shareholding of promoters								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	% changes in share holding during the year
1	MAKI SHIAMAK MARSHALL	1667435	14.888	0	1687435	15.066	0	0.178
2	NAVROZE SHIAMAK MARSHALL	1518548	13.558	0	1518548	13.558	0	0
3	SHIAMAK J MARSHALL	1532965	13.687	0	1715397	15.316	0	1.629
4	KAMAL IMRAN PANJU	717155	6.403	0	677155	6.046	0	-0.357
5	KAYAN J PANDOLE	710655	6.345	0	710655	6.345	0	0
6	JIJI MARSHALL TRADING COMPANY LLP	155800	1.391	0	155800	1.391	0	0
7	DIAMTOOLS PVT.LTD.	45000	0.402	0	45000	0.402	0	0

iii) Change in Promoter's Shareholding								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the beginning /end of the year	% of the Shares of the company	Date	Increasing/ Decreasing in share-holding	Reason	No. of shares	
1	SHIAMAK J MARSHALL	1532965	13.687	01-04-2018				
				08-02-2019	105000	Buy	1637965	14.625
				22-02-2019	77432	Buy	1715397	15.316
	-Closing Balance			31-03-2019			1715397	15.316
2	MAKI SHIAMAK MARSHALL	1667435	14.888	01-04-2018				
				31-08-2018	6450	Buy	1673885	14.945
				07-09-2018	120	Buy	1674005	14.946
				14-09-2018	3430	Buy	1677435	14.977
				05-10-2018	10000	Buy	1687435	15.066
	-Closing Balance			31-03-2019			1687435	15.066
3	KAMAL IMRAN PANJU	717155	6.403	01-04-2018				
				31-08-2018	-10000	Sold	707155	6.314
				19-10-2018	-10000	Sold	697155	6.225
				02-11-2018	-15000	Sold	682155	6.091
				09-11-2018	-5000	Sold	677155	6.046
	-Closing Balance			31-03-2019			677155	6.046

iv) Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):

Sr. No.	Name	No. of Shares at the beginning /end of the year	% of the Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
1	CLOVER TECHNOLOGIES PVT LTD.	627504	5.603	01-04-2018				
				27-04-2018	20000	Buy	647504	5.781
				29-06-2018	8903	Buy	656407	5.861
				21-09-2018	-5242	Sold	651165	5.814
	-Closing Balance			31-03-2019			651165	5.814
2	INVESTOR EDUCATION AND PROTECTION FUND	134000	1.196	01-04-2018				
				15-02-2019	6500	Buy	140500	1.254
				22-02-2019	-6500	Sold	134000	1.196
	-Closing Balance			31-03-2019			134000	1.196
3	BOMSI WADIA	105000	0.938	01-04-2018				
	-Closing Balance			31-03-2019		No Change	105000	0.938
4	HAFEEZ SORAB CONTRACTOR	100000	0.893	01-04-2018				
	-Closing Balance			31-03-2019		No Change	100000	0.893
5	RIMO CAPITAL FUND LP	63516	0.567	01-04-2018				
				13-04-2018	2920	Buy	66436	0.593
				20-04-2018	10050	Buy	76486	0.683
				25-05-2018	1750	Buy	78236	0.699
				01-06-2018	1250	Buy	79486	0.710
				08-06-2018	5500	Buy	84986	0.759
				15-06-2018	2000	Buy	86986	0.777
				28-09-2018	1000	Buy	87986	0.786
				12-10-2018	1000	Buy	88986	0.795
				26-10-2018	440	Buy	89426	0.798
				09-11-2018	1000	Buy	90426	0.807
				31-12-2018	1200	Buy	91626	0.818
				04-01-2019	2350	Buy	93976	0.839
				01-02-2019	1200	Buy	95176	0.850
				08-02-2019	1500	Buy	96676	0.863
				15-03-2019	1898	Buy	98574	0.880
	-Closing Balance			31-03-2019			98574	0.880
6	RASHNE BURJOR DUBASH	84253	0.752	01-04-2018				
				31-08-2018	5419	Buy	89672	0.801
				07-09-2018	7367	Buy	97039	0.866

	-Closing Balance			31-03-2019			97039	0.866
7	CYRUS JAMSHED GUZDER	50000	0.446	01-04-2018				
	-Closing Balance			31-03-2019		No Change	50000	0.446
8	RACHANA ANKIT VAKHARIA	48250	0.431	01-04-2018				
	-Closing Balance			31-03-2019		No Change	48250	0.431
9	JYOTI BHARAT GADA	43601	0.389	01-04-2018				
	-Closing Balance			31-03-2019		No Change	43601	0.389
10	INDIRABEN BABALAL DEDHIA	41367	0.369	01-04-2018				
	-Closing Balance			31-03-2019		No Change	41367	0.369
11	BHARAT BHAWANJI GADA	46450	0.415	01-04-2018				
				27-04-2018	-1000	Sold	45450	0.406
				06-07-2018	-3543	Sold	41907	0.374
				13-07-2018	-6457	Sold	35450	0.317
				20-07-2018	-4000	Sold	31450	0.281
				27-07-2018	-8436	Sold	23014	0.205
				31-08-2018	5714	Buy	28728	0.257
	-Closing Balance			31-03-2019			28728	0.257
12	SBI PIPE FUND - 1	218973	1.955	01-04-2018				
				20-04-2018	-15741	Sold	203232	1.815
				17-08-2018	-13595	Sold	189637	1.693
				24-08-2018	-2321	Sold	187316	1.672
				07-09-2018	-1224	Sold	186092	1.662
				30-11-2018	-133742	Sold	52350	0.467
				07-12-2018	-52350	Sold	0	0
	-Closing Balance			31-03-2019			0	0

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% of total Shares of the company
		No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in share-holding	Reason	No.of shares	
1	SHIAMAK J MARSHALL	1532965	13.687	01-04-2018				
				08-02-2019	105000	Buy	1637965	14.625
				22-02-2019	77432	Buy	1715397	15.316
	-Closing Balance			31-03-2019			1715397	15.316
2	NAVROZE SHIAMAK MARSHALL	1518548	13.558	01-04-2018	--	--	1518548	13.558

	-Closing Balance			31-03-2019	--	--	1518548	13.558
3	S. C. SARAN	--	--	--	--	--	--	--
4	I. M. PANJU	--	--	--	--	--	--	--
5	A. V. CHOWDHURY	--	--	--	--	--	--	--
6	F. K. BANATWALLA	--	--	--	--	--	--	--

E. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 796.84 -- 7.03	 539.00 -- --	 -- -- --	 1335.84 -- 7.03
Total (i+ii+iii)	803.87	539.00	--	1342.87
Change in Indebtedness during the financial year • Addition • Reduction	 162.48 --	 -- 24.00	 -- --	 162.48 24.00
Net Change	162.48	24.00	--	138.48
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	 965.39 -- 0.96	 515.00 -- --	 -- -- --	 1480.39 -- 0.96
Total (i+ii+iii)	966.35	515.00	--	1481.35

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CHAIRMAN	MANAGING DIRECTOR	WHOLE TIME DIRECTOR	
		S. J. MARSHALL	N. S. MARSHALL	I. M. PANJU	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38.28	52.82	3.24	94.34
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.32	0.29	0.00	0.61
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission	4.25	4.25		8.50
	- as % of profit				
	- others, specify…				
5	Others, please specify		16.79	0.96	17.75
	Total (A)	42.85	74.15	4.20	121.20
	Ceiling as per the Act	84.00	84.00	84.00	--

ii. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors Manager / Manager			Total Amount
		F. K. BANATWALLA	S. C. SARAN	A. V. CHOWDHURY	
1.	Independent Directors				
	• Fee for attending board / committee meetings	0.40	0.20	0.30	0.90
	• Commission				
	• Others, please specify				
	Total (1)	0.40	0.20	0.30	0.90
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration	0.40	0.20	0.30	0.90
	Overall Ceiling as per the Act	Rs. 1 Lakh Per Board Meeting			

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
		Vikash Verma	Nirmal Gupta	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.74	5.12	35.86
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.32	0.00	0.32
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
5.	Others , Please specify -P.F.	1.94	0	1.94
	Total	**33.00**	**5.12**	**38.12**

G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

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

May 28, 2019.

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

ANNEXURE 'C' TO THE BOARDS REPORT 2018-19

FORM NO.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,
SIMMONDS MARSHALL LIMITED
Mumbai - Pune Road,
Kasarwadi,
Pune – 411 034.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2019** complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SIMMONDS MARSHALL LIMITED** for the financial year ended on March 31, 2019 according to the provisions of:

i. The Companies Act, 2013 (the Act) including the Companies (Amendment) Act, 2017 and the rules made thereunder.

ii. The Companies Ordinance, 2018 and amendments thereto (to the extent notified).

iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;

iv. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz

   a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**

   f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**

   g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008; **[Not applicable during the period of audit]**

   h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**

   i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the period of audit]**

vi. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

Further, the Company being manufactures of Specialized Nylon Insert Self Locking Nuts and other Special Fasteners, there are no specific laws applicable to the Company, which requires approvals or compliances under any Act or Regulations.

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

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

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

We further report that -

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority of the decisions being carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.
3. That during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

For **GMJ & ASSOCIATES**
Company Secretaries

[MAHESH SONI]
PARTNER
FCS: 3706 COP: 2324

PLACE: MUMBAI
DATE: MAY 28, 2019

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

ANNEXURE

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

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

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

For GMJ & ASSOCIATES
Company Secretaries

[MAHESH SONI]
PARTNER
FCS: 3706 COP: 2324

PLACE: MUMBAI
DATE: MAY 28, 2019

ANNEXURE 'D' TO THE BOARDS REPORT 2018-19

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

   The Company has been focusing predominantly in the area of education. Apart from education, Simmonds is also involved, in a small way, in addressing the issue of Medical Aid and Poverty Relief to the economically backward and underprivileged society.

2. The Composition of the CSR Committee.

Name of Member	**Designation**
Mr. S. C. Saran	Chairperson
Mrs. Amrita Chowdhury	Member
Mr. N. S. Marshall	Member

3. Average net profit of the company for last three financial years Rs.1014.60 Lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item3 above) Rs.20.29 Lakhs

5. Details of CSR spent during the financial year 2018-19.

   (a) Total amount to be spent for the financial year : 20.29 Lakhs.

   (b) Amount unspent, if any : Rs. Nil.

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

1.	2.	3.	4.	5.	6.	7.	8.
Sr. No	**Project / activity**	**Sector**	**Location**	**Amount outlay (budget) project or programs wise (in Lakhs)**	**Amount spent on the projects or programs (in Lakhs)**	**Cumulative expenditure upto to the reporting period (in Lakhs)**	**Amount spent Direct or through implementing agency**
1.	Various	Education	Maharashtra	9.06	7.63	7.63	Marshall Charitable Foundation
2.	Various	Medical Aid	Maharashtra	11.23	12.66	12.66	Marshall Charitable Foundation
	Total			**20.29**	**20.29**	**20.29**	

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

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

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

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

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

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

S. C. SARAN
(DIN: 00032194)
CHAIRMAN CSR COMMITTEE

May 28, 2019.

ANNEXURE 'E' TO THE BOARDS REPORT 2018-19

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

Information as per section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given here below and forms a part of the Directors' Report.

A. CONSERVATION OF ENERGY:

a. The steps taken or impact on conservation of energy:

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.

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.

Particulars	Units	Current Year	Previous Year
a. Power & Fuel Consumption Electricity – Purchased Unit (KWH) Total Amount Average Rate	 Units In Rs. per unit	 30.88 295.96 9.59	 31.01 279.15 9.00
b. Consumption per unit of production Electricity (KWH)/Tonne		440.4	480.06

b. The steps taken by the Company for utilizing alternate sources of energy: Not Applicable

c. The capital investment on energy conservation equipment's: Not Applicable

B. TECHNOLOGY ABSORPTION:

Technology absorption, adaptation and innovation:

(i) the efforts made towards technology absorption during the year under review are:

- a) Making design modifications in the products
- b) Improvements to tool design.
- c) Up gradation of machines.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

- (a) simplify the manufacturing process and enhance productivity
- (b) the tooling cost reduction
- (c) improvement in production

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- (a) the details of technology imported : N.A.
- (b) the year of import : N.A.
- (c) whether the technology has been fully absorbed : N.A.

(iv) During the year Company has incurred R & D Expenditure : Rs. 38.17 lakhs

C. FOREIGN EXCHANGE EARNED AND USED:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Sr. No.	Activities relating to export initiative taken to increase export markets for products survey to boost export during the year.	The Company has conducted Market increase export markets
1	Foreign Exchange outgo	Rs. 3240.69 Lakhs (PY Rs. 2424.92 Lakhs)
2	Foreign Exchange earned	Rs.1707.06 Lakhs (PY Rs. 1780.10 Lakhs)

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

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

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

May 28, 2019.

ANNEXURE 'F' AND 'G' TO THE BOARDS REPORT 2018-19

ANNEXURE 'F'

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

<table>
<tr><th rowspan="2">Sr. No.</th><th>Requirements</th><th colspan="2">Disclosure</th></tr>
<tr><th></th><th>Name of the Director</th><th>Ratio</th></tr>
<tr><td rowspan="4">1</td><td rowspan="4">The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year</td><td>Mr. S. J. Marshall</td><td>6.36x</td></tr>
<tr><td>Mr. N. S. Marshall</td><td>8.54x</td></tr>
<tr><td>Mr. I. M. Panju</td><td>0.48x</td></tr>
<tr><td colspan="2">1. The median remuneration of employees of the Company was Rs. 6.68 Lakhs.
2. For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.
3. Figures have been rounded off wherever necessary.</td></tr>
<tr><td rowspan="7">2</td><td rowspan="7">The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year</td><td>Director</td><td></td></tr>
<tr><td>Mr. S. J. Marshall</td><td>6.4%</td></tr>
<tr><td>Mr. N. S. Marshall</td><td>12.1%</td></tr>
<tr><td>Mr. I. M. Panju</td><td>-</td></tr>
<tr><td>Mr. Vikash Verma</td><td>2.1%</td></tr>
<tr><td>Mr. Nirmal Gupta</td><td>19.8%</td></tr>
<tr><td colspan="2">*Increase in remuneration is made as per appraisal system and Remuneration and Nomination Policy of the Company</td></tr>
<tr><td>3</td><td>The percentage increase in the median remuneration of employees in the financial year</td><td colspan="2">During FY 2018-19, the percentage increase in the median remuneration of employees as compared to previous year was approximately 42.85%</td></tr>
<tr><td>4</td><td>The number of permanent employees on the rolls of company</td><td colspan="2">There were 327 employees as on March 31, 2019</td></tr>
<tr><td>5</td><td>Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration.</td><td colspan="2">Average increase in remuneration is 22% for employees other than Managerial Personnel and 7.65% for the Managerial Personnel.</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per the remuneration policy of the company</td><td colspan="2">Yes, it is confirmed.</td></tr>
</table>

ANNEXURE 'G'

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH THE RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2019.

a) Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than Rs.1,02,00,000/-: Nil

b) Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs.8,50,000/- per month : - Nil

c) The percentage of equity shares held by the employee in the Company within the meaning of Clause (iii) of sub rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014- N.A.

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

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

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

May 28, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW:

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

OPPORTUNITIES, THREATS, OUTLOOK, RISKS AND CONCERNS:

The Company expects the first half of fiscal year 2019-20 to be subdued. The consumer sentiment is affected to some extent by the sustained high fuel prices. Economic indications are suggesting slackening of demand and investment activity. Therefore, the growth projections have been revised downwards from 7.4% to 7.2% for the fiscal year 2019-20. However, the policy measures to tackle the slowdown have been swift and the macro-economic fundamentals are strong. India is hoping to maintain its growth trajectory and remain one of the fastest growing economies.

In 2019-20, the consumer sentiment is expected to turn optimistic which augurs well. The Central Bank has undertaken USD auction to provide Rupee liquidity support to Banks which will spur lending. The cost of ownership of BS VI vehicles is expected to be high. The fleet owners are expected to pre-buy during Q3 and Q4 prior to migration from BS IV to BS VI from 1st April 2020. Also, with the prediction of "near normal" monsoon this year, tractor segment, two and three wheeler plus light commercial vehicle segment are expected to do well in Q2 and Q3.

EXPORTS:

The Company is fast consolidating its resources to build a significant market presence in the international arena. Exports during the year stood at Rs.1707.06 Lakhs and we are expecting an impressive increase in current year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

FINANCIAL AND OPERATIONAL PERFORMANCE:

During the year under review, the Company has achieved the Total Revenue of Rs. 18266.39 Lakhs as against the Total Revenue of Rs. 17580.26 Lakhs in the previous year. The Company has earned net profit before tax of Rs.773.84 Lakhs during the year as against the net profit before tax of Rs. 1441.18 Lakhs in the previous year.

Details of significant changes in key financial ratios:

Sr. No.	Key Ratios	Unit of measurement	Current year 2018-19	Previous year 2017-18	Significant change compared with previous year i.e.25% or more	Detailed explanation for significant change
1	Debtors Turnover	Days	85	88	N.A.	N.A.
2	Inventory Turnover	Days	96	71	YES	• Due to stocking of raw material inventory in anticipation of price increase • Lower sales/ schedule on account of downturn in auto sector
3	Interest Coverage Ratio	Times	2.97	5.21	YES	On account of Lower profit during the year

4	Current Ratio	Times	1.84	1.92	N.A.	N.A.
5	Debt Equity Ratio	Times	0.51	0.38	YES	Due to Increase in working capital borrowings & new term loan taken during the year.
6	Operating Profit Margin (%)	%	5.93	9.80	YES	Decrease in operating margin on account of raw material price increase, higher employment cost and lower sales/ schedule.
7	Net Profit Margin (%)	%	2.94	5.52	YES	
8	Return on Net Worth	%	7.92	15.31	YES	

HUMAN RESOURCES, INDUSTRIAL RELATIONS, LEARNING AND DEVELOPMENT:

The Company believes that Human Resources are its key assets. The total number of employees of the Company is three hundred and twenty seven. The Company's HR policy focuses on developing the skill and competencies of all the employees, facilitating team work and total employee involvement, providing a happy work environment to the employees and support to their families and remaining a socially responsible Company contributing to the society.

Learning is given the utmost importance in the Company. Training programs focus on improving employees' current skills and competencies as well as developing them for their future roles as part of their career development. The Company ensures overall development of every employee and all inputs are provided to reach the expert level of their skill and competency.

In the Company, HR processes are aligned to make employees feel that they are a part of the Company family. The Company creates the platform for employees to voice their opinion and make suggestions to improve the working environment. The Company maintains regular communication with employees to make them feel connected with the Company and perform their jobs most effectively.

The Company focuses on inculcating the habit of continuous improvement and motivating employees to participate in improvement activities for the organisation. The Company continues to maintain its record of industrial harmony.

HEALTH, SAFETY AND ENVIRONMENT:

The Company strives to manufacture products with zero pollution and zero accidents, by continuously improving its environmental and occupational health and safety management systems. The Company accords paramount importance to the health and safety of its employees. Major factories have obtained certification for conformance to **ISO 45001-2018 (Occupational Health and Safety Management System). Manufacturing facility is also certified with ISO 14001-2015 (Environmental Management System).**

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could influence the Company's operations include a downtrend in the automobile industry – global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, foreign currency fluctuations and interest costs.

REPORT ON CORPORATE GOVERNANCE:

Report on Corporate Governance in accordance with regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 (Listing Regulations), and forming Part of the Directors' Report for the year ended March 31, 2019.

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

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

Simmonds Marshall Limited is focused towards its vision of:

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

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

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

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

BOARD OF DIRECTORS:

a) **Composition and Committee**

The composition of the Board is in compliance with the provisions of the Companies Act, 2013. As on March 31, 2019 the Board consists of Six Directors. Besides the Chairman who is Executive Director, the Board comprises of Two Executive Directors and three Non-Executive Independent Directors including one Woman Director. The composition of the Board represents an optimal mix of eminent personalities from various walks of life having rich experience in the field of marketing, finance, industry, business and management.

The Board met Four (4) times during the year on May 30, 2018, August 14, 2018, November 2, 2018 and February 14, 2019 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-I issued by the Institute of Company Secretaries of India i.e. One hundred twenty days. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at board meetings and Annual General Meeting held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2019 are given herein below.

Sr No.	Name of Director	Category	No. of Board Meeting attended	Attendance at last AGM	No. of companies in which directorships is held		No. of committee position held in public companies		Name of other listed entities where the directors of the Company are director and the category of their Directorship	
					Public	Private	Member	Chairman	Other Listed Entity	Category
1.	Mr. S. J. Marshall	Promoter and Executive Director	4	Yes	1	8*	--	--	--	--
2.	Mr. N. S. Marshall	Promoter and Managing Director	4	Yes	3	10**	4	1	• Ador Fontech Limited • Ador Multi Products Limited	• Non-Executive - Independent Director • Non-Executive - Independent Director
3.	Mr. I. M. Panju	Whole Time Director	3	Yes	1	5	--	--	--	--
4.	Mr. S. C. Saran	Non-Executive Independent Director	2	No	4***	2	4	--	• Hindustan Hardy Limited	• Executive / Chairman
6.	Mr. F. K. Banatwalla	Non-Executive Independent Director	4	Yes	3	12	5	4	• Josts Engineering Co. Limited • Uni Abex Alloy Products Limited	• Non-Executive - Independent Director • Non-Executive - Independent Director
7.	Ms. A. V. Chowdhury	Non-Executive Independent Director	3	No	1	3	1	--	--	--

* 2 Companies out of 8 are under liquidation process.

**2 Companies out of 10 are under liquidation process.

***2 Companies out of 4 are unlisted public Company.

<u>Relationships between Directors inter-se</u>

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

Shareholding of Non- Executive Independent Directors

None of the Non-Executive Independent Directors hold Equity Shares of the Company in their own name.

Note: Membership/Chairmanship in only Audit Committee and Stakeholders Relationship Committee including Simmonds Marshall Limited has been considered for Committee positions as per the Listing Regulations.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Director acts as a member of more than 10 committees or acts as a Chairman of more than 5 committees across all Public Limited Companies.

b) Minimum information being placed before the Board on occurrence of specific events :

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

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

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

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

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

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

c) Board Procedures:

The Agenda is circulated well in advance to the Board of Directors. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary. At the Board meetings, the Board is apprised of the overall performance of the Company.

AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in accordance with the Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 comprising of Four qualified members (i.e. 3 Independent Directors and 1 Executive Director). All the members have financial and accounting knowledge.

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

a) The terms of reference of the Audit Committee in accordance with section 177 (4) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under:

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

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

b) Composition & Meetings:

The Committee met Four (4) times during the year on May 30, 2018, August 14, 2018, November 2, 2018 and February 14, 2019 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Audit Committee Meetings (2018-2019)				No. of Meetings entitled to attend	No. of Meetings Attended
		May 30, 2018	Aug 14, 2018	Nov 2, 2018	Feb 14, 2019		
Mr. F. K. Banatwalla	Chairperson Non-Executive Independent	Yes	Yes	Yes	Yes	4	4
Mr. N. S. Marshall	Executive Director	Yes	Yes	Yes	Yes	4	4
Mr. S. C. Saran	Non-Executive Independent	No	Yes	No	Yes	4	2
Ms. A. V. Chowdhury	Non-Executive Independent	Yes	No	Yes	Yes	4	3

The Audit Committee invites executives, as it considers appropriate particularly the head of the finance function, representatives of the statutory auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 26, 2018 and was attended by Mr. F. K. Banatwalla, Chairperson of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in accordance with the section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations read with Section 178 of the Companies Act, 2013. The Committee comprises of three (3) Non-Executive Independent Directors as a Members.

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

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

The role of the committee has been defined as per section 178(3) of the Companies Act, 2013 and Listing Regulations.

b) Composition & Meetings

The Committee met Three (3) times during the year on May 30, 2018, November 2, 2018 and February 14, 2019. The necessary quorum was present at the meeting.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Nomination & Remuneration Committee Meetings (2018-2019)			No. of Meetings entitled to attend	No. of Meetings Attended
		May 30, 2018	Nov 2, 2018	Feb 14, 2019		
Mr. S. C. Saran	Chairperson Non-Executive Independent	No	No	Yes	3	1
Mr. F. K. Banatwalla	Non-Executive Independent	Yes	Yes	Yes	3	3
Ms. A. V. Chowdhury	Non-Executive Independent	Yes	Yes	Yes	3	3

c) Nomination and Remuneration Policy:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
    - Responsibilities and duties;
    - Time & efforts devoted;
    - Value addition;
    - Profitability of the Company& growth of its business;
    - Analyzing each and every position and skills for fixing the remuneration yardstick;
    - Standards for certain functions where there is a scarcity of qualified resources.
    - Ensuring tax efficient remuneration structures.
    - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
    - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

d) Details of remuneration paid to Executive Directors for the year ended March 31, 2019:

The Company pays remuneration to its Chairman, Managing Director and its Whole time Director by way of Salary, commission, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per Schedule V to the Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the Financial Year 2018-19.

The details of remuneration paid to executive directors during the financial year 2018-19 are given below:

(Amount in Lakhs)

Particulars	**S.J. Marshall**	**N. S. Marshall**	**I. M. Panju**
Salary	38.60	53.11	3.24
Fixed Components:			
Contribution to Provident Fund, etc.	--	16.79	0.96
Commission	4.25	4.25	--
Total	**42.85**	**74.15**	**4.20**

e) Details of remuneration paid to Directors for the year ended March 31, 2019:

Non-Executive Directors are paid sitting fees of Rs. 10,000/- for attending the meeting of Board of Directors.

The details of remuneration paid to Non-Executive directors during the financial year 2018-19 are as follows:

Particulars	**S. C. Saran**	**F. K. Banatwalla**	**A. V. Chowdhury**
Sitting Fees	20,000	40,000	30,000
Shareholding in the Company	--	--	--

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

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

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

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

The entire Board of Directors carried out the performance evaluation of the Independent Directors on various parameters like engagement, analysis, decision making, communication and interest of stakeholders. In the evaluation process the Directors, who were subjected to evaluation did not participate.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of the Company is constituted in accordance with the Regulation 20 of Listing Regulations read with Section 178 of the Companies Act, 2013.

The role and functions of the Stakeholders Relationship Committee are the effective redressal of grievances of shareholders, debenture holders and other security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee overviews the steps to be taken for further value addition in the quality of service to the investors.

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

The following table shows the nature of complaints received from the shareholders during the years 2018-2019.

Sr. No.	Nature of Complaints	Received	Disposed off	Pending
1	Non receipt of Share Certificate	1	1	--
2	Non receipt of Demat Rejected S/C's	--	--	--
3	Non receipt of Dividend Warrant	--	--	--
4	Non receipt of Annual Report	--	--	--
5	Others	1	--	1
	Total	2	1	1

The Company is in process of resolving the pending complaints as on 31st March, 2019.

Composition & Meetings

The Committee met Four (4) times during the year on May 30, 2018, August 14, 2018, November 2, 2018 and February 14, 2019. The necessary quorum was present at the meeting.

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Stakeholder Relationship Committee Meetings (2018-2019)				No. of Meetings held	No. of Meetings Attended
		May 30, 2018	Aug 14, 2018	Nov 2, 2018	Feb 14, 2019		
Mr. F. K. Banatwalla	Chairperson Non-Executive Independent	Yes	Yes	Yes	Yes	4	4
Mr. S. C. Saran	Non-Executive Independent	No	Yes	No	Yes	4	2
Mr. N. S. Marshall	Executive Director	Yes	Yes	Yes	Yes	4	4

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee of the Company in accordance with the provisions of section 135 of the Companies Act, 2013. The Committee meets as and when required. The Committee will devise / recommend to the Board which shall indicate activities, programmes, projects which shall be undertaken by the company as specified in Schedule VII of the Companies Act, 2013. The activities / programmes undertaken by the Company and the amount spent by the Company are given in the Annexure to the Directors Report. This policy can be accessed from the Company's website www.simmondsmarshall.com.

Composition & Meetings

The Committee met once time during the year on May 30, 2018. The necessary quorum was present at the meeting.

The composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Corporate Social Responsibility Committee (2018-2019)	No. of Meetings entitled to attend	No. of Meetings Attended
		May 30, 2018		
Mr. S. C. Saran	Chairperson Non-Executive Independent	No	1	--
Mr. N. S. Marshall	Executive Director	Yes	1	1
Ms. A. V. Chowdhury	Non-Executive Independent	Yes	1	1

INDEPENDENT DIRECTORS MEETING:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and the Listing Regulations, the Independent Directors of the Company shall hold atleast one meeting in a year without the presence of Non Independent Directors and members of the management. All the independent directors shall strive to be present at such meeting.

The independent directors in their meeting shall, inter alia-

(a) review the performance of non-independent directors and the board of directors as a whole;

(b) review the performance of the chairman of the listed entity, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Independent Directors met once during the year on February 14, 2019, where all the Independent Directors were present.

Familiarization Programme for Independent Directors:

The Company has framed a policy for familiarization programme for Independent Directors and the same is disclosed on the website of the Company i.e. www.simmondsmarshall.com

Chart or matrix setting out skills/expertise/competence of the Board of Directors:

Name of Director	List of core Skills / Expertise / Competencies identified by the Board of Directors as required in the context our Business and sector to function effectively and actually available with the Board.				
	Planning	Technical	Finance / Taxation	Legal	Administration	Marketing / publicity
Mr. S. J. Marshall	-	✓	-	-	✓	✓
Mr. N. S. Marshall	✓	✓	-	-	✓	✓
Mr. I. M. Panju	-	-	✓	-	✓	-
Mr. S. C. Saran	-	✓	-	-	-	-
Mr. F. K. Banatwalla	-	-	✓	✓	-	-
Ms. A. V. Chowdhury	-	✓	-	-	✓	-

Confirmation of Board for the independence of Independent Directors:

In the Opinion of Board, the Independent Directors fulfil the conditions specified in the (Listing Regulations and are independent of the Management).

OTHER POLICIES MANDATED UNDER LISTING REGULATIONS:

Archival Policy - In Compliance with Regulation 30(8) of Listing Regulations, the Company shall disclose on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and thereafter determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website - www.simmondsmarshall.com.

Policy for Preservation of Documents - In Compliance with Regulation 9 of Listing Regulations, the Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website www.simmondsmarshall.com.

Policy for Determining Materiality of Events - In Compliance with Regulations 30 of Listing Regulations, the Board of Directors has adopted a policy on Determining Materiality of Events or information. The objective of this policy is to ensure timely and adequate disclosure of events or Information. This Policy can be accessed from the Company's website www.simmondsmarshall.com.

Policy on Board Diversity - The Company recognizes and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website www.simmondsmarshall.com.

GENERAL BODY MEETINGS:

a) *Annual General Meeting:

The particulars of Annual General Meetings of the Company held in last three years are as under:

Financial Year	Date	Time	Venue
31/03/2018	26/09/2018	11:30 A.M	Kwality Restaurant, Mumbai - Pune Road, Chinchwad , Pune – 411 019.
31/03/2017	08/09/2017	12.00 Noon	Kwality Restaurant, Mumbai - Pune Road, Chinchwad , Pune – 411 019.
31/03/2016	20/09/2016	12.00 Noon	Ador Welding Academy Pvt. Ltd., A-108, 'H' Block, MIDC, Near Morwadi Court, Pimpri, Pune– 411 018.

*Whether any Special Resolution passed in previous 3 AGM's:

Date of AGM	Description of Special Resolution:
26/09/2018	(i) Special resolution for re-appointment of Mr. F. K. Banatwalla as Independent Director for a second term of 5 consecutive years (ii) Special resolution for re-appointment of Mr. S. C. Saran as Independent Director for a second term of 5 consecutive years
08/09/2017	(i) Special resolution for re-appointment of Mr. S. J. Marshall as Chairman of the Company for a period of 3 years.
20/09/2016	No Special resolution was passed

b) Extra Ordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2018-19.

c) Postal Ballot:

During the year, no Resolution was passed through Postal Ballot.

MEANS OF COMMUNICATION:

i. Quarterly results: Results are submitted to Stock Exchanges electronically as provided by the respective exchange & published in newspapers and uploaded on the Company's website.

ii. Newspapers wherein results normally published: Navshakti and Free Press Journal

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

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

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

GENERAL SHAREHOLDERS INFORMATION:

a) 59th Annual General Meeting schedule to be held on

DAY & DATE	: Friday, September 13, 2019.
TIME	: 11:00 a.m.
VENUE	: Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019

b) Financial Year:

The Company follows the period of April to March, as the Financial Year. Tentative Financial calendar for the financial year 2019-20 is as under:

Financial Reporting for the Financial Year 2019-20	Tentative month of reporting
Un-audited Financial Results for the quarter ending June 30, 2019	On or before August 14, 2019
Un-audited Financial Results for the quarter and half year ending September 30, 2019	On or before November 14, 2019
Un-audited Financial Results for the quarter and nine months ending December 31, 2019	On or before February 14, 2020
Audited Financial Results for the quarter and year ending March 31, 2020	On or before May 30, 2020

c) Book Closure:

The Register of Members and Share Transfer Books will remain closed from September 7, 2019 to September 13, 2019 (both days inclusive) for the purpose of AGM.

d) Dividend Payment Date: On and after September 18, 2019

e) Listing on Stock Exchanges:

Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the financial year 2018-2019 has been paid to the BSE Limited, Mumbai.

f) Stock Code:

BSE Limited, Mumbai

Scrip Name	: Simmonds Marshall Limited.
Scrip Code	: 507998

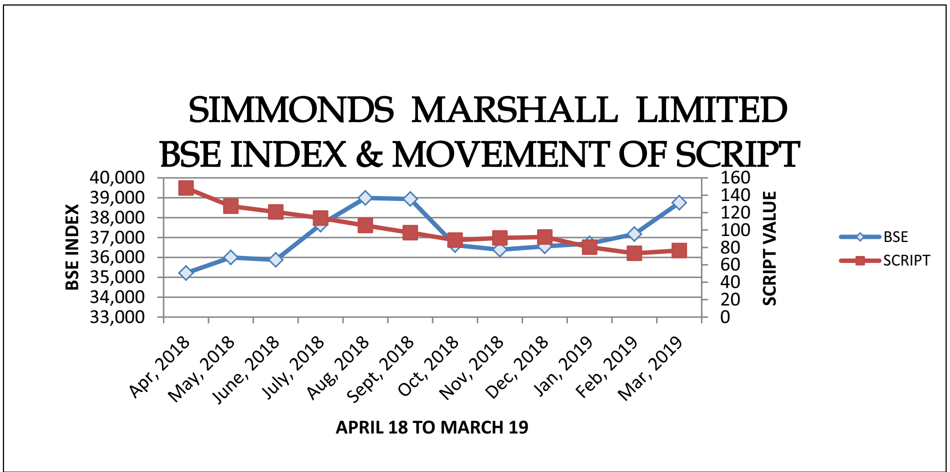
Electronic Mode (ISIN)	: INE657D01021
Depository Connectivity	: NSDL and CDSL.
ISIN no for the company's security	: INE657D01021

g) Stock Price / Market Price Data:

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2018 to March, 2019 are as under:

	Company's Share [Rs.]		BSE Sensex	
Month	**High**	**Low**	**High**	**Low**
April, 2018	154.90	115.00	35213.30	32972.56
May,2018	149.50	112.75	35993.53	34302.89
June, 2018	140.00	114.30	35877.41	34784.68
July, 2018	121.95	107.80	37644.59	35106.57
August, 2018	118.70	98.20	38989.65	37128.99
September, 2018	113.70	95.15	38934.35	35985.63
October, 2018	104.00	87.60	36616.64	33291.58
November, 2018	100.00	88.40	36389.22	34303.38
December, 2018	93.70	81.00	36554.99	34426.29
January, 2019	96.40	75.10	36701.03	35375.51
February, 2019	86.15	67.00	37172.18	35287.16
March, 2019	90.00	71.00	38748.54	35926.94

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



i) Registrar to an issue and Share Transfer Agents:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED C-101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai-400083 Tel: 022 2851 5606 / 2851 5644 E-mail: support@sharexindia.com

j) Share Transfer System:

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

k) Shareholding as on March 31, 2019

i) Shareholding pattern as on March 31, 2019:

The shareholding of different categories of the shareholders as on March 31, 2019 is given below:

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	6509990	58.125
Banks /MF /UTI/FI/FII's/FPI	98574	0.880
Bodies Corporate	873264	7.797
Indian Public	3429458	30.620
NRI / OCBs	120638	1.077
Clearing Members	27576	0.246
Central Government (IEPF)	140500	1.255
Total	11200000	100.000

ii) Distribution of Shareholding as on March 31, 2019:

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
Upto 500	3661	688351	6.146
501-1000	449	383336	3.422
1001-5000	509	1089511	9.728
5001-10000	61	436785	3.900
10001 & 100000	44	1246862	11.133
100001 & above	9	7355155	65.671
Total	4733	11200000	100.000

l) Dematerialization of Shares:

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from January 29, 2001 as per notification issued by the Securities & Exchange Board of India(SEBI). As on March 31, 2019, out of total Equity Capital 11,200,000 Equity Shares, 10,813,860 Equity Shares representing 96.55% of the total Equity Shares are held in de-materialized form with NSDL and CDSL.

m) Liquidity: Average Monthly Trading of the Company's Shares on BSE during the year:

Number of Trades: 1676

Number of Shares: 186205 Equity Shares

n) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity: The Company has not issued any GDRs / ADRs or any warrants in the past and hence as on March 31,2019, the Company does not have any outstanding GDRs / ADRs or any warrants.

o) Commodity price risk or foreign exchange risk and hedging activities – Market driven

p) Plant Locations: Mumbai Pune Road, Kasarwadi, Pune- 411 034.

q) Address for Correspondence:

SIMMONDS MARSHALL LIMITED
Mumbai Pune Road, Kasarwadi,Pune- 411 034
E-mail:secretarial@simmondsmarshall.com
Telephone Nos: 020-30782150

r) Credit Rating : During the Financial Year the Company has obtained Credit Rating form CRISIL, which has affirmed Long Term Rating of [CRISIL BBB+] and Short Term Rating of [CRISIL A2] on Rs. 65 Crores Loan Facilities.

OTHER INFORMATION / DISCLOSURES

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** None of the transactions with any of the related parties were in conflict with the interests of the Company.

b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;** None

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

d) **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:** The Company has complied with all mandatory requirements of Listing Regulations and has implemented the following non mandatory requirements:

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

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

f) **Web link where policy on dealing with related party transactions:** www.simmondsmarshall.com

g) **Non Compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Para C of corporate governance report of schedule V annual report of listing regulations:** None

h) **Disclosure to the extent to which the discretionary requirements as specified in part e of schedule ii have been adopted:** As per Details Given under Point (d) – Non Mandatory Requirements.

i) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).** Not Applicable

j) **A certificate from M/s. GMJ & Associates, Company Secretary in practice have been obtained and certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.**

k) **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.** Not Applicable

l) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** Details relating to fees paid to the Statutory Auditors are given in Note 36 to the Standalone Financial Statements and Note 36 to the Consolidated Financial Statements.

m) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.** The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' report.

n) **Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report:** Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of SEBI Listing Regulations, required information has been hosted on the Company's website www.simmondsmarshall.com.

o) **Prevention of Insider Trading:**

The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading in securities of the Company by its employees and other connected persons. In Compliance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended time to time.

During the year, aforesaid Codes were amended to align them with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the amended Codes, the Company has also adopted requisite policies on determination of legitimate purpose and inquiry in case of leak or suspected leak of unpublished price sensitive information and the same are uploaded on the website of the Company www.simmondsmarshall.com

p) **CEO / CFO Certification:**

Managing Director/Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements),Regulations, 2015 for the financial year ended March 31, 2019 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

q) **Auditors' Certificate on Corporate Governance:**

The Company has obtained a Certificate from Mr. Mahesh Soni, Partner of M/s. GMJ & Associates, Company Secretaries of the Company regarding compliance with the provisions relating to the corporate governance laid down in the Listing Regulations. This Certificate is annexed to the report.

r) **Declaration:**

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2019.

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

Registered Office:
Mumbai-Pune Road,
Kasarwadi,
Pune -411 034.
May 28, 2019.

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended March 31, 2019.

S. J. MARSHALL
(DIN: 00085682)
CHAIRMAN

Place : Mumbai
Dated : May 28, 2019

CEO CERTIFICATION

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

Re: Financial Statements for the year 2018-19 – Certification by CEO

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

a. We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2019 and that to the best of my knowledge and belief :

 (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

 (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee that

 (i) There have been no significant changes in internal control over financial reporting during the year;

 (ii) There have been no significant changes in accounting policies during the year; and

 (iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

N.S. Marshall
Managing Director
(DIN: 00085754)

Vikash Verma
Chief Financial Officer

Place : Mumbai
Dated : May 28, 2019

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Simmonds Marshall Limited
Mumbai Pune Road
Kasarwadi
Pune - 411 034

We have examined the compliance of conditions of Corporate Governance by Simmonds Marshall Limited ('the Company') for the year ended on March 31, 2019 as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange.

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

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

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

For GMJ & Associates
Company Secretaries

MAHESH SONI
PARTNER
FCS:3706, COP:2324

Place: Mumbai
Dated: May 28, 2019

INDEPENDENT AUDITORS' REPORT

To The Members of Simmonds Marshall Limited

Opinion

We have audited the standalone financial statements of **Simmonds Marshall Limited** ("the Company"), which comprise of Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and profits, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	**Information Technology (IT) Systems and Controls** During the year, the Company has implemented SAP, a new Enterprise Resource Planning (ERP) System. The new system is fully integrated financial accounting and reporting system. The implementation of ERP has a risk of loss of integrity of key financial data being migrated and elimination of traditional controls without replacing them with the new effective controls measures, monitoring of IT controls which are relating to critical business processes such as purchase, production, sales, inventory and including recording of transactions, which could lead to financial errors or mis-statements and inaccurate financial reporting and also there is risk that automated accounting procedures and related IT manual controls might not work. We have accordingly designated this as a focus area in the audit.	**Audit procedures performed:** We have performed procedures to ensure the migration of financial data between old system and new system. Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing around the new ERP system. We also performed sufficient test of details as a part of our audit. We have performed the test of details for areas where the Management has implemented manual controls during the year including the continuing manual controls as at the year end. We have performed the test of controls regarding the appropriateness of system access and an effective maker and checker system built in the ERP system for proper authorizations of transactions and posting of accounting entries. The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the operations of ERP system for the purpose of the audit of the financial statements.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management responsibilities for the Standalone Financial Statements

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

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.

(c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March 2019 taken on records by the Board of Directors, none of the directors are disqualified as on 31st March 2019 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No.- 32 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
28th May, 2019

"ANNEXURE A"

ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGUALTORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE COMPANY"FOR THE YEAR ENDED 31ST MARCH, 2019

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).

   b) The Company has a regular programme of physical verification of its property, plant and equipment (fixed assets) by which all property, plant and equipment (fixed assets) are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment (fixed assets) were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification

   c) Based on the information and explanations given to us, there are no immovable properties owned by the Company. Accordingly, the provisions of clause 1(iii) of the Order are not applicable to the Company.

2. The inventory has been physically verified by the management at reasonable intervals during the year. As per the information and explanations given to us, discrepancies noticed on physical verification between the physical stocks and book records were not material.

3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.

4. During the year, the Company has not granted any loans, made any investment, provided guarantees or securities covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.

5. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under.

6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Act and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute except those mentioned in the table below:

Name of the statute	**Nature of dues**	**Period to which it relates**	**Amount (₹ in lakhs)**	**Forum where dispute is pending**
Income Tax Act, 1961	Income Tax	AY 2013-14	7.51	CIT (Appeal)
The Central Sales Tax, 1956	Central Sales Tax	FY 2012-13	53.54	Joint Commissioner of Sales Tax
The Central Sales Tax, 1956	Central Sales Tax	FY 2014-15	4.6	Deputy Commissioner of Sales Tax

8. The Company has not defaulted in repayment of loans or borrowings to banks, financial institutions during the year. Further, the Company has not taken any loans or borrowings from debenture holder and Government during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11. According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS (Refer Note no 39 to the standalone financial statements).
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
28th May, 2019

"ANNEXURE B"

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Simmonds Marshall Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
28th May, 2019

Standalone Balance Sheet as at March 31, 2019

Rs. in Lakhs

	Particulars	Note no.	As at March 31, 2019	As at March 31, 2018
A.	**Assets**			
	Non-current assets			
	Property, plant and equipment	2	2,412.45	2,482.40
	Capital work-in-progress	3	59.04	23.66
	Intangible assets	4	372.94	267.31
	Intangible assets under development		-	71.33
	Investments	5		
	- In subsidiaries, associates and joint ventures		409.59	405.89
	- Others		1.00	1.00
	Financial assets			
	- Loans	6	8.32	3.02
	- Other financial assets	7	32.21	36.84
	Income tax assets (net)		-	45.45
	Other non-current assets	8	267.55	37.16
	Total non-current assets		**3,563.10**	**3,374.06**
	Current assets			
	Inventories	9	5,922.83	3,648.87
	Financial assets			
	- Trade receivables	10	3,791.08	4,688.64
	- Cash and cash equivalents	11	32.58	6.16
	- Bank balances other than above	12	21.32	116.44
	- Loans	13	9.33	6.54
	- Other financial assets	14	13.34	4.56
	Current tax assets (net)		130.89	-
	Other current assets	15	240.00	157.52
	Total current assets		**10,161.37**	**8,628.73**
	TOTAL ASSETS		**13,724.47**	**12,002.79**
B.	**Equity and liabilities**			
	Equity			
	Equity Share Capital	16	224.00	224.00
	Other Equity	17	6,524.69	6,084.59
	Total equity		**6,748.69**	**6,308.59**
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Borrowings	18	1,194.67	970.37
	Deferred tax liabilities (Net)	42	163.23	193.90
	Provisions	19	83.67	41.95
	Total non-current liabilities		**1,441.56**	**1,206.22**
	Current liabilities			
	Financial liabilities			
	- Borrowings	20	2,245.20	1,434.73
	- Trade payables	21		
	(a) Total outstanding dues of micro & small enterprises		346.09	216.90
	(b) Total outstanding dues of creditors other than micro & small enterprises		2,435.24	2,291.41
	- Other financial liabilities	22	350.95	384.43
	Other current liabilities	23	38.99	57.63
	Provisions	19	117.74	102.87
	Total current liabilities		**5,534.22**	**4,487.97**
	Total equity and liabilities		**13,724.47**	**12,002.79**
	Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date
For LODHA & CO.
Firm Registration Number - 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership. No. 44101

For and on behalf of the Board of Directors

S J MARSHALL
Chairman
DIN: 00085682

N S MARSHALL
Managing Director
DIN: 00085754

V VERMA
Chief Financial Officer

N GUPTA
Company Secretary

Place: Mumbai
Date: May 28, 2019

Standalone Statement of Profit and Loss for the year ended March 31, 2019

Rs. in Lakhs

Particulars	Note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	24	18,178.47	17,500.76
Other income	25	87.92	79.50
Total Income		**18,266.39**	**17,580.26**
Expenses			
Cost of materials consumed	26	7,592.74	6,828.89
Purchases of traded goods		11.38	-
Changes in inventories of work-in progress and finished goods	27	(1,045.20)	(645.45)
Employee benefits expense	28	3,720.95	3,367.02
Finance costs	29	362.90	329.26
Depreciation and amortisation expense	30	449.41	395.50
Other expenses	31	6,400.37	5,863.85
Total expenses		**17,492.55**	**16,139.08**
Profit before taxation		**773.84**	**1,441.18**
Income tax expense			
Current tax		234.18	460.33
Deferred tax		(30.67)	(24.53)
Tax relating to earlier years		(6.26)	-
		197.25	435.80
Profit for the year		**576.59**	**1,005.39**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		58.16	56.08
Tax on above item		(16.18)	(16.33)
Other comprehensive income for the year, net of tax		**41.98**	**39.75**
Total comprehensive income for the year		**534.61**	**965.64**
Basic and diluted earnings per share (Face value of Rs. 2 each)	34	5.15	8.98
The accompanying notes are an integral part of these financial statements			

As per our report of even date
For LODHA & CO.
Firm Registration Number - 301051E
Chartered Accountants

For and on behalf of the Board of Directors

R. P. Baradiya
Partner
Membership. No. 44101

S J MARSHALL
Chairman
DIN: 00085682

N S MARSHALL
Managing Director
DIN: 00085754

V VERMA
Chief Financial Officer

N GUPTA
Company Secretary

Place: Mumbai
Date: May 28, 2019

Standalone Statement of Changes in Equity for the year ended March 31, 2019

(A) Equity Share Capital **(Rs. in Lakhs)**

Balance as at April 01, 2017	224.00
Changes in share capital during the year	-
Balance as at March 31, 2018	224.00
Changes in share capital during the year	-
Balance as at March 31, 2019	224.00

(B) Other Equity

	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income {Actuarial gains/ (losses)}	Total
Balance as at April 01, 2017	**154.00**	**530.00**	**4,538.92**	**(36.57)**	**5,186.35**
Profit for the year	-	-	1,005.39	-	1,005.39
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividend	-	-	(11.40)	-	(11.40)
Balance as at March 31, 2018	**154.00**	**530.00**	**5,476.91**	**(76.32)**	**6,084.59**
Profit for the year	-	-	576.59	-	576.59
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year	-	-	(78.40)	-	(78.40)
Tax on Dividend	-	-	(16.12)	-	(16.12)
Balance as at March 31, 2019	**154.00**	**530.00**	**5,958.99**	**(118.30)**	**6,524.69**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For LODHA & CO.
Firm Registration Number - 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership. No. 44101

For and on behalf of the Board of Directors

S J MARSHALL
Chairman
DIN: 00085682

N S MARSHALL
Managing Director
DIN: 00085754

V VERMA
Chief Financial Officer

N GUPTA
Company Secretary

Place: Mumbai
Date: May 28, 2019

Standalone Statement of Cash Flows for the year ended March 31, 2019

Rs. in Lakhs

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. Cash flow from Operating Activities:				
Net Profit before tax and extraordinary items		773.84		1,441.19
Adjustments for:				
Depreciation and Amortisation expense	449.41		395.50	
Remeasurement of defined benefit plan	(58.16)		(56.08)	
Bad Debts Written Off / Sundry Balances Written off (Net)	20.97		2.66	
Finance costs	362.90		329.26	
Provision for Expected Credit Loss	58.36		7.30	
Unrealised foreign exchange gain	14.40		(26.16)	
Profit on sale of Property, Plant and Equipment (net)	4.01		(5.01)	
Dividend Income	(0.12)		(0.15)	
Interest Income	(13.41)		(10.30)	
		838.36		637.02
		1,612.20		2,078.22
Operating Profit Before Working Capital Changes				
Movement in working capital:				
Decrease / (Increase) in Trade & Other Receivables	505.15		(794.01)	
Decrease / (Increase) in inventories	(2,273.96)		(513.02)	
Increase / (Decrease) in Trade Payables & Other Payables	220.91		786.68	
Increase / (Decrease) in Provisions	56.59		(49.72)	
		(1,491.31)		(570.07)
Cash generated from the operations		120.89		1,508.15
Direct tax paid (net)		332.79		420.94
Net Cash generated from / (used in) Operating Activities "A"		**(211.90)**		**1,087.21**
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	(446.62)		(412.99)	
Proceeds from sale of property, plant and equipment	2.61		8.90	
Investments in subsidiaries	(3.70)		(23.83)	
Investments in bank deposits (net)	95.12		103.34	
Interest Received	13.41		10.70	
Dividend Income	0.12		0.15	
Net Cash used in Investing Activities "B"		**(339.05)**		**(313.73)**
C. Cash Flow from Financing Activities				
Proceeds /(repayment) of long term borrowings	224.30		(350.54)	
Proceeds /(repayment) of short term borrowings	810.48		(88.23)	
Dividend & Dividend Tax	(94.52)		(67.40)	
Finance costs	(362.90)		(331.37)	
Net Cash used in Financing Activities "C"		**577.36**		**(837.54)**
Net Decrease in Cash & Cash Equivalent (A+B+C)		**26.41**		**(64.08)**
Cash & Cash equivalent at the beginning of the year		6.16		70.24
Cash & Cash equivalent as at end of the year (Refer Note No. 11)		**32.58**		**6.16**

As per our report of even date
For LODHA & CO.
Firm Registration Number - 301051E
Chartered Accountants

For and on behalf of the Board of Directors

R. P. Baradiya
Partner
Membership. No. 44101

S J MARSHALL
Chairman
DIN: 00085682

N S MARSHALL
Managing Director
DIN: 00085754

V VERMA
Chief Financial Officer

N GUPTA
Company Secretary

Place: Mumbai
Date: May 28, 2019

Notes to the financial statements

A. CORPORATE INFORMATION:

Simmonds Marshall Limited ('The Company') is a public limited company domiciled in India. Its shares are listed on BSE Limited (Bombay Stock Exchange). The Company is primarily engaged in the business of manufacture of Industrial Fasteners such as nuts, bolts etc.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

(i) Certain financial assets and liabilities are measured at Fair value (Refer note no.1.6)

(ii) Defined benefit employee plan (Refer note no. 1.12)

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2. Use of Estimates and judgements:

The preparation of the financial statements requires the Management to make, judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty.

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 41

(b) Estimation of current tax expenses and payable - Refer note no. - 42

3. Property, plant and equipment (PPE)

Property, plant and equipment (PPE) are capitalized on the day they are ready for use and are stated at cost less accumulated depreciation The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its ready intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Assets which are not ready for their intended use are disclosed under Capital Work-in-Progress.

4. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

5. Depreciation and Amortization:

(a) Property plant and equipment (PPE)

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Software is amortized over a period of 3 years

6. Financial Instruments:

Financial assets - Initial recognition:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering :

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

(i) Measured at amortised cost:

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

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Impairment

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For financial assets measured at FVTPL, there is no requirement of impairment testing.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee."

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

7. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

8. Inventory

Inventories includes Raw Material, Work-in-Progress, Finished goods, Stores & spares , Tools, Packing Materials and are valued at lower of cost and net realizable value.

Raw Materials and Packing Materials

Raw Material – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Work-in-Progress and Finished Goods

Cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis

Traded Goods

Stock in trade are valued at lower of cost and net realizable value. For this purpose cost is determined on weighted average cost basis. Cost includes cost of purchase and other direct costs incurred.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Adequate allowance is made for obsolete and slow moving items.

9. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

10. Foreign Currency Transactions:

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

11. REVENUE RECOGNITION

REVENUE FROM CONTRACTS WITH CUSTOMERS

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 11-5 (Ind AS 115J - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS Ll-S was insignificant.

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer 's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

Variable Consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration.

Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of goods:

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

Other Income

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

Contract balances:

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract.

12. Employee Benefits:

The Company has provided following post-employment plans:

(a) Defined benefit plans such as gratuity and

(b) Defined contribution plans such as Provident fund and Superannuation fund

a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the Statement of the Profit and Loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgement in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefits:

(a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

13. Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

14. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

15. Earnings Per Share:

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

16. Leases:

Where the Company is Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

Where the Company is Lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

17. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

Notes to the financial statements
Note 2 : Property, plant and equipment

Rs. in Lakhs

Particulars	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
Balance as at April 01, 2017	**141.76**	**2,475.62**	**20.32**	**127.59**	**13.04**	**21.60**	**19.52**	**2,819.45**
Additions	-	268.36	21.36	59.40	7.27	-	8.28	364.67
Disposals	-	(5.35)	-	(0.85)	(0.20)	-	-	(6.40)
Foreign currency exchange differences	-	(0.03)	-	-	-	-	-	(0.03)
Balance as at March 31, 2018	**141.76**	**2,738.60**	**41.68**	**186.14**	**20.11**	**21.60**	**27.80**	**3,177.69**
Additions	-	255.36	6.23	40.14	4.85	1.42	33.51	341.51
Disposals	-	-	-	(21.10)	-	-	-	(21.10)
Foreign currency exchange differences	-	9.17	-	-	-	-	-	9.17
Balance as at March 31, 2019	**141.76**	**3,003.13**	**47.91**	**205.18**	**24.96**	**23.02**	**61.31**	**3,507.27**
Accumulated depreciation								
Accumulated depreciation as at April 01, 2017	**6.32**	**271.33**	**4.29**	**23.72**	**2.78**	**8.87**	**7.59**	**324.90**
Depreciation charge for the year	6.63	314.32	6.11	29.77	4.59	3.43	8.05	372.90
Disposals	-	(1.90)	-	(0.61)	-	-	-	(2.51)
Accumulated depreciation as at March 31, 2018	**12.95**	**583.75**	**10.40**	**52.88**	**7.37**	**12.30**	**15.64**	**695.29**
Depreciation charge for the year	6.41	352.80	4.73	28.41	4.39	2.51	14.76	414.01
Disposals	-	-	-	(14.48)	-	-	-	(14.48)
Accumulated depreciation as at March 31, 2019	**19.36**	**936.55**	**15.13**	**66.81**	**11.76**	**14.81**	**30.40**	**1,094.82**
Net carrying amount as at March 31, 2018	**128.81**	**2,154.85**	**31.28**	**133.26**	**12.74**	**9.30**	**12.16**	**2,482.40**
Net carrying amount as at March 31, 2019	**122.40**	**2,066.58**	**32.78**	**138.37**	**13.20**	**8.21**	**30.91**	**2,412.45**

1. Refer note no. 18 and 20 for property, plant and equipment pledged as collateral security against bank borrowings.
2. Refer note no. 33 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

***Building has been constructed on land taken on rent owned by the promoters of the Company.**

Notes to the financial statements

Note 3 : Capital work-in-progress **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Property, plant and equipment under installation	59.04	23.66
	59.04	**23.66**

Note 4 : Other intangible assets

	Goodwill*	**Software**	**Royalty**	**Total**
Balance as at April 01, 2017	**267.30**	**5.56**	**90.72**	**363.58**
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at March 31, 2018	**267.30**	**5.56**	**90.72**	**363.58**
Additions	-	141.05	-	141.05
Disposals	-	-	-	-
Balance as at March 31, 2019	**267.30**	**146.61**	**90.72**	**504.63**
Accumulated ammortisation				
Balance as at April 01, 2017	-	5.56	68.11	73.67
Ammortisation expenses for the year	-	-	22.60	22.60
Disposals	-	-	-	-
Accumulated ammortisation as at March 31, 2018	-	5.56	90.71	96.27
Ammortisation expenses for the year	-	35.40	-	35.40
Disposals	-	-	-	-
Accumulated ammortisation as at March 31, 2019	-	40.96	90.71	131.67
Net carrying amount as at March 31, 2018	**267.30**	**-**	**0.01**	**267.31**
Net carrying amount as at March 31, 2019	**267.30**	**105.65**	**0.01**	**372.94**

***Business combination requires impairment testing of goodwill. The Company has done impairment testing of goodwill as on date of transition and no impairment is required. Thus, goodwill is not amortized and deemed cost for goodwill is gross carrying value as on date of transition.**

Notes to the financial statements

Non-current financial assets

Note 5 : Investments

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
In Equity instruments (Unquoted)		
Carried at deemed cost		
In partnership firm (subsidiary)		
Stud India (Refer note below)	397.80	394.10
In an associate		
Formex Private Limited	11.79	11.79
131,051 [as at March 31, 2018 - 131,051] shares of Rs.10 each fully paid up (Holding 49% ownership interest)		
Others		
Zoroastrian Co-op Bank Limited	1.00	1.00
4,000 [as at March 31, 2018 - 4,000] shares of Rs. 25 each fully paid up		
	410.59	**406.89**
Aggregate market value of quoted investments	-	-
Aggregate carrying value of quoted investments	-	-
Aggregate carrying value of unquoted investments	**410.59**	**406.89**

Note:-Details of investments in partnership firm (subsidiary)

Name of partnership firm (subsidiary)	Stud India

	Total Capital	
Name of Partners & Share in profits	**As at March 31, 2019**	**As at March 31, 2018**
Total Capital	401.82	398.08
Simmonds Marshall Limited - 99%	397.80	394.10
Mr. Navroze S. Marshall - 1%	4.02	3.98

Note 6 : Loans

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to employees	8.32	3.02
	8.32	**3.02**

Note 7 : Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Security deposits	32.21	36.84
	32.21	**36.84**

Notes to the financial statements

Note 8 : Other non-current assets

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Capital Advances	238.99	10.91
Prepayments	2.01	0.67
Balances with statutory/ government authorities	26.55	25.58
	267.55	**37.16**

Note 9 : Inventories

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials [including goods in transit of Rs.Nil [as at March 31, 2018 - Rs. 87.29 lakhs]	2,017.62	857.45
Work-in-progress	948.16	1,146.05
Finished goods [including goods in transit of Rs.893.84 lakhs [as at March 31, 2018 - Rs. 279.04 lakhs]	1,921.25	678.16
Stores and spares	13.22	7.72
Tools	1,015.05	958.06
Packing material	7.53	1.43
	5,922.83	**3,648.87**

1. Refer policy no 1.8 for basis of valuation and accounting policy followed
2. Refer note no 18 for inventories hypothecated as primary security against bank borrowings.

Note 10 : Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - Unsecured	3,791.08	4,688.64
Trade receivables which have significant increase in credit risk	87.46	29.10
Less: Provision for expected credit loss	(87.46)	(29.10)
	3,791.08	**4,688.64**

1. Refer note 18 for trade receivables charged against bank borrowings.
2. Refer note 44 for credit terms, ageing analysis and other relevant details related to trade receivables.
3. Trade receivables are net off bill discounting of Rs. 274.86 lakhs (as at March 31, 2018 - Rs.278.06 lakhs)

Note 11 : Cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.01	-
Balances with banks		
- In current accounts	32.57	6.16
	32.58	**6.16**

Notes to the financial statements

Note 12 : Bank balances other than above

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Bank balances other than above		
- In dividend accounts	10.71	11.94
- In deposit accounts		
a) Margin money deposit*	-	84.42
b) Margin money deposit**	10.61	20.08
	21.32	**116.44**

*Margin money deposits amounting to Rs Nil (as at March 31, 2018 - Rs.84.42 lakhs) are kept as lien as security against foreign currency loan - ECB (Refer note no 18(ii))

**Margin money deposit amounting to Rs 10.61 lakhs (as at March 31, 2018 - Rs.20.08 lakhs) are kept as lien as security against letter of credit.

Note 13 : Loans

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to employees	9.33	6.54
	9.33	**6.54**

Note 14 : Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Security deposits	7.54	-
Interest receivable on deposits	5.80	4.56
	13.34	**4.56**

Note 15 : Other current assets

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Advance to suppliers		
- Related parties	-	5.80
- Others	31.08	34.03
Advance to Employees	13.17	1.72
Prepayments	63.60	66.98
Export incentive receivables	59.19	48.99
Balances with statutory/ government authorities	72.96	-
	240.00	**157.52**

Notes to the financial statements

Note 16 : Equity share capital

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
5,00,00,000 equity shares of Rs 2 each	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid up		
1,12,00,000 equity shares of Rs. 2 each	224.00	224.00
	224.00	**224.00**

a) Reconciliation of number of shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
Balance as at the beginning of the year	1,12,00,000	224.00	1,12,00,000	224.00
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**1,12,00,000**	**224.00**	**1,12,00,000**	**224.00**

b) Rights of equity shareholders

The Company has one class of equity shares having a par value of Rs 2 per share. Each shareholder is eligible for one vote per share held. 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 shareholders.

c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of Holding	Nos.	% of Holding
Navroze S Marshall	15,18,548	13.56%	15,18,548	13.56%
Shiamak J Marshall	17,15,397	15.32%	15,32,965	13.69%
Maki S Marshall	16,87,435	15.07%	16,67,435	14.89%
Kamal I Panju	6,77,155	6.05%	7,17,155	6.40%
Kayan J Pandole	7,10,655	6.35%	7,10,655	6.35%
Clover Technologies Pvt. Ltd.	6,51,165	5.81%	6,27,504	5.60%

d) The Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

e) Dividend paid and proposed - Refer note no 45 (c)

Notes to the financial statements

Note 17 : Other Equity **Rs. in Lakhs**

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income {Other actuarial gains/ (losses)}	Total
Balance as at April 01, 2017	**154.00**	**530.00**	**4,538.92**	**(36.57)**	**5,186.35**
Profit for the year	-	-	1,005.39	-	1,005.39
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividends	-	-	(11.40)	-	(11.40)
Balance as at March 31, 2018	**154.00**	**530.00**	**5,476.91**	**(76.32)**	**6,084.59**
Profit for the year	-	-	576.59	-	576.59
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year	-	-	(78.40)	-	(78.40)
Tax on Dividends	-	-	(16.12)	-	(16.12)
Balance as at March 31, 2019	**154.00**	**530.00**	**5,958.99**	**(118.30)**	**6,524.69**

Nature & Purpose of the Reserve:

Securities premium: Securities premium is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Financial Liablities

Note 18 : Non Current Borrowinngs **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Term loans		
Secured		
From banks		
- Rupee loan (refer note (i (a) & (b)) below)	503.52	565.25
- Foreign currency loan - ECB (refer note (ii) below)	-	180.37
- Foreign currency loan - (refer note (iii) below)	426.40	-
- Vehicle loan (refer note (iv) below)	-	1.38
From a financial institution		
- Vehicle loan (refer note (v) below)	35.47	49.83
Unsecured		
Loans from related parties	515.00	539.00
	1,480.39	**1,335.83**
Less: Current maturities (refer note 22)		
- Rupee loan	(174.83)	(145.34)
- Foreign Currency loan	(71.07)	(180.37)
- Vehicle loan (From bank)	-	(1.38)
- Vehicle loan (From others)	(15.83)	(14.37)
- Loans from related parties	(24.00)	(24.00)
	1,194.67	**970.37**

Notes to the financial statements

Note: Nature of security and terms of repayment of borrowings (non-current and current):

No.	Terms of Repayment					
i. (a)	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Rupee loan	162.05	180.88	83.92	0.00	426.85
	Security	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank. Secured against the personal guarantee of the Managing Director of the Company.				
	Interest rate	10.50% to 12%				
i.(b)	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Rupee loan	12.78	12.78	12.78	38.33	76.67
	Security	Secured by exclusive charge on the assets acquired under the specific facility granted by the bank.				
	Interest rate	9.50%				
ii.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Foreign currency loan - ECB	-	-	-	-	-
	Security	a) Secured by first and exclusive charge on plant and machineries funded under the ECB b) Secured by fixed deposit amounting to Rs 84.42 lakhs kept with the bank c) Secured against the corporate guarantee of M/s. J.N. Marshall and Company (Engineering Dept.) and personal guarantee of Chairman and Managing director of the Company.				
	Interest rate	LIBOR + 5.75%				
iii.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Foreign currency loan	71.07	71.07	284.27	0.00	426.40
	Security	Secured by exclusive charge on the assets acquired under the specific facility granted by the bank.				
	Interest rate	5.50%				
iv.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Vehicle loan - From bank	-	-	-	-	-
	Security	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	10.50%				
v.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Vehicle loan - From Financial Institution	15.83	17.43	2.21	-	35.47
	Security	Secured by way of hypothecation of vehicles acquired under the specific facility granted by the finance company				
	Interest rate	9.50% to 9.99%				
vi.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	From related parties (Unsecured)	24.00	24.00	24.00	443.00	515.00
	Interest rate	8.50%				

Notes to the financial statements

Note 19 : Provisions **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Non-Current		
Provision for employee benefits		
Provision for compensated absences	83.67	41.95
	83.67	**41.95**
Current		
Provision for employee benefits		
Provision for gratuity	98.09	75.34
Provision for compensated absences	19.65	27.53
	117.74	**102.87**

Note 20 : Current borrowings **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Secured		
Loan from a bank, repayable on demand		
- Working capital loan	2,245.20	1,434.73
	2,245.20	**1,434.73**

Note:

(i) Working capital loans are secured by way of hypothecation of raw materials, finished goods, stores & spares, book debts etc. and pledge of 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) Working capital loan carries interest ranging 9.30% to 9.80% (as at 31st March, 2018 ranging 9.30% to 9.80%)

(iii) All loans are secured against the personal guarantee of Managing Director of the Company.

Note 21 : Trade payables **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Due to micro, small and medium enterprises*	346.09	216.90
Others	2,435.24	2,291.41
	2,781.33	**2,508.31**

*Refer note no. 37 for disclosure under Micro, Small and Medium Enterprise Development Act.

Note 22 : Other financial liabilities **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Current maturities of long term debt (Refer note 18)	285.72	365.46
Interest accrued but not due on borrowings	0.96	7.03
Payable for capital expenditure	53.56	-
Unpaid dividend	10.71	11.94
	350.95	**384.43**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Notes to the financial statements

Note 23 : Other current liabilities

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	0.83	4.71
Statutory dues	38.16	52.92
	38.99	**57.63**

Note 24 : Revenue from operations

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	17,785.09	17,170.21
Other operating revenue		
(i) Export incentive	73.97	70.19
(ii) Scrap sale	319.41	260.36
	18,178.47	**17,500.76**

Note 25 : Other income

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on deposits	5.46	10.30
Interest on Income tax refund	7.95	-
Share of profits from a partnership firm	3.70	23.83
Net gain on foreign currency transactions	-	40.17
Profit on disposal of property, plant and equipment	-	5.01
Dividend income on non-current investments	0.12	0.15
Compensation received from a customer	69.72	-
Miscellaneous income	0.97	0.04
	87.92	**79.50**

Note 26 : Cost of materials consumed

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw materials at the beginning of the year	857.45	952.33
Add: Purchases	8,752.91	6,734.01
Less: Raw materials at the end of the year	2,017.62	857.45
Raw materials consumed	**7,592.74**	**6,828.89**

Notes to the financial statements

Note 27 : Changes in inventories of work-in-progress and finished goods

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance		
Work-in-progress	1,146.05	748.63
Finished goods	678.16	497.17
	1,824.21	**1,245.80**
Closing balance		
Work-in-progress	948.16	1,146.05
Finished goods	1,921.25	678.16
	2,869.41	**1,824.21**
	(1,045.20)	**(578.41)**
Less: Excise Duty on opening and closing of finished goods (Net)	-	67.04
	(1,045.20)	**(645.45)**

Note 28 : Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	3,332.82	3,055.66
Contribution to provident funds & other funds	174.16	145.06
Staff welfare expense	213.97	166.30
	3,720.95	**3,367.02**

Note 29 : Finance costs

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	333.57	286.43
Other borrowing costs	29.33	37.15
Interest charges on unwinding of discount	-	5.68
	362.90	**329.26**

Note 30 : Depreciation and amortisation expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment	414.01	372.90
Amortization of other intangible assets	35.40	22.60
	449.41	**395.50**

Notes to the financial statements

Note 31 : Other expenses **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spare parts	171.67	134.08
Consumption of tools	982.13	968.77
Consumption of packing materials	139.58	147.33
Power and fuel	338.92	325.27
Job work charges	2,925.50	2,746.14
Rent	267.58	267.31
Repairs and maintenance		
Plant and equipments	101.07	125.83
Others	42.18	84.27
Rates and taxes excluding taxes on income	7.88	14.43
Insurance	14.16	12.95
Communication expenses	19.04	18.28
Travelling and conveyance	71.80	69.59
Printing and stationery	23.03	30.64
Legal and professional fees	213.58	178.27
Freight and forwarding expenses	842.22	632.13
Sales commission	0.32	0.48
Donations and contributions	0.25	-
Provision for expected credit loss	58.36	7.30
Bad Debts Written Off	20.97	-
Directors' sitting fees	0.90	1.10
Net loss on foreign currency transactions	48.63	-
Loss on disposal of property, plant and equipment	4.01	-
Corporate social responsibility expenses*	20.29	21.05
Miscellaneous expenses	86.30	78.64
	6,400.37	**5,863.85**

*Refer note no 38 details of corporate social responsibility expenditure incurred by the company

Note 32 : Contingent liabilities **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts		
(i) Disputed Income Tax matters	17.83	4.28
(ii) Disputed Sales Tax matters	58.19	65.13
	76.02	**69.41**

Note:- The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Notes to the financial statements

Note 33 : Commitments **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amounts of contracts remaining to be executed on capital account and not provided for:		
Property, plant and equipment (net of advances)	1,163.49	123.95
	1,163.49	**123.95**

Note 34 : Earnings Per share **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax available for equity shareholders (Rs in lakhs)	576.59	1,005.39
Weighted average number of equity shares	1,12,00,000	1,12,00,000
Nominal value of equity shares	2.00	2.00
Basic and diluted Earnings Per Share (in Rs.)	5.15	8.98

Note 35 : Segment Reporting

Business Segment

The Company's Board of Directors consisting of Managing Director together with the Chief Financial Officer has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of manufacture of Industrial Fasteners such as nuts, bolts etc. Since all these segments meet the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Geographical Segment

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

The accounting policy adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements.

Rs. in Lakhs

Information in respect of secondary segment	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from external customer		
India	16,078.03	15,390.11
Outside India	1,707.06	1,780.10
	17,785.09	**17,170.21**
Non Current Assets		
India	3,563.10	3,374.06
Outside India	-	-
	3,563.10	**3,374.06**

*There is no transaction with single export customer which amounts to 10% or more of the Company's revenue.

Notes to the financial statements

Note 36 : Auditors Remuneration

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
AUDITORS REMUNERATION (Excluding tax)		
Audit Fees	9.00	9.00
Limited Review	2.00	1.50
Certification	1.80	5.32
Reimbursement of out of pocket expenses	0.20	0.40
	13.00	**16.22**

Note 37 : Disclosure under MSMED Act, 2006

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
1) Principal amount outstanding	346.09	216.90
2) Principal amount due and remaining unpaid	228.62	-
3) Interest due on (2) above and the unpaid interest	5.39	-
4) Interest paid on all delayed payments under the MSMED Act.	5.39	-
5) Payment made beyond the appointed day during the year	-	-
6) Interest due and payable for the period of delay other than (4) above	-	-
7) Interest accrued and remaining unpaid	-	-
8) Amount of further interest remaining due and payable in succeeding years	-	-
	585.49	**216.90**

Note 38 : Corporate Social Responsibility

Gross amount required to be spent by the Company as per Section 135 of Companies Act, 2013 during the year is Rs 20.29 Lakhs (Previous year Rs 21.04 Lakhs - including unspent of Rs.2.59 lakhs for earlier years) and amount actually spent during the year is Rs 20.29 Lakhs (Previous year Rs 21.05 Lakhs), the details of which is as given below:

Rs. in Lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Construction/acquisition of any asset	-	-
On purposes other than above	20.29	21.05
	20.29	**21.05**

Notes to the financial statements

Note 39 : Related party transactions

A. Details of related parties

Name of related parties

Subsidiary
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)

Mr. V. Verma (Chief Financial Officer)

Mr. N. Gupta - (Company Secretary)

Companies and Enterprises in which KMP's / Relative of KMP's can exercise significant influence with whom transactions have been entered during the year

Corrodyne Coatings Pvt. Ltd.

J. N. Marshall & Co.(Steel Department)

J. N. Marsall & Co. (Custom House Clearing Agents)

J. N. Marshall Pvt. Ltd.

Marshall Real Estate and Investment Corporation

Marshall Charitable Foundation

Forbes Marshall Pvt. Ltd.

B. Related Party Transactions

Rs. in Lakhs

Particulars	**2018-19**	**2017-18**
Subsidiary		
Stud India - Partnership Firm		
Sales	8.87	18.43
Purchases	20.02	16.02
Associate Company		
Formex Private Limited		
Job work charges	1,467.95	1,045.36

Notes to the financial statements

Key Management Personnel (KMP) and relatives Remuneration

Particulars	2018-19	2017-18
Mr. S.J. Marshall	42.53	42.30
Mr. N.S. Marshall	57.07	53.43
Mr. I.M. Panju	3.24	3.24
Mr. V. Verma	30.74	31.73
Mr. N. Gupta	5.12	4.27
Interest paid		
Mr. S.J. Marshall	26.01	28.90
Mr. N.S. Marshall	14.23	17.10
Car hire charges		
Mr. N.S. Marshall	-	4.80

Enterprises in which KMP's / Relative of KMP's can exercise significant influence

Corrodyne Coatings Pvt. Ltd. - Plating charges	138.99	155.17
J. N. Marshall & Co.(Steel Dept.) - Rent	5.92	5.12
J. N. Marsall & Co. (C.H.C) - Clearing & forwarding charges	50.43	47.19
J. N. Marshall Pvt. Ltd. - Rent / Reimbursement	250.22	267.33
J. N. Marshall Pvt. Ltd. - Water charges	10.08	10.53
Forbes Marshall Pvt. Ltd. - Reimbursement	21.09	24.78
Marshall Charitable Foundation-corporate social responsibility expense	20.29	21.05

Outstanding balances	2018-19	2017-18
Subsidiary		
Stud India - Partnership Firm		
Outstanding balances		
Investments	397.80	394.10
Others	2.01	9.11
Associate Company		
Formex Private Limited		
Outstanding balances	76.25	4.43
Key Management Personnel (KMP) and relatives		
Outstanding Loan		
Mr. S.J. Marshall	340.00	340.00
Mr. N.S. Marshall	175.00	199.00

Notes to the financial statements

Enterprises in which KMP's / Relative of KMP's can exercise significant influence	2018-19	2017-18
Corrodyne Coatings Pvt. Ltd.	59.68	60.32
J. N. Marshall & Co. (C.H.C)	0.91	5.41
J. N. Marshall & Co.(Steel Dept.)	0.97	-
J. N. Marshall Pvt. Ltd.	43.51	4.35
Forbes Marshall Pvt. Ltd.	1.69	5.32

Notes:

(i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

(ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.

(iii) Related party relationships have been identified by the management and relied upon by the Auditors.

Note 40 : Lease Transactions

The Company's significant leasing arrangements are in respect of operating lease for premises. The period of agreement is generally for two to three years and is renewable by mutual consent. The aggregate lease rental expense recognised in statement of Profit & Loss for the year is Rs 267.58 lakhs (Previous year Rs 267.31 lakhs)

Total of future minimum lease rent payable under non-cancelleable leases is as follows :

Rs. in Lakh

Period	For the year ended March 31, 2019	For the year ended March 31, 2018
Payable within one year	262.18	258.58
Payable within two to five years	-	228.00
Payable beyond five years	-	-
	262.18	**486.58**

Note 41 : DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

i) Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under Group Gratuity Scheme.

Notes to the financial statements

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance Sheet **Rs. in Lakhs**

	Defined benefit plans	
	As at March 31, 2019	**As at March 31, 2018**
Present value of plan liabilities	417.14	339.69
Fair value of plan assets	319.05	264.35
Asset/(Liability) recognised	**(98.09)**	**(75.34)**

B. Movements in plan assets and plan liabilities

	Present value of obligations	**Fair Value of Plan assets**
As at 1st April 2018	339.69	264.35
Current service cost	25.87	-
Past service cost	-	-
Interest Cost/(Income)	26.05	20.28
Return on plan assets excluding amounts included in net finance income/cost	-	4.68
Actuarial (gain)/loss arising from changes in financial assumptions	10.80	-
Actuarial (gain)/loss arising from experience adjustments	52.04	-
Employer contributions	-	67.07
Benefit payments	(37.32)	(37.32)
As at 31st March 2019	**417.14**	**319.05**

	Present value of obligations	**Fair Value of Plan assets**
As at 1st April 2017	440.08	302.44
Current service cost	37.36	-
Past service cost	12.09	-
Interest Cost/(Income)	24.10	19.91
Return on plan assets excluding amounts included in net finance income/cost	-	(1.26)
Actuarial (gain)/loss arising from changes in financial assumptions	(31.44)	-
Actuarial (gain)/loss arising from experience adjustments	86.26	-
Employer contributions	-	172.02
Benefit payments	(228.76)	(228.76)
As at 31st March 2018	**339.69**	**264.35**

Notes to the financial statements

C. Statement of Profit and Loss

	As at March 31, 2019	As at March 31, 2018
Employee Benefit Expenses:		
Current service cost	25.87	37.36
Interest cost/(income)	5.77	4.19
Total amount recognised in Statement of Profit & Loss	**31.64**	**41.55**
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(4.68)	1.26
Actuarial gains/(losses) arising from changes in financial assumptions	10.80	(31.44)
Experience gains/(losses)	52.04	86.26
Total amount recognised in Other Comprehensive Income	**58.16**	**56.08**

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2019	As at March 31, 2018
Financial Assumptions		
Discount rate	7.79%	7.67%
Salary Escalation Rate	4.00%	3.50%
Demographic Assumptions		
Mortality in Service	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Mortality Rate	100%	100%
Attrition Rate	Upto 40 Yrs: 3% 41 to 50 Yrs : 2% 51 Yrs & above: 1%	Upto 40 Yrs: 3% 41 to 50 Yrs : 2% 51 Yrs & above: 1%
Retirement Age	58 & 60 Years	58 & 60 Years

Notes to the financial statements

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	1.00%	27.12	31.28
Salary Escalation Rate	1.00%	31.10	27.32

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

F. The defined benefit obligations shall mature after year end 31st March, 2019 as follows:

Rs. in Lakhs

Year ending March 31, 2019	**Defined benefit obligation**
2020	**84.14**
2021	**40.35**
2022	**14.61**
2023	**35.97**
2024	**29.52**
Thereafter	**157.05**

ii) **Compensated Absences:** The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as on 31st March 2019 performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

The disclosure in respect of the defined Compensated Absences are given below:

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Expenses recognised in Statement of Profit and Loss	47.02	27.10
Balance Sheet liability	103.32	69.48

Note 42 : Income taxes **Rs. in Lakhs**

(a) Tax expense recognised in the Statement of profit and loss

	Year ended March 31, 2019	**Year ended March 31, 2018**
Current tax		
Current year	234.18	460.33
Total current tax	**234.18**	**460.33**

Notes to the financial statements

Deferred tax		
Relating to origination and reversal of temporary difference	(30.67)	(24.53)
Total deferred income tax expense/(credit)	**(30.67)**	**(24.53)**
Previous Years		
Previous Years	(6.26)	-
	(6.26)	-
Total income tax expense/(credit)	**197.25**	**435.80**

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

Rs. in Lakhs

(b) Reconciliation of effective tax rate	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Profit before taxation	773.84	1,441.19
Enacted income tax rate in India	27.82%	34.61%
Tax at the enacted income tax rate	215.28	498.80
Tax effects of amounts which are not deductible in calculating taxable income:		
Donations	2.89	3.64
Due to rate differences	(15.41)	(59.81)
Others	0.75	(6.83)
Tax expense/ (credit)	**203.51**	**435.80**

(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2019:

Rs. in Lakhs

	As at April 01, 2017	**Credit/ (charge) in Statement of profit and loss**	**As at March 31, 2018**	**Credit/ (charge) in Statement of profit and loss**	**As at March 31, 2019**
Deferred tax assets/ (liabilities)					
Property, plant and equipment	(221.92)	51.44	(170.48)	(46.44)	(216.92)
Expenses allowed on payment basis	46.47	(22.91)	23.56	5.78	29.34
Amortisation of goodwill reversed	(48.57)	(7.78)	(56.35)	55.47	(0.88)
Financial assets at amortised cost	7.55	2.13	9.67	15.86	25.53
Financial liabilities at amortised cost	(1.97)	1.66	(0.31)	-	(0.31)
	(218.44)	**24.53**	**(193.90)**	**30.67**	**(163.23)**

Notes to the financial statements

Note 43 : Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

Rs. in Lakhs

	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
March 31, 2018					
Financial assets					
Trade receivables	-	-	4,688.64	4,688.64	4,688.64
Cash and cash equivalents	-	-	122.60	122.60	122.60
Others	-	-	41.41	41.41	41.41
Total	**-**	**-**	**4,852.64**	**4,852.64**	**4,852.64**
Financial liabilities					
Borrowings	-	-	2,405.09	2,405.09	2,405.09
Trade payables	-	-	-	-	-
Others financial liabilities	-	-	384.43	384.43	384.43
Total financial liabilities	**-**	**-**	**2,789.52**	**2,789.52**	**2,789.52**
March 31, 2019					
Financial assets					
Trade receivables	-	-	3,791.08	3,791.08	3,791.08
Cash and cash equivalents	-	-	53.90	53.90	53.90
Others	-	-	45.56	45.56	45.56
Total	**-**	**-**	**3,890.54**	**3,890.54**	**3,890.54**

Notes to the financial statements

Financial liabilities					
Borrowings	-	-	3,439.87	3,439.87	3,439.87
Trade payables	-	-	-	-	-
Others	-	-	350.95	350.95	350.95
Total financial liabilities	**-**	**-**	**3,790.83**	**3,790.83**	**3,790.83**

c. Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

• Level 1: quoted prices for identical instruments

• Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and

• Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

	Level 1	Level 2	Level 3
March 31, 2018			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
March 31, 2019			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the years.

Note 44 : Financial risk factors

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below

(a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short tem and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Company.

Notes to the financial statements

(i) Financing arrangements:

The Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Secured working capital credit facility from Banks	2,245.20	1,434.73

(ii) The following is the contractual maturities of the financial liabilities:

Rs. in Lakhs

	Carrying amount	1-12 months	more than 12 months
As at March 31, 2018			
Non-derivative liabilities			
Borrowings	2,405.09	1,434.73	970.37
Trade payables	2,508.30	2,508.30	-
Other financial liabilities	384.43	393.53	9.11

Rs. in Lakhs

	Carrying amount	1-12 months	more than 12 months
As at March 31, 2019			
Non-derivative liabilities			
Borrowings	3,439.87	2,245.20	1,194.67
Trade payables	2,781.32	2,781.32	-
Other financial liabilities	350.95	350.95	-

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies. The Company is not significantly exposed to foreign currency risk due to their limited transaction in the foreign currency.

Notes to the financial statements

Foreign currency exposure

	March 31, 2019		March 31, 2018	
	In Foreign Currency	(Rs. in lakhs)	In Foreign Currency	(Rs. in lakhs)
Receivable				
GBP	4,53,689	410.50	5,79,604	530.08
USD	96,122	66.49	48,057	31.25
Euro	10,613	8.24	9,984	8.00
Payable				
GBP	4,72,991	427.96	777	0.71
USD	4,56,677	315.88	6,26,044	407.08
JY	76,19,146	47.63	1,00,87,986	61.85
	March 31, 2019		**March 31, 2018**	
	1% Increase	**1% decrease**	**1% Increase**	**1% decrease**
Increase / (decrease) in loss	(0.34)	0.34	1.00	(1.00)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's long term borrowings have fixed rate of interest and are carried at amortised costs. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rate are disclosed in the respective notes to the financial statement of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Borrowings bearing fixed rate of interest	1,480.39	1,335.83
Borrowings bearing variable rate of interest	2,245.20	1,434.73
	3,725.59	**2,770.56**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Increase in basis points	50.00	50.00
Effect on profit before tax	(18.63)	(18.63)
Decrease in basis points	50.00	50.00
Effect on profit before tax	18.63	18.63

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

Notes to the financial statements

To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Rs. in Lakhs

Exposure to the Credit risks	**As at March 31, 2019**	**As at March 31, 2018**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	3,791.08	4,688.64

Trade and other receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days.
To assess whether there is a significant change / increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counter party.

(iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations

(iv) Significant increase in credit risk on other financial instruments of same counter party

Ageing of the accounts receivables

Rs. in Lakhs

	As at March 31, 2019	**As at March 31, 2018**
0-3 months	2,428.98	3,814.38
3-6 months	905.75	691.10
6-12 months	346.89	120.17
beyond 12 months	109.46	62.99
	3,791.08	**4,688.64**

Movement in provisions for expected credit loss **Rs. in Lakhs**

	As at March 31, 2019	**As at March 31, 2018**
Opening provision	29.10	21.80
Add: Additional provision made	58.36	7.30
Less: Provision write off/ reversed	-	-
Less: Provision utilised against bad debts	-	-
Closing provisions	**87.46**	**29.10**

Notes to the financial statements

Note 45 : Capital risk management

(a) The Company's objectives when managing capital are to :

- * safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- * maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Total equity attributable to equity shareholders of the Company	6,748.69	6,308.59
Net debt (Total borrowings less cash and cash equivalents)	3,726.55	3,726.55
Total capital (Borrowings and Equity)	**10,475.24**	**10,035.13**
Gearing ratio	**0.36**	**0.37**

(b) Assets pledged as security

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

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
First charge*		
Property, plant and equipment*	2,412.45	2,482.40
Trade receivables	3,791.08	4,688.64
Inventories	5,922.83	3,648.87

***Represents net book value.**

(c) Dividends

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy.

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Equity Shares		
Final dividend for the year ended March 31, 2018 of Rs. 0.70 Per fully paid up share (March 31, 2017 - Rs. 0.50) [Including dividend distribution tax of Rs. 16.12 lacs (as at 31-March 2017 - Rs. 11.40 lacs]	94.52	67.40

Notes to the financial statements

Rs. in Lakhs

	As at March 31, 2019	**As at March 31, 2018**
Dividends not recognised at the end of reporting period		
Since year end, the directors have recommended the payment of a final dividend of Rs. 0.50 per fully paid up equity share (March 31, 2018 - Rs. 0.70 per fully paid up equity shares) [Including dividend distribution tax of Rs. 11.51 lacs (as at 31-March 2018 - Rs. 16.12 lacs] The Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	67.51	94.52

(d) Net debt reconciliation **Rs. in Lakhs**

	As at March 31, 2019	**As at March 31, 2018**
Non-current borrowings	(1,194.67)	(970.37)
Current maturities of non-current borrowings	(285.72)	(365.46)
Current borrowings	(2,245.20)	(1,434.73)
Interest payable	(0.96)	(7.03)
Net Debt	(3,726.55)	(2,777.59)

Rs. in Lakhs

	Non-current borrowings	**Current maturities of non-current borrowings**	**Current borrowings**	**Interest payable**	**Total**
Net debt as at April 1, 2018	(970.37)	(365.46)	(1,434.73)	(7.03)	(2,777.59)
Cash flows	(224.30)	79.74	(810.48)	-	(955.04)
Finance costs	-	-	-	(362.90)	(362.90)
Interest paid	-	-	-	368.97	368.97
Net debt as at March 31, 2019	**(1,194.67)**	**(285.72)**	**(2,245.20)**	**(0.96)**	**(3,726.55)**

Note 46

Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

Notes to the financial statements

Note 47 : Recent Accounting Pronouncement

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – "Leases". Ind AS 116 will replace the existing leases standards Ind AS 17 – "Leases" and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lessee for both lessee and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all lessee with a term of more than 12 months, unless the underlying assets are of low value. Ind As 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

Ind AS 12 –"Income taxes" - Appendix C – Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.

Note 48

Post the applicability of Goods and Service Tax (GST) with effect from 01st July 2017, revenue from operations are disclosed net of GST, whereas Excise duty formed part of other expenses in previous year. Accordingly, the revenue from operations and other expenses for the year are not comparable with previous year.

Note 49

Previous year's figures have been regrouped / rearranged wherever necessary to conform the current year's classification.

Note 50

The financial statements were approved for issue by the Board of Directors on May 28, 2019.

For and on the behalf of board

S J MARSHALL
Chairman
DIN: 00085682

N S MARSHALL
Managing Director
DIN: 00085754

V VERMA
Chief Financial Officer

N GUPTA
Company Secretary

Place : Mumbai
Date: May 28, 2019

CONSOLIDATED ANNUAL REPORT 2018-19

INDEPENDENT AUDITORS' REPORT

To The Members of Simmonds Marshall Limited

Opinion

We have audited the accompanying consolidated financial statements of Simmonds Marshall Limited ("the Parent Company") and its subsidiary and an associate (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at 31st March 2019, the consolidated Statement of Profit & Loss (including other comprehensive income), the consolidated Statement of changes in equity and the consolidated Statement of cash flows for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included in the consolidated financial statements for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2019, its profits, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	**Allowance for sales returns** The Group sells its products through various channels like retailers, institutions, modern trade etc. The Group makes the allowance for sales returns based on the past experience in various channels and determines the quantum of allowance which requires significant estimation and judgement. In view of the above, the matter has been determined to be a key audit matter.	**Audit procedures performed:** • Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing for sales returns. We also performed sufficient test of details as a part of our audit. • Ensured the completeness of liability recognized by evaluating the actual returns in the past. • We have also assessed the reasonableness of the estimates and judgement applied to determine the quantum of the allowance. The combination of these tests of controls and procedures performed, gave us a sufficient evidence to rely on the assessment made by the management in respect of allowance for sales returns.

Information Other than the Consolidated Financial Statements and auditor's report thereon

The Parent Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Business responsibility Report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

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

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the respective company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements of the subsidiary included in the consolidated financial statements, whose financial statements reflects total assets of Rs 751.76 lakhs as at March 31, 2019 (as at March 31, 2018 Rs 744.09 lakhs), total revenue of Rs 1,289.92 lakhs, net profit of Rs 3.74 lakhs and net cash outflows of Rs 14.52 lakhs for the year ended March 31, 2019 (Revenue of Rs 1,302 lakhs, net profit of Rs 24.08 lakhs and net cash inflows of Rs 1.19 lakhs for the year ended March 31, 2018), as considered in the consolidated financial statements. The consolidated financial statement also include the group's share of net profit of Rs 9.64 lakhs (profit) for the year ended March 31,2019 (Rs 4.66 (Loss) for the year ended March 31, 2018) as considered in the consolidated financial statements , in respect of the associate whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and an associate, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements :

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law maintained by the Group have been kept so far as it appears from our examination of those books and records.

(c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2019 taken on record by the Board of Directors of the Parent Company, none of the directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, please refer annexure A of the consolidated audit report attached with the consolidated financial statements included in this annual report.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(b) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Group has disclosed the impact of pending litigations on its financial performance in its consolidated financial statements. Refer Note No.-33 to the consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
28th May, 2019

"ANNEXURE A"

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of Simmonds Marshall Limited (hereinafter referred to as "the Parent Company" and a subsidiary collectively referred to as "the Group").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group have broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For **LODHA & COMPANY**
Chartered Accountants
Firm registration No. – 301051E

R. P. Baradiya
Partner
Membership No. 44101

Mumbai
28th May, 2019

Consolidated Balance Sheet as at March 31, 2019

Rs. in Lakhs

	Particulars	Note no.	As at March 31, 2019	As at March 31, 2018
A.	**Assets**			
	Non-current assets			
	Property, plant and equipment	2	2,493.55	2,570.41
	Capital work-in-progress	3	59.04	23.66
	Intangible assets	4	372.94	267.31
	Intangible assets under development		-	71.33
	Investments	5		
	- In associate		16.77	7.13
	- Others		1.00	1.00
	Financial assets			
	- Loans	6	8.32	3.66
	- Other financial assets	7	33.79	38.42
	Income tax assets (net)		-	45.49
	Other non-current assets	8	267.55	37.16
	Total non-current assets		**3,252.96**	**3,065.57**
	Current assets			
	Inventories	9	6,303.83	4,002.47
	Financial assets			
	- Trade receivables	10	4,040.92	4,957.12
	- Cash and cash equivalents	11	50.76	9.81
	- Bank balances other than above	12	21.33	116.44
	- Loans	13	9.33	6.54
	- Other financial assets	14	13.34	4.56
	Current tax assets (net)		139.20	-
	Other current assets	15	249.75	164.16
	Total current assets		**10,828.46**	**9,261.10**
	TOTAL ASSETS		**14,081.42**	**12,326.67**
B.	**Equity and liabilities**			
	Equity			
	Equity Share Capital	16	224.00	224.00
	Other Equity	17	6,529.69	6,079.93
	Total equity attributable to the owner		**6,753.69**	**6,303.93**
	Non Controlling Interest		10.54	10.50
	Total equity		**6,764.23**	**6,314.43**
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	- Borrowings	18	1,194.67	970.37
	Deferred tax liabilities (Net)	42	169.15	200.75
	Provisions	19	83.67	41.95
	Total non-current liabilities		**1,447.48**	**1,213.07**
	Current liabilities			
	Financial liabilities			
	- Borrowings	20	2,255.20	1,444.73
	- Trade payables	21		
	(a) Total outstanding dues of micro & small enterprises		344.08	216.90
	(b) Total outstanding dues of creditors other than micro and small enterprises		2,748.00	2,578.01
	- Other financial liabilities	22	350.95	384.44
	Other current liabilities	23	53.73	70.04
	Provisions	19	117.74	105.05
	Total current liabilities		**5,869.71**	**4,799.17**
	Total equity and liabilities		**14,081.42**	**12,326.67**
	Significant accounting policies			
	The accompanying notes are an integral part of the financial statements	1		

As per our report of even date
For LODHA & CO.
Firm Registration Number - 301051E
Chartered Accountants

R. P. Baradiya
Partner
Membership. No. 44101

For and on behalf of the Board of Directors

S J MARSHALL
Chairman
DIN: 00085682

N S MARSHALL
Managing Director
DIN: 00085754

V VERMA
Chief Financial Officer

N GUPTA
Company Secretary

Place: Mumbai
Date: May 28, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Rs. in Lakhs

Particulars	Note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	24	19,469.20	18,764.77
Other income	25	84.22	60.58
Total Income		**19,553.42**	**18,825.35**
Expenses			
Cost of materials consumed	26	8,592.03	7,796.44
Purchases of traded goods		11.38	-
Changes in inventories of work-in progress and finished goods	27	(1,073.71)	(703.59)
Employee benefits expense	28	3,888.02	3,534.49
Finance costs	29	364.17	329.26
Depreciation and amortisation expense	30	457.64	403.62
Other expenses	31	6,538.32	6,012.93
Total expenses		**18,777.85**	**17,373.15**
Profit before taxation		**775.57**	**1,452.20**
Income tax expense			
Current tax		236.79	472.67
Deferred tax		(31.59)	(26.11)
Tax relating to earlier years		(6.26)	-
		198.95	**446.56**
Profit for the year		**576.62**	**1,005.64**
Share of profit/ (loss) from an associate		9.64	(4.66)
Total profit for the year		**586.27**	**1,000.98**
Attributable to -			
- Owners of the company		586.23	1,000.74
- Non-controlling interests		**0.04**	**0.24**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		58.16	56.08
Tax on above item		(16.18)	(16.33)
Other comprehensive income for the year, net of tax		41.98	39.75
Attributable to -			
- Owners of the company		41.98	39.75
- Non-controlling interests		-	-
Total comprehensive income for the year		**544.28**	**961.23**
Attributable to -			
- Owners of the company		544.24	960.99
- Non-controlling interests		0.04	0.24
Basic and diluted earnings per share (Face value of Rs. 2 each)	34	5.23	8.94

The accompanying notes are an integral part of these financial statements

As per our report of even date
For LODHA & CO.
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DIN: 00085754

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N GUPTA
Company Secretary

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Date: May 28, 2019

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

(A) Equity Share Capital **(Rs. in Lakhs)**

Balance as at April 01, 2017	224.00
Changes in share capital during the year	-
Balance as at March 31, 2018	224.00
Changes in share capital during the year	-
Balance as at March 31, 2019	224.00

(B) Other Equity

	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income {Actuarial gains/ (losses)}	Total
Balance as at April 01, 2017	**154.00**	**530.00**	**4,539.20**	**(36.56)**	**5,186.64**
Profit for the year	-	-	1,000.98	-	1,000.98
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividend	-	-	(11.40)	-	(11.40)
Balance as at March 31, 2018	**154.00**	**530.00**	**5,472.78**	**(76.31)**	**6,079.93**
Profit for the year	-	-	586.27	-	586.27
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year	-	-	(78.40)	-	(78.40)
Tax on Dividend	-	-	(16.12)	-	(16.12)
Balance as at March 31, 2019	**154.00**	**530.00**	**5,964.54**	**(118.29)**	**6,529.69**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For LODHA & CO.
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Company Secretary

Place: Mumbai
Date: May 28, 2019

Consolidated Statement of Cash Flows for the year ended March 31, 2019

Rs. in Lakhs

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. Cash flow from Operating Activities:				
Net Profit before tax and extraordinary items		775.57		1,452.20
Adjustments for:				
Depreciation and Amortisation expense	457.64		403.62	
Remeasurement of defined benefit plan	(58.16)		(56.08)	
Bad Debts Written Off / Sundry Balances Written off (Net)	20.97		2.66	
Finance costs	364.17		329.26	
Provision for Expected Credit Loss	58.36		7.30	
Unrealised foreign exchange gain	14.40		(26.16)	
Profit on sale of Property, Plant and Equipment (net)	4.01		(5.01)	
Dividend Income	(0.12)		(0.15)	
Interest Income	(13.41)		(15.21)	
		847.87		640.22
		1,623.44		2,092.42
Operating Profit Before Working Capital Changes				
Movement in working capital:				
Decrease / (Increase) in Trade & Other Receivables	521.33		(804.26)	
Decrease / (Increase) in inventories	(2,301.36)		(573.47)	
Increase / (Decrease) in Trade Payables & Other Payables	247.38		832.90	
Increase / (Decrease) in Provisions	54.40		(50.90)	
		(1,478.25)		(595.73)
Cash generated from the operations		145.19		1,496.69
Direct tax paid (net)		343.69		438.00
Net Cash generated from / (used in) Operating Activities "A"		**(198.50)**		**1,058.69**
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	(447.93)		(414.01)	
Proceeds from sale of property, plant and equipment	2.61		8.90	
Investments in bank deposits (net)	95.11		103.34	
Interest Received	13.41		15.21	
Dividend Income	0.12		0.15	
Net Cash used in Investing Activities "B"		**(336.67)**		**(286.41)**
C. Cash Flow from Financing Activities				
Proceeds /(repayment) of long term borrowings	224.30		(350.54)	
Proceeds /(repayment) of short term borrowings	810.48		(88.23)	
Dividend & Dividend Tax	(94.52)		(67.40)	
Finance costs	(364.17)		(331.37)	
Net Cash flow from / used in Financing Activities "C"		**576.09**		**(837.54)**
Net Decrease in Cash & Cash Equivalent (A+B+C)		**40.92**		**(65.28)**
Cash & Cash equivalent at the beginning of the year		9.81		75.08
Cash & Cash equivalent as at end of the year (Refer Note No. 11)		**50.76**		**9.81**

As per our report of even date
For LODHA & CO.
Firm Registration Number - 301051E
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For and on behalf of the Board of Directors

S J MARSHALL
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DIN: 00085682

N S MARSHALL
Managing Director
DIN: 00085754

V VERMA
Chief Financial Officer

N GUPTA
Company Secretary

Place: Mumbai
Date: May 28, 2019

Notes to the financial statements

A. CORPORATE INFORMATION:

Simmonds Marshall Limited ('The Parent Company') together with its subsidiary and associate (collectively referred to as the 'Group') is a public limited company domiciled in India. Its shares are listed on BSE Limited (Bombay Stock Exchange). The Group is primarily engaged in the business of manufacture of Industrial Fasteners such as nuts, bolts etc.

GROUP STRUCTURE

Name Of Company	Relationship	Holding/Interest
M/s Stud India	Subsidiary	99%
M/s. Formex Private Limited	Associate	49%

B. SIGNIFICANT ACCOUNTING POLICIES:

1(a). Basis of Preparation of Consolidated Financial Statements:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and other related provisions of the Act.

The figures for the previous year ended March 31, 2018 and opening balance sheet as on April 01, 2017 have also been reinstated by the management as per the requirements of Ind AS. These financial statements are the first financial statements of the group under Ind AS. Refer note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

The consolidated financial statements of the group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

(i) Certain financial assets and liabilities are measured at Fair value (Refer note no.1.6)

(ii) Defined benefit employee plan (Refer note no. 1.12)

All assets and liabilities have been classified as current or non current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

1(b) Principles of consolidation:

Subsidiary -

Subsidiary is an entity over which the group has control. There is no change in the ownership interest as compared to previous year. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

Investment in associate -

Associates are all entities over which the group has significant influences but not control or joint control. Investments in associate are accounted for using equity method accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Thus, the proportionate interest in the associate has been considered for preparation of the aforesaid consolidated financial statements.

2. Use of Estimates and judgements:

The preparation of the financial statements requires the Management to make, judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 41

(b) Estimation of current tax expenses and payable - Refer note no. - 42

3. Property, plant and equipment (PPE)

Property, plant and equipment (PPE) are capitalized on the day they are ready for use and are stated at cost less accumulated depreciation. The group had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at cost and is not depreciated. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its ready intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the group and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Assets which are not ready for their intended use are disclosed under Capital Work-in-Progress.

4. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

5. Depreciation and Amortization:

(a) Property plant and equipment (PPE)

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Software is amortized over a period of 3 years

6. Financial Instruments:

Financial assets - Initial recognition:

Financial assets are recognised when the group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering :

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

(i) Measured at amortised cost:

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

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Impairment

The group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the group does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the group recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the group reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For financial assets measured at FVTPL, there is no requirement of impairment testing.

Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement:

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts:

Financial guarantee contracts issued by the group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments

The group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

7. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

8. Inventory

Inventories includes Raw Material, Work-in-Progress, Finished goods, Stores & spares , Tools, Packing Materials and are valued at lower of cost and net realizable value.

Raw Materials and Packing Materials

Raw Material – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Work-in-Progress and Finished Goods

Cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average cost basis.

Traded Goods

Stock in trade are valued at lower of cost and net realizable value. For this purpose cost is determined on weighted average cost basis. Cost includes cost of purchase and other direct costs incurred.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

Adequate allowance is made for obsolete and slow moving items.

9. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

10. Foreign Currency Transactions:

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

11. REVENUE RECOGNITION

REVENUE FROM CONTRACTS WITH CUSTOMERS

Effective 01 April 2018, The Group has adopted Indian Accounting Standard 11-5 (Ind AS 115J - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS LI-S was insignificant.

The Group recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer 's creditworthiness.

Revenue is the transaction price the Group expects to be entitled to. In determining the transaction price, the Group considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Group considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration. The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Group. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Group reasonably estimates those. Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of goods:

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate.

Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims / Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue on certainty of receipt on prudent basis.

Rendering of services:

Revenue from sale of services are recognized when the services are rendered.

Other Income :

Dividend income on investments is recognised when the right to receive dividend is established. Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

Contract balances:
Trade Receivables:
A receivable represents The Group's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which The Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before The Group transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when The Group performs under the contract

12. Employee Benefits:

The group has provided following post-employment plans:

(a) Defined benefit plans such as gratuity and

(b) Defined contribution plans such as Provident fund and Superannuation fund

a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit and loss.

Re-measurement comprising of actuarial gains and losses arising from :

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income.

Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgement in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans. The group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefits:

(a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

13. Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the group will pay normal income-tax during the specified period. The group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that group will pay normal income-tax during the specified period.

14. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

15. Earnings Per Share:

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

16. Leases:

Where the Group is Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

Where the Group is Lessor

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The group recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

17. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

Notes to the financial statements
Note 2 : Property, plant and equipment

Rs. in Lakhs

Particulars	Freehold Land	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
Balance as at April 01, 2017	**8.71**	**142.83**	**2,559.01**	**29.77**	**127.59**	**13.52**	**21.60**	**19.52**	**2,922.55**
Additions	-	-	268.36	22.09	59.40	7.27	-	8.57	365.69
Disposals	-	-	(5.35)	-	(0.85)	(0.20)	-	-	(6.40)
Foreign currency exchange differences	-	-	(0.03)	-	-	-	-	-	(0.03)
Balance as at March 31, 2018	**8.71**	**142.83**	**2,821.99**	**51.87**	**186.14**	**20.59**	**21.60**	**28.09**	**3,281.81**
Additions	-	-	255.36	6.23	40.68	5.62	1.42	33.51	342.82
Disposals	-	-	-	-	(21.10)	-	-	-	(21.10)
Foreign currency exchange differences	-	-	9.17	-	-	-	-	-	9.17
Balance as at March 31, 2019	**8.71**	**142.83**	**3,086.52**	**58.10**	**205.72**	**26.21**	**23.02**	**61.60**	**3,612.70**
Accumulated depreciation									
Accumulated depreciation as at April 01, 2017	-	**6.34**	**278.22**	**5.47**	**23.72**	**2.88**	**8.87**	**7.59**	**333.09**
Depreciation charge for the year	-	6.65	321.09	7.33	29.77	4.69	3.43	8.06	381.02
Disposals	-	-	(1.90)	-	(0.61)	-	-	-	(2.51)
Accumulated depreciation as at March 31, 2018	**-**	**12.99**	**597.41**	**12.80**	**52.88**	**7.57**	**12.30**	**15.65**	**711.60**
Depreciation charge for the year	-	6.41	361.03	4.73	28.41	4.39	2.51	14.76	422.24
Disposals	-	-	-	-	(14.48)	-	-	-	(14.48)
Accumulated depreciation as at March 31, 2019	**-**	**19.40**	**958.44**	**17.53**	**66.81**	**11.96**	**14.81**	**30.41**	**1,119.36**
Net carrying amount as at March 31, 2018	**8.71**	**129.84**	**2,224.58**	**39.07**	**133.26**	**13.02**	**9.30**	**12.44**	**2,570.41**
Net carrying amount as at March 31, 2019	**8.71**	**123.43**	**2,128.08**	**40.57**	**138.91**	**14.25**	**8.21**	**31.19**	**2,493.55**

1. Refer note no. 18 and 20 for property, plant and equipment pledged as collateral security against bank borrowings.
2. Refer note no. 33 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

***Building has been constructed on land taken on rent owned by the promoters of the Group**

Notes to the financial statements

Note 3 : Capital work-in-progress

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment under installation	59.04	23.66
	59.04	**23.66**

Note 4 : Other intangible assets

	Goodwill*	Software	Royalty	Total
Balance as at April 01, 2017	**267.30**	**5.56**	**90.72**	**363.58**
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at March 31, 2018	**267.30**	**5.56**	**90.72**	**363.58**
Additions	-	141.05	-	141.05
Disposals	-	-	-	-
Balance as at March 31, 2019	**267.30**	**146.61**	**90.72**	**504.63**
Accumulated ammortisation				
Balance as at April 01, 2017	**-**	**5.56**	**68.11**	**73.67**
Ammortisation expenses for the year	-	-	22.60	22.60
Disposals	-	-	-	-
Accumulated ammortisation as at March 31, 2018	**-**	**5.56**	**90.71**	**96.27**
Ammortisation expense for the year	-	35.40	-	35.40
Disposals	-	-	-	-
Accumulated ammortisation as at March 31, 2019	**-**	**40.96**	**90.71**	**131.67**
Net carrying amount as at March 31, 2018	**267.30**	**-**	**0.01**	**267.31**
Net carrying amount as at March 31, 2019	**267.30**	**105.65**	**0.01**	**372.94**

***Business combination requires impairment testing of goodwill. The Group has done impairment testing of goodwill as on date of transition and no impairment is required. Thus, goodwill is not amortized and deemed cost for goodwill is gross carrying value as on date of transition.**

Notes to the financial statements

Non-current financial assets

Note 5 : Investments

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
In Equity instruments (Unquoted)		
In an associate		
Formex Private Limited		
131,051 [as at March 31, 2018 - 131,051] shares of Rs.10 each fully paid up (Holding 49% ownership interest)	11.79	11.79
Less: Share of loss from an associate upto March 31, 2018	(4.66)	-
Less: Share of profit from an associate for the year	9.64	(4.66)
Others		
Zoroastrian Co-op Bank Limited		
4,000 [as at March 31, 2018 - 4,000] shares of Rs. 25 each fully paid up	1.00	1.00
	17.77	**8.13**
Aggregate market value of quoted investments	**-**	-
Aggregate carrying value of quoted investments	**-**	-
Aggregate carrying value of unquoted investments	**17.77**	**8.13**

Note 6 : Loans

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to Employees	8.32	3.66
	8.32	**3.66**

Note 7 : Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Security deposits	33.79	38.42
	33.79	**38.42**

Note 8 : Other non-current assets

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Capital Advances	238.99	10.91
Prepayments	2.01	0.67
Balances with statutory/ government authorities	26.55	25.58
	267.55	**37.16**

Notes to the financial statements

Note 9 : Inventories

Rs. in Lakhs

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Raw materials [including goods in transit of Rs.Nil [as at March 31, 2018 - Rs. 87.29 lakhs]	2,151.04	991.98
Work-in-progress	1,119.90	1,365.12
Finished goods [including goods in transit of Rs.893.84 lakhs [as at March 31, 2018 - Rs. 279.04 lakhs]	1,997.08	678.16
Stores and spares	13.22	7.72
Tools	1,015.06	958.06
Packing material	7.53	1.43
	6,303.83	**4,002.47**

1. Refer policy no 1.8 for basis of valuation and accounting policy followed
2. Refer note no 18 for inventories hypothecated as primary security against bank borrowings.

Note 10 : Trade receivables **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Trade receivables considered good - Unsecured	4,040.92	4,957.12
Trade receivables which have significant increase in credit risk	87.46	29.10
Less: Provision for expected credit loss	(87.46)	(29.10)
	4,040.92	**4,957.12**

1. Refer note 18 for trade receivables charged against bank borrowings.
2. Refer note 44 for credit terms, ageing analysis and other relevant details related to trade receivables.
3. Trade receivables are net off bill discounting of Rs. 274.86 lakhs (as at March 31, 2018 - Rs.278.06 lakhs)

Note 11 : Cash and cash equivalents **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Cash on hand	0.29	0.01
Balances with banks		
- In current accounts	50.47	9.80
	50.76	**9.81**

Note 12 : Bank balances other than above **Rs. in Lakhs**

	As at March 31, 2019	**As at March 31, 2018**
Bank balances other than above		
- In dividend accounts	10.71	11.94
- In deposit accounts		
a) Margin money deposit*	-	84.42
b) Margin money deposit**	10.62	20.08
	21.33	**116.44**

Notes to the financial statements

*Margin money deposits amounting to Rs Nil (as at March 31, 2018 - Rs.84.42 lakhs) are kept as lien as security against foreign currency loan - ECB (Refer note no 18(ii))

**Margin money deposit amounting to Rs 10.62 lakhs (as at March 31, 2018 - Rs.20.08 lakhs) are kept as lien as security against letter of credit.

Note 13 : Loans **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Loans to employees	9.33	6.54
	9.33	**6.54**

Note 14 : Other financial assets **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Security deposits	7.54	-
Interest receivable on deposits	5.80	4.56
	13.34	**4.56**

Note 15 : Other current assets **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Advance to suppliers		
- Related parties	-	4.43
- Others	40.29	42.04
Advance to Employees	13.49	1.72
Prepayments	63.60	66.98
Export incentive receivables	59.19	48.99
Balances with statutory/ government authorities	73.17	-
	249.75	**164.16**

Note 16 : Equity share capital **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
5,00,00,000 equity shares of Rs 2 each	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, subscribed and fully paid up		
1,12,00,000 equity shares of Rs. 2 each	224.00	224.00
	224.00	**224.00**

Notes to the financial statements

a) Reconciliation of number of shares

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
Balance as at the beginning of the year	1,12,00,000	224.00	1,12,00,000	224.00
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	**1,12,00,000**	**224.00**	**1,12,00,000**	**224.00**

b) Rights of equity shareholders

The Parent Company has one class of equity shares having a par value of Rs 2 per share. Each shareholder is eligible for one vote per share held. 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 Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos.	% of Holding	Nos.	% of Holding
Navroze S Marshall	15,18,548	13.56%	15,18,548	13.56%
Shiamak J Marshall	17,15,397	15.32%	15,32,965	13.69%
Maki S Marshall	16,87,435	15.07%	16,67,435	14.89%
Kamal I Panju	6,77,155	6.05%	7,17,155	6.40%
Kayan J Pandole	7,10,655	6.35%	7,10,655	6.35%
Clover Technologies Pvt. Ltd.	6,51,165	5.81%	6,27,504	5.60%

d) The parent Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

e) Dividend paid and proposed - Refer note no 45 (c)

Note 17 : Other Equity **Rs. in Lakhs**

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income {Actuarial gains/(losses)}	Total
Balance as at April 01, 2017	**154.00**	**530.00**	**4,539.20**	**(36.56)**	**5,186.64**
Profit for the year	-	-	1,000.98	-	1,000.98
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividends	-	-	(11.40)	-	(11.40)
Balance as at March 31, 2018	**154.00**	**530.00**	**5,472.78**	**(76.31)**	**6,079.93**
Profit for the year	-	-	586.27	-	586.27
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year	-	-	(78.40)	-	(78.40)
Tax on Dividends	-	-	(16.12)	-	(16.12)
Balance as at March 31, 2019	**154.00**	**530.00**	**5,964.54**	**(118.29)**	**6,529.69**

Notes to the financial statements

Nature and Purpose of the Reserve:

Securities premium: Securities premium is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Financial Liablities

Note 18 : Non Current Borrowinngs **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Term loans		
Secured		
From banks		
- Rupee loan (refer note (i (a) & (b)) below)	503.52	565.25
- Foreign currency loan - ECB (refer note (ii) below)	-	180.37
- Foreign currency loan - (refer note (iii) below)	426.40	-
- Vehicle loan (refer note (iv) below)	-	1.38
From a financial institution		
- Vehicle loan (refer note (v) below)	35.47	49.83
Unsecured		
Loans from related parties	515.00	539.00
	1,480.39	**1,335.83**
Less: Current maturities (refer note 22)		
- Rupee loan	(174.83)	(145.34)
- Foreign Currency loan	(71.07)	(180.37)
- Vehicle loan (From bank)	-	(1.38)
- Vehicle loan (From others)	(15.83)	(14.37)
- Loans from related parties	(24.00)	(24.00)
	1,194.67	**970.37**

Note: Nature of security and terms of repayment of borrowings (non-current and current):

<table>
<tr><th>No.</th><th colspan="6">Terms of Repayment</th></tr>
<tr><td rowspan="4">i. (a)</td><td>Maturity period from date of Balance Sheet</td><td>0 - 1 year (current)</td><td>1 - 2 years</td><td>2 - 3 years</td><td>3 - 5 years</td><td>Total</td></tr>
<tr><td>Rupee loan</td><td>162.05</td><td>180.88</td><td>83.92</td><td>0.00</td><td>426.85</td></tr>
<tr><td>Security</td><td colspan="5">Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank. Secured against the personal guarantee of the Managing Director of the parent Company.</td></tr>
<tr><td>Interest rate</td><td colspan="5">10.50% to 12%</td></tr>
<tr><td rowspan="4">i.(b)</td><td>Maturity period from date of Balance Sheet</td><td>0 - 1 year (current)</td><td>1 - 2 years</td><td>2 - 3 years</td><td>3 - 5 years</td><td>Total</td></tr>
<tr><td>Rupee loan</td><td>12.78</td><td>12.78</td><td>12.78</td><td>38.33</td><td>76.67</td></tr>
<tr><td>Security</td><td colspan="5">Secured by exclusive charge on the assets acquired under the specific facility granted by the bank.</td></tr>
<tr><td>Interest rate</td><td colspan="5">9.50%</td></tr>
</table>

Notes to the financial statements

ii.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Foreign currency loan - ECB	-	-	-	-	-
	Security	a) Secured by first and exclusive charge on plant and machineries funded under the ECB b) Secured by fixed deposit amounting to Rs 84.42 lakhs kept with the bank c) Secured against the corporate guarantee of M/s. J.N. Marshall and Company (Engineering Dept.) and personal guarantee of Chairman and Managing director of the praent Company.				
	Interest rate	LIBOR + 5.75%				
iii.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Foreign currency loan	71.07	71.07	284.27	0.00	426.40
	Security	Secured by exclusive charge on the assets acquired under the specific facility granted by the bank.				
	Interest rate	5.50%				
iv.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Vehicle loan - From bank	-	-	-	-	-
	Security	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	10.50%				
v.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	Vehicle loan - From Financial Institution	15.83	17.43	2.21	-	35.47
	Security	Secured by way of hypothecation of vehicles acquired under the specific facility granted by the finance company				
	Interest rate	9.50% to 9.99%				
vi.	**Maturity period from date of Balance Sheet**	**0 - 1 year (current)**	**1 - 2 years**	**2 - 3 years**	**3 - 5 years**	**Total**
	From related parties (Unsecured)	24.00	24.00	24.00	443.00	515.00
	Interest rate	8.50%				

Note 19 : Provisions **Rs. in Lakhs**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Non-Current		
Provision for employee benefits		
Provision for compensated absences	83.67	41.95
	83.67	**41.95**
Current		
Provision for employee benefits		
Provision for gratuity	98.09	77.52
Provision for compensated absences	19.65	27.53
	117.74	**105.05**

Notes to the financial statements

Note 20 : Current borrowings

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Loan from a bank, repayable on demand		
- Working capital loan	2,255.20	1,434.73
Unsecured		
- From a related party	-	10.00
	2,255.20	**1,444.73**

Note:

(i) Working capital loans are secured by way of hypothecation of raw materials, finished goods, stores & spares, book debts etc. and pledge of 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) Working capital loan carries interest ranging 9.30% to 9.80% (as at 31st March, 2018 ranging 9.30% to 9.80%)

(iii) All loans are secured against the personal guarantee of Managing Director of the parent Company.

Note 21 : Trade payables

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Due to micro, small and medium enterprises*	344.08	216.90
Others	2,748.00	2,578.01
	3,092.08	**2,794.92**

*Refer note no. 37 for disclosure under Micro, Small and Medium Enterprise Development Act.

Note 22 : Other financial liabilities

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long term debt (Refer note 18)	285.72	365.46
Interest accrued but not due on borrowings	0.96	7.04
Payable for capital expenditure	53.56	-
Unpaid dividend	10.71	11.94
	350.95	**384.44**

*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 23 : Other current liabilities

Rs. in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	6.61	4.71
Statutory dues	47.12	65.33
	53.73	**70.04**

Notes to the financial statements

Note 24 : Revenue from operations **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	19,075.83	18,423.68
Other operating revenue		
(i) Export incentive	73.97	70.19
(ii) Scrap sale	319.40	270.90
	19,469.20	**18,764.77**

Note 25 : Other income **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on deposits	5.46	15.21
Interest on Income tax refund	7.95	-
Share of profits from a partnership firm	-	40.17
Net gain on foreign currency transactions	-	5.01
Profit on disposal of property, plant and equipment	-	0.15
Dividend income on non-current investments	0.12	0.04
Compensation received from a customer	69.72	-
Miscellaneous income	0.97	-
	84.22	**60.58**

Note 26 : Cost of materials consumed **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw materials at the beginning of the year	991.98	1,084.56
Add: Purchases	9,751.09	7,703.86
Less: Raw materials at the end of the year	2,151.04	991.98
Raw materials consumed	**8,592.03**	**7,796.44**

Note 27 : Changes in inventories of work-in-progress and finished goods **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening balance		
Work-in-progress	1,365.12	909.55
Finished goods	678.16	497.17
	2,043.28	**1,406.72**
Closing balance		
Work-in-progress	1,119.90	1,365.12
Finished goods	1,997.08	678.16
	3,116.99	**2,043.28**
	(1,073.71)	**(636.55)**
Less: Excise Duty on opening and closing of finished goods (Net)	-	67.04
	(1,073.71)	**(703.59)**

Notes to the financial statements

Note 28 : Employee benefits expense — **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	3,462.09	3,184.06
Contribution to provident funds & other funds	187.72	160.48
Staff welfare expense	238.20	189.95
	3,888.02	**3,534.49**

Note 29 : Finance costs — **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	334.85	286.43
Other borrowing costs	29.32	37.15
Interest charges on unwinding of discount	-	5.68
	364.17	**329.26**

Note 30 : Depreciation and amortisation expense — **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment	422.24	381.02
Amortization of other intangible assets	35.40	22.60
	457.64	**403.62**

Note 31 : Other expenses — **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spare parts	171.67	134.08
Consumption of tools	982.13	968.77
Consumption of packing materials	139.58	147.33
Power and fuel	352.33	340.53
Job work charges	2,950.85	2,775.76
Rent	290.98	283.21
Repairs and maintenance		
Plant and equipments	105.67	131.29
Others	48.83	88.96
Rates and taxes excluding taxes on income	9.49	14.74
Insurance	14.16	12.99
Communication expenses	19.84	19.62
Travelling and conveyance	74.15	72.53
Printing and stationery	25.95	30.64
Legal and professional fees	220.58	182.66
Freight and forwarding expenses	880.56	679.24
Sales commission	0.32	0.48
Donations and contributions	0.26	-
Provision for expected credit loss	58.36	7.30

Notes to the financial statements **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bad Debts Written Off	20.97	-
Directors' sitting fees	0.90	1.10
Net loss on foreign currency transactions	48.63	-
Loss on disposal of property, plant and equipment	4.01	-
Corporate social responsibility expenses*	20.29	21.05
Miscellaneous expenses	97.78	100.65
	6,538.32	**6,012.93**

*Refer note no 38 details of corporate social responsibility expenditure incurred by the parent company

Note 32 : Contingent liabilities **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debts		
(i) Disputed Income Tax matters	17.83	4.28
(ii) Disputed Sales Tax matters	58.19	65.13
	76.02	**69.41**

Note:- The Group's pending litigations comprise of claims against the Group and proceedings pending with tax and other authorities. the Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. the Group does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

Note 33 : Commitments **Rs. in Lakhs**

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amounts of contracts remaining to be executed on capital account and not provided for:		
Property, plant and equipment (net of advances)	1,163.49	123.95
	1,163.49	**123.95**

Note 34 : Earnings Per share **Rs. in Lakhs**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax available for equity shareholders (Rs in lakhs)	586.27	1,000.98
Weighted average number of equity shares	1,12,00,000	1,12,00,000
Nominal value of equity shares	2.00	2.00
Basic and diluted Earnings Per Share (in Rs.)	5.23	8.94

Notes to the financial statements

Note 35 : Segment Reporting

Business Segment

The Parent Company's Board of Directors consisting of Managing Director together with the Chief Financial Officer has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators. The Group is primarily engaged in the business of manufacture of Industrial Fasteners such as nuts, bolts etc. Since all these segments meet the aggregation criteria as per the requirements of Ind AS 108 on 'Operating segments', the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

Geographical Segment

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

The accounting policy adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements. **Rs. in Lakhs**

Information in respect of secondary segment	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Revenue from external customer		
India	17,368.77	16,643.58
Outside India	1,707.06	1,780.10
	19,075.83	**18,423.68**
Non Current Assets		
India	3,252.96	3,065.57
Outside India	-	-
	3,252.96	**3,065.57**

*There is no transaction with single export customer which amounts to 10% or more of the Group's revenue.

Note 36 : Auditors Remuneration **Rs. in Lakhs**

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
AUDITORS REMUNERATION (Excluding tax)		
Audit Fees	10.40	10.40
Limited Review	2.00	1.50
Certification	4.41	7.90
Reimbursement of out of pocket expenses	0.20	0.40
	17.01	**20.19**

Notes to the financial statements

Note 37 : Disclosure under MSMED Act, 2006

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Group are as under:

Rs. in Lakhs

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
1) Principal amount outstanding	344.08	216.90
2) Principal amount due and remaining unpaid	228.62	-
3) Interest due on (2) above and the unpaid interest	5.39	-
4) Interest paid on all delayed payments under the MSMED Act.	5.39	-
5) Payment made beyond the appointed day during the year	-	-
6) Interest due and payable for the period of delay other than (4) above	-	-
7) Interest accrued and remaining unpaid	-	-
8) Amount of further interest remaining due and payable in succeeding years	-	-

Note 38 : Corporate Social Responsibility

Gross amount required to be spent by the Parent Company as per Section 135 of Companies Act, 2013 during the year is Rs 20.29 Lakhs (Previous year Rs 21.04 Lakhs - including unspent of Rs.2.59 lakhs for earlier years) and amount actually spent during the year is Rs 20.29 Lakhs (Previous year Rs 21.05 Lakhs), the details of which is as given below:

Rs. in Lakhs

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Construction/acquisition of any asset	-	-
On purposes other than above	20.29	21.05
	20.29	**21.05**

Note 39 : Related party transactions

A. Details of related parties

Name of related parties

Subsidiary

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)

Mr. V. Verma (Chief Financial Officer)

Mr. N. Gupta - (Company Secretary)

Notes to the financial statements

Companies and Enterprises in which KMP's / Relative of KMP's can exercise significant influence with whom transactions have been entered during the year

Corrodyne Coatings Pvt. Ltd.

J. N. Marshall & Co.(Steel Department)

J. N. Marsall & Co. (Custom House Clearing Agents)

J. N. Marshall Pvt. Ltd.

Marshall Real Estate and Investment Corporation

Marshall Charitable Foundation

Forbes Marshall Pvt. Ltd.

B. Related Party Transactions

Rs. in Lakhs

Particulars	**2018-19**	**2017-18**
Associate Company		
Formex Private Limited		
Job work charges	1,467.95	1,045.36
Key Management Personnel (KMP) and relatives Remuneration		
Mr. S.J. Marshall	42.53	42.30
Mr. N.S. Marshall	57.07	68.01
Mr. I.M. Panju	4.21	4.21
Mr. V. Verma	30.74	31.73
Mr. N. Gupta	5.12	4.27
Interest paid		
Mr. S.J. Marshall	26.01	28.90
Mr. N.S. Marshall	14.23	17.10
Car hire charges		
Mr. N.S. Marshall	-	4.80
Enterprises in which KMP's / Relative of KMP's can exercise significant influence		
Corrodyne Coatings Pvt. Ltd. - Plating charges	138.99	155.17
J. N. Marshall & Co.(Steel Dept.) - Rent	5.92	5.12
J. N. Marsall & Co. (C.H.C) - Clearing & forwarding charges	50.43	47.19
J. N. Marshall Pvt. Ltd. - Rent / Reimbursement	250.22	267.33
J. N. Marshall Pvt. Ltd. - Water charges	10.08	10.53
Forbes Marshall Pvt. Ltd. - Reimbursement	21.09	24.78
Marshall Charitable Foundation-corporate social responsibility expense	20.29	21.05

Notes to the financial statements

Outstanding balances	2018-19	2017-18
Associate Company		
Formex Private Limited		
Outstanding balances	76.25	4.43
Key Management Personnel (KMP) and relatives Outstanding Loan		
Mr. S.J. Marshall	340.00	340.00
Mr. N.S. Marshall	175.00	199.00
Enterprises in which KMP's / Relative of KMP's can exercise significant influence	**2018-19**	**2017-18**
Corrodyne Coatings Pvt. Ltd.	59.68	60.32
J. N. Marshall & Co. (C.H.C)	0.91	5.41
J. N. Marshall & Co.(Steel Dept.)	0.97	-
J. N. Marshall Pvt. Ltd.	43.51	4.35
J. N. Marshall Engineering Pvt. Ltd.	10.00	10.00
Forbes Marshall Pvt. Ltd.	1.69	5.32

Notes:

(i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

(ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.

(iii) Related party relationships have been identified by the management and relied upon by the Auditors.

Note 40 : Lease Transactions

The Group's significant leasing arrangements are in respect of operating lease for premises. The period of agreement is generally for two to three years and is renewable by mutual consent. The aggregate lease rental expense recognised in statement of Profit & Loss for the year is Rs 267.58 lakhs (Previous year Rs 246.40 lakhs)

Total of future minimum lease rent payable under non-cancelleable leases is as follows :

Rs. in Lakh

Period	For the year ended March 31, 2019	For the year ended March 31, 2018
Payable within one year	262.18	258.58
Payable within two to five years	-	228.00
Payable beyond five years	-	-
	262.18	**486.58**

41 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

i) Gratuity: In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and

Notes to the financial statements

the Group makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under Group Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance Sheet **Rs. in Lakhs**

	Defined benefit plans	
	As at March 31, 2019	**As at March 31, 2018**
Present value of plan liabilities	417.14	339.69
Fair value of plan assets	319.05	264.35
Asset/(Liability) recognised	**(98.09)**	**(75.34)**

B. Movements in plan assets and plan liabilities

	Present value of obligations	**Fair Value of Plan assets**
As at 1st April 2018	339.69	264.35
Current service cost	25.87	-
Past service cost	-	-
Interest Cost/(Income)	26.05	20.28
Return on plan assets excluding amounts included in net finance income/cost	-	4.68
Actuarial (gain)/loss arising from changes in financial assumptions	10.80	-
Actuarial (gain)/loss arising from experience adjustments	52.04	-
Employer contributions	-	67.07
Benefit payments	(37.32)	(37.32)
As at 31st March 2019	**417.14**	**319.05**

	Present value of obligations	**Fair Value of Plan assets**
As at 1st April 2017	440.08	302.44
Current service cost	37.36	-
Past service cost	12.09	-
Interest Cost/(Income)	24.10	19.91
Return on plan assets excluding amounts included in net finance income/cost	-	(1.26)
Actuarial (gain)/loss arising from changes in financial assumptions	(31.44)	-
Actuarial (gain)/loss arising from experience adjustments	86.26	-
Employer contributions	-	172.02
Benefit payments	(228.76)	(228.76)

As at 31st March 2018	**339.69**	**264.35**

Notes to the financial statements

C. Statement of Profit and Loss

	As at March 31, 2019	As at March 31, 2018
Employee Benefit Expenses:		
Current service cost	25.87	37.36
Interest cost/(income)	5.77	4.19
Total amount recognised in Statement of Profit & Loss	**31.64**	**41.55**
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(4.68)	1.26
Actuarial gains/(losses) arising from changes in financial assumptions	10.80	(31.44)
Experience gains/(losses)	52.04	86.26
Total amount recognised in Other Comprehensive Income	**58.16**	**56.08**

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2019	As at March 31, 2018
Financial Assumptions		
Discount rate	7.79%	7.67%
Salary Escalation Rate	4.00%	3.50%
Demographic Assumptions		
Mortality in Service	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Mortality Rate	100%	100%
Attrition Rate	Upto 40 Yrs: 3% 41 to 50 Yrs : 2% 51 Yrs & above: 1%	Upto 40 Yrs: 3% 41 to 50 Yrs : 2% 51 Yrs & above: 1%
Retirement Age	58 & 60 Years	58 & 60 Years

Notes to the financial statements

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Impact on defined benefit obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate	1.00%	27.12	31.28
Salary Escalation Rate	1.00%	31.10	27.32

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

F. The defined benefit obligations shall mature after year end 31st March, 2019 as follows:

Rs. in Lakhs

Year ending March 31, 2019	Defined benefit obligation
2020	**84.14**
2021	**40.35**
2022	**14.61**
2023	**35.97**
2024	**29.52**
Thereafter	**157.05**

ii) Compensated Absences: The Group permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Group, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as on 31st March 2019 performed by an independent actuary. The Group doesn't maintain any plan assets to fund its obligation towards compensated absences.

The disclosure in respect of the defined Compensated Absences are given below:

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses recognised in Statement of Profit and Loss	47.02	27.10
Balance Sheet liability	103.32	69.48

Note 42 : Income taxes **Rs. in Lakhs**

(a) Tax expense recognised in the Statement of profit and loss

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
Current year	236.79	472.67

Notes to the financial statements

Total current tax	**236.79**	**472.67**
Deferred tax		
Relating to origination and reversal of temporary difference	(31.59)	(26.11)
Total deferred income tax expense/(credit)	**(31.59)**	**(26.11)**
Previous Years		
Previous Years	(6.26)	-
	(6.26)	-
Total income tax expense/(credit)	**198.94**	**446.56**

A reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows :

Rs. in Lakhs

(b) Reconciliation of effective tax rate	**Year ended March 31, 2019**	**Year ended March 31, 2018**
Profit before taxation	775.57	1,452.20
Enacted income tax rate in India	27.82%	34.61%
Tax at the enacted income tax rate	215.76	502.61
Tax effects of amounts which are not deductible in calculating taxable income:		
Donations	2.89	3.64
Due to rate differences	(20.46)	(59.81)
Others	0.75	0.12
Tax expense/ (credit)	**198.94**	**446.56**

(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2019:

Rs. in Lakhs

	As at April 01, 2017	**Credit/ (charge) in Statement of profit and loss**	**As at March 31, 2018**	**Credit/ (charge) in Statement of profit and loss**	**As at March 31, 2019**
Deferred tax assets/ (liabilities)					
Property, plant and equipment	(231.48)	52.33	(179.15)	(45.51)	(224.66)
Expenses allowed on payment basis	47.61	(22.22)	25.39	5.78	31.17
Amortisation of goodwill reversed	(48.57)	(7.78)	(56.35)	55.47	(0.88)
Financial assets at amortised cost	7.55	2.13	9.67	15.86	25.53

Notes to the financial statements

Financial liabilities at amortised cost	(1.97)	1.66	(0.31)	-	(0.31)
	(226.86)	**26.11**	**(200.75)**	**31.60**	**(169.15)**

Note 43 : Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

Rs. in Lakhs

	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
March 31, 2018					
Financial assets					
Trade receivables	-	-	4,957.12	4,957.12	4,957.12
Cash and cash equivalents	-	-	126.25	126.25	126.25
Others	-	-	55.21	55.21	55.21
Total	**-**	**-**	**5,138.57**	**5,138.57**	**5,138.57**
Financial liabilities					
Borrowings	-	-	2,415.10	2,415.10	2,415.10
Trade payables	-	-	2,772.29	2,772.29	2,772.29
Others	-	-	405.94	405.94	405.94
Total financial liabilities	**-**	**-**	**5,593.33**	**5,593.33**	**5,593.33**
March 31, 2019					
Financial assets					
Trade receivables	-	-	4,040.92	4,040.92	4,040.92
Cash and cash equivalents	-	-	72.09	72.09	72.09
Others	-	-	47.15	47.15	47.15
Total	**-**	**-**	**4,160.14**	**4,160.14**	**4,160.14**
Financial liabilities					
Borrowings	-	-	3,449.87	3,449.87	3,449.87
Trade payables	-	-	3,092.08	3,092.08	3,092.08

Others	-	-	350.95	350.95	350.95
Total financial liabilities	**-**	**-**	**6,892.90**	**6,892.90**	**6,892.90**

c. Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

• Level 1: quoted prices for identical instruments

• Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and

• Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

	Level 1	**Level 2**	**Level 3**
March 31, 2018			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
March 31, 2019			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the years.

Note 44 : Financial risk factors

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The purpose of these financial liabilities is to finance the Group's operations and to provide to support its operations. The Group's principal financial assets trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below

(a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

Notes to the financial statements

The Group manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short tem and long term liabilities as and when due. Anticipated future cash flows, undrawn committed credit facilities are expected to be sufficient to meet the liquidity requirements of the Group.

(i) Financing arrangements:

The Group has access to the following undrawn borrowing facilities as at the end of the reporting period:

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Secured working capital credit facility from Banks	2,255.20	2,253.17

(ii) The following is the contractual maturities of the financial liabilities:

Rs. in Lakhs

	Carrying amount	1-12 months	more than 12 months
As at March 31, 2018			
Non-derivative liabilities			
Borrowings	2,415.09	1,444.73	970.37
Trade payables	2,794.91	2,794.91	-
Other financial liabilities	384.44	356.81	(27.63)

Rs. in Lakhs

	Carrying amount	1-12 months	more than 12 months
As at March 31, 2019			
Non-derivative liabilities			
Borrowings	3,449.87	2,255.20	1,194.67
Trade payables	3,092.08	3,092.08	-
Other financial liabilities	350.95	350.95	-

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies. The Group is not significantly exposed to foreign currency risk due to their limited transaction in the foreign currency.

Notes to the financial statements

Foreign currency exposure

	March 31, 2019		March 31, 2018	
	In Foreign Currency	(Rs. in lakhs)	In Foreign Currency	(Rs. in lakhs)
Receivable				
GBP	4,53,689	410.50	5,79,604	530.08
USD	96,122	66.49	48,057	31.25
Euro	10,613	8.24	9,984	8.00
Payable				
GBP	4,72,991	427.96	777	0.71
USD	4,56,677	315.88	6,26,044	407.08
JY	76,19,146	47.63	1,00,87,986	61.85
	March 31, 2019		**March 31, 2018**	
	1% Increase	**1% decrease**	**1% Increase**	**1% decrease**
Increase / (decrease) in loss	(3.06)	3.06	1.00	(1.00)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's long term borrowings have fixed rate of interest and are carried at amortised costs. The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rate are disclosed in the respective notes to the financial statement of the Group. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Borrowings bearing fixed rate of interest	1,480.39	1,335.83
Borrowings bearing variable rate of interest	2,255.20	1,434.73
	3,735.59	**2,770.57**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Increase in basis points	50.00	50.00
Effect on profit before tax	(18.68)	(13.85)
Decrease in basis points	50.00	50.00
Effect on profit before tax	18.68	13.85

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. The Group is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. To manage the credit risk from trade receivables, the Group periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Rs. in Lakhs

Exposure to the Credit risks	**As at March 31, 2019**	**As at March 31, 2018**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	4,040.92	4,957.12

Trade and other receivables

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days.

To assess whether there is a significant change / increase in credit risk The Group compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations

(iv) Significant increase in credit risk on other financial instruments of same counterparty

Ageing of the accounts receivables

Rs. in Lakhs

	As at March 31, 2019	**As at March 31, 2018**
0-3 months	2,634.17	4,069.67
3-6 months	918.88	696.57
6-12 months	362.03	121.94
beyond 12 months	125.84	68.94
	4,040.92	**4,957.12**

Movement in provisions for expected credit loss **Rs. in Lakhs**

	As at March 31, 2019	**As at March 31, 2018**
Opening provision	29.10	21.80
Add: Additional provision made	58.36	7.30
Less: Provision write off/ reversed	-	-

Less: Provision utilised against bad debts	-	-
Closing provisions	87.46	29.10

Notes to the financial statements

Note 45 : Capital risk management

The Group's objectives when managing capital are to :

* safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
* maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may issue new shares, adjust the amount of dividends paid to shareholders etc.

The Group monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

Rs. in Lakhs

	As at March 31, 2019	**As at March 31, 2018**
Total equity attributable to equity shareholders of the Group	6,753.69	6,303.93
Net debt (Total borrowings less cash and cash equivalents)	3,736.55	2,787.59
Total capital (Borrowings and Equity)	**10,490.25**	**9,091.51**
Gearing ratio	**0.36**	**0.31**

(b) Assets pledged as security

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

Rs. in Lakhs

	As at March 31, 2019	**As at March 31, 2018**
First charge*		
Property, plant and equipment*	2,412.45	2,482.40
Trade receivables	3,791.08	4,688.64
Inventories	5,922.83	3,648.87

***Represents net book value.**

(c) Dividends

The Parent Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the Group and other internal and external factors enumerated in the Parent Company dividend policy.

Rs. in Lakhs

	As at March 31, 2019	**As at March 31, 2018**
Equity Shares		

Final dividend for the year ended March 31, 2018 of Rs. 0.70 Per fully paid up share (March 31, 2017 - Rs. 0.50) [Including dividend distribution tax of Rs. 16.12 lacs (as at 31-March 2017 - Rs. 11.40 lacs]	94.52	67.40

Notes to the financial statements

Dividends not recognised at the end of reporting period

Since year end, the directors have recommended the payment of a final dividend of Rs. 0.50 per fully paid up equity share (March 31, 2018 - Rs. 0.70 per fully paid up equity shares) [Including dividend distribution tax of Rs. 11.51 lacs (as at 31-March 2018 - Rs. 16.12 lacs] The Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	67.51	94.52

(d) Net debt reconciliation **Rs. in Lakhs**

	As at March 31, 2019	As at March 31, 2018
Non-current borrowings	(1,194.67)	(970.37)
Current maturities of non-current borrowings	(285.72)	(365.46)
Current borrowings	(2,255.20)	(1,444.73)
Interest payable	(0.96)	(7.03)
Net Debt	(3,736.55)	(2,787.59)

Rs. in Lakhs

	Non-current borrowings	Current maturities of non-current borrowings	Current borrowings	Interest payable	Total
Net debt as at April 1, 2018	(970.37)	(365.46)	(1,444.73)	(7.03)	(2,787.59)
Cash flows	(224.30)	79.74	(810.48)	-	(955.04)
Finance costs	-	-	-	(364.17)	(364.17)
Interest paid	-	-	-	370.25	370.25
Net debt as at March 31, 2019	**(1,194.67)**	**(285.72)**	**(2,255.20)**	**(0.96)**	**(3,736.55)**

Note 46

Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

Note 47 Recent accounting pronouncements:

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – "Leases". Ind AS 116 will replace the existing leases standards Ind As 17 – "Leases" and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lessee and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind As 116

Notes to the financial statements

substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Group is evaluating the impact of the issued Ind AS 116 on its financial statements.

Ind AS 12 –"Income taxes" - Appendix C – Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the Group needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Group is evaluating the impact of the issued appendix C on its financial statements.

Note 48

Post the applicability of Goods and Service Tax (GST) with effect from 01st July 2017, revenue from operations are disclosed net of GST, whereas Excise duty formed part of other expenses in previous year. Accordingly, the revenue from operations and other expenses for the year are not comparable with previous year.

Note 49

Previous year's figures have been regrouped / rearranged wherever necessary to conform the current year's classification.

Note 50

The financial statements were approved for issue by the Board of Directors of the Parent Company on May 28, 2019.

For and on the behalf of board

S J MARSHALL	**N S MARSHALL**
Chairman	**Managing Director**
DIN: 00085682	**DIN: 00085754**
V VERMA	**N GUPTA**
Chief Financial Officer	**Company Secretary**

Place : Mumbai

Date: May 28, 2019

NOTES

SIMMONDS MARSHALL LIMITED

Regd. Office: Mumbai-Pune Road, Kasarwadi, Pune, 411 034 Maharashtra
Tel No. 020-30782150, Fax No. 020-30782195
Website: www.simmondsmarshall.com Email ID: secretarial@simmondsmarshall.com
CIN: L29299PN1960PLC011645

59th Annual General Meeting to be held on Friday, September 13, 2019 at 11:00 a.m.
At: Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019

ATTENDANCE SLIP

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

Name & Address of Shareholder:...

....

I/We hereby record my / our presence at the 59th Annual General Meeting at Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019 on Friday, September 13, 2019 at 11.00 a.m.

____

Signature of Shareholder / Proxy

*Applicable for investors holdings shares in electronic form.

- A Member or his duly appointed Proxy wishing to attend the meeting must complete this admission slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters________________________________(in case a Proxy attends the meeting)
- Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P.) ID. No/____________________

FORM NO. MGT-11

PROXY FORM

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

CIN: L29299PN1960PLC011645
Name of the Company: Simmonds Marshall Limited
Registered Office: Mumbai-Pune Road, Kasarwadi, Pune – 411034

Name of the Member(s):____

Registered Address:____

________________________ E-Mail Id:____________________

Folio No./Client id:

DP ID:

I/We ____________________of ____________________being the member(s) of Simmonds Marshall Limited, hereby appoint:

1) Name________________________Email id ________________________

Address____or failing him

2) Name________________________Email id ________________________

Address____or failing him

3) Name________________________Email id ________________________

Address____or failing him and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 59th Annual General Meeting of the Company, to be held on Friday, September 13, 2019 at 11.00 A.M. at Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019 and at any adjournment thereof in respect of such resolution as are indicated below.

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	**Particulars**	**Optional**	
Ordinary Business		**For**	**Against**
1	To approve and adopt Audited Financial Statement (Standalone & Consolidated), for the year ended March 31, 2019 and reports of the Board of Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares for the year ended March 31, 2019		
3	To appoint a Director in place of Mr. I. M. Panju, who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4	Ratification of the Remuneration of M/s. Joshi Apte & Associates, Cost Accountants, the Cost Auditors of the Company for the Financial Year 2019-20:		
5	Approval for payment of Remuneration to Executive Directors who are promoters or members of promoter group of the Company pursuant to Regulation 17(6)(e)(ii) of the Securities and Exchange Board of India (LODR) Regulations, 2015.		

Signed this……………. Day of ………… 2019

Signature of shareholder: ____________________

Signature of Proxy holder(s): ____________________

Affix Revenue Stamp of Rs. 1

Note:

(1) This form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of Annual General Meeting of the Company.

(2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 59th Annual General Meeting.

(3) ** This is only optional. Please put 'X' in the appropriate column against a resolutions indicated in the box.

(4) Please complete all details including details of Member (s) in above box before Submission.

If undelivered, please return to:

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