



# SIMMONDS MARSHALL LIMITED

**Regd. Office & Factory :**

Mumbai-Pune Road, Kasarwadi, Pune 411 034.

Tel. : (91-020) 3078-2160 / 3078-2170

Fax : (91-020) 3078-2195

E-Mail : [smlpune@simmondsmarshall.com](mailto:smlpune@simmondsmarshall.com)

CIN : L29299PN1960PLC011645

**Admn. & Sales Office :**

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

Tel. : (91-022) 6633-7425 / 6633-7426 / 6633-7427

Fax : (91-022) 6633-7433 / 6633-7434

E-Mail : [sales@simmondsmarshall.com](mailto:sales@simmondsmarshall.com)

Website : [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

September 8, 2020

To  
The Deputy General Manager,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

Ref: Security Code No. 507998.

Sub: Submission of electronic copy of the Notice of the 60<sup>th</sup> Annual General Meeting and Annual Report of Simmonds Marshall Limited for the Financial Year 2019-2020

Dear Sir/Madam,

In terms of the requirement of Regulation 30 and Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 please find enclosed herewith the Annual Report of the Company for the Financial Year 2019-2020, including Notice of the 60<sup>th</sup> Annual General Meeting being sent to the members through electronic mode whose e-mail addresses are registered with the Company / Depository Participant.

The said Annual Report containing the Notice is also uploaded on the Company's website and can be accessed [www.simmondsmarshall.com](http://www.simmondsmarshall.com).

We request you to kindly take the above information on record.

Thanking you

Yours faithfully,  
For SIMMONDS MARSHALL LIMITED

N. S. MARSHALL  
MANAGING DIRECTOR  
(DIN: 00085754)

Encl: A/a.

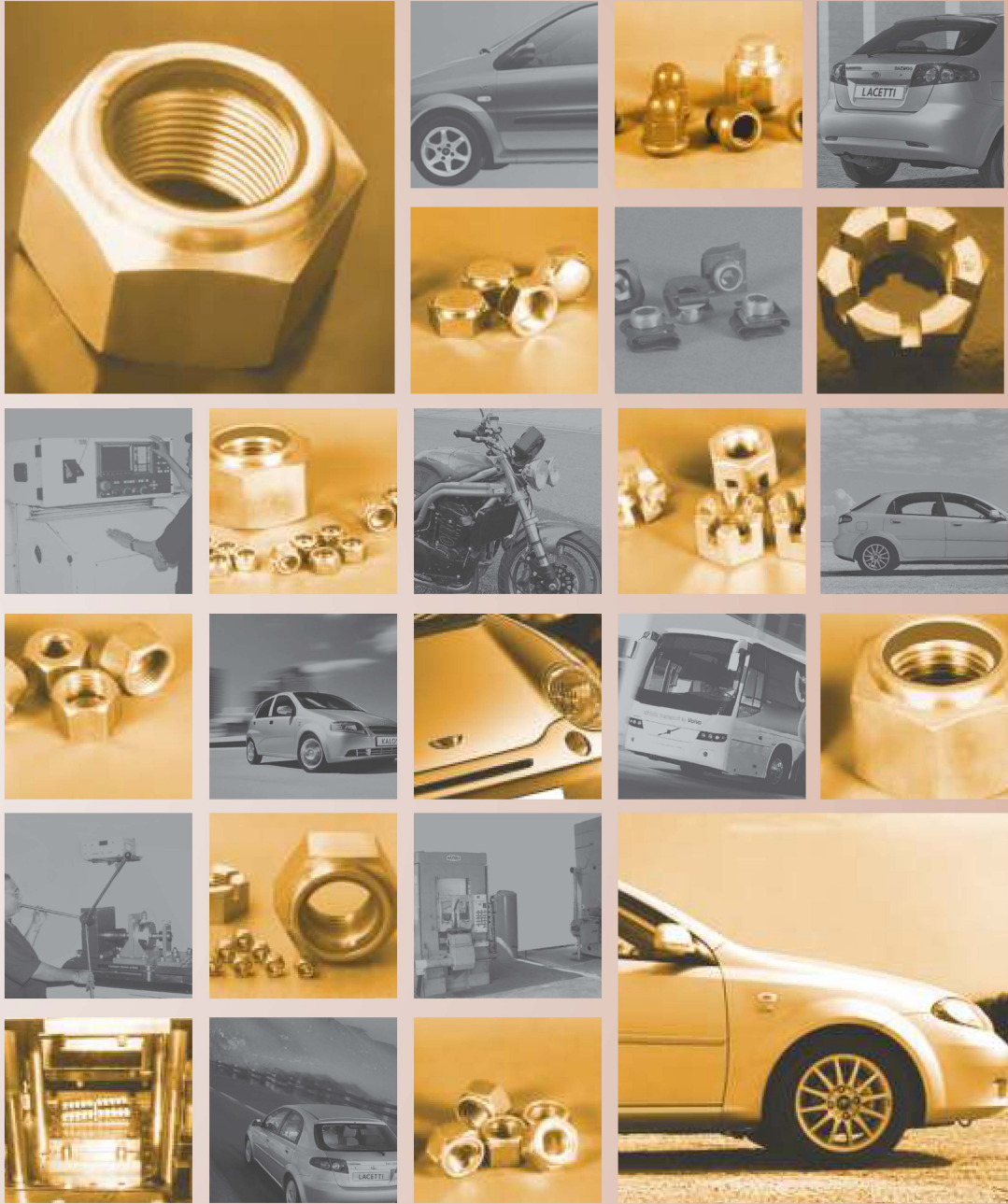


IATF No. 0096543  
ISO/TS 16949-2009



ISO 14001:2004  
Reg. No. 8302-E

60<sup>th</sup> ANNUAL REPORT 2019-20



SIMMONDS MARSHALL LIMITED

# SIMMONDS MARSHALL LIMITED

## **Board of Directors:**

Mr. S. J. Marshall (Chairman)  
Mr. N. S. Marshall (Managing Director)  
Mr. I. M. Panju (Whole time Director)  
Mr. F. K. Banatwalla  
Mr. S. C. Saran (Resigned w.e.f July 02,2020)  
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

# C O N T E N T S

NOTICE TO THE MEMBERS .....	3-17
DIRECTORS' REPORT .....	18-26
ANNEXURE'S TO DIRECTOR'S REPORT .....	27-34
MANAGEMENT DISCUSSION AND ANALYSIS .....	35-36
REPORT ON CORPORATE GOVERNANCE .....	37-50
ANNEXURE TO CORPORATE GOVERNANCE REPORT .....	51-52
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE.....	53
CERTIFICATION BY CHIEF EXECUTIVE OFFICER/CEO.....	54
INDEPENDENT AUDITOR'S REPORT .....	55-59
ANNEXURE TO AUDITOR'S REPORT .....	60-63
STANDALONE BALANCE SHEET .....	64
STANDALONE STATEMENT OF PROFIT & LOSS .....	65
STANDALONE STATEMENT OF CHANGE IN EQUITY .....	66
STANDALONE CASH FLOW STATEMENT .....	67
NOTE FORMING PART OF THE FINANCIAL STATEMENT .....	68-103
INDEPENDENT AUDITOR'S REPORT TO CONSOLIDATED BALANCE SHEET .....	105 -109
ANNEXURE TO AUDITOR'S REPORT .....	110-111
CONSOLIDATED BALANCE SHEET .....	112
CONSOLIDATED STATEMENT OF PROFIT & LOSS .....	113
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY .....	114
CONSOLIDATED CASH FLOW STATEMENT .....	115
NOTE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT .....	116-151



## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 60<sup>th</sup> (Sixtieth) Annual General Meeting (AGM) of the Members of **SIMMONDS MARSHALL LIMITED (CIN: L29299PN1960PLC011645)** will be held on Wednesday, September 30, 2020 at 11.00 a.m. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) 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, 2020, including the Audited Balance Sheet as at March 31, 2020, 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, 2020, including the Audited Balance Sheet as at March 31, 2020, 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 -- Appointment of Mr. S. J. Marshall as a Director liable to retire by rotation:**

To appoint a Director in place of Mr. S. J. Marshall, having Director’s Identification Number 00085682 who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **Item no. 3 – Approval of Reappointment of Mr. S. J. Marshall as Chairman & Executive Director (Whole Time Director) of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements), 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members be and is hereby accorded to re-appoint Mr. S. J. Marshall (DIN: 00085682) as Chairman & Executive Director of the Company, liable to retire by rotation, for a further period of 3 (three) years with effect from April 01, 2020 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. S. J. Marshall, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and matters as in its absolute discretion it may think necessary, expedient and desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.”

#### **Item no. 4 – Approval of Reappointment of Mr. N. S. Marshall as Managing Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements), 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members be and is hereby accorded to re-appoint Mr. N. S. Marshall (DIN: 00085754) as Managing Director of the Company, not liable to retire by rotation, for a further period of 3 (three) years with effect from April 01, 2020 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. N. S. Marshall, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and matters as in its absolute discretion it may think necessary, expedient and desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

**Item no. 5 – Approval of Reappointment of Mr. I. M. Panju as Whole Time Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements), 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members be and is hereby accorded to re-appoint Mr. I. M. Panju (DIN: 00121748) as Whole Time Director of the Company, liable to retire by rotation, for a further period of 3 (three) years with effect from April 01, 2020 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. I. M. Panju, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and matters as in its absolute discretion it may think necessary, expedient and desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

**Item no. 6 - Approval of Re-appointment of Ms. Amrita Chowdhury (DIN: 02178520), as an Independent Director:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013, read with applicable rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment or modification or re-enactment thereof, for the time being in force), Ms. Amrita Chowdhury (DIN: 02178520) Independent Director of the Company, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, is eligible for reappointment as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from April 01, 2021 to March 31, 2026, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and matters as in its absolute discretion it may think necessary, expedient and desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

**Item no. 7 - Approval of Appointment of Mr. Ameet Parikh (DIN: 00007036), as an Independent Director:**

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

**"RESOLVED THAT** Mr. Ameet Parikh (DIN: 00007036), who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 7, 2020 and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 16 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from

time to time, the appointment of Mr. Ameet Parikh (DIN: 00007036), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect, who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from September 7, 2020 to September 6, 2025, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and matters as in its absolute discretion it may think necessary, expedient and desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution."

**Item no. 8 – Payment of Remuneration to M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), the Cost Auditors of the Company for the Financial Year 2020-21:**

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 read with 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, 2021 of Rs. 1,75,000/- (Rupees One Lakh Seventy Five thousand Only) plus applicable taxes and out of pocket expenses (if any) as may be incurred by them in connection with the aforesaid audit."

**RESOLVED FURTHER THAT** the Board of Directors and/or key managerial personnel 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."

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

**Registered Office:**

Mumbai-Pune Road,  
Kasarwadi  
Pune - 411 034.

Date: **September 7, 2020**

**,N.S. MARSHALL**  
**(DIN: 00085754)**  
**MANAGING DIRECTOR**

**NOTES:**

1. In view of the situation arising due to COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 60<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 60<sup>th</sup> AGM shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 60<sup>th</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



## SIMMONDS MARSHALL LIMITED

4. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
5. 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.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.
7. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice calling the Annual General Meeting, Corporate Governance Report, Directors' Report, Audited Financial Statements, Auditors' Report, etc. is being sent only through electronic mode to those Members whose email addresses are registered with the RTA / Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and Notice will be available on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com).

Members who have not registered their email addresses are requested to register the same for receiving all communication from time to time including Annual Report, Notices, Circulars, etc. from the Company electronically.

- a. For Members holding shares in physical form, please send scanned copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company/RTA at: [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com) or [support@sharexindia.com](mailto:support@sharexindia.com).
- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
8. In all correspondence with the Company/RTA, 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.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to email a certified copy of the Board resolution/ authorization letter to the Company at [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com) or upload on the VC portal / e-voting portal.
11. A statement giving the details of the Directors seeking appointment/re-appointment, nature of their expertise in specific functional areas, names of the companies in which they hold directorships, memberships / Chairpersonships for Board / Committees, shareholding and relationship between Directors inter-se as stipulated in Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, are provided in the Annexure.
12. The business set out in the Notice will 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. 23. The voting facility through electronic voting system shall be made available during the AGM and members attending the meeting through VC who have not casted their vote by remote e-voting shall be able to exercise their right during the meeting through electronic voting system.
13. The process and manner for e-voting and process of joining meeting through video conferencing alongwith other details also forms part of the Notice.
14. The Register of Members and the Share Transfer Books of the Company will remain closed from **September 24, 2020 to September 30, 2020** (both days inclusive).
15. 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 be 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:

<b>Sr. No.</b>	<b>Year ended</b>	<b>Date of Declaration</b>	<b>Due date of transfer to IEPF</b>
1.	31/03/2013	17/09/2013	16/10/2020
2.	31/03/2014	23/09/2014	22/10/2021
3.	31/03/2015	23/09/2015	22/10/2022
4.	31/03/2016	16/03/2016 • The Company has declared & Paid Interim Dividend	15/04/2023
5.	31/03/2017	08/09/2017	14/10/2024
6.	31/03/2018	26/09/2018	01/11/2025
7.	31/03/2019	13/09/2019	20/10/2026

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.

16. 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.
17. 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.
18. 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.
19. The Company's shares are listed on BSE Limited, Mumbai.
20. (a) Members holding Shares in physical form are requested to notify immediately any change in their address, email address, telephone/ mobile number, Permanent Account Number (PAN), nominations, bank details such as name of bank and branch, bank account number, MICR code, IFSC code etc. to the Registrar and Transfer Agent of the Company at the address given below.

**M/s. SHAREX DYNAMIC (INDIA) PVT LTD**

**[Unit: Simmonds Marshall Limited]**

C- 101, 247 Park, LBS Marg, Vikhroli (West), MUMBAI - 400 083

**Tel: 022 2851 5606 / 2851 5644**

**Email: [support@sharexindia.com](mailto:support@sharexindia.com)**

- (b) Member holding shares in physical form can also update/register their email address, mobile number and bank details directly at [http://sharexindia.com/Email\\_Register.html](http://sharexindia.com/Email_Register.html) or [https://sharexindia.com/Bank\\_Register.html](https://sharexindia.com/Bank_Register.html)
- (c) Members holding shares in demat form, please contact your depository participant and give suitable instructions to update your bank details, postal addresses, email id, telephone/Mobile number, Permanent Account Number (PAN) etc.
21. The statutory registers including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested maintained under the Companies Act, 2013 and all the other documents referred to in the Notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the Company by sending e-mail to [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com).

22. 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.

23. **Voting through electronic means:**

- (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Agency to provide e-voting facility. 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 prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- (iv) 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 23, 2020**
- (v) 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 23, 2020** only shall be entitled to avail the facility of e-voting/remote e-voting.
- (vi) 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 23, 2020**, may obtain the Login details from **SHAREX DYNAMIC (INDIA) PVT LTD** (Registrar & Transfer Agents of the Company).
- (vii) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company ([www.simmondsmarshall.com](http://www.simmondsmarshall.com)) and on the website of CDSL (<https://www.evotingindia.com>). The results shall simultaneously be communicated to the Stock Exchange.
- (viii) 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 30, 2020**
- (ix) **The instructions for shareholders voting electronically are as under:**
- a) The voting period begins at 9.00 a.m. (IST) on September 27, 2020 and ends at 5.00 p.m. (IST) on September 29, 2020. 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 23, 2020** 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](http://www.evotingindia.com)
  - d) Click on Shareholders.
  - e) Now Enter your User ID
    - o For CDSL: 16 digits beneficiary ID,
    - o For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - o Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- 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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• 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).</li> </ul>

- 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](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- After receiving the login details they have to create a corporate user who would be able to link the accounts they would be able to cast their vote.
- The list of accounts should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders-, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast two days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@simmondsmarshall.com](mailto:secretarial@simmondsmarshall.com). These queries will be replied to by the Company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE ANNUAL GENERAL MEETING ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Annual General Meeting.
3. If any Votes are cast by the shareholders through the e-voting available during the Annual General Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the Annual General Meeting. However, they will not be eligible to vote at the Annual General Meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Rakesh Dalvi (022-23058542) or Mr. Mehboob Lakhani (022-23058543).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022- 23058738 / 022-23058542/43.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Item No 3.**

Mr. S. J. Marshall was appointed as Chairman of the Company at the AGM held on September 08, 2017 for a term of 3 years upto March 31, 2020 through Special Resolution. Mr. S. J. Marshall is on the Board of the Company since April, 1960 and has attained the age of 83 years and he looks after overall management and activities of the Company.

Keeping in mind the contribution made by Mr. S. J. Marshall in the overall affairs of the Company and plays an imperative role in the progress of the Company, your Board of Directors at their meeting held on February 14, 2020 have re-appointed Mr. S. J. Marshall as Chairman (Whole time Director) of the Company. The terms of his re-appointment including remuneration, commission, perquisites etc. as have been approved by Nomination & Remuneration Committee and the Board, subject to the approval of the Members at the ensuing Annual General Meeting. The details are as follows:

- **Salary:** Rs.3,50,900/- p.m. (with such increments as may be determined by the Board of Directors of the Company from time to time as per Company's Rules.)
  - **Benefits, Perquisites and Allowance:**
    - Reimbursement of actual travelling expenses
    - Special Allowances, Bonus etc.
    - Provision of Car for use on Company's business.
    - Any other as may be determined by the Board of Directors of the Company from time to time.
  - **Commission:** Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 read with Schedule V of the Companies Act, 2013 as may be recommended by the Nomination & Remuneration Committee and approved by the Board.

The resolution seeks the approval of the members as a Special Resolution in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. S. J. Marshall as a Chairman (Whole Time Director) for a period of 3 years commencing April 01, 2020.

**MEMORANDUM OF INTEREST**

Mr. S. J. Marshall is a close relative (Father) of Mr. N. S. Marshall and (Father in law) of Mr. I. M. Panju, is deemed to be concerned and interested in the resolution at Item no. 3. Except Mr. S. J. Marshall, Mr. N. S. Marshall and Mr. I. M. Panju, none of the Directors of the Company are concerned or interested in this resolution.

**Item No. 4:**

Mr. N. S. Marshall was appointed as Managing Director of the Company at the AGM held on September 08, 2017 for a term of 3 years upto March 31, 2020 through Ordinary Resolution. Mr. N. S. Marshall is on the Board of the Company since July, 2003 and looks after the production, marketing and administrative activities of the Company.

Keeping in mind the contribution made by Mr. N. S. Marshall in production, marketing and administrative activities of the Company, your Board of Directors at their meeting held on February 14, 2020 have re-appointed Mr. N. S. Marshall as Managing Director of the Company. The terms of his appointment including remuneration, commission, perquisites etc. as have been approved by Nomination & Remuneration Committee and the Board, subject to the approval of the Members at the ensuing Annual General Meeting. The details are as follows:

- **Salary:** Rs.4,84,172/- p.m. (with such increments as may be determined by the Board of Directors of the Company from time to time as per Company's Rules.)

- **Benefits, Perquisites and Allowance:**
- Gratuity payable as per Company's policy.
- Company's contribution towards Provident Fund
- Company's contribution towards Superannuation fund
- Reimbursement of actual travelling expenses
- Special Allowances, Bonus etc.
- Provision of Car for use on Company's business.
- Any other as may be determined by the Board of Directors of the Company from time to time.
- **Commission:** Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 read with Schedule V of the Companies Act, 2013 as may be recommended by the Nomination & Remuneration Committee and approved by the Board.

The resolution seeks the approval of the members as a Special Resolution in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. N. S. Marshall as a Managing Director for a period of 3 years commencing April 01, 2020.

**MEMORANDUM OF INTEREST**

Mr. N. S. Marshall is a close relative (son) of Mr. S. J. Marshall, and (Brother in law) of Mr. I. M. Panju is deemed to be concerned and interested in the resolution at Item no. 4. Except Mr. N. S. Marshall, Mr. S. J. Marshall and Mr. I. M. Panju, none of the Directors of the Company are concerned or interested in this resolution.

**Item No. 5:**

Mr. I. M. Panju was appointed as Whole Time Director of the Company at the AGM held on September 08, 2017 for a term of 3 years upto March 31, 2020 through Ordinary Resolution. Mr. I. M. Panju is on the Board of the Company since January, 1994 and looks after the planning and financial activities of the Company.

Keeping in mind the contribution made by Mr. I. M. Panju in planning and financial activities of the Company,, your Board of Directors at their meeting held on February 14, 2020 have re-appointed Mr. I. M. Panju as Whole time Director of the Company. The terms of his appointment including remuneration, commission, perquisites etc. as have been approved by Nomination & Remuneration Committee and the Board, subject to the approval of the Members at the ensuing Annual General Meeting. The details are as follows:

- **Salary:** Rs.34,873/- p.m. (with such increments as may be determined by the Board of Directors of the Company from time to time as per Company's Rules.)
- **Benefits, Perquisites and Allowance:**
- Reimbursement of actual Travelling allowance, Conveyance allowance, Mobile allowance.
- Special Allowances, Bonus etc.
- Provision of Car for use on Company's business.
- Any other as may be determined by the Board of Directors of the Company from time to time.
- **Commission:** Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 read with Schedule V of the Companies Act, 2013 as may be recommended by the Nomination & Remuneration Committee and approved by the Board.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the appointment of Mr. I. M. Panju as a Whole Time Director for a period of 3 years commencing April 01, 2020.

**MEMORANDUM OF INTEREST**

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



### **Item no. 6:**

Ms. A. V. Chowdhary is an Independent Director of the Company. She was appointed by the members of the Company at the 56<sup>th</sup> AGM held on September 20, 2016 to hold office for five consecutive years for a term upto March 31, 2021.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Ms. A. V. Chowdhary, being eligible, offers herself for re-appointment as Independent Director, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years from April 01, 2021 upto March 31, 2026.

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, Ms. A. V. Chowdhary has registered with the Independent Directors Databank.

In the opinion of the Board, Ms. A. V. Chowdhary fulfill the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for her re-appointment as Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Ms. A. V. Chowdhary as Independent Director setting out terms and conditions is available for inspection at the Registered office.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. A. V. Chowdhary as Independent Director of the Company.

Accordingly, the Board recommends the Special Resolution in relation to eligibility and re-appointment of Ms. A. V. Chowdhary as Independent Director of the Company for another term of five consecutive years with effect from April 1, 2021 to March 31, 2026, for the approval of Members.

Except Ms. A. V. Chowdhary and her relatives, none of the Directors or Key Managerial personnel of the Company and their relatives, are in anyway concerned or interested, financially or otherwise in the said resolution.

### **Item No. 7:**

Mr. Ameet Parikh was appointed as an Additional Director (Independent Capacity) of the Company with effect from September 7, 2020. Your Board proposes to regularize his appointment and appoint him as an Independent Director of the Company under Section 149 and Regulation 16(1)(b) of the Listing Regulations, for one term of Five Years, commencing from September 7, 2020.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Ameet Parikh, being eligible for appointment as Independent Director offers himself for appointment, is proposed to be appointed as Independent Director for one term of five consecutive years from September 7, 2020 upto September 6, 2025.

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, Mr. Ameet Parikh has registered with the Independent Directors Databank.

In the opinion of the Board, Mr. Ameet Parikh fulfills the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of the Listing Regulations for his appointment as Independent Director of the Company and is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to services of Mr. Ameet Parikh as Independent Director of the Company.

Accordingly, the Board recommends the passing of Resolution as set out in the Item No. 7 of the Notice with respect to eligibility and appointment of Mr. Ameet Parikh as Independent Director of the Company for one term of five consecutive years with effect from September 7, 2020 upto September 6, 2025, for approval of the members.

Except Mr. Ameet Parikh and his relatives, none of the Directors or Key Managerial personnel of the Company and their relatives, are in anyway concerned or interested, financially or otherwise in the said resolution.

**Item No. 8:**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of the M/s. Joshi Apte & Associates, Cost Accountants as the Cost Auditor, to conduct the audit of the cost records of the Company for the financial year 2020-21, at a remuneration of Rs. 1,75,000/- (Rupees One Lakh Seventy Five thousand Only) plus applicable taxes and out of pocket expenses (if any) as may be incurred by them in connection with the audit, 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 2020-21 as set out in the resolution for the services to be rendered by them.

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

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

**ANNEXURE "A" TO THE EXPLANTORY STATEMENT**

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

**I. GENERAL INFORMATION:**

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

Sr. No.	Particulars	2019-2020	2018-2019	2017-2018
1	Gross Income	14199.60	18266.39	17580.26
2	Profit before tax	(1041.73)	773.84	1441.19
3	Profit after tax	(770.83)	576.59	1005.39
4	Dividend Paid	Nil	67.51	94.36
5	Rate of Dividend	Nil	25%	35%

5. Foreign Investments or collaborations, if any - NIL

## SIMMONDS MARSHALL LIMITED

### II. INFORMATION ABOUT THE APPOINTEE

Name of Director	Mr. S. J. Marshall	Mr. N. S. Marshall	Mr. I. M. Panju
Date of Birth	October 15, 1937	March 21, 1976	February 08, 1960
Date of Appointment	April, 1960	July, 2003	January, 1994
Brief resume of the Director	Mr. S. J. Marshall is an Economics Graduate. He started his career with the Company since inception and is looking after overall activities of the Company.	Mr. N. S. Marshall is a MBA from Institute of Management Development, Lausanne, Switzerland responsible for the production, marketing and administrative activities of the Company.	Mr. I. M. Panju is a MBA from Indiana University of Pennsylvania, USA and is responsible for the Planning and Finance activities of the Company.
Recognition or awards	NIL	NIL	NIL
Past Remuneration	42.43 Lakhs	77.67 Lakhs	4.21 Lakhs
Nature of his expertise in specific functional areas	Looks after overall affairs of the Company and plays an imperative role in the progress of the Company	Looks after the Production, Marketing, and administrative activities of the Company	Looks after the Planning and Finance activities of the Company.
Remuneration Proposed	Rs.3,50,900/- p.m. (with such increments as may be determined by the Board of Directors of the Company from time to time as per Company's Rules.)	Rs.4,84,172/- p.m. (with such increments as may be determined by the Board of Directors of the Company from time to time as per Company's Rules.)	Rs.34,873/- p.m. (with such increments as may be determined by the Board of Directors of the Company from time to time as per Company's Rules.)
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Not possible being a unique nature of the Industry. However as compared to the size of our Company, the remuneration to be paid is going to be very comparative as per the industry norms.	Not possible being a unique nature of the Industry. However as compared to the size of our Company, the remuneration to be paid is going to be very comparative as per the industry norms.	Not possible being a unique nature of the Industry. However as compared to the size of our Company, the remuneration to be paid is going to be very comparative as per the industry norms.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Being promoter, he is directly related to the Company and is a close relative of Mr. N. S. Marshall and Mr. I. M. Panju	Being promoter, he is directly related to the Company and is a close relative of Mr. S. J. Marshall	Being promoter, he is directly related to the Company and is a close relative of Mr. S. J. Marshall and Mr. N. S. Marshall

### III. OTHER INFORMATION:

- Reasons of loss or inadequate profits: Downturn in Automotive industry and last quarter effect of Covid-19 pandemic.
- Steps taken or proposed to be taken for improvement: Consolidation of all operation in a state of the art brand new factory in Chakan, Pune will help streamline all processes, manpower and material movement – making overall operations far more efficient and cost effective. Significant efforts to develop new customers and new business paying dividends and effect will be seen in 2020-21
- Expected increase in productivity and profits in measurable terms: Due to the disruption caused by the Covid-19 pandemic – it is difficult to predict how the next few quarters will pan out.

### IV. DISCLOSURES:

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

The Board recommends the resolution set forth in Item No. 3, 4, 5, 6 & 7 subject to the approval of the Members at the ensuing Annual General Meeting

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE 60<sup>TH</sup> ANNUAL GENERAL MEETING, AS SET OUT IN ITEM NO. 3, 4, 5, 6 AND 7 OF THIS NOTICE, IN TERMS OF REGULATIONS 26(4) AND 36(3) OF THE SEBI (LODR) REGULATIONS, 2015 READ WITH CLAUSE 1.2.5 OF SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:**

<b>Name</b>	<b>Mr. S J. Marshall</b>	<b>Mr. N. S. Marshall</b>	<b>Mr. I. M. Panju</b>
Directors Identification Number (DIN)	00085682	00085754	00121748
Brief resume & Nature of expertise in specific functional areas	Economic Graduate	MBA Expertise in Production, Marketing, Accounting and Human Resources	MBA Expertise in Production, Planning and Finance
Disclosure of relationship between directors inter-se	Father of Mr. N. S. Marshall Father in law of Mr. I. M. Panju	Son of Mr. S. J. Marshall	Son in law of Mr. S. J. Marshall
Names of listed entities in which the person also holds the directorship	NIL	1. Ador Fontech Limited 2. Ador Multi Products Limited 3. Hindustan Hardy Limited	NIL
No. of Shares held in the Company	17,39,457 Equity Shares	15,18,548 Equity Shares	NIL
Membership & Chairmanships of Committees of the Board*	NIL	1. Ador Fontech Limited 2. Ador Multi Products Limited 3. Hindustan Hardy Limited	NIL

<b>Name</b>	<b>Ms. A V Chowdhury</b>	<b>Mr. Ameet Parikh</b>
Directors Identification Number (DIN)	02178520	00007036
Brief resume & Nature of expertise in specific functional areas	Engineering	Chartered Accountant
Disclosure of relationship between directors inter-se	None	None
Names of listed entities in which the person also holds the directorship	1. NESCO Limited 2. Mahindra Lifespace Developers Limited	1. Axtel Industries Limited
No. of Shares held in the Company	NIL	NIL
Membership & Chairmanships of Committees of the Board*	1. NESCO Limited 2. Mahindra Lifespace Developers Limited	1. Axtel Industries Limited

\*In terms of the provisions of Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/ Chairmanships in only two committees viz. Audit Committee and Stakeholders Relationship Committee (known by whichever name) are considered.

**Registered Office:**

Mumbai-Pune Road,  
Kasarwadi,  
Pune -411 034.

**Date: September 7, 2020.**

For and on behalf of the Board of Directors

**SIMMONDS MARSHALL LIMITED**

**N.S. MARSHALL  
(DIN: 00085754)  
MANAGING DIRECTOR**

**DIRECTORS' REPORT**

To

The Members,

**Simmonds Marshall Limited**

Your Directors have pleasure in presenting the 60<sup>th</sup> (Sixtieth) Annual Report, together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020. The consolidated performance of the Company and its associate has been referred to wherever required.

**FINANCIAL HIGHLIGHTS:**

Particulars	(Rs. in Lakhs except EPS)			
	Standalone		Consolidated	
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from operation	14169.02	18178.47	15155.82	19469.20
Other Income	30.58	89.28	31.71	85.58
<b>Total Revenue</b>	<b>14199.60</b>	<b>18267.75</b>	<b>15187.53</b>	<b>19554.78</b>
Profit before Finance Cost and Depreciation	38.23	1594.06	23.09	1605.29
Less: Finance Cost	541.13	370.81	541.13	372.08
Less: Depreciation & Amortization expenses	538.83	449.41	547.23	457.64
<b>(Loss)/ Profit Before Tax</b>	<b>(1041.73)</b>	<b>773.84</b>	<b>(1065.27)</b>	<b>775.57</b>
Provision for				
- Current Tax	-	234.18	-	236.79
- Deferred Tax	(292.90)	(30.67)	(315.90)	(31.59)
- Tax pertaining to earlier year	22.00	(6.26)	22.00	(6.26)
<b>Net (Loss)/ Profit After Tax</b>	<b>(770.83)</b>	<b>576.59</b>	<b>(771.37)</b>	<b>576.63</b>
Other Comprehensive Income (Net of tax)	84.45	41.98	84.45	41.98
Total Comprehensive Income After Tax	(855.28)	534.61	(860.12)	544.28
Earning Per Share	(6.88)	5.15	(6.92)	5.23

**OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:**
**Standalone Performance:**

Total revenue reported for the year is Rs. 14199.60 Lakhs as against Rs. 18267.75 Lakhs reported in the previous year. The Company has reported a loss of Rs. 770.83 Lakhs as against the Profit of Rs. 576.59 Lakhs reported in the previous year.

**Consolidated Performance:**

Total revenue reported for the year is Rs. 15187.53 Lakhs as against Rs. 19554.78 Lakhs reported in the previous year. The Company has reported a loss of Rs. 775.67 Lakhs as against the Profit of Rs. 586.27 Lakhs reported in the previous year.

**PERFORMANCE AND FINANCIAL POSITION OF THE ASSOCIATE: FORMEX PRIVATE LIMITED**

Formex Private Limited achieved a total turnover of Rs. 1154.86 Lakhs as against Rs. 1231.82 Lakhs in the previous year. The Company has suffered a loss after tax of Rs. 8.77 Lakhs during the Financial Year as against profit of Rs. 19.68 Lakhs in the previous year.

**COMPANY'S RESPONSE TO COVID -19:**

In view of the lockdown measures imposed by the Central and State Governments due to COVID - 19 pandemic, the operations of all offices and manufacturing facilities of the Company came to a halt from March 24, 2020 which has impacted the sales performance of the Company thereafter. The lockdown measures imposed by the Government had impacted the demand for the products of the Company. But with the gradual phasing out of the lockdown, the Company is already seeing a significant revival in overall demand and expects this trend to continue in the coming quarters.

**DIVIDEND:**

As your Company has reported a net loss during the year under review & to consolidate the financial position of the Company, the Board does not propose any dividend for the year ended March 31, 2020.

**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. 1326.98 Lakhs as against Rs. 1707.06 Lakhs in the previous year.

**PUBLIC DEPOSITS:**

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

**RESEARCH & DEVELOPMENT:**

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

**CAPITAL STRUCTURE & LIQUIDITY:****(i) Authorised Share Capital:**

The Authorised Share Capital of the Company as at March 31, 2020 was Rs. 10,00, 00,000/- (Rupees Ten Crores only) divided into 5,00,00,000 (Five Crores) equity shares of Rs. 2/- each.

**(ii) Issued & Paid up Share Capital:**

The Paid-up Equity Share Capital, as at March 31, 2020 was Rs. 2,24,00,000 /- (Rupees Two Crores Twenty Four Lakhs) divided into 1,12,00,000 (One Crore Twelve Lakhs) 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, 2020, 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 Act 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, 2020.

## SIMMONDS MARSHALL LIMITED

### **APPOINTMENT:**

The Board of Directors on recommendation of the Nomination and Remuneration Committee appointed Mr. Ameet Parikh as an Additional Director (Independent capacity) with effect from September 7, 2020. In terms of Section 161 of the Act, Mr. Ameet Parikh holds office up to the date of ensuing Annual General Meeting. Accordingly, the Board recommends the resolution for appointment of Mr. Ameet Parikh as Independent Director, for the approval by the members of the Company for a term of five consecutive years.

### **RE-APPOINTMENTS:**

Mr. F. K. Banatwalla and Mr. S. C. Saran were re-appointed as Independent Directors of the Company for a second term of five consecutive year's w.e.f. 1<sup>st</sup> April, 2019.

In accordance with the provisions of Section 152(6) of the Act and the Articles of Association of the Company, Mr. S. J Marshall, Director of the Company, retires by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for reappointment.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. S. J. Marshall as Chairman and Executive Director, Mr. N. S. Marshall as Managing Director and Mr. I. M. Panju as Whole Time Director of the Company w.e.f April 1, 2020.

Based on evaluations and recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, the Board recommends re-appointment of Ms. Amrita Chowdhury as an Independent Director for a second term of five consecutive years with effect from April 1, 2021 to March 31, 2026, for the approval of Members.

### **RESIGNATION:**

During the year under review, there were no resignations of any Director of the Company. However, after the end of the year Mr. S. C. Saran, Independent Director of the Company has resigned on July 2, 2020 due to personal reason.

### **KEY MANAGERIAL PERSONNEL:**

In terms of Section 203 of the Act, the Company has the following Key Managerial Personnel:

<b>Sr. No.</b>	<b>Name of Personnel</b>	<b>Designation</b>
1.	Mr. S. J. Marshall	Chairman and Executive 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):**

The Company has received declarations from all Independent Directors of the Company 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. Mr. S. C. Saran, Independent Director has resigned from his Directorship after the end of the Financial Year in order to comply with Regulation 16(1)(b)(viii) of the Listing Regulations. In the opinion of the Board, the other two 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 Conduct & Business Ethics.

### **SUBSIDIARIES & ASSOCIATE COMPANIES:**

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

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, 2020. 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 Act 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](http://www.simmondsmarshall.com).

The Company does not have any subsidiary or joint venture as on March 31, 2020.

**EXTRACT OF ANNUAL RETURN:**

As required under Section 134(3)(a) & Section 92(3) of the Act, the Annual Return is put up on the Company's website and can be accessed at [www.simmondsmarshall.com](http://www.simmondsmarshall.com) & Extracts of the Annual return in form MGT 9 for the Financial Year 2019-20 is uploaded on the website of the Company and can be accessed at [www.simmondsmarshall.com](http://www.simmondsmarshall.com).

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

The Board met 4 (four) times during the Financial Year 2019-20. The meeting details are provided in the Corporate Governance Report that forms a part of this Annual Report.

**AUDIT COMMITTEE:**

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

**DIRECTORS RESPONSIBILITY STATEMENT:**

As stipulated under the provisions contained in Section 134(3)(c) read with Section 134(5) of the Act ("Act"), the Board of Directors, to the best of its knowledge and belief and according to the information and explanations obtained by it, hereby states 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 a 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 Act and the Listing Regulations 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 the Listing Regulations. 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, 2020.

Similarly, the performance of various committees, individual Independent and Non Independent Directors were 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](http://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](http://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.

In terms of the provisions of Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations, all contracts/ arrangements/ transactions entered into by the Company with its related parties, during the year under review, were in ordinary course of the business and on an arm's length basis. There were no material related party transactions 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 57<sup>th</sup> Annual General Meeting (AGM) held on September 8, 2017 and will hold office until the conclusion of the 62<sup>nd</sup> AGM to be held in 2022.

The first proviso to section 139(1) of the Act 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 2019-2020 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

### **REPORTING OF FRAUDS:**

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 Act 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 to conduct Internal Audit for the Financial Year 2020-21.

**c) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors have appointed M/s. GMJ & Associates, Company Secretaries as the Secretarial Auditors of the Company to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended as **Annexure 'B'** forms part of this report.

Further, in terms of the provisions of the Circular No. CIR/ CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities and Exchange Board of India, the Company has obtained the Annual Secretarial Compliance Report for the Financial Year ended 31<sup>st</sup> March, 2020.

There has been qualification, reservation or adverse remark or disclaimer in Secretarial Audit Report / Annual Secretarial Compliance Report by Secretarial Auditor which are specified below:

1. The Acquirer (Promoters) defaulted under Regulation 10(5) read with regulation 10(1)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in making prior intimation to BSE Limited with respect to inter se transfer of shares within the immediate relatives.
2. Designated persons and their immediate relatives inter se transferred shares when the trading window was closed hence, the Company has not complied with BSE Circular LIST/COMP/01/2019-20 dated April 2, 2019 read with Clause 4 of the Schedule B of SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. The Company has not devised a Structured Digital Database for maintaining all information under Regulation 3(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
4. The Company has not complied with Regulation 16(1)(b) read with Regulation 17(1)(b) of The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015. Mr. N.S. Marshall, Managing Director was appointed as an Independent Director in another Listed Entity where Mr. S. C. Saran, Independent Director of the Company is a Non- Independent Director.

**Reply by the Board:**

- 1 & 2: The transactions were in the nature of gift and were squared-off and rectified before the end of the quarter and status quo was maintained.
3. The Company has maintained the requisite information in Microsoft Excel during the financial year. The Company is in process of buying the requisite software.
4. Mr. S. C. Saran, Independent Director has resigned from the Company after March 31, 2020.

**d) Cost Auditor**

In terms of the provisions of Section 148 of the Act, & based on recommendation of Audit Committee, the Board had appointed M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), as the Cost Auditor to conduct an audit of its Cost Accounting Records for the Financial Year 2019-20, pertaining to products of the Company as required by the law.

The Cost Audit Report for the Financial Year 2019-2020 pursuant to the Companies (Cost Accounting Records) Rules, 2011 will be filed within the period stipulated under the Act.

Further, the Company has re-appointed M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), as the Cost Auditor for the Financial Year 2020-21, to conduct an audit of its Cost Accounting Records pertaining to said products, at a remuneration of Rs. 1,75,000/- (Rupees One Lakh Seventy Five thousand Only) plus applicable taxes and out of pocket expenses (if any) as may be incurred by them

in connection with the audit. The Company is seeking the approval of the Shareholders by means of ratification, for the remuneration to be paid to Cost Accountants vide Resolution No. 8 of the Notice of the ensuing AGM of the Company pursuant to Section 148 of the Act.

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

The Company has constituted a Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Act 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 'C'** 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 the Listing Regulations has been posted on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

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

### **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:**

The 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:**

As per the provisions of Section 177(9) of the Companies Act, 2013 ('Act'), the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

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](http://www.simmondsmarshall.com).

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

In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"), the Company has adopted an "Anti-Sexual Harassment Policy". The policy is applicable for all employees of the organization, which includes corporate office, and manufacturing locations etc.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the POSH Act to redress complaints received on sexual harassment as well as other forms of verbal, physical, written or visual harassment.

During the Financial Year under review, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.

**INVESTOR EDUCATION & PROTECTION FUND (IEPF) & NODAL OFFICER:**

➤ Pursuant to the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to be 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. 1,34,281/- in respect of Financial Year 2011-12.

➤ Further, Pursuant to provision 124(6) of the Act and IEPF Rules, during the year 2019-20, 20,010 Equity shares were transferred in respect of which dividend has not been claimed for the Financial Year 2011-12. The details are available on our website [www.simmondsmarshall.com](http://www.simmondsmarshall.com).

**➤ Nodal Officer**

The Company has appointed Mr. Nirmal Gupta, Company Secretary as the Nodal Officer for the purpose of verification of claims filed with the Company in terms of IEPF Rules and for co-ordination with the IEPF Authority. The said details are also available on the website of the Company i.e. [www.simmondsmarshall.com](http://www.simmondsmarshall.com).

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

The Company is in full compliance with the requirements and disclosures that have to be made in terms of the requirements of Corporate Governance specified in SEBI Listing Regulations.

In terms of the provisions of Schedule V(C) of the SEBI Listing Regulations, a detailed Report on Corporate Governance forms part of this Annual Report. Further, though for better readability and easy reference of the Shareholders, a Certificate from the Secretarial Auditors of the Company confirming compliance with the requirements of Corporate Governance as specified in SEBI Listing Regulations is provided together with the Report on Corporate Governance, the same shall be considered to be an annexure to this Report.

Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure.

**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 Act read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended as **Annexure 'D'** and forms part of this report.

**PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report. Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection by the members at the registered office of the Company during working hours on working days up to the date of the Annual general meeting and if any member is interested in obtaining as copy thereof, such member may write to the Company Secretary.

**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.

**Date: September 7, 2020**

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

**N.S. MARSHALL**  
**(DIN: 00085754)**  
**MANAGING DIRECTOR**

**I. M. PANJU**  
**(DIN: 00121748)**  
**WHOLE TIME DIRECTOR**

**ANNEXURE 'A' TO THE BOARDS REPORT 2019-20**  
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

**Part "A": Subsidiaries – Not Applicable**

**Part "B": Associates and Joint Ventures**

<b>Name of Associates</b>	<b>Formex Private Limited *</b>
1. Latest audited Balance Sheet Date	31 <sup>st</sup> March 2020
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. 0.82 Lakhs
6. Loss for the year	
i. Considered in Consolidation	Rs. 8.77 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: September 7, 2020**

**I. M. PANJU**  
**(DIN: 00121748)**  
**WHOLE TIME DIRECTOR**

**N. S. MARSHALL**  
**(DIN: 00085754)**  
**MANAGING DIRECTOR**

**VIKASH VERMA**  
**(M. No.: 067761)**  
**CHIEF FINANCIAL OFFICER**

**NIRMAL GUPTA**  
**(ACS No: 45839)**  
**COMPANY SECRETARY**

**ANNEXURE 'B' TO THE BOARDS REPORT 2019-20**

**Form No.MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

(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, minutes, 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, 2020** 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, minutes, forms and returns filed and other records maintained by **SIMMONDS MARSHALL LIMITED** for the financial year ended on March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") including The Companies (Amendment) Act, 2019, The Companies (Amendment) Ordinance, 2019 and the rules made thereunder;
- ii. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- iv. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made 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; *[Except as specified in our Annual Secretarial Compliance Report]*
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *[Except as specified in our Annual Secretarial Compliance Report]*
  - c) 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;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the period of audit]
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the period of audit]
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the period of audit]
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the period of audit]

h) 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 following:

- a) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- b) The Listing Agreement entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [*Except as specified in our Annual Secretarial Compliance Report*]

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

We further report that:

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- 2. That there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 3. 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 decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

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**

Sd/-

**[MAHESH SONI]**

**PARTNER**

**FCS: 3706 COP: 2324**

**UDIN: F003706B000609058**

**PLACE: MUMBAI**

**DATE: AUGUST 24, 2020.**

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



**“ANNEXURE A”**

**To,  
The Members,  
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.
7. Due to the outbreak of COVID -19 pandemic and the current lockdown in the entire country, physical examination of documents under Companies Act, 2013 and other laws is not possible; we have therefore relied upon the documents provided by the Company in electronic mode for Audit purpose.

For **GMJ & ASSOCIATES**  
**Company Secretaries**

Sd/-  
**[MAHESH SONI]**  
**PARTNER**  
**FCS: 3706**  
**COP: 2324**  
**UDIN: F003706B000609058**

**PLACE: MUMBAI**  
**DATE: AUGUST 24, 2020.**

**ANNEXURE 'C' TO THE BOARDS REPORT 2019-20:****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20**

[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 programmes 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](http://www.simmondsmarshall.com).

The Company has been focusing predominantly in the area of education. Apart from education, Company 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 as on March 31, 2020:

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

3. Average net profit of the Company for last three financial years Rs. 997.27 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) Rs. 19.95 Lakhs
5. Details of CSR spent during the financial year 2019-20.
  - (a) Total amount to be spent for the financial year; Rs. 19.95 Lakhs
  - (b) Amount unspent, if any Rs. Nil.
  - (c) Manner in which the amount spent during the financial year is detailed below.

Sr. No	Project/ activity	Sector	Location	Amount outlay (budget) project or programs wise (in Lakhs')	Amount spent on the projects or programs (in Lakhs)	Amount spent through implementing agency
1.	Various	Education	Maharashtra	10.00	7.23	Marshall Charitable Foundation
2.	Various	Medical Aid & Poverty Eradication	Maharashtra	9.95	12.72	Marshall Charitable Foundation

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. The Board of Directors has reconstituted a Corporate Social Responsibility Committee in its meeting held on September 7, 2020 in terms of Section 135 of the Companies Act, 2013 and rules made thereunder.
  - Mr. S. C. Saran resigned from the Board & ceased to be Chairperson of CSR committee w.e.f. July 2, 2020.
  - Ms. A. V. Chowdhury appointed as a Chairperson of CSR Committee w.e.f. September 7, 2020.
  - Mr. Ameet Parikh was appointed as an Additional Director (Independent Capacity) & Member of Committee w.e.f. September 7, 2020.

## **SIMMONDS MARSHALL LIMITED**

8. 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.

**Date: September 7, 2020.**

**N.S. MARSHALL  
(DIN: 00085754)  
MANAGING DIRECTOR**

**AMRITA V. CHOWDHURY  
(DIN: 02178520)  
CHAIRPERSON OF CSR COMMITTEE**

**ANNEXURE 'D' TO THE BOARDS REPORT 2019-20****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, 2020 is given here below and forms a part of the Directors' Report.

**A. CONSERVATION OF ENERGY:**➤ **The steps taken or impact on conservation of energy:**

The Company has made concrete efforts for enhancement in the capacity utilization, cost competitiveness and quality through systematic process monitoring and adherence to technological norms.

Sophisticated instruments were used for regulation and adjustment of parameters. Efforts were also made for upgradation of the quality of plant operation. Utility are being combined besides waste recovery and for effective energy conservation. Better maintenance of equipment's, 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 regularly doing research in the field of saving energy by implementing new cost-effective ideas. Form for disclosure of particulars with respect of Consumption of Energy is enclosed herewith.

	Units	Current Year	Previous Year
a. Power & Fuel Consumption			
Electricity – Purchased			
Unit (KWH)	Units	21.03	30.88
Total Amount	In Rs.	213.04	295.96
Average Rate	per unit	10.13	9.59
b. Consumption per unit of production Electricity (KWH)/Tonne		410.47	440.40

➤ **The steps taken by the Company for utilizing alternate sources of energy:** Not Applicable➤ **The capital investment on energy conservation equipment's:** Not Applicable**B. TECHNOLOGY ABSORPTION:**➤ **the efforts made towards technology absorption during the year under review are:**

- Making design modifications in the products
- Improvements to tool design.
- Upgradation of machines

➤ **the benefits derived like product improvement, cost reduction, product development or import substitution:**

- Simplify the manufacturing process and enhance productivity
- The tooling cost reduction
- Improvement in production

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

- the details of technology imported : N.A.
- the year of import : N.A.
- Whether the technology has been fully absorbed: N.A.

➤ **During the year Company has incurred R & D Expenditure: 15.85 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.

## SIMMONDS MARSHALL LIMITED

<b>Sr. No.</b>	<b>Activities relating to export initiative taken to increase export markets for products survey to boost export during the year.</b>	<b>The Company has conducted Market increase export markets</b>
1	Foreign Exchange outgo	Rs. 2873.25 Lakhs (PY Rs. 3240.69 Lakhs)
2	Foreign Exchange earned	Rs. 1326.98 Lakhs (PY Rs. 1707.06 Lakhs)

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

**Registered Office:**

Mumbai-Pune Road,  
Kasarwadi,  
Pune -411 034.

**Date: September 7, 2020.**

**N. S. MARSHALL**  
**(DIN: 00085754)**  
**MANAGING DIRECTOR**

## 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:

#### Global Economic Review:

The global economy witnessed several uncertainties during the year 2019-20, rising tensions in world trade, delay in the Brexit deal, disruptions in the oil market and an impending recession in some of the major economies created a negative sentiment across the world.

With the outbreak of COVID-19, things have become more challenging. The pandemic gave the largest economic shock the world economy has witnessed in decades. As governments across the world focus on containment of the disease, the measures adopted have led to lockdowns, curtailed production, shortage of labour supply and movement of goods. These measures not only adversely affected the economies sharply but have also disrupted financial and commodity markets, global trade, supply chains, travel and tourism.

As a result of this economic fallout, the global economy is forecasted to sharply contract by -3% during CY 2020 which would be worse than the 2008-09 financial crisis. However, the global economy is projected to grow when economic activity normalises

#### Indian Economy Review:

During FY 2019-20, India's economy grew by just 4.2%, as compared to 6.8% in FY 2018-19. The major factors behind this low growth rate being decline in domestic demand, slowdown in growth of rural income and inefficiency in the operations of Non-Banking Financial Corporations (NBFCs). This further led to fall in export demand, lower capacity utilisation of industries and thereby reduction in fresh investments. To bring back the wheels of the economy in place, steps such as reduction in corporate tax rates, offering credit guarantee for financially sound NBFCs, slashing down of repo rate were taken up. These initiatives had gradually started delivering results in the second half of FY 2019-20, when the outbreak of COVID-19 put up fresh challenges. Various steps were undertaken to stop its outbreak, such as nationwide restrictions and a complete lockdown, which impacted economic activity on a significant scale. The severe disruptive impact on demand caused by the pandemic has created large cash flow gaps for corporates. The GDP is projected to contract by 4% F.Y 2020-21 given the effects of such steps combined with already existing factors.

#### Indian Automobile and Auto component Industry:

The Indian automobile and auto component industry together contribute 10% to the GDP. Besides, the industry employs close to 4 crores people. The auto industry went through one of the most challenging years during FY 2019-20, with sales falling by double-digits across all segments compared to FY 2018-19. Sales of passenger vehicles and two-wheelers fell by 18% whereas commercial vehicles numbers went down by 29%. The automobile industry was on a brink of revival after a torrid FY 2019-20. The expectation was of a decent FY 2020-21, however, the COVID-19 led lockdown dealt a decisive blow to the already bleeding automobile industry. In these conditions, rural economy can turn out to be a point of attraction. With forecasts of normal monsoons and therefore healthy kharif and rabi crops, a boost in the rural economy is expected. This could potentially lead to a rise in vehicle sales from the second half of the year.

#### Business Outlook 2020-21:

We expected a decent performance for the financial year 2020-21, but the performance is set to impact our business brutally during the first half of the year. But the gradual phasing out of the lockdown, the company is already seeing a significant revival in overall demand and expects this trend to continue in the coming quarters and to limited extent thereafter.

#### EXPORTS:

Export market was depressed during the year and total export stood at Rs. 1326.98 Lakhs. Company is expecting an increase in the 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 whether 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.

## SIMMONDS MARSHALL LIMITED

### FINANCIAL AND OPERATIONAL PERFORMANCE:

During the year under review, the Company has achieved the Total Revenue of Rs. 14199.60 Lakhs as against the Total Revenue of Rs. 18267.75 Lakhs in the previous year. The Company has reported net loss before tax of Rs.1041.73 Lakhs during the year as against the net profit before tax of Rs. 773.84 Lakhs in the previous year.

#### Details of significant changes in key financial ratios:

Sr. No	Key Ratios	UOM	2019-20	2018-19	Detailed explanation in case change is 25% or more in comparison to previous year
1	Debtors Turnover	Days	71	85	N.A.
2	Inventory Turnover	Days	156	96	Inventory turnover increased significantly due to significant drop in sales on account of slow down in auto industry and effect of pandemic.
3	Interest Coverage Ratio	Times	-1.14	2.97	On account of loss and increased borrowings.
4	Current Ratio	Times	1.38	1.84	N.A.
5	Debt Equity Ratio	Times	0.74	0.51	On account of increase in working capital borrowings and term loan taken for capital expenditure.
6	Operating Profit Margin (%)	%	-4.36	5.93	Slowdown in auto industry and pandemic has severely impacted the sales and the profitability.
7	Net Profit Margin (%)	%	-6.04	2.94	Slowdown in auto industry and pandemic has severely impacted the sales and the profitability.
8	Return on Net Worth	%	-14.68	7.92	Slowdown in auto industry and pandemic has severely impacted the sales and the profitability.

There has been only a marginal variation in return on net worth compared to previous year.

### 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.*

**ANNEXURE TO DIRECTORS REPORT 2019-2020****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, 2020.**

**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 of the Board**

The composition of the Board is in compliance with the provisions of the Companies Act, 2013 & Listing Regulations. As on March 31, 2020 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 Independent 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.

After March 31, 2020, Mr. S. C. Saran has resigned from the Board, with effect from July 02, 2020 and Mr. Ameet Parikh has been appointed on Board as an Additional Director (Independent Capacity) w.e.f September 7, 2020

The Board met Four (4) times during the year on May 28, 2019, August 13, 2019, November 12, 2019 and February 14, 2020 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013, Regulation 17(2) of the Listing Regulations 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, 2020 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	3	Yes	1	8*	--	--	--	--
2.	Mr. N. S. Marshall	Promoter and Managing Director	4	Yes	4	9**	6	1	<ul style="list-style-type: none"> <li>• Ador Fontech Limited</li> <li>• Ador Multi Products Limited</li> <li>• Hindustan Hardy Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive - Independent Director</li> <li>• Non-Executive - Independent Director</li> <li>• Non-Executive - Independent Director</li> </ul>



## SIMMONDS MARSHALL LIMITED

3.	Mr. I. M. Panju	Whole Time Director	4	Yes	2***	7	--	--	--	--
4.	Mr. S. C. Saran	Non-Executive Independent Director	1	No	4****	2	4	--	• Hindustan Hardy Limited	• Executive Director/ Chairman
5.	Mr. F. K. Banatwalla	Non-Executive Independent Director	4	Yes	3	12	5	3	• Josts Engineering Co. Limited • Uni Abex Alloy Products Limited	• Non-Executive - Independent Director • Non-Executive - Independent Director
6.	Ms. A. V. Chowdhury	Non-Executive Independent Director	4	No	3	3	3	--	• Nesco Limited • Mahindra Lifespace Developers Limited	• Non-Executive - Independent Director • Non-Executive - Independent Director

\* 2 Companies out of 8 are under liquidation process.

\*\*2 Companies out of 9 are under liquidation process.

\*\*\*1 Company out of 2 is unlisted public Company.

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

**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, as mandated by Regulation 26 of Listing Regulations, none of the Director acts as a member of more than 10 committees or acts as a Chairperson of more than 5 committees across all Public Limited Companies.

### **Relationships between Directors inter-se:**

Mr. S. J. Marshall is related to Mr. N. S. Marshall as father and to Mr. I. M. Panju as father- in-law, with such inter-se relation between them. None of the other Directors except as aforementioned are related to each other.

### **Shareholding of Non- Executive Independent Directors as on March 31, 2020:**

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

### **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.

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

The 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 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.

**Committees of Board:**

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

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

**AUDIT COMMITTEE:**

The Audit Committee of the Company is constituted in accordance with the Regulation 18 of Listing Regulations 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 Listing Regulations 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. Modified Opinion(s) 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;
- Reviewing and monitoring 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 function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 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;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- 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 28, 2019, August 13, 2019, November 12, 2019 and February 14, 2020 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 (2019-2020)				No. of Meetings Entitled to Attend	No. of Meetings Attended
		May 28, 2019	Aug 13, 2019	Nov 12, 2019	Feb 14, 2020		
Mr. F. K. Banatwalla	Chairperson Non-Executive Independent Director	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 Director	No	No	No	Yes	4	1
Ms. A. V. Chowdhury	Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4

\*Mr. S. C. Saran resigned from the Board & ceased to be Member of Audit Committee w.e.f. July 2, 2020.

Mr. Ameet Parikh was appointed as an Additional Director (Independent Capacity) & Member of Committee w.e.f. September 7, 2020.

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 13, 2019 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. The Committee comprises of three (3) Non-Executive Independent Directors as 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 of Directors a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 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.
- To recommend to the board, all remuneration, in whatever form, payable to senior management;

## SIMMONDS MARSHALL LIMITED

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 Two (2) times during the year on May 28, 2019 and February 14, 2020. 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 (2019-2020)		No. of Meetings Entitled to Attend	No. of Meetings Attended
		May 28, 2019	Feb 14, 2020		
*Mr. S. C. Saran	Chairperson Non-Executive Independent Director	No	Yes	2	1
**Mr. F. K. Banatwalla	Non-Executive Independent Director	Yes	Yes	2	2
Ms. A. V. Chowdhury	Non-Executive Independent Director	Yes	Yes	2	2

\* Mr. S. C. Saran resigned from the Board & ceased to be Chairperson of NRC committee w.e.f. July 2, 2020.

\*\* Mr. F. K. Banatwalla appointed as a Chairperson of NRC Committee w.e.f. September 7, 2020.

Mr. Amet Parikh was appointed as an Additional Director (Independent Capacity) & Member of Committee w.e.f. September 7, 2020.

**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 organization;
- Provisions of law with regard making payment of remuneration, as may be applicable, are compiled;
- 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, 2020:**

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 2019-20.

The details of remuneration paid to executive Directors during the financial year 2019-20 are given below:

(Amount in Lakhs)

Particulars	S.J. Marshall	N. S. Marshall	I. M. Panju
Salary	42.43	58.39	3.30
Fixed Components: Contribution to Provident Fund, etc.	--	19.28	0.91
Commission	--	--	--
<b>Total</b>	<b>42.43</b>	<b>77.67</b>	<b>4.21</b>

**e) Details of remuneration paid to Directors for the year ended March 31, 2020:**

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 2019-20 are as follows:

Particulars	S. C. Saran	F. K. Banatwalla	A. V. Chowdhury
Sitting Fees	10,000	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 shareholder 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. Mr. Nirmal Gupta is the Company Secretary & Compliance officer of the Company.

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

The following table shows the nature of complaints received from the shareholders during the years 2019-2020.

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	7	7	--
	<b>Total</b>	<b>8</b>	<b>8</b>	<b>--</b>

Normally all complaints/ queries are disposed off expeditiously. The Company had no complaint pending at the close

## SIMMONDS MARSHALL LIMITED

of the financial year.

### Composition & Meetings:

The Committee met Four (4) times during the year on May 28, 2019, August 13, 2019, November 12, 2019 and February 14, 2020. 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 (2019-2020)				No. of Meetings entitled to Attend	No. of Meetings Attended
		May 28, 2019	Aug 13, 2019	Nov 12, 2019	Feb 14, 2020		
Mr. F. K. Banatwalla	Chairperson Non-Executive Independent Director	Yes	Yes	Yes	Yes	4	4
*Mr. S. C. Saran	Non-Executive Independent Director	No	No	No	Yes	4	1
Mr. N. S. Marshall	Executive Director	Yes	Yes	Yes	Yes	4	4

\*Mr. S. C. Saran resigned from the Board & ceased to be Member of Stakeholder Relationship committee w.e.f. July 2, 2020.

Mr. Ameet Parikh was appointed as an Additional Director (Independent Capacity) & Member of Stakeholder Relationship committee w.e.f. September 7, 2020.

### 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](http://www.simmondsmarshall.com).

### Composition & Meetings:

The Committee met once during the year on May 28, 2019. 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 (2019-2020)	No. of Meetings entitled to Attend	No. of Meetings Attended
		May 28, 2019		
*Mr. S. C. Saran	Chairperson Non-Executive Independent Director	No	1	--
Mr. N. S. Marshall	Executive Director	Yes	1	1
**Ms. A. V. Chowdhury	Non-Executive Independent Director	Yes	1	1

\* Mr. S. C. Saran resigned from the Board & ceased to be Chairperson of CSR committee w.e.f. July 2, 2020.

\*\* Ms. A. V. Chowdhury appointed as a Chairperson of CSR Committee w.e.f. September 7, 2020.

Mr. Ameet Parikh was appointed as an Additional Director (Independent Capacity) & Member of Committee w.e.f. September 7, 2020.

**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.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations, 1 (One) separate meeting of the Independent Directors were held during the year i.e. on February 14, 2020. In this meeting of the Independent Directors were without the attendance of Non-Independent Directors and members of management.

Mr. F. K. Bantwalla, who is an Independent Director, was the Chairman of meeting of Independent Directors. The Independent Directors discussed matters pertaining to the Company’s affairs and functioning of the Board and presented their views to the Managing Director for appropriate action.

The Independent Directors at their meetings also consider:

- (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.

**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](http://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, except Mr. S. C. Saran Independent Director who has resigned from the Company after March 31, 2020 in order to comply with Regulation 16(1)(b)(viii) of Listing Regulations.

**Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:-**

During the year under review, no Independent Director resigned before the expiry of his/ her tenure.

**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](http://www.simmondsmarshall.com).

**Policy for Preservation of Documents-** In Compliance with Regulation 9 of Listing Regulations, the Board of Directors



## SIMMONDS MARSHALL LIMITED

has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website [www.simmondsmarshall.com](http://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](http://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](http://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
31/03/2019	13/09/2019	11:00 A.M.	Kwality Restaurant, Mumbai - Pune Road, Chinchwad, Pune – 411 019.
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.

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

Date of AGM	Description of Special Resolution:
13/09/2019	(i) Special resolution for Continuation of payment of remuneration to Executive Directors who are Promoters in excess of threshold limits as per SEBI (LODR) (Amendment) Regulations, 2018.
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.

#### b) Extraordinary General Meeting:

No extraordinary general meeting of the members was held during the year 2019-20.

#### 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](http://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) 60<sup>th</sup> Annual General Meeting schedule to be held on**

DAY & DATE : Wednesday, September 30, 2020  
 TIME : 11:00 a.m.  
 VENUE : through VC/OAVM

**b) Financial Year:**

The Company follows the period of April to March, as the Financial Year. Tentative Financial calendar for the financial year 2020-21 is as under:

<b>Financial Reporting for the Financial Year 2020-21</b>	<b>Tentative month of reporting</b>
Un-audited Financial Results for the quarter ending June 30, 2020	On or before August 14, 2020
Un-audited Financial Results for the quarter and half year ending September 30, 2020	On or before November 14, 2020
Un-audited Financial Results for the quarter and nine months ending December 31, 2020	On or before February 14, 2021
Audited Financial Results for the quarter and year ending March 31, 2021	On or before May 30, 2021

**c) Book Closure:**

The Register of Members and Share Transfer Books will remain closed from **September 24, 2020 to September 30, 2020** (both days inclusive) for the purpose of AGM.

**d) Listing on Stock Exchanges:**

Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the financial year 2019-2020 has been paid to the BSE Limited, Mumbai.

**e) 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

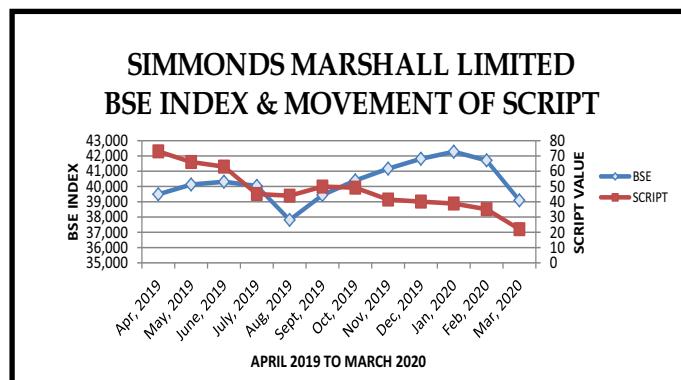
**f) Stock Price / Market Price Data:**

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2019 to March, 2020 are as under:

<b>Month</b>	<b>Company's Share [Rs.]</b>		<b>BSE Sensex</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
April, 2019	81.60	72.00	39487.45	38460.25
May, 2019	79.65	66.00	40124.96	36956.10
June, 2019	71.00	59.00	40312.07	38870.96
July, 2019	64.90	41.00	40032.41	37128.26
August, 2019	53.30	40.00	37807.55	36102.35
September, 2019	56.50	43.60	39441.12	35987.80
October, 2019	54.00	44.40	40392.22	37415.83
November, 2019	49.00	40.00	41163.79	40014.23
December, 2019	42.95	33.45	41809.96	40135.37
January, 2020	44.00	36.55	42273.87	40476.55
February, 2020	44.00	34.50	41709.30	38219.97
March, 2020	37.70	17.10	39083.17	25638.90

## SIMMONDS MARSHALL LIMITED

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



**h) 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](mailto:support@sharexindia.com)

**i) Share Transfer System:**

RTA of the Company does verify documents, process and effect transfer of shares transfer request received at the office of the Company/RTA. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

**j) Shareholding as on March 31, 2020**

**i) Shareholding pattern as on March 31, 2020:**

The shareholding of different categories of the shareholders as on March 31, 2020 is given below:

Category	No. of shares held	% of shareholding
<b>Promoters &amp; Promoter Group</b>	6537050	58.37
<b>Banks /MF /UTI/FI/FII's/FPI</b>	108266	0.97
<b>Bodies Corporate</b>	862431	7.70
<b>Indian Public</b>	3397220	30.33
<b>NRI / OCBs</b>	126980	1.13
<b>Clearing Members</b>	7543	0.07
<b>Central Government (IEPF)</b>	160510	1.43
<b>Total</b>	<b>11200000</b>	<b>100.000</b>

**ii) Distribution of Shareholding as on March 31, 2020:**

No. of Equity Shares held	No. of Shareholders	No. of Shares held	% of Equity Capital
<b>Upto 500</b>	3369	644803	5.757
<b>501-1000</b>	426	364517	3.255
<b>1001-5000</b>	518	1085369	9.691
<b>5001-10000</b>	68	480419	4.289
<b>10001-100000</b>	38	1027372	9.173
<b>100001-above</b>	11	7597520	67.835
<b>Total</b>	<b>4430</b>	<b>11200000</b>	<b>100.000</b>

**k) 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, 2020, out of total Equity Capital 1,12,00,000 Equity Shares, 1,08,70,365 Equity Shares representing 97.06% of the total Equity Shares are held in de-materialized form with NSDL and CDSL.

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

**Number of Trades:** 507.92

**Number of Shares:** 52210 Equity Shares

**m) 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, 2020, the Company does not have any outstanding GDRs / ADRs or any Warrants.

**n) Commodity price risk or foreign exchange risk and hedging activities – Market driven****o) Plant Locations:** Mumbai Pune Road, Kasarwadi, Pune- 411 034.**p) Address for Correspondence:**

**SIMMONDS MARSHALL LIMITED**

Mumbai Pune Road, Kasarwadi, Pune- 411 034

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

Telephone Nos: 020-30782150

**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 have 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](http://www.simmondsmarshall.com)**g) Non Compliance of any requirement of corporate governance report of sub-para (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.** This Certificate is annexed to the report.
- 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.** During the financial year under review, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.
- 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:** The 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](http://www.simmondsmarshall.com).
- o) **Code of Conduct & Declaration:**  
The Company has adopted a Code of Conduct for the Directors, Senior Management Personnel and Employees of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the code for the effective period. Certificate from the Managing Director affirming compliance of the said code by all the Board members and members of senior management of the Company to whom the code is applicable is annexed separately to this report.
- p) **Prevention of Insider Trading:**  
In compliance with the requirements of the Regulation 8 & Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The Board of Directors has formulated and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by its employees and other connected persons, are uploaded on the website of the Company [www.simmondsmarshall.com](http://www.simmondsmarshall.com).
- q) **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) Listing Regulations for the financial year ended March 31, 2020 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.
- r) **Auditors' Certificate on Corporate Governance:**  
The Company has obtained a Certificate from Mr. Mahesh Soni, Partner of M/s. GMJ & Associates, 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.
- s) **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, 2020.

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

**Registered Office:**  
Mumbai-Pune Road,  
Kasarwadi,  
Pune -411 034  
Date: July 13, 2020

**N.S. MARSHALL**  
**(DIN: 00085754)**  
**MANAGING DIRECTOR**

## **ANNEXURE 'A' 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, 2020.

Place: Mumbai  
Dated: July 13, 2020

**N.S. MARSHALL**  
**(DIN: 00085754)**  
**MANAGING DIRECTOR**

**ANNEXURE 'B' TO CORPORATE GOVERNANCE REPORT****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (LODR) Regulations, 2015)*

To,  
**Simmonds Marshall Limited**  
Mumbai - Pune Road,  
Kasarwadi,  
Pune - 411034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Simmonds Marshall Limited** having **CIN L29299PN1960PLC011645** and registered office at Mumbai - Pune Road, Kasarwadi, Pune - 411 034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub-clause 10(i) of the SEBI (LODR) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in Company</b>
1.	S. J. Marshall	00085682	16/04/1960
2.	N. S. Marshall	00085754	01/08/2008
3.	I. M. Panju	00121748	01/01/1994
4.	F. K. Banatwalla	02670802	28/07/2009
5.	S. C. Saran	00032194	20/10/2006
6.	A. V. Chowdhury	02178520	30/03/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Mumbai**  
**Dated: August 24, 2020.**

**For GMJ & Associates**  
**Company Secretaries**  
Sd/-  
**MAHESH SONI**  
**PARTNER**  
**FCS: 3706, COP: 2324**  
**UDIN: F003706B000609179**

## **ANNEXURE 'C' TO CORPORATE GOVERNANCE REPORT**

### **AUDITORS' CERTIFICATE**

**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, 2020 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**

**Sd/-**

**MAHESH SONI**

**PARTNER**

**FCS: 3706, COP: 2324**

**UDIN: F003706B000609146**

**Place: Mumbai**

**Dated: August 24, 2020.**



## **CEO CERTIFICATION**

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

**Re: Financial Statements for the year 2019-20 – 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, 2020 and that to the best of my knowledge and belief :
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that
  - (i) There have been no significant changes in internal control over financial reporting during the year;
  - (ii) There have been no significant changes in accounting policies during the year; and
  - (iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Dated : July 13, 2020

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

**Vikash Verma**  
**Chief Financial Officer**

## 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 2020, 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 2020, and its loss, 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 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.

#### Emphasis of Matter

We draw your attention to Note 40 of the standalone financial statements, with regard to management's assessment about the impact on Company's operations due to COVID 19 pandemic outbreak and lockdown. The management apart from considering the internal and external information up to the date of approval of these financial statements, the Company has also performed sensitivity analysis on the assumptions used interalia including in respect of realisability of inventories of Rs.6,154.44 lakhs, recoverability of trade receivables of Rs.1,733.59 lakhs and impairment of capital work-in-progress of Rs. 1,889.60 lakhs, good will of Rs. 267.30 lakhs & utilization of deferred tax assets of Rs.162.21 lakhs, and based on current indicators of future economic conditions, the Company expects to realize /recover the carrying amount of all these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions.

Our report is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

## SIMMONDS MARSHALL LIMITED

Sr. No	Key Audit Matters	Auditor's response
1.	<p><b>Inventory – existence and valuation</b></p> <p>As at March 31, 2020, the Company held inventories of Rs. 6,154.44 Lakhs. [Also, refer Note no. 9 of the standalone financial statements]</p> <p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories as on the Balance sheet date couldn't be carried out by the Company.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed following alternative audit procedures over inventory existence and valuations.</p> <p>(a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.</p> <p>(b) Performing procedures to ensure that the changes in inventory are properly recorded.</p> <p>(c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation</p> <p>(d) Testing of accuracy of inventory reconciliations with the general ledgers at year end, including test of reconciling items.</p> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p>
2.	<p><b>Trade receivables- collectability and certainty</b></p> <p>As at March 31, 2020, the Company held trade receivables of Rs. 1,733.59 lakhs. [Also, refer Note no. 10 of the standalone financial statements]</p> <p>Trade receivables collectability and certainty was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, resulted in non receipt of direct confirmations and reconciliations from the customers.</p> <p>In view of the above, the matter has been determined to be a key audit matter.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed following alternative audit procedures over trade receivables :</p> <p>(a) Performing procedures to ensure that the changes in trade receivables between the last confirmation receipt and date of the Balance sheet are properly recorded (Roll forward procedures)</p> <p>(b) Performing substantive analytical procedures to test the correctness of receivables valuation</p> <p>(c) Testing of accuracy of trade receivables reconciliations with the general ledgers during the year, including test of reconciling items</p> <p>(d) We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management.</p> <p>The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

**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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 judgment 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.
- (e) On the basis of the written representations received from the directors as on 31st March 2020 taken on records by the Board of Directors, none of the directors are disqualified as on 31st March 2020 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**  
**UDIN: 20044101AAAAEI3505**

**Mumbai, 13<sup>th</sup> July, 2020**

### “ANNEXURE A”

#### **ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF “THE COMPANY” FOR THE YEAR ENDED 31ST MARCH, 2020**

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. However, due to COVID 19 related nationwide lockdown, the Management was not able to perform year end physical verification of fixed assets as per the phased programme. According to the information and explanations given to us, management does not expect any material discrepancy as and when the physical verification is carried out.  
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. Due to COVID 19 related nationwide lockdown, the Management was not able to perform year end physical verification of inventory. According to the information and explanations given to us, management does not expect any material discrepancy as and when the physical verification is carried out.
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. The Company has not granted any loans or provided guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act with respect to the investment made.
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, goods and service tax, duty of customs, 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:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Period to which it relates</b>	<b>Amount (₹ in lakhs)</b>	<b>Forum where dispute is pending</b>
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

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 Accounting Standard. (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**  
**UDIN: 20044101AAAAEI3505**

**Mumbai, 13<sup>th</sup> July, 2020**



### **“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 2020 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; (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 and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

#### **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 2020, except certain year end controls related to inventory and trade receivables, due to prevailing pandemic condition, reference is also invited to Key Audit Matters para in main audit report 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  
UDIN: 20044101AAAAE13505**

**Mumbai, 13<sup>th</sup> July, 2020**

# SIMMONDS MARSHALL LIMITED

## Standalone Balance Sheet as at March 31, 2020

Particulars	Note no.	Rs. in Lakhs	
		As at March 31, 2020	As at March 31, 2019
<b>A. Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	2,225.45	2,412.45
Capital work-in-progress	3	1,889.60	59.04
Intangible assets	4	329.22	372.94
Intangible assets under development		3.88	-
<b>Financial assets</b>			
- Investment in subsidiary, associate and joint venture	5	358.47	409.59
- Others investments	5	1.00	1.00
- Loans	6	8.43	8.32
- Other financial assets	7	266.57	32.21
Deferred tax assets (net)	42	162.21	-
Income tax assets		55.01	-
Other non-current assets	8	43.79	267.55
<b>Total non-current assets</b>		<b>5,343.63</b>	<b>3,563.10</b>
<b>Current assets</b>			
Inventories	9	6,154.44	5,922.83
<b>Financial assets</b>			
- Trade receivables	10	1,733.59	3,791.08
- Cash and cash equivalents	11	46.87	32.58
- Bank balances other than above	12	38.20	21.32
- Loans	13	11.09	9.33
- Other financial assets	14	58.38	26.51
Current tax assets (net)		75.81	130.89
Other current assets	15	238.74	226.83
<b>Total current assets</b>		<b>8,357.12</b>	<b>10,161.37</b>
<b>TOTAL ASSETS</b>		<b>13,700.75</b>	<b>13,724.47</b>
<b>B. Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	16	224.00	224.00
Other Equity	17	5,601.86	6,524.69
<b>Total equity</b>		<b>5,825.86</b>	<b>6,748.69</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	18	1,686.18	1,194.67
Deferred tax liabilities (Net)	42	-	163.23
Provisions	19	93.21	83.67
<b>Total non-current liabilities</b>		<b>1,779.39</b>	<b>1,441.57</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	20	2,606.72	2,245.20
- Trade payables	21		
(a) Total outstanding dues of micro & small enterprises		640.13	346.09
(b) Total outstanding dues of creditors other than micro and small enterprises		1,798.97	2,416.20
- Other financial liabilities	22	792.83	350.94
Other current liabilities	23	50.65	58.04
Provisions	19	206.20	117.74
<b>Total current liabilities</b>		<b>6,095.50</b>	<b>5,534.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,700.75</b>	<b>13,724.47</b>

### 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

For and on behalf of the Board of Directors

I M PANJU

Whole time Director

DIN: 00121748

V VERMA

Chief Financial Officer

N S MARSHALL

Managing Director

DIN: 00085754

N GUPTA

Company Secretary

Place: Mumbai

Date: July 13, 2020

**Standalone Statement of Profit and Loss for the year ended March 31, 2020**

Particulars	Note no.	Rs. in Lakhs	
		For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	24	14,169.02	18,178.47
Other income	25	30.58	89.28
<b>Total Income</b>		<b>14,199.60</b>	<b>18,267.75</b>
<b>Expenses</b>			
Cost of materials consumed	26	5,646.69	7,592.74
Purchases of traded goods		-	11.38
Changes in inventories of work-in progress and finished goods	27	(437.23)	(1,045.20)
Employee benefits expense	28	3,490.44	3,720.95
Finance costs	29	541.13	370.81
Depreciation and amortisation expense	30	538.83	449.41
Other expenses	31	5,461.47	6,393.82
<b>Total expenses</b>		<b>15,241.33</b>	<b>17,493.91</b>
<b>Profit / (Loss) before taxation</b>		<b>(1,041.73)</b>	<b>773.84</b>
<b>Income tax expense</b>			
Current tax		-	234.18
Deferred tax		(292.90)	(30.67)
Tax relating to earlier years		22.00	(6.26)
		(270.90)	<b>197.25</b>
<b>Profit / (Loss) before taxation</b>		<b>(770.83)</b>	<b>576.59</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		117.00	58.16
Tax on above item		(32.55)	(16.18)
<b>Other comprehensive income for the year, net of tax</b>		<b>84.45</b>	<b>41.98</b>
<b>Total comprehensive income for the year</b>		<b>(855.28)</b>	<b>534.61</b>
<b>Significant accounting policies</b>	1		
Basic and diluted earnings per share (Face value of Rs. 2 each)	34	(6.88)	5.15
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**

**For and on behalf of the Board of Directors**

**I M PANJU  
Whole time Director  
DIN: 00121748  
V VERMA  
Chief Financial Officer**

**N S MARSHALL  
Managing Director  
DIN: 00085754  
N GUPTA  
Company Secretary**

**Place: Mumbai  
Date: July 13, 2020**

# SIMMONDS MARSHALL LIMITED

## Standalone Statement of Changes in Equity for the year ended March 31, 2020

### (A) Equity Share Capital

(Rs. in Lakhs)

<b>Balance as at April 01, 2018</b>	224.00
Changes in share capital during the year	-
<b>Balance as at March 31, 2019</b>	224.00
Changes in share capital during the year	-
<b>Balance as at March 31, 2020</b>	224.00

### (B) Other Equity

	Reserve & Surplus			Other Comprehensive Income {Actuarial gains/ (losses)}	Total
	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at April 01, 2018</b>	<b>154.00</b>	<b>530.00</b>	<b>5,476.91</b>	<b>(76.32)</b>	<b>6,084.59</b>
Profit for the year	-	-	576.59	-	576.59
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year for 2017-18	-	-	(78.40)	-	(78.40)
Tax on Dividend	-	-	(16.12)	-	(16.12)
<b>Balance as at March 31, 2019</b>	<b>154.00</b>	<b>530.00</b>	<b>5,958.99</b>	<b>(118.30)</b>	<b>6,524.69</b>
Profit for the year	-	-	(770.83)	-	(770.83)
Other comprehensive income for the year	-	-	-	(84.45)	(84.45)
Dividend paid during the year for 2018-19	-	-	(56.00)	-	(56.00)
Tax on Dividend	-	-	(11.51)	-	(11.51)
<b>Balance as at March 31, 2020</b>	<b>154.00</b>	<b>530.00</b>	<b>5,120.65</b>	<b>(202.75)</b>	<b>5,601.86</b>

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

For and on behalf of the Board of Directors

I M PANJU  
Whole time Director  
DIN: 00121748  
V VERMA  
Chief Financial Officer

N S MARSHALL  
Managing Director  
DIN: 00085754  
N GUPTA  
Company Secretary

Place: Mumbai  
Date: July 13, 2020

## Standalone Statement of Cash Flows for the year ended March 31, 2020

Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from Operating Activities:</b>		
<b>Net Profit / (Loss) before tax</b>	(1,041.73)	773.84
<b>Adjustments for:</b>		
Depreciation and Amortisation expense	538.83	449.41
Remeasurement of defined benefit plan	(117.00)	(58.16)
Bad debts/Sundry balances written off / (Net)	11.09	19.61
Share of profit / (loss) from partnership firm	51.12	(3.70)
Finance costs	541.13	370.81
Provision for expected credit loss	18.71	58.36
Unrealised foreign exchange gain	14.82	14.40
Profit / (loss) on sale of property, plant and equipment (net)	(0.73)	4.01
Dividend income	(0.12)	(0.12)
Interest income	(22.40)	(13.41)
	<u>1,035.43</u>	<u>841.21</u>
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<u>(6.30)</u>	<u>1,615.05</u>
<b>Adjustments for :</b>		
Decrease in Trade & Other receivables	1,750.44	724.81
Increase in inventories	(231.61)	(2,273.96)
Increase / (Decrease) in Trade payables & Other payables	(175.29)	173.42
Increase in Provisions	98.01	56.59
	<u>1,441.55</u>	<u>(1,319.14)</u>
Cash generated from the operations	1,435.25	295.91
Direct tax paid (net)	21.93	335.80
<b>Net Cash from / (used in) Operating Activities "A"</b>	<b><u>1,413.32</u></b>	<b><u>(39.89)</u></b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	(1,651.99)	(621.13)
Proceeds from sale of property, plant and equipment	7.31	2.61
Investments in bank deposits (net)	(16.89)	95.12
Interest received	6.83	12.16
Dividend income	0.12	0.12
<b>Net Cash used in Investing Activities "B"</b>	<b><u>(1,654.62)</u></b>	<b><u>(511.12)</u></b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from long term borrowings	491.51	224.30
Proceeds from short term borrowings	361.52	810.48
Dividend & dividend tax paid	(67.52)	(94.52)
Finance costs paid	(529.92)	(362.82)
<b>Net Cash from Financing Activities "C"</b>	<b><u>255.59</u></b>	<b><u>577.44</u></b>
<b>Net Increase in Cash &amp; Cash Equivalent (A+B+C)</b>	<b><u>14.29</u></b>	<b><u>26.42</u></b>
Cash & Cash equivalent at the beginning of the year	32.58	6.16
<b>Cash &amp; Cash equivalent as at end of the year (Refer Note No. 11)</b>	<b><u>46.87</u></b>	<b><u>32.58</u></b>

Significant accounting policies

1

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

For and on behalf of the Board of Directors

I M PANJU  
Whole time Director  
DIN: 00121748  
V VERMA  
Chief Financial Officer

N S MARSHALL  
Managing Director  
DIN: 00085754  
N GUPTA  
Company Secretary

Place: Mumbai

Date: July 13, 2020

## Notes to the financial statements

### A. CORPORATE INFORMATION:

Simmonds Marshall Limited ('The Company') is a public limited company domiciled in India under registration number L29299PN1960PLC011645. The registered office of the Company is at Mumbai-Pune Road, Kasarwadi Pune MH 411034. The Company has its listing on BSE Limited (Bombay Stock Exchange). The Company is primarily engaged in the business of manufacture of Industrial Fasteners and Bolts

### 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 judgments:

The preparation of the financial statements requires the Management to make judgments, 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 useful life of the Property, plant and equipment and intangible assets-Note no. 2 & 4
- (c) Carrying value of intangible assets (goodwill)- Note no. 4

#### 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.

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 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, than 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 historical 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, than 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 which are 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 Statement of 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. Inventories**

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

#### **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, labor, 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 & 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.

**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**

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.

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. 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 goods 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 recognized 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.

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 nett of price.

**12. Employee Benefits:**

The Company has provides following post-employment plans:

- (a) Defined benefit plans such as gratuity and

- (b) Defined contribution plans such as Provident fund & 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 actuary 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 profit & 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 judgment 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.

**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 Costs:**

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. 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:**

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The adoption of this Standard does not have any material impact. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**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**

Particulars	Rs. in Lakhs							Total
	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	
<b>Balance as at April 01, 2018</b>	<b>141.76</b>	<b>2,738.60</b>	<b>41.68</b>	<b>186.14</b>	<b>20.11</b>	<b>21.60</b>	<b>27.80</b>	<b>3,177.69</b>
<b>Additions</b>	-	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
<b>Balance as at March 31, 2019</b>	<b>141.76</b>	<b>3,003.13</b>	<b>47.91</b>	<b>205.18</b>	<b>24.96</b>	<b>23.02</b>	<b>61.31</b>	<b>3,507.27</b>
Additions	-	287.15	-	12.48	1.49	0.11	9.21	310.44
Disposals	-	-	-	(16.28)	-	-	-	(16.28)
<b>Balance as at March 31, 2020</b>	<b>141.76</b>	<b>3,290.28</b>	<b>47.91</b>	<b>201.38</b>	<b>26.45</b>	<b>23.13</b>	<b>70.52</b>	<b>3,801.43</b>
<b>Accumulated depreciation</b>								
<b>Accumulated depreciation as at April 01, 2018</b>	<b>12.95</b>	<b>583.75</b>	<b>10.40</b>	<b>52.88</b>	<b>7.37</b>	<b>12.30</b>	<b>15.64</b>	<b>695.29</b>
Depreciation charge for the year	6.41	352.80	4.73	28.41	4.39	2.51	14.76	414.01
Disposals/Adjustments	-	-	-	(14.48)	-	-	-	(14.48)
<b>Accumulated depreciation as at March 31, 2019</b>	<b>19.36</b>	<b>936.55</b>	<b>15.13</b>	<b>66.81</b>	<b>11.76</b>	<b>14.81</b>	<b>30.40</b>	<b>1,094.82</b>
Depreciation charge for the year	70.66	361.35	5.08	25.17	4.61	6.50	17.49	490.85
Disposals/Adjustments	-	-	-	(9.70)	-	-	-	(9.70)
<b>Accumulated depreciation as at March 31, 2020</b>	<b>90.02</b>	<b>1,297.90</b>	<b>20.21</b>	<b>82.28</b>	<b>16.37</b>	<b>21.31</b>	<b>47.89</b>	<b>1,575.97</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>122.40</b>	<b>2,066.58</b>	<b>32.78</b>	<b>138.37</b>	<b>13.20</b>	<b>8.21</b>	<b>30.91</b>	<b>2,412.45</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>51.74</b>	<b>1,992.38</b>	<b>27.70</b>	<b>119.10</b>	<b>10.08</b>	<b>1.82</b>	<b>22.63</b>	<b>2,225.45</b>

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.**



## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Note 3 : Capital work-in-progress

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment under installation	1,889.59	59.04
	<b>1,889.59</b>	<b>59.04</b>

\*Refer Note 40

#### Note 4 : Other intangible assets

	Goodwill*	Software	Royalty	Total
<b>Balance as at April 01, 2018</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
Additions	-	141.05	-	141.05
Disposals	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>267.30</b>	<b>146.61</b>	<b>90.72</b>	<b>504.63</b>
Additions	-	4.26	-	4.26
Disposals	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>267.30</b>	<b>150.87</b>	<b>90.72</b>	<b>508.89</b>

#### Accumulated amortisation

<b>Accumulated amortisation as at April 01, 2018</b>	-	5.56	90.71	96.27
Amortisation expense for the year	-	35.40	-	35.40
Disposals/Adjustments	-	-	-	-
<b>Accumulated amortisation as at March 31, 2019</b>	-	40.96	90.71	131.67
Amortisation expense for the year	-	47.98	-	47.98
Disposals/Adjustments	-	-	-	-
<b>Accumulated amortisation as at March 31, 2020</b>	-	88.94	90.71	179.65

<b>Net carrying amount as at March 31, 2019</b>	<b>267.30</b>	<b>105.65</b>	<b>0.01</b>	<b>372.94</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>267.30</b>	<b>61.93</b>	<b>0.01</b>	<b>329.22</b>

\*Business combination requires impairment testing of goodwill. The Company has done impairment testing of goodwill 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, 2020	As at March 31, 2019
<b>In partnership firm (subsidiary)</b>		
<b>Stud India (Refer note below)</b>	346.68	397.80
<b>In Equity instruments (Unquoted)</b>		
Carried at cost		
<b>In an associate</b>		
Formex Private Limited	11.79	11.79
131,051 [as at March 31, 2019 - 131,051] equity shares of Rs.10 each fully paid up (Holding 49% ownership interest)		

<b>Others</b>		
<b>Zoroastrian Co-op Bank Limited</b>	1.00	1.00
4,000 [as at March 31, 2019 - 4,000] shares of Rs. 25 each fully paid up		
	<b>359.47</b>	<b>410.59</b>
<b>Aggregate market value of quoted investments</b>	-	-
<b>Aggregate carrying value of quoted investments</b>	-	-
<b>Aggregate carrying value of unquoted investments</b>	<b>359.47</b>	<b>410.59</b>
<b>Aggregate amount of impairment in the value of investments</b>	-	-

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

Name of partnership firm (subsidiary)	Stud India	
Name of Partners & Share in profits	Total Capital	
	As at March 31, 2020	As at March 31, 2019
Total Capital	350.18	401.82
Simmonds Marshall Limited - 99%	346.68	397.80
Mr. Navroze S. Marshall - 1%	3.50	4.02

**Note 6 : Loans (non-current)**

**Rs. in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
Loans to employees	8.43	8.32
	<b>8.43</b>	<b>8.32</b>

**Note 7 : Other financial assets (non-current)**

**Rs. in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Security deposits	266.57	32.21
	<b>266.57</b>	<b>32.21</b>

**Note 8 : Other non-current assets**

**Rs. in Lakhs**

Particulars	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good)		
Capital Advances	17.24	238.99
Prepayments	-	2.01
Balances with statutory/ government authorities	26.55	26.55
	<b>43.79</b>	<b>267.55</b>

## SIMMONDS MARSHALL LIMITED

### Note 9 : Inventories

Rs. in Lakhs

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Raw materials	1,642.32	2,017.62
Work-in-progress	899.63	948.16
Finished goods [including goods in transit of Rs.1138.13 lakhs [as at March 31, 2019 - Rs. 893.84 lakhs]	2,407.01	1,921.25
Stores and spares	19.93	13.22
Tools	1,178.15	1,015.05
Packing material	7.40	7.53
	<b>6,154.44</b>	<b>5,922.83</b>

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	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured</b>		
Trade receivables considered good	1,733.59	3,791.08
Trade receivables which have significant increase in credit risk	106.17	87.46
Less: Provision for expected credit loss & bad debts	(106.17)	(87.46)
	<b>1,733.59</b>	<b>3,791.08</b>

1. Refer note 18 for trade receivables hypothecated as primary security 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. 115.37 lakhs (as at March 31, 2019 - Rs.274.86 lakhs)

### Note 11 : Cash and cash equivalents

Rs. in Lakhs

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- In current accounts	46.05	32.57
Cash on hand	0.82	0.01
	<b>46.87</b>	<b>32.58</b>

### Note 12 : Bank balances other than above

Rs. in Lakhs

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
- In dividend accounts	11.00	10.71
- In deposit accounts		
Margin money deposit*	27.20	10.61
	<b>38.20</b>	<b>21.32</b>

\*Margin money deposit amounting to Rs 27.20 lakhs (March 31, 2019 - Rs.10.61 lakhs) are kept as lien as security against letter of credit.

**Note 13 : Loans (current)** **Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Loans to employees	11.09	9.33
	<b>11.09</b>	<b>9.33</b>

**Note 14 : Other financial assets (Current)** **Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Security deposits	36.66	7.54
Advances to Employees	0.35	13.17
Interest receivable	21.37	5.80
	<b>58.38</b>	<b>26.51</b>

**Note 15 : Other current assets** **Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Advances to suppliers	48.93	31.08
Prepayments	96.99	63.60
Export incentive receivables	59.10	59.19
Balances with statutory/ government authorities	33.72	72.96
	<b>238.74</b>	<b>226.83</b>

**Notes to the financial statements**

**Note 16 : Equity share capital** **Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Authorised</b>		
5,00,00,000 equity shares of Rs 2 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
1,12,00,000 equity shares of Rs. 2 each	224.00	224.00
	<b>224.00</b>	<b>224.00</b>

**a) Reconciliation of number of shares**

<b>Particulars</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
<b>Equity shares:</b>				
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	<b>1,12,00,000</b>	<b>224.00</b>	<b>1,12,00,000</b>	<b>224.00</b>

## SIMMONDS MARSHALL LIMITED

### 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, 2020		As at March 31, 2019	
	Nos.	% of Holding	Nos.	% of Holding
Navroze S Marshall	15,18,548	13.56%	15,18,548	13.56%
Shiamak J Marshall	17,39,457	15.53%	17,15,397	15.32%
Maki S Marshall	16,87,435	15.07%	16,67,435	14.89%
Kamal I Panju	6,77,155	6.05%	6,77,155	6.05%
Kayan J Pandole	7,13,655	6.37%	7,10,655	6.35%
Clover Technologies Pvt. Ltd.	6,51,165	5.81%	6,51,165	5.81%

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)

### Note 17 : Other Equity

Rs. in Lakhs

Particulars	Reserve & Surplus			Other Comprehensive Income {Actuarial gains/(losses)}	Total
	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>Balance as at April 01, 2018</b>	<b>154.00</b>	<b>530.00</b>	<b>5,476.91</b>	<b>(76.32)</b>	<b>6,084.59</b>
Profit for the year	-	-	576.59	-	576.59
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year for 2017-18	-	-	(78.40)	-	(78.40)
Tax on Dividends	-	-	(16.12)	-	(16.12)
<b>Balance as at March 31, 2019</b>	<b>154.00</b>	<b>530.00</b>	<b>5,958.99</b>	<b>(118.30)</b>	<b>6,524.69</b>
Profit for the year	-	-	(770.83)	-	(770.83)
Other comprehensive income for the year	-	-	-	(84.45)	(84.45)
Dividend paid during the year for 2018-19	-	-	(56.00)	-	(56.00)
Tax on Dividends	-	-	(11.51)	-	(11.51)
<b>Balance as at March 31, 2020</b>	<b>154.00</b>	<b>530.00</b>	<b>5,120.65</b>	<b>(202.75)</b>	<b>5,601.86</b>

#### 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 Liabilities

### Note 18 : Non Current Borrowings

Rs. in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Term loans</b>		
<b>Secured</b>		
<b>From banks</b>		
- Rupee loans (refer note (i (a) & (b)) below)	548.26	503.52
- Foreign currency loans - (refer note (ii) below)	950.01	426.40
<b>From a financial institution</b>		
- Vehicle loans (refer note (iii) below)	19.64	35.47
<b>Unsecured</b>		
Loans from related parties (refer note (iv) below)	609.00	515.00
	<b>2,126.91</b>	<b>1,480.39</b>
Less: Current maturities (refer note 22)		
- Rupee loan	(233.30)	(174.83)
- Foreign Currency loan	(190.00)	(71.07)
- Vehicle loan (From others)	(17.43)	(15.83)
- Loans from related parties	-	(24.00)
	<b>1,686.18</b>	<b>1,194.67</b>

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

No.	Terms of Repayment					
	Maturity period from date of Balance Sheet	0 - 1 year (current)	1 - 2 years	2 - 3 years	3 - 5 years	Total
i. (a)	Rupee loan	54.01	54.01	54.01	108.01	270.04
	Security	Secured by way of exclusive charge on assets acquired under the specific facility granted by the bank.				
	Interest rate	9.45% p. a (Previous year 9.50% p.a.)				
i.(b)	Rupee loan	179.29	98.93	-	-	278.22
	Security	Secured by way of the hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	10.5% - 12.00% p.a. (Previous year 10.5% - 12.00% p.a.)				
ii.	Rupee loan	190.00	409.33	350.68	0.00	950.01
	Security	Secured by way of exclusive charge on assets acquired under the specific facility granted by the bank.				
	Interest rate	5.5% p.a. (Previous year 5.5% p.a.)				

## SIMMONDS MARSHALL LIMITED

	<b>Maturity period from date of Balance Sheet</b>	<b>0 - 1 year (current)</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>3 - 5 years</b>	<b>Total</b>
iii.	Vehicle loan - From Financial Institution	17.43	2.21	-	-	19.64
	Security	Secured by way of hypothecation of vehicles acquired under the specific facility granted by the finance company.				
	Interest rate	9.50% - 9.75% p.a.( Previous year 9.5% - 9.99% p.a.)				
	<b>Maturity period from date of Balance Sheet</b>	<b>0 - 1 year (current)</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>3 - 5 years</b>	<b>Total</b>
iv.	From related parties (Unsecured)	-	-	-	609.00	609.00
	Interest rate	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	8.5% p.a. (Previous year 8.5% p.a.)				

### Note 19 : Provisions

Rs. in Lakhs

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non-Current</b>		
Provision for employee benefits		
Provision for compensated absences	93.21	83.67
	<b>93.21</b>	<b>83.67</b>
<b>Current</b>		
Provision for employee benefits		
Provision for gratuity	188.68	98.09
Provision for compensated absences	17.52	19.65
	<b>206.20</b>	<b>117.74</b>

### Note 20 : Current borrowings

Rs. in Lakhs

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Secured</b>		
Loan from a bank, repayable on demand		
- Working capital loan	2,606.72	2,245.20
	<b>2,606.72</b>	<b>2,245.20</b>

#### Note:

- Working capital loans are secured by way of hypothecation of raw materials, finished goods, stores & spares, book debts etc. and mortgage of entire block of assets (both present & future) in favour of consortium of banks on pari passu other than specific assets financed by respective banks.
- Further, secured against the personal guarantee of Managing Director of the Company.
- Working capital loan carries interest ranging 9.80% to 10.45% p.a. (as at 31st March, 2019 ranging 9.30% to 9.80% p.a.)

### Note 21 : Trade payables

Rs. in Lakhs

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Due to micro, small and medium enterprises*	640.13	346.09
Others	1,798.97	2,416.20
	<b>2,439.10</b>	<b>2,762.29</b>

\*Refer note no. 37 for disclosure under Micro, Small and Medium Enterprise Development Act, 2006.

<b>Note 22 : Other financial liabilities</b>		<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	
Current maturities of long term debt (Refer note 18)	440.73	285.72	
Interest accrued but not due on borrowings	12.16	0.96	
Payable for capital expenditure	328.94	53.56	
Unpaid dividend	11.00	10.71	
	<b>792.83</b>	<b>350.94</b>	

\*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.

<b>Note 23 : Other current liabilities</b>		<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>	
Advance from customers	0.44	0.83	
Statutory dues	50.21	57.21	
	<b>50.65</b>	<b>58.04</b>	

<b>Note 24 : Revenue from operations</b>		<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>	
Sale of products Fasteners, bolts etc.	13,919.59	17,785.09	
Other operating revenue			
(i) Export incentive	56.63	73.97	
(ii) Scrap sale	192.80	319.41	
	<b>14,169.02</b>	<b>18,178.47</b>	

<b>Note 25 : Other income</b>		<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>	
<b>Other income</b>			
Interest income on deposits	22.40	5.46	
Interest on Income tax refund	-	7.95	
Share of profits from a partnership firm	-	3.70	
Profit on disposal of property, plant and equipment	0.73	-	
Dividend income on non-current investments	0.12	0.12	



## SIMMONDS MARSHALL LIMITED

Sundry balances written back	-	1.36
Compensation received from a customer	6.09	69.72
Miscellaneous income	1.24	0.97
	<b>30.58</b>	<b>89.28</b>

### Note 26 : Cost of materials consumed Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials at the beginning of the year	2,017.62	857.45
Add: Purchases	5,271.39	8,752.91
Less: Raw materials at the end of the year	1,642.32	2,017.62
<b>Raw materials consumed</b>	<b>5,646.69</b>	<b>7,592.74</b>

### Note 27 : Changes in inventories of work-in-progress and finished goods Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance</b>		
Work-in-progress	948.16	1,146.05
Finished goods	1,921.25	678.16
	<b>2,869.41</b>	<b>1,824.21</b>
<b>Closing balance</b>		
Work-in-progress	899.63	948.16
Finished goods	2,407.01	1,921.25
	<b>3,306.64</b>	<b>2,869.41</b>
	<b>(437.23)</b>	<b>(1,045.20)</b>

### Note 28 : Employee benefits expense Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	3,118.22	3,332.82
Contribution to provident funds & other funds	194.50	174.16
Staff welfare expense	177.72	213.97
	<b>3,490.44</b>	<b>3,720.95</b>

### Note 29 : Finance costs Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense	478.05	333.57
Other borrowing costs	15.46	29.33
Applicable net loss on foreign currency transactions and translation	47.62	7.91
	<b>541.13</b>	<b>370.81</b>

**Note 30 : Depreciation and amortisation expense**

**Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Depreciation of property, plant and equipment	490.85	414.01
Amortization of other intangible assets	47.98	35.40
	<b>538.83</b>	<b>449.41</b>

**Note 31 : Other expenses**

**Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Consumption of stores and spare parts	117.21	171.67
Consumption of tools	976.56	982.13
Consumption of packing materials	106.06	139.58
Power and fuel	254.18	338.92
Job work charges	2,500.31	2,925.50
Rent	268.60	267.58
Repairs and maintenance		
Plant and equipments	35.93	101.07
Others	32.66	42.18
Rates and taxes excluding taxes on income	9.75	7.88
Insurance	9.58	14.16
Communication expenses	12.46	19.04
Travelling and conveyance	54.89	71.80
Printing and stationery	11.16	23.03
Legal and professional fees	161.81	174.22
Freight and forwarding expenses	609.01	842.22
Sales commission	0.03	0.32
Donations	-	0.25
Provision for expected credit loss/Doubtful Debts	18.71	58.36
Bad Debts Written Off	4.82	20.97
Share of Loss from Partnership Firm (refer note no.5)	51.12	-
Directors' sitting fees	0.80	0.90
Net loss on foreign currency transactions	48.84	40.72
Loss on disposal of property, plant and equipment	-	4.01
Corporate social responsibility expenses*	19.95	20.29
Sundry balances written off (net)	6.27	-
Miscellaneous expenses	150.73	127.01
	<b>5,461.47</b>	<b>6,393.82</b>

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

**Note 32 : Contingent liabilities**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Claims against the Company not acknowledged as debts		
(i) Disputed Income Tax matters	17.83	17.83
(ii) Disputed Sales Tax matters	54.03	58.19
	<b>71.86</b>	<b>76.02</b>

## SIMMONDS MARSHALL LIMITED

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.

### Note 33 : Commitments

Rs. in Lakhs

Particulars	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Estimated amounts of contracts remaining to be executed on capital account and not provided for:		
Property, plant and equipment (net of advances)	313.47	1,163.49
	<b>313.47</b>	<b>1,163.49</b>

### Note 34 : Earnings Per share

Rs. in Lakhs

Particulars	Rs. in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (loss) after tax available for equity shareholders (Rs in lakhs)	(770.83)	576.59
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.)	(6.88)	5.15

### 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. All non current assets are located within India. The accounting policy adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements.

Information in respect of secondary segment	Rs. in Lakhs	
	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from external customer</b>		
India	12,592.61	16,078.03
Outside India	1,326.98	1,707.06
	<b>13,919.59</b>	<b>17,785.09</b>

**Notes to the financial statements****Note 36 : Auditors Remuneration****Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>AUDITORS REMUNERATION (Excluding tax)</b>		
Audit Fees	9.00	9.00
Limited Review	1.50	1.50
Certification	3.15	1.80
Reimbursement of out of pocket expenses	0.83	0.20
	<b>14.48</b>	<b>12.50</b>

**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:

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
1) Principal amount outstanding	640.13	346.09
2) Principal amount due and remaining unpaid	425.43	228.62
3) Interest due on (2) above and the unpaid interest	11.76	5.39
4) Interest paid on all delayed payments under the MSMED Act.	-	-
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****Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Amount required to be spent as per Section 135 of Companies Act, 2013	19.95	20.29
Amount spent during the year		
Construction/acquisition of any asset	-	-
On purposes other than above	19.95	20.29
	<b>19.95</b>	<b>20.29</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Note 39 : Related party transactions

##### A. Details of related parties

###### Parties where control exists :

###### Subsidiary

Stud India - Partnership Firm

###### Associate and other related parties with whom transaction have been entered during the course of business:

###### Associate

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

Corrodyne Coatings Pvt. Ltd.

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

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

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

J. N. Marshall Pvt. Ltd.

Marshall Charitable Foundation

Forbes Marshall Pvt. Ltd.

##### B. Related Party Transactions

Particulars	Rs. in Lakhs	
	2019-20	2018-19
<b>Subsidiary</b>		
<b>Stud India - Partnership Firm</b>		
Sales	1.27	8.87
Purchases	30.39	20.02
<b>Associate Company</b>		
<b>Formex Private Limited</b>		
Services received-Job work charges	1,294.60	1,467.95

**Notes to the financial statements**

**Key Management Personnel (KMP) and relatives Remuneration**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Mr. S. J. Marshall	42.11	42.53
Mr. N. S. Marshall	58.10	57.07
Mr. I. M. Panju	3.30	3.24
Mr. V. Verma	29.25	30.74
Mr. N. Gupta	6.39	5.12
Loan taken		
Mr. N. S. Marshall	94.00	-
<b>Interest paid</b>		
Mr. S. J. Marshall	26.01	26.01
Mr. N. S. Marshall	14.74	14.23
<b>Car hire charges</b>		
Mr. N. S. Marshall	-	4.80
<b>Enterprises in which KMP's / Relative of KMP's can exercise significant influence</b>		
Corrodyne Coatings Pvt. Ltd. - Plating charges	90.51	138.99
J. N. Marshall & Co.(Steel Dept.) - Rent expense	6.37	5.92
J. N. Marsall & Co. (C.H.C) - Clearing & forwarding charges	38.46	50.43
J. N. Marshall & Co. (Engineering Dept.) Reimbursement	89.59	
J. N. Marshall Pvt. Ltd. - Rent / Reimbursement	269.04	250.22
J. N. Marshall Pvt. Ltd. - Water charges	9.05	10.08
Forbes Marshall Pvt. Ltd. - Reimbursement	22.31	21.09
Marshall Charitable Foundation-corporate social responsibility expense	19.95	20.29
<b>Outstanding balances</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Subsidiary</b>		
<b>Stud India - Partnership Firm</b>		
<b>Outstanding balances</b>		
Investments	346.68	397.80
Others	8.46	2.01
<b>Associate Company</b>		
<b>Formex Private Limited</b>		
Trade payables	150.40	76.25
<b>Key Management Personnel (KMP) and relatives</b>		
<b>Outstanding Loan</b>		
Mr. S.J. Marshall	340.00	340.00
Mr. N.S. Marshall	269.00	175.00
<b>Interest Payable</b>		
Mr. S.J. Marshall	6.51	-
Mr. N.S. Marshall	5.27	-

## SIMMONDS MARSHALL LIMITED

Enterprises in which KMP's / Relative of KMP's can exercise significant influence	2019-20	2018-19
Corrodyne Coatings Pvt. Ltd.	60.79	59.68
J. N. Marshall & Co. (C.H.C)	4.72	0.91
J. N. Marshall & Co.(Steel Dept.)	1.94	0.97
J. N. Marshall & Co. (Engineering Dept.)	15.29	
J. N. Marshall Pvt. Ltd.	152.21	43.51
Forbes Marshall Pvt. Ltd.	12.54	1.69

### 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.
- (iv) \* The above figures do not include provisions for compensated expenses, super annuation and gratuity as separate actuarial valuation are not available.
- (v) Working Capital loan is secured against the personal guarantee of Managing Director of the Company.

### Note 40 :

Due to the outbreak of Pandemic 'Novel Coronavirus' ("COVID - 2019") and consequent Lockdown announced by the Centre and State Governments on 23rd March, 2020, the Company have commenced operations at plant w.e.f. June 8, 2020. The Company is taking various precautionary measures to protect employees from COVID-2019. The management has considered the possible effects, that may, interalia, impact the carrying amounts of capital work in progress, goodwill, deferred tax assets, inventories and trade receivables. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions and take necessary measures to address the situation.

The Company is in the process of shifting its manufacturing unit from Kasarwadi to Chakan, Pune, which got affected by the said pandemic. For Chakan plant, the Company has taken the Building on lease from its associate. The Company is in the process of entering into an agreement with the said associate and also obtaining approvals from concerned authorities. As on the balance sheet date, the Company has incurred Rs. 1,889.60 lakhs on Lease hold improvements under construction and Property, plant and equipment under installation which have been disclosed as Capital work in progress. The lease expense would be accounted from the date of execution of the formal agreement .

Uptil quarter ended December 31, 2019, the Company has provided accelerated depreciation on its assets located at Kasarwadi plant over the balance period of 12 months which has now been extended to 17 months i.e. August, 2020, in view of delay in shifting due to pandemic. The accelerated depreciation has resulted in lower depreciation of Rs.28.42 Lakhs for the quarter ended 31st March, 2020 and high depreciation by Rs. 68.21 Lakhs for the year ended March 31, 2020.

### 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.

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

**A. Balance Sheet**

**Rs. in Lakhs**

	<b>Defined benefit plans</b>	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Present value of plan liabilities	494.25	417.14
Fair value of plan assets	305.57	319.05
<b>Asset/(Liability) recognised</b>	<b>(188.68)</b>	<b>(98.09)</b>

**B. Movements in plan assets and plan liabilities**

	<b>Present value of obligations</b>	<b>Fair Value of Plan assets</b>
<b>As at 1st April 2019</b>	417.14	319.05
Current service cost	30.94	-
Past service cost	-	-
Interest Cost/(Income)	32.50	24.85
Return on plan assets excluding amounts included in net finance income/cost	-	(5.14)
Actuarial (gain)/loss arising from changes in financial assumptions	20.78	-
Actuarial (gain)/loss arising from experience adjustments	91.08	-
Employer contributions	-	65.00
Benefit payments	(98.19)	(98.19)
<b>As at 31st March 2020</b>	<b>494.25</b>	<b>305.57</b>

	<b>Present value of obligations</b>	<b>Fair Value of Plan assets</b>
<b>As at 1st April 2018</b>	339.69	264.35
Current service cost	25.87	-
Past service cost	-	-
Interest Cost/(Income)	26.06	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)
<b>As at 31st March 2019</b>	<b>417.14</b>	<b>319.05</b>

**C. Statement of Profit and Loss**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Employee Benefits Expense:</b>		
Current service cost	30.94	25.87
Interest cost/(income)	7.65	5.77
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>38.59</b>	<b>31.64</b>



## SIMMONDS MARSHALL LIMITED

### Remeasurement of the net defined benefit liability:

Return on plan assets excluding amounts included in net finance income/(cost)	5.14	(4.68)
Actuarial gains/(losses) arising from changes in financial assumptions	20.78	10.80
Experience gains/(losses)	91.08	52.04
<b>Total amount recognised in Other Comprehensive Income</b>	<b>117.00</b>	<b>58.16</b>

### 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, 2020	As at March 31, 2019
<b>Financial Assumptions</b>		
Discount rate	6.89%	7.79%
Salary Escalation Rate	"0% net next 1 year 4% thereafter"	4.00%
<b>Demographic Assumptions</b>		
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

### 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%	39.76	46.06
Salary Escalation Rate	1.00%	43.86	35.55

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, 2020 as follows:**

Year ending March 31, 2019	Defined benefit obligation
2020	48.40
2021	13.25
2022	44.77
2023	34.01
2024	19.03
Thereafter	214.97

Rs. in Lakhs

**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 2020 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, 2020	As at March 31, 2019
Expenses recognised in Statement of Profit and Loss	34.46	47.02
Balance Sheet liability	110.73	103.32

**Note 42 : Income taxes**

Rs. in Lakhs

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current tax</b>		
Current year	-	234.18
<b>Total current tax</b>	-	<b>234.18</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	(292.90)	(30.67)
<b>Total deferred income tax expense/(credit)</b>	<b>(292.90)</b>	<b>(30.67)</b>
<b>Previous Years</b>		
Previous Years	22.00	(6.26)
	22.00	(6.26)
<b>Total income tax expense/(credit)</b>	<b>(270.90)</b>	<b>197.25</b>

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

## SIMMONDS MARSHALL LIMITED

<b>(b) Reconciliation of effective tax rate</b>	<b>Rs. in Lakhs</b>	
	<b>Year ended March 31, 2020</b>	<b>Year ended March 31, 2019</b>
Profit before taxation	(1,041.73)	773.84
Enacted income tax rate in India	27.82%	27.82%
Tax at the enacted income tax rate	(289.81)	215.28
Tax effects of amounts which are not deductible in calculating taxable income:		
Donations	5.55	2.89
Due to rate differences	-	(15.41)
Others	(8.64)	0.75
<b>Tax expense/ (credit)</b>	<b>(292.90)</b>	<b>203.51</b>

**(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:**

	<b>Rs. in Lakhs</b>				
	<b>As at April 01, 2018</b>	<b>Credit/ (charge) in Statement of profit and loss</b>	<b>As at March 31, 2019</b>	<b>Credit/ (charge) in Statement of profit and loss</b>	<b>As at March 31, 2020</b>
<b>Deffered Tax Assets / (Liabilities)</b>					
Property, plant and equipment	(170.37)	(46.44)	(216.81)	30.71	(186.10)
Carried Forward Business Losses	-	-	-	259.65	259.65
Expenses allowed on payment basis	23.47	5.78	29.25	29.88	59.12
Amortisation of goodwill reversed	(55.47)	55.47	-	-	-
Financial assets at amortised cost	8.47	15.86	24.33	5.21	29.54
	<b>(193.89)</b>	<b>30.67</b>	<b>(163.23)</b>	<b>325.45</b>	<b>162.21</b>

### 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 valuation, 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:**

	<b>Rs. in Lakhs</b>				
	<b>FVOCI</b>	<b>FVTPL</b>	<b>Amortised cost</b>	<b>Total fair value</b>	<b>Carrying amount</b>
<b>March 31, 2019</b>					
<b>Financial assets</b>					
Investments			410.59	410.59	410.59
Trade receivables	-	-	3,791.08	3,791.08	3,791.08
Cash and cash equivalents	-	-	32.58	32.58	32.58
Bank balances other than above	-	-	21.32	21.32	21.32
Others	-	-	76.37	76.37	76.37
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,921.35</b>	<b>3,921.35</b>	<b>3,921.35</b>
<b>Financial liabilities</b>					
Borrowings	-	-	3,439.87	3,439.87	3,439.87
Trade payables	-	-	2,762.29	2,762.29	2,762.29
Others	-	-	350.94	350.94	350.94
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6,553.10</b>	<b>6,553.10</b>	<b>6,553.10</b>
<b>Financial assets</b>					
Investments			359.47	(26.13)	
Trade receivables	-	-	1,733.59	1,733.59	1,733.59
Cash and cash equivalents	-	-	46.87	46.87	46.87
Bank balances other than above	-	-	38.20	38.20	38.20
Others	-	-	344.47	344.47	344.47
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,163.14</b>	<b>2,163.14</b>	<b>2,163.14</b>
<b>Financial liabilities</b>					
Borrowings	-	-	4,292.90	4,292.90	4,292.90
Trade payables	-	-	2,439.10	2,439.10	2,439.10
Others	-	-	792.83	792.83	792.83
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,524.82</b>	<b>7,524.82</b>	<b>7,524.82</b>

**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).

## SIMMONDS MARSHALL LIMITED

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
<b>March 31, 2019</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>March 31, 2020</b>			
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 term 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.

#### (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, 2020	As at March 31, 2019
Secured working capital credit facility from Banks	273.28	344.80

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

			Rs. in Lakhs
	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2019</b>			
<b>Non-derivative liabilities</b>			
Borrowings (including current maturity of long term debt)	3,725.59	2,530.92	1,194.67
Trade payables	2,762.29	2,762.29	-
Other financial liabilities (excluding current maturity of long term debt)	65.23	65.23	-

			Rs. in Lakhs
	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2020</b>			
<b>Non-derivative liabilities</b>			
Borrowings (including current maturity of long term debt)	4,733.63	3,047.45	1,686.18
Trade payables	2,439.10	2,439.10	-
Other financial liabilities (excluding current maturity of long term debt)	352.10	352.10	-

**(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.

**Foreign currency exposure**

	March 31, 2020		March 31, 2019	
	In Foreign Currency	(Rs. in lakhs)	In Foreign Currency	(Rs. in lakhs)
<b>Receivable</b>				
GBP	3,49,360	325.18	4,53,689	410.50
USD	81,571	61.50	96,122	323.78
Euro	8,359	6.94	10,613	23.11
<b>Payable</b>				
GBP	10,18,936	948.43	4,72,991	427.96
USD	4,33,714	326.98	4,56,677	315.88
JY	3,77,696	2.63	76,19,146	47.63
Increase / (decrease) in loss	(8.84)	8.84	(0.34)	0.34

**(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:

	<b>Rs. in Lakhs</b>	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Borrowings bearing fixed rate of interest	628.64	550.47
Borrowings bearing variable rate of interest	4,104.99	3,175.12
	<b>4,733.63</b>	<b>3,725.59</b>

**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:

	<b>Rs. in Lakhs</b>	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Increase in basis points	50.00	50.00
Effect on profit before tax	-	(18.63)
Effect on loss before tax	23.67	-
Decrease in basis points	50.00	50.00
Effect on profit before tax	-	18.63
Effect on loss before tax	(23.67)	-

**(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.

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.

	<b>Rs. in Lakhs</b>	
<b>Exposure to the Credit risks</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	1,733.59	3,791.08

**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 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, 2020	As at March 31, 2019
0-3 months	1,571.08	2,428.98
3-6 months	95.91	905.75
6-12 months	17.40	346.89
beyond 12 months	49.20	109.46
	<b>1,733.59</b>	<b>3,791.08</b>

#### Movement in provisions for expected credit loss

	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Opening provision</b>	87.46	29.10
Add: Additional provision made	18.71	58.36
Less: Provision write off/ reversed	-	-
Less: Provision utilised against bad debts	-	-
<b>Closing provisions</b>	<b>106.17</b>	<b>87.46</b>

#### Note 45 : Capital risk management

The Company's objectives when managing capital are to :

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 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 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 monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term 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.



## SIMMONDS MARSHALL LIMITED

	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Total equity attributable to equity shareholders of the Company	5,825.86	6,748.69
The Company has access to the following undrawn borrowing facilities as at the end of the	4,698.92	3,693.97
<b>Total capital (Borrowings and Equity)</b>	<b>10,524.77</b>	<b>10,442.65</b>
<b>Gearing ratio</b>	<b>0.45</b>	<b>0.35</b>

### (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, 2020	As at March 31, 2019
<b>First charge*</b>		
Property, plant and equipment*	2,225.45	2,412.45
Trade receivables	1,733.59	3,791.08
Inventories	6,154.44	5,922.83

\*Represents net book value.

### (c) Amounts not allowable under Income tax Act

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.

### Borrowings (including current maturity of long term debt)

(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2019 of Rs. 0.50 Per fully paid up share (March 31, 2018 - Rs. 0.70) [Including dividend distribution tax of Rs. 11.51 lacs (as at 31-March 2018 - Rs. 16.12 lacs)]	67.51	94.52
<b>Dividends not recognised at the end of reporting period</b>		
Since year end, the directors have not recommended any dividend (Previous year March 31, 2019 recommended dividend of Rs. 0.70 per fully paid up equity shares. [Including dividend distribution tax of Rs. nil lacs (as at 31-March 2019 - Rs. 11.51 lacs)]	-	67.51

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.

**(d) Net debt reconciliation**

Rs. in Lakhs

	As at March 31, 2020	As at March 31, 2019
Non-current borrowings	(1,686.18)	(1,194.67)
Current maturities of non-current borrowings	(440.73)	(285.72)
Current borrowings	(2,606.72)	(2,245.20)
Interest payable	(12.16)	(0.96)
Net Debt	(4,745.79)	(3,726.55)

Rs. in Lakhs

	Non-current borrowings	Current maturities of non-current borrowings	Current borrowings	Interest payable	Total
<b>Net debt as at April 1, 2019</b>	(1,194.67)	(285.72)	(2,245.20)	(0.96)	(3,726.55)
Cash flows	(491.51)	(155.01)	(361.52)	-	(1,008.04)
Finance costs	-	-	-	(541.13)	(541.13)
Interest paid	-	-	-	529.93	529.93
<b>Net debt as at March 31, 2020</b>	<b>(1,686.18)</b>	<b>(440.73)</b>	<b>(2,606.72)</b>	<b>(12.16)</b>	<b>(4,745.79)</b>

**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 Pronouncement**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**Note 48**

Previous year's figures have been regrouped / rearranged wherever necessary to confirm the current year's classification.

**Note 49**

The financial statements were approved for issue by the Board of Directors on July 13, 2020.

For and on the behalf of board

**I M PANJU**  
Whole time Director  
DIN: 00121748

**N S MARSHALL**  
Managing Director  
DIN: 00085754

Place : Mumbai  
Date: July 13, 2020

**V VERMA**  
Chief Financial Officer

**N GUPTA**  
Company Secretary

**CONSOLIDATED ANNUAL REPORT  
2019-20**

**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 2020, 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 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 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 2020, its losses, 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.

**Emphasis of Matter**

We draw your attention to Note 40 of the consolidated financial statements, with regard to management's assessment about the impact on Company's operations due to COVID 19 pandemic outbreak and lockdown. The management apart from considering the internal and external information up to the date of approval of these financial statements, the Company has also performed sensitivity analysis on the assumptions used interalia including in respect of realisability of inventories of Rs.6,468.47 lakhs, recoverability of trade receivables of Rs.1,922.09 lakhs, impairment of capital work-in-progress of Rs. 1,889.60 lakhs and good will of Rs. 267.30 lakhs & utilization of deferred tax assets of Rs.179.30 lakhs, and based on current indicators of future economic conditions, the Group expects to realize /recover the carrying amount of all these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions.

Our report is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, 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.	<p><b>Inventory – existence and valuation</b> As at March 31, 2020, the Group held inventories of Rs. 6,468.47 Lakhs. [Also, refer Note no. 9 of the consolidated financial statements] Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories as on the Balance sheet date couldn't be carried out by the Group. In view of the above, the matter has been determined to be a key audit matter.</p>	<p><b>Audit procedures performed:</b> We have performed following alternative audit procedures over inventory existence and valuations. (a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively. (b) Performing procedures to ensure that the changes in inventory are properly recorded. (c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation (d) Testing of accuracy of inventory reconciliations with the general ledgers at year end, including test of reconciling items. The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p>
2.	<p><b>Trade receivables- collectability and certainty</b> As at March 31, 2020, the Group held trade receivables of Rs. 1,922.09 lakhs. [Also, refer Note no. 10 of the consolidated financial statements] Trade receivables collectability and certainty was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, resulted in non receipt of direct confirmations and reconciliations from the customers. In view of the above, the matter has been determined to be a key audit matter.</p>	<p><b>Audit procedures performed:</b> We have performed following alternative audit procedures over trade receivables : (a) Performing procedures to ensure that the changes in trade receivables between the last confirmation receipt and date of the Balance sheet are properly recorded (Roll forward procedures) (b) Performing substantive analytical procedures to test the correctness of receivables valuation (c) Testing of accuracy of trade receivables reconciliations with the general ledgers during the year, including test of reconciling items (d) We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management. The procedures performed gave us a sufficient evidence to conclude about the collectability and certainty of trade receivables.</p>

**Information Other than the Consolidated Financial Statements and auditor's report thereon**

The Parent company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

**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.

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 263.82 lakhs as at March 31, 2020 (as at March 31, 2019 Rs 751.76 lakhs), total revenue of Rs 1,013.27 lakhs, net loss and other comprehensive income of Rs 51.64 lakhs and net cash inflows of Rs 2.73 lakhs for the year ended March 31, 2020 (Revenue of Rs 1,289.92 lakhs, net profit of Rs 3.74 lakhs and net cash inflows of Rs 1.19 lakhs for the year ended March 31, 2019), as considered in the consolidated financial statements. The consolidated financial statement also include the group's share of net loss of Rs 4.30 lakhs for the year ended March 31, 2020 (Rs 9.64 lakhs (profit) for the year ended March 31, 2019) 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 of the aforesaid consolidated financial statements.
- (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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2020 taken on record by the Board of Directors of the Parent Company, none of the directors are disqualified as on 31st March, 2020 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.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group 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 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. 044101**  
**UDIN 20044101AAAAEJ3106**

**Mumbai, 13<sup>th</sup> July, 2020**



### **“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 31<sup>st</sup> March, 2020, 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; (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 and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

**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 2020, except certain year end controls related to inventory and trade receivables, due to prevailing pandemic condition, reference is also invited to Key Audit Matters para in main audit report 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. 044101  
UDIN 20044101AAAAEJ3106**

**Mumbai, 13<sup>th</sup> July, 2020**

# SIMMONDS MARSHALL LIMITED

## Consolidated Balance Sheet as at March 31, 2020

Particulars	Note no.	Rs. in Lakhs	
		As at March 31, 2020	As at March 31, 2019
<b>A. Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	2,299.66	2,493.55
Capital work-in-progress	3	1,889.60	59.04
Intangible assets	4	329.22	372.94
Intangible assets under development		3.88	-
Investments - In joint venture	5	12.47	16.77
<b>Financial assets</b>			
- Investments - Others	5	1.00	1.00
- Loans	6	8.43	8.32
- Other financial assets	7	268.15	33.79
Deferred tax assets (net)	42	179.30	-
Income tax assets		55.01	-
Other non-current assets	8	43.79	267.55
<b>Total non-current assets</b>		<b>5,090.51</b>	<b>3,252.96</b>
<b>Current assets</b>			
Inventories	9	6,468.47	6,303.83
<b>Financial assets</b>			
- Trade receivables	10	1,922.09	4,040.92
- Cash and cash equivalents	11	67.78	50.76
- Bank balances other than above	12	38.20	21.33
- Loans	13	11.09	9.33
- Other financial assets	14	66.68	35.14
Current tax assets (net)		75.81	139.20
Other current assets	15	257.46	227.95
<b>Total current assets</b>		<b>8,907.58</b>	<b>10,828.46</b>
<b>TOTAL ASSETS</b>		<b>13,998.09</b>	<b>14,081.42</b>
<b>B. Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	16	224.00	224.00
Other Equity	17	5,602.56	6,529.69
<b>Total equity attributable to the owner</b>		<b>5,826.56</b>	<b>6,753.69</b>
Non Controlling Interest		10.03	10.54
<b>Total equity</b>		<b>5,836.59</b>	<b>6,764.23</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	18	1,686.18	1,194.67
Deferred tax liabilities (Net)	42	-	169.50
Provisions	19	93.21	83.67
<b>Total non-current liabilities</b>		<b>1,779.39</b>	<b>1,447.49</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	20	2,606.72	2,255.20
- Trade payables	21		
(a) Total outstanding dues of micro & small enterprises		640.13	344.08
(b) Total outstanding dues of creditors other than micro and small enterprises		2,060.37	2,728.95
- Other financial liabilities	22	792.83	350.94
Other current liabilities	23	75.86	72.78
Provisions	19	206.20	117.74
<b>Total current liabilities</b>		<b>6,382.12</b>	<b>5,869.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,998.09</b>	<b>14,081.42</b>

### 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

Place: Mumbai  
Date: July 13, 2020

For and on behalf of the Board of Directors

I M PANJU  
Whole time Director  
DIN: 00121748

V VERMA  
Chief Financial Officer

N S MARSHALL  
Managing Director  
DIN: 00085754

N GUPTA  
Company Secretary

**Consolidated Statement of Profit and Loss for the year ended March 31, 2020**

**Rs. in Lakhs**

Particulars	Note no.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	24	15,155.82	19,469.20
Other income	25	31.71	85.58
<b>Total Income</b>		<b>15,187.53</b>	<b>19,554.78</b>
<b>Expenses</b>			
Cost of materials consumed	26	6,341.83	8,592.03
Purchases of traded goods		-	11.38
Changes in inventories of work-in progress and finished goods	27	(368.81)	(1,073.70)
Employee benefits expense	28	3,643.94	3,888.02
Finance costs	29	541.13	372.08
Depreciation and amortisation expense	30	547.23	457.64
Other expenses	31	5,547.48	6,531.77
<b>Total expenses</b>		<b>16,252.80</b>	<b>18,779.21</b>
<b>Profit / (Loss) before taxation</b>		<b>(1,065.27)</b>	<b>775.57</b>
<b>Income tax expense</b>			
Current tax		-	236.79
Deferred tax		(315.90)	(31.59)
Tax relating to earlier years		22.00	(6.26)
		<b>(293.90)</b>	<b>198.94</b>
<b>Profit / (Loss) before taxation</b>		<b>(771.37)</b>	<b>576.63</b>
<b>Share of profit / (loss) from an associate</b>		<b>(4.30)</b>	<b>9.64</b>
<b>Total Profit / (Loss) for the year</b>		<b>(775.67)</b>	<b>586.27</b>
<b>Attributable to -</b>			
- Owners of the Group		(775.16)	586.23
- Non-controlling interests		(0.51)	0.04
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		117.00	58.16
Tax on above item		(32.55)	(16.18)
<b>Other comprehensive income for the year, net of tax</b>		<b>84.45</b>	<b>41.98</b>
<b>Attributable to -</b>			
- Owners of the Group		84.45	41.98
- Non-controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>(860.12)</b>	<b>544.28</b>
<b>Attributable to -</b>			
- Owners of the Group		(859.61)	544.24
- Non-controlling interests		(0.51)	0.04
Basic and diluted earnings per share (Face value of Rs. 2 each)	34	(6.92)	5.23
<b>Significant accounting policies</b>	1		

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**

**Place: Mumbai  
Date: July 13, 2020**

**For and on behalf of the Board of Directors**

**I M PANJU  
Whole time Director  
DIN: 00121748**

**V VERMA  
Chief Financial Officer**

**N S MARSHALL  
Managing Director  
DIN: 00085754**

**N GUPTA  
Company Secretary**

# SIMMONDS MARSHALL LIMITED

## Consolidated Statement of Changes in Equity for the year ended March 31, 2020

### (A) Equity Share Capital

(Rs. in Lakhs)

Balance as at April 01, 2018	224.00
Changes in share capital during the year	-
<b>Balance as at March 31, 2019</b>	224.00
Changes in share capital during the year	-
<b>Balance as at March 31, 2020</b>	224.00

### (B) Other Equity

	Reserve & Surplus			Other Comprehensive Income Actuarial gains/ (losses)	Total
	Securities Premium	General Reserve	Retained Earnings		
<b>Balance as at April 01, 2018</b>	<b>154.00</b>	<b>530.00</b>	<b>5,472.78</b>	<b>(76.31)</b>	<b>6,079.93</b>
Profit for the year	-	-	586.27	-	586.27
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year for 2017-18	-	-	(78.40)	-	(78.40)
Tax on Dividend	-	-	(16.12)	-	(16.12)
<b>Balance as at March 31, 2019</b>	<b>154.00</b>	<b>530.00</b>	<b>5,964.54</b>	<b>(118.29)</b>	<b>6,529.69</b>
Profit for the year	-	-	(775.67)	-	(775.67)
Other comprehensive income for the year	-	-	-	(84.45)	(84.45)
Dividend paid during the year for 2018-19	-	-	(56.00)	-	(56.00)
Tax on Dividend	-	-	(11.51)	-	(11.51)
<b>Balance as at March 31, 2020</b>	<b>154.00</b>	<b>530.00</b>	<b>5,121.35</b>	<b>(202.74)</b>	<b>5,602.56</b>

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

R. P. Baradiya  
Partner

Place: Mumbai  
Date: July 13, 2020

For and on behalf of the Board of Directors

I M PANJU  
Whole time Director  
DIN: 00121748

V VERMA  
Chief Financial Officer

N S MARSHALL  
Managing Director  
DIN: 00085754

N GUPTA  
Company Secretary

## Consolidated Statement of Cash Flows for the year ended March 31, 2020

Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from Operating Activities:</b>		
<b>Net Profit / (Loss) before tax</b>	(1,065.27)	775.57
<b>Adjustments for:</b>		
Depreciation and Amortisation expense	547.23	457.64
Remeasurement of defined benefit plan	(117.00)	(58.16)
Bad debts/Sundry balances written off / (Net)	50.21	19.61
Share of profit / (loss) from partnership firm	-	-
Finance costs	541.13	372.08
Provision for expected credit loss	0.71	58.36
Unrealised foreign exchange gain	14.82	14.40
Profit / (loss) on sale of property, plant and equipment (net)	(0.73)	4.01
Dividend income	(0.12)	(0.12)
Interest income	(22.40)	(13.41)
	<u>1,013.85</u>	<u>854.42</u>
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	(51.42)	1,629.99
<b>Adjustments for :</b>		
Decrease in Trade & Other receivables	1,784.06	740.99
Increase in inventories	(164.64)	(2,301.36)
Increase / (Decrease) in Trade payables & Other payables	(216.55)	199.89
Increase in Provisions	98.01	54.40
	<u>1,500.88</u>	<u>(1,306.08)</u>
Cash generated from the operations	1,449.46	323.91
Direct tax paid (net)	21.93	346.70
<b>Net Cash from / (used in) Operating Activities "A"</b>	<b>1,427.53</b>	<b>(22.79)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	(1,653.51)	(622.44)
Proceeds from sale of property, plant and equipment	7.31	2.61
Investments in bank deposits (net)	(16.89)	95.12
Interest received	6.83	12.16
Dividend income	0.12	0.12
<b>Net Cash used in Investing Activities "B"</b>	<b>(1,656.13)</b>	<b>(512.43)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from long term borrowings	481.51	224.30
Proceeds from short term borrowings	361.52	810.48
Dividend & dividend tax paid	(67.52)	(94.52)
Finance costs paid	(529.92)	(364.09)
<b>Net Cash from Financing Activities "C"</b>	<b>245.59</b>	<b>576.17</b>
<b>Net Increase in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>16.99</b>	<b>40.95</b>
Cash & Cash equivalent at the beginning of the year	50.76	9.81
<b>Cash &amp; Cash equivalent as at end of the year</b>	<b>67.78</b>	<b>50.76</b>
<b>(Refer Note No. 11)</b>		

Significant accounting policies 1

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  
PartnerPlace: Mumbai  
Date: July 13, 2020

For and on behalf of the Board of Directors

I M PANJU  
Whole time Director  
DIN: 00121748V VERMA  
Chief Financial OfficerN S MARSHALL  
Managing Director  
DIN: 00085754N GUPTA  
Company Secretary

**Notes to the financial statements**

**A. CORPORATE INFORMATION:**

Simmonds Marshall Limited ('The Parent Group') is a public limited Group domiciled in India under registration number L29299PN1960PLC011645. The registered office of the Group is at Mumbai-Pune Road, Kasarwadi Pune MH 411034. The Group has its listing on BSE Limited (Bombay Stock Exchange). Parent company together with its subsidiaries and associate together collectively referred to as "the Group". The Group is primarily engaged in the business of manufacture of Industrial Fasteners, Bolts, Studs 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 consolidated financial statements 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 judgments:**

The preparation of the financial statements requires the Management to make judgments, 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 useful life of the Property, plant and equipment and intangible assets-Note no. 2 & 4
- (c) Carrying value of intangible assets (goodwill)- Note no. 4

## **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.

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 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 historical 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 which are 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 Statement of 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 and 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 Inventories**

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

### **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, labor, 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 & 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.

### **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**

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. 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. 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 recognized 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.

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.

**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 & 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 actuary 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 profit & 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 judgment 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.

**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 Costs:**

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. 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:**

The Group has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The adoption of this Standard does not have any material impact. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The re-measurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**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**

Particulars	Rs. in Lakhs								
	Freehold Land	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
<b>Balance as at April 01, 2018</b>	<b>8.71</b>	<b>142.83</b>	<b>2,821.99</b>	<b>51.87</b>	<b>186.14</b>	<b>20.59</b>	<b>21.60</b>	<b>28.09</b>	<b>3,281.81</b>
<b>Additions</b>	-	-	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
<b>Balance as at March 31, 2019</b>	<b>8.71</b>	<b>142.83</b>	<b>3,086.52</b>	<b>58.10</b>	<b>205.72</b>	<b>26.21</b>	<b>23.02</b>	<b>61.60</b>	<b>3,612.70</b>
Additions	-	-	287.15	-	12.48	3.01	0.11	9.21	311.96
Disposals	-	-	-	-	(16.28)	-	-	-	(16.28)
<b>Balance as at March 31, 2020</b>	<b>8.71</b>	<b>142.83</b>	<b>3,373.67</b>	<b>58.10</b>	<b>201.92</b>	<b>29.22</b>	<b>23.13</b>	<b>70.81</b>	<b>3,908.38</b>
<b>Accumulated depreciation</b>									
<b>Accumulated depreciation as at April 01, 2018</b>	-	<b>12.99</b>	<b>597.41</b>	<b>12.80</b>	<b>52.88</b>	<b>7.57</b>	<b>12.30</b>	<b>15.65</b>	<b>711.60</b>
Depreciation charge for the year	-	6.41	361.03	4.73	28.41	4.39	2.51	14.76	422.24
Disposals/Adjustments	-	-	-	-	(14.48)	-	-	-	(14.48)
<b>Accumulated depreciation as at March 31, 2019</b>	-	<b>19.40</b>	<b>958.44</b>	<b>17.53</b>	<b>66.81</b>	<b>11.96</b>	<b>14.81</b>	<b>30.41</b>	<b>1,119.36</b>
Depreciation charge for the year	-	70.68	367.79	6.59	25.35	4.77	6.59	17.49	499.25
Disposals/Adjustments	-	-	-	-	(9.70)	-	-	-	(9.70)
<b>Accumulated depreciation as at March 31, 2020</b>	-	<b>90.08</b>	<b>1,326.23</b>	<b>24.12</b>	<b>82.46</b>	<b>16.73</b>	<b>21.40</b>	<b>47.90</b>	<b>1,608.91</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>8.71</b>	<b>123.43</b>	<b>2,128.08</b>	<b>40.57</b>	<b>138.91</b>	<b>14.25</b>	<b>8.21</b>	<b>31.19</b>	<b>2,493.55</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>8.71</b>	<b>52.75</b>	<b>2,047.44</b>	<b>33.98</b>	<b>119.46</b>	<b>12.49</b>	<b>1.73</b>	<b>22.91</b>	<b>2,299.66</b>

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.**

**Note 3 : Capital work-in-progress**

Rs. in Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Property, plant and equipment under installation	1,889.59	59.04
	<b>1,889.59</b>	<b>59.04</b>

\*Refer Note 40

**Note 4 : Other intangible assets**

	Goodwill*	Software	Royalty	Total
<b>Balance as at April 01, 2018</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
Additions	-	141.05	-	141.05
Disposals	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>267.30</b>	<b>146.61</b>	<b>90.72</b>	<b>504.63</b>
Additions	-	4.26	-	4.26
Disposals	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>267.30</b>	<b>150.87</b>	<b>90.72</b>	<b>508.89</b>

**Accumulated amortisation**

<b>Accumulated amortisation as at April 01, 2018</b>	-	5.56	90.71	96.27
Amortisation expense for the year	-	35.40	-	35.40
Disposals/Adjustments	-	-	-	-
<b>Accumulated amortisation as at March 31, 2019</b>	-	40.96	90.71	131.67
Amortisation expense for the year	-	47.98	-	47.98
Disposals/Adjustments	-	-	-	-
<b>Accumulated amortisation as at March 31, 2020</b>	-	88.94	90.71	179.65

<b>Net carrying amount as at March 31, 2019</b>	<b>267.30</b>	<b>105.65</b>	<b>0.01</b>	<b>372.94</b>
---	---------------	---------------	-------------	---------------

<b>Net carrying amount as at March 31, 2020</b>	<b>267.30</b>	<b>61.93</b>	<b>0.01</b>	<b>329.22</b>
---	---------------	--------------	-------------	---------------

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

**Non-current financial assets****Note 5 : Investments**

Rs. in Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>In Equity instruments (Unquoted)</b>		
Carried at cost		
<b>In an associate</b>		
Formex Private Limited	11.79	11.79
Less: Share of profit from an associate upto March 31, 2019	4.98	4.98
Less: Share of loss from an associate for the year	(4.30)	
131,051 [as at March 31, 2019 - 131,051] equity shares of Rs.10 each fully paid up (Holding 49% ownership interest)		

## SIMMONDS MARSHALL LIMITED

<b>Others</b>		
<b>Zoroastrian Co-op Bank Limited</b>	1.00	1.00
4,000 [as at March 31, 2019 - 4,000] shares of Rs. 25 each fully paid up		
	<b>13.47</b>	<b>17.77</b>
<b>Aggregate market value of quoted investments</b>	-	-
<b>Aggregate carrying value of quoted investments</b>	-	-
<b>Aggregate carrying value of unquoted investments</b>	<b>13.47</b>	<b>17.77</b>
<b>Aggregate amount of impairment in the value of investments</b>	-	-

<b>Note 6 : Loans (non-current)</b>		<b>Rs. in Lakhs</b>
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Loans to employees	8.43	8.32
	<b>8.43</b>	<b>8.32</b>

<b>Note 7 : Other financial assets (non-current)</b>		<b>Rs. in Lakhs</b>
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Security deposits	268.15	33.79
	<b>268.15</b>	<b>33.79</b>

<b>Note 8 : Other non-current assets</b>		<b>Rs. in Lakhs</b>
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Capital Advances	17.24	238.99
Prepayments	-	2.01
Balances with statutory/ government authorities	26.55	26.55
	<b>43.79</b>	<b>267.55</b>

<b>Note 9 : Inventories</b>		<b>Rs. in Lakhs</b>
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Raw materials	1,777.20	2,151.04
Work-in-progress	1,078.78	1,119.90
Finished goods [including goods in transit of Rs.1138.13 lakhs [as at March 31, 2019 - Rs. 893.84 lakhs]	2,407.01	1,997.08
Stores and spares	19.93	13.22
Tools	1,178.15	1,015.06
Packing material	7.40	7.53
	<b>6,468.47</b>	<b>6,303.83</b>

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**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Unsecured</b>		
Trade receivables considered good	1,922.09	4,040.92
Trade receivables which have significant increase in credit risk	106.17	87.46
Less: Provision for expected credit loss & bad debts	(106.17)	(87.46)
	<b>1,922.09</b>	<b>4,040.92</b>

1. Refer note 18 for trade receivables hypothecated as primary security 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. 115.37 lakhs (as at March 31, 2019 - Rs.274.86 lakhs)

**Note 11 : Cash and cash equivalents**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Balances with banks		
- In current accounts	66.77	50.47
Cash on hand	1.00	0.29
	<b>67.78</b>	<b>50.76</b>

**Note 12 : Bank balances other than above**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
- In dividend accounts	11.00	10.71
- In deposit accounts		
Margin money deposit*	27.20	10.62
	<b>38.20</b>	<b>21.33</b>

\*Margin money deposit amounting to Rs 27.20 lakhs (March 31, 2019 - Rs.10.62 lakhs) are kept as lien as security against letter of credit.

**Note 13 : Loans (current)**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Loans to employees	11.09	9.33
	<b>11.09</b>	<b>9.33</b>

**Note 14 : Other financial assets (current)**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good)		
Security deposits	36.66	7.54
Advances to Employees	0.35	21.80
Interest receivable	21.37	5.80
Other receivables	8.30	-
	<b>66.68</b>	<b>35.14</b>

## SIMMONDS MARSHALL LIMITED

### Note 15 : Other current assets

Rs. in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
(Unsecured, considered good)		
Advances to suppliers	54.18	31.99
Prepayments	97.31	63.60
Export incentive receivables	59.10	59.19
Balances with statutory/ government authorities	46.86	73.17
	<b>257.46</b>	<b>227.95</b>

### Note 16 : Equity share capital

Rs. in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Authorised</b>		
5,00,00,000 equity shares of Rs 2 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid up</b>		
1,12,00,000 equity shares of Rs. 2 each	224.00	224.00
	<b>224.00</b>	<b>224.00</b>

#### a) Reconciliation of number of shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares:</b>				
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	<b>1,12,00,000</b>	<b>224.00</b>	<b>1,12,00,000</b>	<b>224.00</b>

#### 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 Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Nos.	% of Holding	Nos.	% of Holding
Navroze S Marshall	15,18,548	13.56%	15,18,548	13.56%
Shiamak J Marshall	17,39,457	15.53%	17,15,397	15.32%
Maki S Marshall	16,87,435	15.07%	16,67,435	14.89%
Kamal I Panju	6,77,155	6.05%	6,77,155	6.05%
Kayan J Pandole	7,13,655	6.37%	7,10,655	6.35%
Clover Technologies Pvt. Ltd.	6,51,165	5.81%	6,51,165	5.81%

- 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	Reserve & Surplus			Other Comprehensive Income {Actuarial gains/(losses)}	Total
	Securities Premium Reserve	General Reserve	Retained Earnings		
<b>Balance as at April 01, 2018</b>	<b>154.00</b>	<b>530.00</b>	<b>5,472.78</b>	<b>(76.31)</b>	<b>6,079.93</b>
Profit for the year	-	-	586.27	-	586.27
Other comprehensive income for the year	-	-	-	(41.98)	(41.98)
Dividend paid during the year for 2017-18	-	-	(78.40)	-	(78.40)
Tax on Dividends	-	-	(16.12)	-	(16.12)
<b>Balance as at March 31, 2019</b>	<b>154.00</b>	<b>530.00</b>	<b>5,964.54</b>	<b>(118.29)</b>	<b>6,529.69</b>
Profit for the year	-	-	(775.67)	-	(775.67)
Other comprehensive income for the year	-	-	-	(84.45)	(84.45)
Dividend paid during the year for 2018-19	-	-	(56.00)	-	(56.00)
Tax on Dividends	-	-	(11.51)	-	(11.51)
<b>Balance as at March 31, 2020</b>	<b>154.00</b>	<b>530.00</b>	<b>5,121.36</b>	<b>(202.74)</b>	<b>5,602.56</b>

**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 Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Financial Liabilities**

**Note 18 : Non Current Borrowings**

**Rs. in Lakhs**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Term loans</b>		
<b>Secured</b>		
<b>From banks</b>		
- Rupee loans (refer note (i) (a) & (b)) below	548.26	503.52
- Foreign currency loans - (refer note (ii) below)	950.01	426.40
<b>From a financial institution</b>		
- Vehicle loans (refer note (iii) below)	19.64	35.47
<b>Unsecured</b>		
Loans from related parties (refer note (iv) below)	609.00	515.00
	<b>2,126.91</b>	<b>1,480.39</b>
Less: Current maturities (refer note 22)		
- Rupee loan	(233.30)	(174.83)
- Foreign Currency loan	(190.00)	(71.07)
- Vehicle loan (From others)	(17.43)	(15.83)
- Loans from related parties	-	(24.00)
	<b>1,686.18</b>	<b>1,194.67</b>

**SIMMONDS MARSHALL LIMITED**
**Note: Nature of security and terms of repayment of borrowings (non-current and current):**

No.	Terms of Repayment					Total
	Maturity period from date of Balance Sheet	0 - 1 year (current)	1 - 2 years	2 - 3 years	3 - 5 years	
i. (a)	Rupee loan	54.01	54.01	54.01	108.01	270.04
	Security	Secured by way of exclusive charge on assets acquired under the specific facility granted by the bank.				
	Interest rate	9.45% p. a (Previous year 9.50% p.a.)				
i.(b)	Rupee loan	179.29	98.93	-	-	278.22
	Security	Secured by way of the hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	10.5% - 12.00% p.a. (Previous year 10.5% - 12.00% p.a.)				
ii.	Foreign currency loan	190.00	409.33	350.68	0.00	950.01
	Security	Secured by way of exclusive charge on assets acquired under the specific facility granted by the bank.				
	Interest rate	5.5% p.a. (Previous year 5.5% p.a.)				
iii.	Vehicle loan - From Financial Institution	17.43	2.21	-	-	19.64
	Security	Secured by way of hypothecation of vehicles acquired under the specific facility granted by the finance company.				
	Interest rate	9.50% - 9.75% p.a.( Previous year 9.5% - 9.99% p.a.)				
iv.	From related parties (Unsecured)	-	-	-	609.00	609.00
	Interest rate	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	8.5% p.a. (Previous year 8.5% p.a.)				

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

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Non-Current</b>		
Provision for employee benefits		
Provision for compensated absences	93.21	83.67
	<b>93.21</b>	<b>83.67</b>
<b>Current</b>		
Provision for employee benefits		
Provision for gratuity	188.68	98.09
Provision for compensated absences	17.52	19.65
	<b>206.20</b>	<b>117.74</b>

**Note 20 : Current borrowings**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Secured</b>		
Loan from a bank, repayable on demand		
- Working capital loan	2,606.72	2,255.20
	<b>2,606.72</b>	<b>2,255.20</b>

**Note:**

- (i) Working capital loans are secured by way of hypothecation of raw materials, finished goods, stores & spares, book debts etc. and mortgage of entire block of assets (both present & future) in favour of consortium of banks on pari passu other than specific assets financed by respective banks.
- (ii) Further, secured against the personal guarantee of Managing Director of the Parent company.
- (iii) Working capital loan carries interest ranging 9.80% to 10.45% p.a. (as at 31st March, 2019 ranging 9.30% to 9.80% p.a.)

**Note 21 : Trade payables**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Due to micro, small and medium enterprises*	640.13	344.08
Others	2,060.37	2,728.95
	<b>2,700.50</b>	<b>3,073.03</b>

\*Refer note no. 37 for disclosure under Micro, Small and Medium Enterprise Development Act, 2006.

**Note 22 : Other financial liabilities**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Current maturities of long term debt (Refer note 18)	440.73	285.72
Interest accrued but not due on borrowings	12.16	0.96
Payable for capital expenditure	328.94	53.56
Unpaid dividend	11.00	10.71
	<b>792.83</b>	<b>350.94</b>

\*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**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Advance from customers	10.05	6.61
Statutory dues	65.81	66.17
	<b>75.86</b>	<b>72.78</b>



## SIMMONDS MARSHALL LIMITED

### Note 24 : Revenue from operations Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products 'Fasteners, bolts, studs etc.	14,897.83	19,075.83
Other operating revenue		
(i) Export incentive	56.63	73.97
(ii) Scrap sale	201.36	319.40
	<b>15,155.82</b>	<b>19,469.20</b>

### Note 25 : Other income Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Other income</b>		
Interest income on deposits	22.40	5.46
Interest on Income tax refund	-	7.95
Dividend income on non-current investments	0.12	0.12
Sundry balances written back	-	1.36
Compensation received from a customer	6.09	69.72
Miscellaneous income	2.37	0.97
	<b>31.71</b>	<b>85.58</b>

### Note 26 : Cost of materials consumed Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw materials at the beginning of the year	2,151.04	991.98
Add: Purchases	5,967.99	9,751.09
Less: Raw materials at the end of the year	1,777.20	2,151.04
<b>Raw materials consumed</b>	<b>6,341.83</b>	<b>8,592.03</b>

### Note 27 : Changes in inventories of work-in-progress and finished goods Rs. in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening balance</b>		
Work-in-progress	1,119.90	1,365.12
Finished goods	1,997.08	678.16
	<b>3,116.98</b>	<b>2,043.28</b>
<b>Closing balance</b>		
Work-in-progress	1,078.78	1,119.90
Finished goods	2,407.01	1,997.08
	<b>3,485.79</b>	<b>3,116.98</b>
	<b>(368.81)</b>	<b>(1,073.70)</b>

**Note 28 : Employee benefits expense** **Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Salaries and wages	3,247.84	3,462.09
Contribution to provident funds & other funds	208.74	187.72
Staff welfare expense	187.36	238.21
	<b>3,643.94</b>	<b>3,888.02</b>

**Note 29 : Finance costs** **Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Interest expense	478.05	334.85
Other borrowing costs	15.46	29.32
Applicable net loss on foreign currency transactions and translation	47.62	7.91
	<b>541.13</b>	<b>372.08</b>

**Note 30 : Depreciation and amortisation expense** **Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Depreciation of property, plant and equipment	499.25	422.24
Amortization of other intangible assets	47.98	35.40
	<b>547.23</b>	<b>457.64</b>

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

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Consumption of stores and spare parts	117.21	171.67
Consumption of tools	976.56	982.13
Consumption of packing materials	106.06	139.58
Power and fuel	261.08	352.33
Job work charges	2,516.09	2,950.85
Rent	292.00	290.98
Repairs and maintenance		
Plant and equipment	38.24	105.67
Others	38.50	48.83
Rates and taxes excluding taxes on income	9.89	9.49
Insurance	9.58	14.16
Communication expenses	13.02	19.84
Travelling and conveyance	56.25	74.15
Printing and stationery	12.94	25.95
Legal and professional fees	172.22	181.22
Freight and forwarding expenses	643.85	880.56
Sales commission	0.03	0.32
Donations	0.01	0.26
Provision for expected credit loss/doubtful debts	18.71	58.36
Bad Debts Written Off	25.94	20.97
Directors' sitting fees	0.80	0.90
Net loss on foreign currency transactions	48.84	40.72
Loss on disposal of property, plant and equipment	-	4.01
Corporate social responsibility expenses*	19.95	20.29

## SIMMONDS MARSHALL LIMITED

Sundry balances written off (net)	6.27	-
Miscellaneous expenses	163.41	138.55
Miscellaneous expenses	5,547.48	6,531.77
	<b>5,461.47</b>	<b>6,393.82</b>

\*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, 2020	As at March 31, 2018
Claims against the Company not acknowledged as debts		
(i) Disputed Income Tax matters	17.83	17.83
(ii) Disputed Sales Tax matters	54.03	58.19
	<b>71.86</b>	<b>76.02</b>

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, 2020	As at March 31, 2019
Estimated amounts of contracts remaining to be executed on capital account and not provided for:		
Property, plant and equipment (net of advances)	313.47	1,163.49
	<b>313.47</b>	<b>1,163.49</b>

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (loss) after tax available for equity shareholders	(775.67)	586.27
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.)	(6.92)	5.23

### Note 35 : Segment Reporting

#### Business Segment

The Group'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. All non current assets are located within India.

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

<b>Information in respect of secondary segment</b>	<b>Rs. in Lakhs</b>	
	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>Revenue from external customer</b>		
India	13,570.85	17,368.77
Outside India	1,326.98	1,707.06
	<b>14,897.83</b>	<b>19,075.83</b>

**Note 36 : Auditors Remuneration**

<b>Particulars</b>	<b>Rs. in Lakhs</b>	
	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>AUDITORS REMUNERATION (Excluding tax)</b>		
Audit Fees	10.40	9.00
Limited Review	1.50	1.50
Certification	6.61	1.80
Reimbursement of out of pocket expenses	0.83	0.20
	<b>19.34</b>	<b>12.50</b>

**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:

<b>Particulars</b>	<b>Rs. in Lakhs</b>	
	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
1) Principal amount outstanding	640.13	346.09
2) Principal amount due and remaining unpaid	425.43	228.62
3) Interest due on (2) above and the unpaid interest	11.76	5.39
4) Interest paid on all delayed payments under the MSMED Act.	-	-
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**

<b>Particulars</b>	<b>Rs. in Lakhs</b>	
	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Amount required to be spent as per Section 135 of Companies Act, 2013	19.95	20.29
Amount spent during the year		
Construction/acquisition of any asset	-	-
On purposes other than above	19.95	20.29
	<b>19.95</b>	<b>20.29</b>

## SIMMONDS MARSHALL LIMITED

### Note 39 : Related party transactions

#### A. Details of related parties

**Associate and other related parties with whom transaction have been entered during the course of business:**

##### Associate Group

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 - (Group 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. Marshall & Co.(Engineering Department)

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

J. N. Marshall Pvt. Ltd.

Marshall Charitable Foundation

Forbes Marshall Pvt. Ltd.

#### B. Related Party Transactions

Particulars	Rs. in Lakhs	
	2019-20	2018-19
<b>Associate Company</b>		
<b>Formex Private Limited</b>		
Services received-Job work charges	1,294.60	1,467.95

#### Notes to the financial statements

##### Key Management Personnel (KMP) and relatives Remuneration

Particulars	2019-20	2018-19
<b>Associate Group</b>		
Formex Private Limited		
Service received-Job work charges	1294.60	1,467.95
<b>Key Management Personnel (KMP) and relatives Remuneration*</b>		
Mr. S. J. Marshall	42.11	42.53
Mr. N. S. Marshall	58.10	57.07
Mr. I. M. Panju	3.30	3.24
Mr. V. Verma	29.25	30.74
Mr. N. Gupta	6.39	5.12
<b>Loan taken</b>		
Mr. N. S. Marshall	94.00	-

<b>Interest paid</b>		
Mr. S. J. Marshall	26.01	26.01
Mr. N. S. Marshall	14.74	14.23
<b>Enterprises in which KMP's / Relative of KMP's can exercise significant influence</b>		
Corrodyne Coatings Pvt. Ltd. - Plating charges	90.51	138.99
J. N. Marshall & Co.(Steel Dept.) - Rent expense	6.37	5.92
J. N. Marsall & Co. (C.H.C) - Clearing & forwarding charges	38.46	50.43
J. N. Marshall & Co. (Engineering Dept.) Reimbursement	89.59	-
J. N. Marshall Pvt. Ltd. - Rent / Reimbursement	269.04	250.22
J. N. Marshall Pvt. Ltd. - Water charges	9.05	10.08
Forbes Marshall Pvt. Ltd. - Reimbursement	22.31	21.09
Marshall Charitable Foundation-corporate social responsibility expense	19.95	20.29
<b>Outstanding balances</b>	<b>2019-20</b>	<b>2018-19</b>
<b>Subsidiary</b>		
<b>Associate Group</b>		
<b>Formex Private Limited</b>		
Trade payables	150.40	76.25
<b>Key Management Personnel (KMP) and relatives</b>		
<b>Outstanding Loan</b>		
Mr. S.J. Marshall	340.00	340.00
Mr. N.S. Marshall	269.00	175.00
<b>Interest Payable</b>		
Mr. S.J. Marshall	6.51	-
Mr. N.S. Marshall	5.27	-
<b>Enterprises in which KMP's / Relative of KMP's can exercise significant influence</b>	<b>2019-20</b>	<b>2018-19</b>
Corrodyne Coatings Pvt. Ltd.	60.79	59.68
J. N. Marshall & Co. (C.H.C)	4.72	0.91
J. N. Marshall & Co.(Steel Dept.)	1.94	0.97
J. N. Marshall & Co. (Engineering Dept.)	15.29	
J. N. Marshall Pvt. Ltd.	152.21	43.51
Forbes Marshall Pvt. Ltd.	12.54	1.69

**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.
- (iv) \*The above figures do not include provisions for compensated expenses, super annuation and gratuity as separate actuarial valuation are not available.

- (v) Working Capital loan is secured against the personal guarantee of Managing Director of the Parent company.

**Note 40 :**

Due to the outbreak of Pandemic 'Novel Coronavirus' ("COVID - 2019") and consequent Lockdown announced by the Centre and State Governments on 23rd March, 2020, the Group had temporarily suspended operations at its manufacturing unit situated at Pune, Maharashtra. The Group have commenced operations at plant w.e.f. June 8, 2020. The Group is taking various precautionary measures to protect employees from COVID-2019. The management has considered the possible effects, that may, interalia, impact the carrying amounts of capital work in progress, goodwill, deferred tax assets, inventories and trade receivables. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions and take necessary measures to address the situation.

The Group is in the process of shifting its manufacturing unit from Kasarwadi to Chakan, Pune, which got affected by the said pandemic. For Chakan plant, the Group has taken the Building on lease from its associate. The Group is in the process of entering into an agreement with the said associate and also obtaining approvals from concerned authorities. As on the balance sheet date, the Group has incurred Rs. 1,889.60 lakhs on Lease hold improvements under construction and Property, plant and equipment under installation which have been disclosed as Capital work in progress. The lease expense would be accounted from the date of execution of the formal agreement .

Uptil quarter ended December 31, 2019, the Group has provided accelerated depreciation on its assets located at Kasarwadi plant over the balance period of 12 months which has now been extended to 17 months i.e. August, 2020, in view of delay in shifting due to pandemic. The accelerated depreciation has resulted in lower depreciation of Rs.28.42 Lakhs for the quarter ended 31st March, 2020 and high depreciation by Rs. 68.21 Lakhs for the year ended March 31, 2020.

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

**i) Gratuity:** 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 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:

	Rs. in Lakhs	
	Defined benefit plans	
	As at March 31, 2020	As at March 31, 2019
Present value of plan liabilities	494.25	417.14
Fair value of plan assets	305.57	319.05
<b>Asset/(Liability) recognised</b>	<b>(188.68)</b>	<b>(98.09)</b>

**B. Movements in plan assets and plan liabilities**

	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2019</b>	417.14	319.05
Current service cost	30.94	-
Past service cost	-	-
Interest Cost/(Income)	32.50	24.85

Return on plan assets excluding amounts included in net finance income/cost	-	(5.14)
Actuarial (gain)/loss arising from changes in financial assumptions	20.78	-
Actuarial (gain)/loss arising from experience adjustments	91.08	-
Employer contributions	-	65.00
Benefit payments	(98.19)	(98.19)
<b>As at 31st March 2020</b>	<b>494.25</b>	<b>305.57</b>

	<b>Present value of obligations</b>	<b>Fair Value of Plan assets</b>
<b>As at 1st April 2018</b>	339.69	264.35
Current service cost	25.87	-
Past service cost	-	-
Interest Cost/(Income)	26.06	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)
<b>As at 31st March 2019</b>	<b>417.14</b>	<b>319.05</b>

**Notes to the financial statements**

**C. Statement of Profit and Loss**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Employee Benefits Expense:</b>		
Current service cost	30.94	25.87
Interest cost/(income)	7.65	5.77
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>38.59</b>	<b>31.64</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	5.14	(4.68)
Actuarial gains/(losses) arising from changes in financial assumptions	20.78	10.80
Experience gains/(losses)	91.08	52.04
<b>Total amount recognised in Other Comprehensive Income</b>	<b>117.00</b>	<b>58.16</b>

**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:



	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Financial Assumptions</b>		
Discount rate	6.89%	7.79%
Salary Escalation Rate	"0% net next 1 year 4% thereafter"	4.00%
<b>Demographic Assumptions</b>		
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

**E. Sensitivity**

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

	<b>Impact on defined benefit obligation</b>		
	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1.00%	39.76	46.06
Salary Escalation Rate	1.00%	43.86	35.55

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, 2020 as follows:**

	<b>Rs. in Lakhs</b>
<b>Year ending March 31, 2019</b>	<b>Defined benefit obligation</b>
<b>2020</b>	<b>48.40</b>
<b>2021</b>	<b>13.25</b>
<b>2022</b>	<b>44.77</b>
<b>2023</b>	<b>34.01</b>
<b>2024</b>	<b>19.03</b>
<b>Thereafter</b>	<b>214.97</b>

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 2020 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, 2020	As at March 31, 2019
Expenses recognised in Statement of Profit and Loss	34.46	47.02
Balance Sheet liability	110.73	103.32

**Note 42 : Income taxes**

Rs. in Lakhs

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

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Current tax</b>		
Current year	-	234.18
<b>Total current tax</b>	-	<b>234.18</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	(315.90)	(30.67)
<b>Total deferred income tax expense/(credit)</b>	<b>(315.90)</b>	<b>(30.67)</b>
<b>Previous Years</b>		
Previous Years	22.00	(6.26)
	22.00	(6.26)
<b>Total income tax expense/(credit)</b>	<b>(293.90)</b>	<b>197.25</b>

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>(b) Reconciliation of effective tax rate</b>	Year ended March 31, 2020	Year ended March 31, 2019
Profit before taxation	(1,065.27)	773.84
Enacted income tax rate in India	27.82%	27.82%
Tax at the enacted income tax rate	(296.36)	215.28
Tax effects of amounts which are not deductible in calculating taxable income:		
Amounts not allowable under Income Tax Act	8.82	2.89
Due to rate differences	(2.25)	(15.41)
Others	(26.11)	0.75
<b>Tax expense/ (credit)</b>	<b>(315.90)</b>	<b>203.51</b>

## SIMMONDS MARSHALL LIMITED

### (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

	Rs. in Lakhs				
	As at April 01, 2018	Credit/ (charge) in Statement of profit and loss	As at March 31, 2019	Credit/ (charge) in Statement of profit and loss	As at March 31, 2020
<b>Property, plant and equipment</b>					
Carried Forward Business Losses	(170.37)	(46.44)	(216.81)	30.71	(186.10)
Expenses allowed on payment basis	-	-	-	259.65	259.65
Amortisation of goodwill reversed	23.47	5.78	29.25	29.88	59.12
Financial assets at amortised cost	(55.47)	55.47	-	-	-
Financial liabilities at amortised cost	8.47	15.86	24.33	5.21	29.54
	<b>(193.89)</b>	<b>30.67</b>	<b>(163.23)</b>	<b>325.45</b>	<b>162.21</b>

#### 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
<b>March 31, 2019</b>					
<b>Financial assets</b>					
Investments			1.00	1.00	1.00
Trade receivables	-	-	4,040.92	4,040.92	4,040.92
Cash and cash equivalents	-	-	50.76	50.76	50.76
Bank balances other than above			21.33	21.33	21.33
Others	-	-	87.58	87.58	87.58
<b>Total</b>	-	-	<b>4,201.59</b>	<b>4,201.59</b>	<b>4,201.59</b>
<b>Financial liabilities</b>					
Borrowings	-	-	3,449.87	3,449.87	3,449.87
Trade payables	-	-	3,073.03	3,073.03	3,073.03
Others	-	-	350.94	350.94	350.94
<b>Total financial liabilities</b>	-	-	<b>6,873.85</b>	<b>6,873.85</b>	<b>6,873.85</b>
<b>'March 31, 2020</b>					
<b>Financial assets</b>					
Investments			1.00	1.00	1.00
Trade receivables	-	-	1,922.09	1,922.09	1,922.09
Cash and cash equivalents	-	-	67.78	67.78	67.78
Bank balances other than above			38.20	38.20	38.20
Others	-	-	354.35	354.35	354.35
<b>Total</b>	-	-	<b>2,383.42</b>	<b>2,383.42</b>	<b>2,383.42</b>
<b>Financial liabilities</b>					
Borrowings	-	-	4,292.90	4,292.90	4,292.90
Trade payables	-	-	2,700.50	2,700.50	2,700.50
Others	-	-	792.83	792.83	792.83
<b>Total financial liabilities</b>	-	-	<b>7,786.23</b>	<b>7,786.23</b>	<b>7,786.23</b>

### 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.

## SIMMONDS MARSHALL LIMITED

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
<b>March 31, 2019</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>March 31, 2020</b>			
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.

The Group manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term 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 Company has access to the following undrawn borrowing facilities as at the end of the reporting period:

	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Secured working capital credit facility from Banks	273.28	334.80

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

	Rs. in Lakhs		
	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2019</b>			
<b>Non-derivative liabilities</b>			
Borrowings (including current maturity of long term debt)	3,735.59	2,540.92	1,194.67
Trade payables	3,073.03	3,073.03	-
"Other financial liabilities	65.23	65.23	-

	Carrying amount	1-12 months	Rs. in Lakhs more than 12 months
<b>As at March 31, 2020</b>			
<b>Non-derivative liabilities</b>			
Borrowings (including current maturity of long term debt)	4,733.63	3,047.45	1,686.18
Trade payables	2,700.50	2,700.50	-
"Other financial liabilities (excluding current maturity of long term debt)"	352.10	352.10	-

**(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.

**Foreign currency exposure**

	March 31, 2020		March 31, 2019	
	In Foreign Currency	(Rs. in lakhs)	In Foreign Currency	(Rs. in lakhs)
<b>Receivable</b>				
GBP	3,49,360	325.18	4,53,689	410.50
USD	81,571	61.50	96,122	323.78
Euro	8,359	6.94	10,613	23.11
<b>Payable</b>				
GBP	10,18,936	948.43	4,72,991	427.96
USD	4,33,714	326.98	4,56,677	315.88
JY	3,77,696	2.63	76,19,146	47.63
Increase / (decrease) in loss	(8.84)	8.84	(0.34)	0.34

**(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, 2020	As at March 31, 2019
Borrowings bearing fixed rate of interest	628.64	550.47
Borrowings bearing variable rate of interest	4,104.99	3,185.12
	<b>4,733.63</b>	<b>3,735.59</b>

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that

## SIMMONDS MARSHALL LIMITED

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, 2020	As at March 31, 2019
Increase in basis points	50.00	50.00
Effect on profit before tax	-	(18.68)
Effect on loss before tax	23.67	-
Decrease in basis points	50.00	50.00
Effect on profit before tax	-	18.68
Effect on loss before tax	(23.67)	-

### (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, 2020	As at March 31, 2019
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	1,922.09	4,040.92

#### 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, 2020	As at March 31, 2019
0-3 months	1,571.08	2,428.98
3-6 months	95.91	905.75
6-12 months	17.40	346.89
beyond 12 months	49.20	109.46
	<b>1,733.59</b>	<b>3,791.08</b>

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

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Opening provision</b>	87.46	29.10
Add: Additional provision made	18.71	58.36
Less: Provision write off/ reversed	-	-
Less: Provision utilised against bad debts	-	-
<b>Closing provisions</b>	<b>106.17</b>	<b>87.46</b>

**Note 45 : Capital risk management****(a) 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**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Total equity attributable to equity shareholders of the Group	5,826.56	6,753.69
Net debt (Total borrowings less cash and cash equivalents)	4,678.01	3,685.79
<b>Total capital (Borrowings and Equity)</b>	<b>10,504.56</b>	<b>10,439.47</b>
<b>Gearing ratio</b>	<b>0.45</b>	<b>0.35</b>

**(b) Assets pledged as security**

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

**Rs. in Lakhs**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>First charge*</b>		
Property, plant and equipment*	2,299.66	2,493.55
Trade receivables	1,922.09	4,040.92
Inventories	6,468.47	6,303.83

\*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 Group dividend policy.



## SIMMONDS MARSHALL LIMITED

	Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2019 of Rs. 0.50 Per fully paid up share (March 31, 2018 - Rs. 0.70) [Including dividend distribution tax of Rs. 11.51 lacs (as at 31-March 2018 - Rs. 16.12 lacs)]	67.51	94.52
<b>Dividends not recognised at the end of reporting period</b>		
Since year end, the directors have not recommended any dividend (Previous year March 31, 2019 recommended dividend of Rs. 0.70 per fully paid up equity shares. [Including dividend distribution tax of Rs. nil lacs (as at 31-March 2019 - Rs. 11.51 lacs)])	-	67.51

(d) Net debt reconciliation		Rs. in Lakhs	
	As at March 31, 2020	As at March 31, 2019	
Non-current borrowings	(1,686.18)	(1,194.67)	
Current maturities of non-current borrowings	(440.73)	(285.72)	
Current borrowings	(2,606.72)	(2,255.20)	
Interest payable	(12.16)	(0.96)	
Net Debt	(4,745.79)	(3,736.55)	

	Rs. in Lakhs				
	Non-current borrowings	Current maturities of non-current borrowings	Current borrowings	Interest payable	Total
<b>Net debt as at April 1, 2019</b>	(1,194.67)	(285.72)	(2,255.20)	(0.96)	(3,736.55)
Cash flows	(491.51)	(155.01)	(351.52)	-	(998.04)
Finance costs	-	-	-	(541.13)	(541.13)
Interest paid	-	-	-	529.93	529.93
<b>Net debt as at March 31, 2020</b>	<b>(1,686.18)</b>	<b>(440.73)</b>	<b>(2,606.72)</b>	<b>(12.16)</b>	<b>(4,745.79)</b>

**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 Pronouncement**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

**Note 48**

Previous year's figures have been regrouped / rearranged wherever necessary to confirm the current year's classification.

**Note 49**

The financial statements were approved for issue by the Board of Directors on July 13, 2020.

**Signature to Notes 1 to 49****For and on the behalf of board**

**I M PANJU**  
**Whole time Director**  
**DIN: 00121748**

**N S MARSHALL**  
**Managing Director**  
**DIN: 00085754**

**Place : Mumbai**  
**Date: July 13, 2020**

**V VERMA**  
**Chief Financial Officer**

**N GUPTA**  
**Company Secretary**





*If undelivered, please return to:*

**SHAREX DYNAMIC (INDIA) PVT. LTD.**

Unit: Simmonds Marshall Limited

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](mailto:support@sharexindia.com)