



# 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)

October 3, 2018

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

**Scrip Code: 507998**

**Sub: 58<sup>th</sup> Annual General Meeting**

Dear Sirs,

We are enclosing herewith Annual Report of the Company for the Financial Year 2017-18 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approved and adopted at the 58<sup>th</sup> Annual General Meeting of the Company held on Wednesday, September 26, 2018 at 11.30 A.M at Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019. The Annual General Meeting concluded at 12:45 p.m.

Kindly take the above on record.

Thanking you,

**Yours faithfully,**  
**For SIMMONDS MARSHALL LIMITED**

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

Encl: as above



IATF No. 0096543  
ISO/TS 16949-2009



ISO 14001:2004  
Reg. No. 8302-E

# 58<sup>th</sup> ANNUAL REPORT 2017-18



SIMMONDS MARSHALL LIMITED

# SIMMONDS MARSHALL LIMITED

## **Board of Directors:**

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

## **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.

## **Bankers:**

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

## **Administrative Office:**

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

## **Registered Office & Factory:**

Mumbai - Pune Road,  
Kasarwadi,  
Pune - 411 034

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

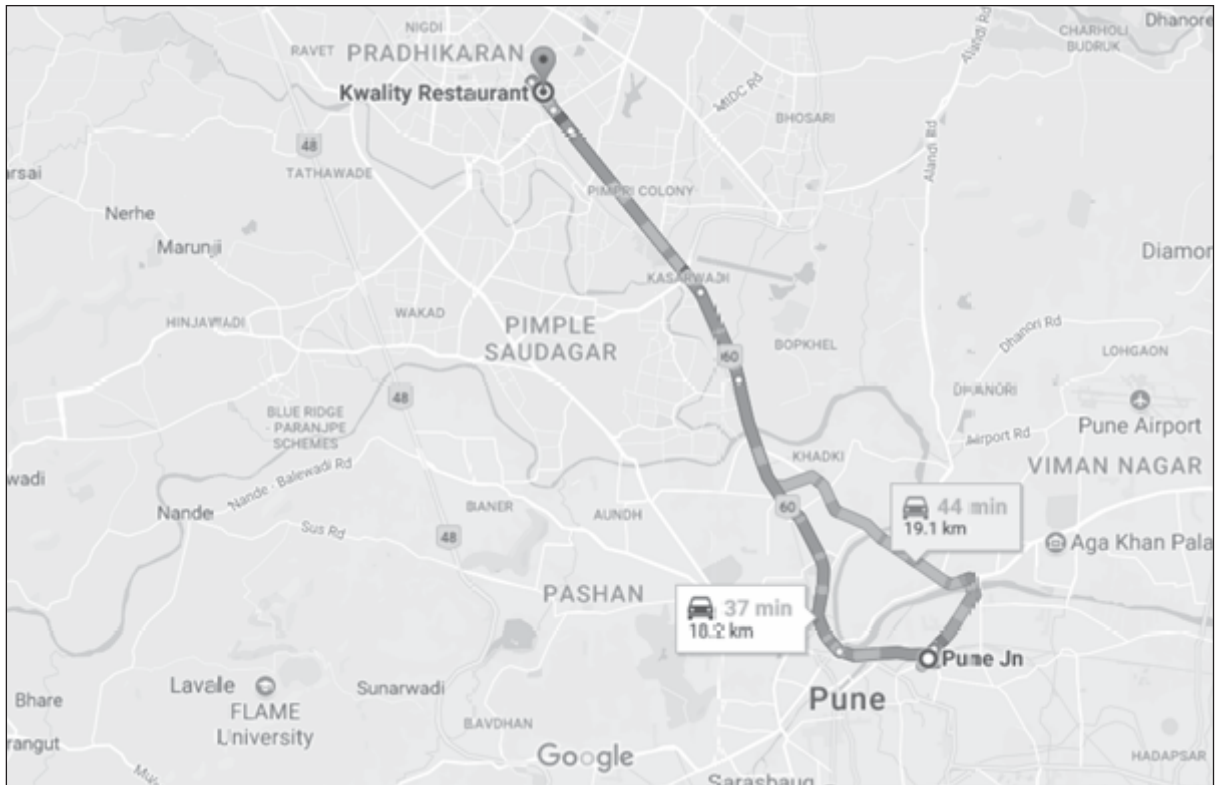
Sharex Dynamic (India) Pvt. Ltd.  
Unit No.1, Luthra Industrial Premises,  
Andheri Kurla Road, Andheri (East),  
Mumbai - 400 072  
Tel.: 28515606 / 28515644  
E-mail: sharexindia@vsnl.com

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**Route Map to the AGM Venue**

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



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

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 58th Annual General Meeting (AGM) of the Members of **SIMMONDS MARSHALL LIMITED (CIN: L29299PN1960PLC011645)** will be held on Wednesday, September 26, 2018 at 11:30 a.m. at Kwalty Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019 to transact, with or without modification(s) the following businesses:

### **ORDINARY BUSINESS:**

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

To receive, consider and adopt:

- a) the Audited Standalone Financial Statements of the Company for the year ended March 31, 2018, including the Audited Balance Sheet as at March 31, 2018, 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, 2018, including the Audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss & Cash Flow Statement for the year ended on that date together with the Auditors Reports thereon.

#### **Item no. 2 – To Declare Dividend on Equity Shares for the year ended March 31, 2018.**

#### **Item no. 3 -- 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. 4 – Approval of re-appointment of Mr. F. K. Banatwalla (DIN: 02670802), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. F. K. Banatwalla (DIN: 02670802), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from April 1, 2019 to March 31, 2024.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and matters as may be deemed necessary to give effect to this resolution."

#### **Item no. 5 – Approval of re-appointment of Mr. S. C. Saran (DIN: 00032194), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, Mr. S. C. Saran (DIN: 00032194), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years with effect from April 1, 2019 to March 31, 2024.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and are hereby severally authorized to do all such acts, deeds and matters as may be deemed necessary to give effect to this resolution."

**Item no. 6 – 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 2018-19:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company, be paid a remuneration for the Financial Year ending March 31, 2019 of Rs. 200,000/- (Two Lakhs Only) plus GST as applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit."

**Item no. 7 – Authority to Company under Section 20 of the Companies Act, 2013 to charge for service of documents to members of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member(s) by the company by sending it to him/her by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member(s) the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the member(s) for delivery of such document to him/her, through a particular mode of service mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of documents by the company and that no such request shall be entertained by the company post the dispatch of such documents by the company to the member(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Board of Directors of the company be and are hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution."

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

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

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

May 30, 2018.

**NOTES:**

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

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

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

2. The business set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
4. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the relevant Board Resolution to the Company together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / reappointment at the AGM are furnished below. The Directors have furnished the requisite consents / declarations for their appointment/re-appointment.

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

Name	Mr. S. J. Marshall	Mr. F. K. Banatwalla	Mr. S. C. Saran
Directors Identification Number (DIN)	00085682	02670802	00032194
Brief resume & Nature of expertise in specific functional areas	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. F. K. Banatwalla is a B. Com. Graduate, LLB, CAIIB(I) and is associated with the Company since 28/07/2009.	Mr. S. C. Saran is a B. S. (Mechanical E.) Carnegie Mellon University, USA. MBA Finance Columbia University, USA., C. Eng. (I) M.I.E. and is associated with the Company since 20/10/2006.
Disclosure of relationship between directors inter-se	Father of Mr. N. S. Marshall and Father-in-law of Mr. I. M. Panju.	Not Applicable	Not Applicable
Names of listed entities in which the person also holds the directorship	Hindustan Hardy Spicer Ltd.	1. Josts Engineering Company Limited 2. Uni-Abex Alloy Products Limited	Hindustan Hardy Spicer Ltd.
No. of Shares held in the Company	15,32,965 Equity Shares	Nil	Nil
Membership & Chairmanships of Committees of the Board	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance	Refer to Report on Corporate Governance



## SIMMONDS MARSHALL LIMITED

7. The Register of Members and the Share Transfer Books of the Company will remain closed from September 20, 2018 to September 26, 2018 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
8. The dividend on Equity Shares, if declared at the Annual General Meeting of the Company will be payable on or after October 1, 2018 to those members:
  - a. whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Transfer Agent on or before September 19, 2018; and
  - b. whose names appear as Beneficial Owners in the list of Beneficial Owners on September 19, 2018 furnished by Central Depository Services (India) Limited (CDSL) for this purpose.
9. Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to 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 unencashed dividend to IEPF are furnished hereunder:

Sr. No.	Year ended	Date of Declaration	Due date of transfer to IEPF
1.	31/03/2011	28/09/2011	27/10/2018
2.	31/03/2012	26/09/2012	25/10/2019
3.	31/03/2013	17/09/2013	16/10/2020
4.	31/03/2014	23/09/2014	22/10/2021
5.	31/03/2015	23/09/2015	22/10/2022
6.	31/03/2016	16/03/2016 • The Company has declared & Paid Interim Dividend	15/04/2023
7.	31/03/2017	08/09/2017	14/10/2024

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

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar / Company.
11. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
12. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting.
13. The Company's shares are listed on BSE Limited, Mumbai.
14. Members holding Shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below AND in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.

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

15. (a) Members are informed that in order to avoid fraudulent encashment of dividend warrants they should send to the Registrar and Transfer Agent of the Company at the address given above under the signature of the Sole/ First Joint holder the information relating to Name and Address of the Banker along with the Pin Code Number and Bank Account Number to print on the Dividend Warrants.
  - (b) Members desirous of availing the facility of Electronic Credit of Dividend are requested to send ECS Form to the Registrar and Transfer Agent of the Company at the address given above.
  - (c) Members holding shares in dematerialized form and desirous to change or correct the bank account details should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR Code to the Depository Participant.
16. Relevant documents referred to in the Notice and in the Explanatory Statements are open for inspection at the administrative office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
  17. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
  18. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
  19. 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.
  20. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
  21. Voting through electronic means:
    - (i) Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Securities Limited (CDSL). The detailed procedure to be followed in this regard has been given below. The members are requested to go through them carefully.
    - (ii) The Board of Directors of the Company has appointed M/s. GMJ & Associates, Company Secretaries, Mumbai as Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
    - (iii) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
    - (iv) The Company has engaged the services of Central Depository Services Limited (CDSL) as the Agency to provide e-voting facility.
    - (v) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. **September 19, 2018**.
    - (vi) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. **September 19, 2018** only shall be entitled to avail the facility of e-voting/remote e-voting.
    - (vii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. **September 19, 2018**, may obtain the User ID and password from SHAREX DYNAMIC (INDIA) PVT LTD (Registrar & Transfer Agents of the Company).

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- (viii) The Scrutinizer, after scrutinizing the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company ([www.simmondsmarshall.com](http://www.simmondsmarshall.com)) and on the website of CDSL (<https://www.evotingindia.com>). The results shall simultaneously be communicated to the Stock Exchange.
- (ix) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **September 26, 2018**.
- (x) The instructions for shareholders voting electronically are as under:
- a) The voting period begins at 9.00 a.m. (IST) on **September 23, 2018** and ends at 5.00 p.m. (IST) on **September 25, 2018**. 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 19, 2018** 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.
  - 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>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
<b>Dividend Bank Details or Date of Birth (DOB)</b>	<p>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.</p> <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 then 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.
- u) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .

## **ANNEXURE TO THE NOTICE**

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

#### **Item No.4 and 5:**

Mr. F. K. Banatwalla and Mr. S. C. Saran were appointed as Independent Directors of the company for five consecutive years from April 1, 2014 upto March 31, 2019, by the Members of the Company in the AGM held on September 23, 2014.

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 upto five consecutive years on the Board of a Company.

Based on performance evaluation and recommendations of Nomination and Remuneration Committee and in terms of the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. F. K. Banatwalla and Mr. S. C. Saran, being eligible for re-appointment as Independent Directors offer themselves for re-appointment, are proposed to be re-appointed as Independent Directors for another term of five consecutive years from April 1, 2019 upto March 31, 2024.

In the opinion of the Board, Mr. F. K. Banatwalla and Mr. S. C. Saran fulfill the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Listing Regulations for their re-appointment as Independent Non-Executive Director of the Company and are independent of the management. Copy of the draft letter for appointment of Mr. F. K. Banatwalla and Mr. S. C. Saran as Independent Non-Executive Directors setting out terms and conditions would be available for inspection without any fee by the members at the Office of the Company during working days between 11:00 a.m. to 1:00 p.m. upto and including the date of AGM of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. F. K. Banatwalla and Mr. S. C. Saran as Independent Directors of the Company.

Accordingly, the Board recommends the Special Resolutions in relation to eligibility and re-appointment of Mr. F. K. Banatwalla and Mr. S. C. Saran as Independent Directors of the Company for another term of five consecutive years with effect from April 1, 2019 upto March 31, 2024, for the approval of Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. F. K. Banatwalla and Mr. S. C. Saran for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

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

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 2018-19, at a remuneration of Rs. 200,000/- (Two Lakhs Only) plus GST as applicable and out of pocket expenses as may be incurred by them, if any, subject to approval of the Members, in terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be approved by the Members of the Company.

Accordingly, the members are requested to approve the remuneration payable to the Cost Auditors during the financial year 2018-19 as set out in the resolution for the services to be rendered by them.

The Board recommends the resolution set out at Item No.6 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 Key Managerial Personnel, are concerned or interested in the said resolution.

**Item No. 7:**

As per the provisions of section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his registered office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Board accordingly commends the Ordinary Resolution set out at Item No. 7 of the accompanying notice, for the approval by the members of the Company.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the resolution.

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

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

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

May 30, 2018.

## DIRECTORS' REPORT

To  
The Members,  
**Simmonds Marshall Limited**

Your Directors have pleasure in presenting the 58th Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018. The consolidated performance of the company and its associate has been referred to wherever required.

### FINANCIAL HIGHLIGHTS:

(₹ in Lakhs except EPS)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from operation (Net of tax)	17500.76	14500.05	18764.77	15464.87
Other Income	79.50	54.82	60.58	32.98
<b>Total Income</b>	<b>17580.26</b>	<b>14554.87</b>	<b>18825.35</b>	<b>15497.85</b>
Profit before Finance Cost and Depreciation	2165.95	1647.84	2185.08	1666.10
Less: Finance Cost	329.26	285.71	329.26	285.71
Less: Depreciation & Amortization expenses	395.50	402.07	403.62	410.28
<b>Profit Before Tax</b>	<b>1441.19</b>	<b>960.06</b>	<b>1452.20</b>	<b>970.11</b>
Provision for -- Current Tax	460.33	375.35	472.67	385.35
-- Deferred Tax (earlier year)	(24.53)	(48.93)	(26.11)	(48.88)
	-	-	-	(0.23)
<b>Net Profit After Tax</b>	<b>1005.39</b>	<b>633.64</b>	<b>1000.98</b>	<b>633.87</b>
Other Comprehensive Income (Net of tax)	39.75	36.56	39.75	36.56
Total Comprehensive Income After Tax	965.64	597.08	961.23	599.06
Earning Per Share	8.98	5.66	8.94	5.67

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:

The Company has recorded Total Revenue of Rs. 17580.26 Lakhs during the year as against Rs. 14554.87 Lakhs in the previous year. The profitability was Rs. 1005.39 Lakhs as against Rs. 633.64 Lakhs in the previous year, reflecting an increase of 58.66% as compared to previous year.

On consolidated basis, during the Financial year, the Company recorded Total Revenue of Rs. 18825.35 Lakhs as against Rs. 15497.85 Lakhs in the previous year. The Company recorded a Net Profit of Rs. 1000.98 Lakhs as against Rs. 633.64 Lakhs in the previous year, thus reflecting an increase of 57.92% in comparison to the previous year.

### PERFORMANCE AND FINANCIAL POSITION OF THE ASSOCIATE:

Formex Private Limited: Formex Private Limited achieved a total turnover of Rs. 941.11 Lakhs as against Rs. 819.18 Lakhs in the previous year. The Company suffered a loss after tax of Rs. 9 Lakhs during the financial year as against profit of Rs. 3.57 Lakhs in the previous year.

**DIVIDEND:**

Your Directors have pleasure in recommending, for approval of the Members, at its 58th Annual General Meeting, a Dividend of Rs. 0.70/- per share i.e. @ 35% for the year ended March 31, 2018. If approved at the forthcoming Annual General Meeting, it will result in an outflow of Rs. 78.40 Lakhs to the Members of the Company, coupled with Rs. 15.96 Lakhs as Dividend Distribution Tax.

**TRANSFER TO RESERVES:**

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

**EXPORTS:**

During the year under review, the Company exported goods worth F.O.B. Rs. 1780.86 Lakhs against Rs. 1381.75 Lakhs in the previous year.

**RESEARCH & DEVELOPMENT:**

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

**PUBLIC DEPOSITS:**

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

**SHARE CAPITAL OF THE COMPANY:**

The Paid up Equity Share Capital, as at March 31, 2018 was Rs. 2,24,00,000 /- divided into 1,12,00,000 Equity Shares, having face value of Rs. 2/- each fully paid up. During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock neither options nor sweat equity.

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

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

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****DIRECTORS:****COMPOSITION:**

The Board of Directors includes the Executive and Independent Directors so as to ensure proper governance and management. The Board consists of Six (6) Directors comprising of Three (3) Executive Directors and Three (3) Independent Directors including One (1) Woman Director as on March 31, 2018.

**RE-APPOINTMENTS:**

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 Mr. F. K. Banatwalla and Mr. S. C. Saran as Independent Directors for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval of Members.

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



**RESIGNATION:**

Mr. C. B. Bambawale, resigned as Independent Director from May 25, 2017. The Board of Directors place on record their warm appreciation for the rich contribution made by Mr. C. B. Bambawale and the guidance provided by him during his tenure as Independent Director of the Company.

**KEY MANAGERIAL PERSONNEL:**

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

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

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

**DECLARATION BY INDEPENDENT DIRECTOR(S):**

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013, Independent Directors have submitted declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

**SUBSIDIARIES & ASSOCIATE COMPANIES:**

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

The Associate Company is carrying on the business of Manufacturing of Bolts, Nuts etc. and the Company holds 49% of the Equity Share Capital in Formex Private Limited as on March 31, 2018. There has been no material change in the nature of the business of the Associate Company.

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

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

The Company does not have any subsidiary or joint venture as on March 31, 2018.

**EXTRACT OF ANNUAL RETURN:**

The extract of the Annual Return as provided under sub-section (3) of Section 92 in the Form MGT 9 for the financial year under review is appended as Annexure 'B' and forms part of this report.

**NUMBER OF MEETINGS:****a) Board of Directors**

The Board of Directors met Five (5) times in the financial year. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of the Annual Report.

**b) Audit Committee**

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

**c) Nomination & Remuneration Committee**

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

**d) Stakeholders Relationship Committee**

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

**e) Corporate Social Responsibility Committee**

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

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

- i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- iv. the Directors had prepared the annual accounts on a going concern basis.
- v. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ANNUAL PERFORMANCE EVALUATION:**

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

## SIMMONDS MARSHALL LIMITED

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

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

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

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

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

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

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

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

### Evaluation criteria for Independent Directors

Role & Accountability	<ul style="list-style-type: none"> <li>• Understanding of nature and role of independent directors' position</li> <li>• Understanding of risks associated with the business</li> <li>• Application of knowledge for rendering advice to Management for resolution of business issues</li> <li>• Active engagement with the Management and attentiveness to progress of decisions taken</li> </ul>
Objectivity	<ul style="list-style-type: none"> <li>• Own recommendations given professionally without tending to majority views</li> </ul>
Leadership & Initiative	<ul style="list-style-type: none"> <li>• Heading Board Sub Committees</li> <li>• Leading the functions of the Committees based on knowledge and experience</li> </ul>
Personal attributes	<ul style="list-style-type: none"> <li>• Commitment to role &amp; fiduciary responsibilities as a board member</li> <li>• Attendance and active participation and not done perfunctorily</li> <li>• Proactive and strategic thinking</li> </ul>

### POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS:

The Company's policy on Directors' appointment, remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance report, which forms part of the Annual Report.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business therefore, the disclosure of related party transactions, as required under Section 134(3)(h) of the Act, in Form AOC 2 is not applicable to your Company. Further, there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

The Audit Committee approves all transactions with related parties by granting omnibus approval at the beginning of the year. Thereafter, all Related Party Transactions are placed on a quarterly basis before the Audit Committee and also before the Board for approval.

The Policy for determining the materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

**AUDITORS:****a) Statutory Auditor**

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

The first proviso to section 139(1) of the Companies Act, 2013 has been omitted vide section 40 of the Companies (Amendment) Act, 2017 notified on 7th May, 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 2017-2018 is a part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

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

**b) Internal Auditor**

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

**c) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. GMJ & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is appended as Annexure 'C' forms part of this report.

There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Secretarial Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

**d) Cost Auditor**

Based on the recommendations of the Audit Committee, the Board has appointed M/s. Joshi Apte & Associates, Cost Accountants (Firm Registration No. 000240), as the Cost Auditors of the Company for the year ending March 31, 2019, subject to the ratification of the remuneration payable to them by the members in the ensuing Annual General Meeting pursuant to Section 148 of the Companies Act, 2013.

The Cost Audit Report for the Financial Year 2017-2018 pursuant to the Companies (Cost Accounting Records) Rules, 2011 will be filed within the period stipulated under the Companies Act, 2013.

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

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

### **CODE OF CONDUCT:**

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

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

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

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

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Company affirms that during the year under review, no complaints were received by the Committee for redressal.

**INVESTOR EDUCATION & PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends are required to 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. 3,42,470/- in respect of financial year 2009-10. Further, 134000 Equity shares were transferred as per the requirements of IEPF rules. The details are available on our website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

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

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

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

**HEALTH, SAFETY AND ENVIRONMENT:**

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

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

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

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

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

**DEPOSITORY SERVICES:**

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

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

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

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

## **SIMMONDS MARSHALL LIMITED**

### **PARTICULARS OF EMPLOYEES:**

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

### **INDIAN ACCOUNTING STANDARDS:**

Pursuant to the notification, issued by The Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company has adopted "IND AS" with effect from April 01, 2017, with the comparatives for the periods ended March 31, 2017.

### **GOODS AND SERVICE TAX (GST):**

During the Financial Year, the Company has migrated to GST and has accelerated economic growth in the long run by simplifying the tax structure, enhancing tax compliances and facilitating the ease of doing business in a unified common market.

### **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.

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

### **Registered Office:**

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

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

May 30, 2018.

## ANNEXURE 'A' TO THE BOARDS REPORT 2017-18

**Form AOC-1****Part "A": Subsidiaries – Not Applicable****Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of Associates	Formex Private Limited *
1. Latest audited Balance Sheet Date	31st March, 2018
2. Shares of Associate held by the company on the year end	
- No.	131051
- Amount of Investment in Associates	Rs.11.79 Lacs
- 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	-10.10 Lakhs
6. Profit/Loss for the year	
i. Considered in Consolidation	-9.00Lakhs
ii. Not Considered in Consolidation	--

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

**For LODHA & CO.**

Chartered Accountants

FRN: 301051E

R. P. Baradiya

Partner

M. No. 44101

Place: Mumbai

Dated: May 30, 2018

**S. J. Marshall**

Chairman

**N. S. Marshall**

Managing Director

**Vikash Verma**

Chief Financial Officer

**Nirmal Gupta**

Company Secretary



**ANNEXURE 'B' TO THE BOARDS REPORT 2017-18**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended 31-03-2018**

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

**[The Companies (Management and Administration) Rules, 2014]**

**FORM NO. MGT-9**

**A. REGISTRATION AND OTHER DETAILS:**

<b>CIN:-</b>	L29299PN1960PLC011645
<b>Registration Date:</b>	16/04/1960
<b>Name of the Company:</b>	SIMMONDS MARSHALL LIMITED
<b>Category Sub-Category of the Company</b>	PUBLIC LIMITED COMPANY NON-GOVERNMENT COMPANY
<b>Address of the Registered office and contact details:</b>	MUMBAI-PUNE ROAD, KASARWADI, PUNE - 411034 TEL NO. (91-020) 30782150 FAX NO. (91-020) 30782195 E-MAIL: secretarial@simmondsmarshall.com WEBSITE: www.simmondsmarshall.com
<b>Whether listed company</b>	YES
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	M/S. SHAREX DYNAMIC (INDIA) PVT LTD Unit No.1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), MUMBAI - 400 072 Tel: 022 2851 5606 / 2851 5644 Email: sharexindia@vsnl.com

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

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

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

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

**D. SHARE HOLDING PATTERN**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1) INDIAN</b>									
(a) Individual	6126758	0	6126758	54.703	6146758	0	6146758	54.882	0.179
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt(s).	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	200800	0	200800	1.793	200800	0	200800	1.793	0
(e) FIINS / BANKS	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>6327558</b>	<b>0</b>	<b>6327558</b>	<b>56.496</b>	<b>6347558</b>	<b>0</b>	<b>6347558</b>	<b>56.675</b>	<b>0.179</b>
<b>(2) FOREIGN</b>									
(a) Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks / FII	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any Other Specify	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6327558</b>	<b>0</b>	<b>6327558</b>	<b>56.496</b>	<b>6347558</b>	<b>0</b>	<b>6347558</b>	<b>56.675</b>	<b>0.179</b>
<b>(B) (1) PUBLIC SHAREHOLDING</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0.000
(b) Banks / FI	0	500	500	0.004	0	0	0	0	-0.004
(c) Central Govt.	0	0	0	0	134000	0	134000	1.196	1.196
(d) State Govt.	0	0	0	0	0	0	0	0	0.000
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.000

## SIMMONDS MARSHALL LIMITED

(f) Insurance Companies	0	0	0	0	0	0	0	0	0.000
(g) FIs	218973	0	218973	1.955	282489	0	282489	2.522	0.567
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.000
(i) Others (specify)	0	0	0	0	0	0	0	0	0.000
<b>Sub-total (B)(1):-</b>	<b>218973</b>	<b>500</b>	<b>219473</b>	<b>1.959</b>	<b>416489</b>	<b>0</b>	<b>416489</b>	<b>3.718</b>	<b>1.759</b>
<b>2. Non-Institutions</b>									
<b>(a) BODIES CORP.</b>									
(i) Indian	820003	19000	839003	7.491	823521	15000	838521	7.487	-0.004
(ii) Overseas	0	0	0	0	0	0	0	0	0.000
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2728515	620330	3348845	29.900	2735903	464650	3200553	28.576	-1.324
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	324671	0	324671	2.899	289253	0	289253	2.583	-0.316
<b>(c) Other (specify)</b>									
Non Resident Indians	82355	500	82855	0.74	62881	0	62881	0.561	-0.179
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	51495	0	51495	0.46	44745	0	44745	0.4	-0.060
Trusts	6100	0	6100	0.054	0	0	0	0	-0.054
Foreign Bodies - DR	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>4013139</b>	<b>639830</b>	<b>4652969</b>	<b>41.544</b>	<b>3956303</b>	<b>479650</b>	<b>4435953</b>	<b>39.607</b>	<b>-1.937</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>4232112</b>	<b>640330</b>	<b>4872442</b>	<b>43.503</b>	<b>4372792</b>	<b>479650</b>	<b>4852442</b>	<b>43.325</b>	<b>-0.178</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>10559670</b>	<b>640330</b>	<b>11200000</b>	<b>100.00</b>	<b>10720350</b>	<b>479650</b>	<b>11200000</b>	<b>100.00</b>	<b>0.00</b>

<b>ii) Shareholding of promoters</b>								
<b>Sr. No.</b>	<b>Shareholder's Name</b>	<b>Shareholding at the beginning of the year</b>			<b>Shareholding at the end of the year</b>			<b>% changes in share holding during the year</b>
		<b>No. of Shares</b>	<b>% of total Shares of the company</b>	<b>% of shares Pledged/ encumbered to total shares</b>	<b>No. of Shares</b>	<b>% of total Shares of the company</b>	<b>% of shares Pledged/ encumbered to total shares</b>	
1	MAKI SHIAMAK MARSHALL	1667435	14.888	0	1667435	14.888	0	0
2	NAVROZE SHIAMAK MARSHALL	1518548	13.558	0	1518548	13.558	0	0
3	SHIAMAK J MARSHALL	1512965	13.509	0	1532965	13.687	0	0.178
4	KAMAL IMRAN PANJU	717155	6.403	0	717155	6.403	0	0
5	KAYAN J PANDOLE	710655	6.345	0	710655	6.345	0	0
6	JJI MARSHALL TRADING COMPANY PRIVATE LIMITED	155800	1.391	0	155800	1.391	0	0
7	DIAMTOOLS PVT.LTD.	45000	0.402	0	45000	0.402	0	0

<b>iii) Change in Promoter's Shareholding</b>								
<b>Sr. No.</b>	<b>Shareholder's Name</b>	<b>Shareholding at the beginning of the year</b>			<b>Shareholding at the end of the year</b>			<b>% of total Shares of the company</b>
		<b>No. of Shares at the beginning /end of the year</b>	<b>% of the Shares of the company</b>	<b>Date</b>	<b>Increasing/ Decreasing in shareholding</b>	<b>Reason</b>	<b>No. of shares</b>	
1	SHIAMAK J MARSHALL	1512965	13.509	01-04-2017				
				02-06-2017	20000	Buy	1532965	13.687
	-Closing Balance			31-03-2018			1532965	13.687

<b>iv) Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADRs):</b>								
<b>Sr. No.</b>	<b>Name</b>	<b>No. of Shares at the beginning /end of the year</b>	<b>% of the Shares of the company</b>	<b>Date</b>	<b>Increasing / Decreasing in shareholding</b>	<b>Reason</b>	<b>No. of shares</b>	<b>% of total Shares of the company</b>
1	Clover Technologies Pvt Ltd.	619369	5.530	01-04-2017				
				26-05-2017	-17711	Sold	601658	5.372
				02-06-2017	-48194	Sold	553464	4.942
				09-06-2017	23796	Buy	577260	5.154
				27-10-2017	6244	Buy	583504	5.210
				01-12-2017	31677	Buy	615181	5.493
				08-12-2017	-15000	Sold	600181	5.359
				15-12-2017	-3208	Sold	596973	5.330
				22-12-2017	14144	Buy	611117	5.456

## SIMMONDS MARSHALL LIMITED

				19-01-2018	15000	Buy	626117	5.590
				02-03-2018	1387	Buy	627504	5.603
	-Closing Balance			31-03-2018			627504	5.603
2	SBI PIPE FUND - 1	218973	1.955	01-04-2017				
	-Closing Balance			31-03-2018		No Change	218973	1.955
3	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	134000	1.196	08-12-2017				
	-Closing Balance			31-03-2018		No Change	134000	1.196
4	BOMSI WADIA	105000	0.938	01-04-2017				
	-Closing Balance			31-03-2018		No Change	105000	0.938
5	HAFEEZ SORAB CONTRACTOR	100000	0.893	01-04-2017				
	-Closing Balance			31-03-2018		No Change	100000	0.893
6	RASHNE BURJOR DUBASH	66133	0.590	01-04-2017				
				01-09-2017	15000	Buy	81133	0.724
				30-09-2017	3120	Buy	84253	0.752
	-Closing Balance			31-03-2018			84253	0.752
7	RIMO CAPITAL FUND LP	0	0	01-04-2017				
				05-01-2018	21550	Buy	21550	0.192
				12-01-2018	13350	Buy	34900	0.312
				19-01-2018	5900	Buy	40800	0.364
				26-01-2018	2599	Buy	43399	0.387
				02-02-2018	12045	Buy	55444	0.495
				09-02-2018	6872	Buy	62316	0.556
				23-02-2018	1200	Buy	63516	0.567
	-Closing Balance			31-03-2018			63516	0.567
8	Cyrus Jamshed Guzder	50000	0.446	01-04-2017				
	-Closing Balance			31-03-2018		No Change	50000	0.446
9	RACHANA ANKIT VAKHARIA	48250	0.431	01-04-2017				
	-Closing Balance			31-03-2018		No Change	48250	0.431
10	BHARAT BHAWANJI GADA	53538	0.478	01-04-2017				
				07-04-2017	-1000	Sold	52538	0.469
				21-04-2017	-1000	Sold	51538	0.460
				07-07-2017	-1000	Sold	50538	0.451
				14-07-2017	-4000	Sold	46538	0.416
				21-07-2017	-1000	Sold	45538	0.407



## SIMMONDS MARSHALL LIMITED

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in share-holding	Reason	No. of shares	
1	C B BAMBAWALE	10	0	01-04-2017				
				09-06-2017	-10	Sold	0	0
	-Closing Balance			31-03-2018			0	0

### E INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1072.79	567.32	--	1640.11
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	9.15	--	--	9.15
Total (i+ii+iii)	1081.94	563.32	--	1649.26
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	278.07	28.32	--	306.39
Net Change	278.07	28.32	--	306.39
Indebtedness at the end of the financial year				
i) Principal Amount	796.84	539.00	--	1335.84
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	7.03	--	--	7.03
Total (i+ii+iii)	803.87	539.00	--	1342.87

**F REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CHAIRMAN	MANAGING DIRECTOR	WHOLE TIME DIRECTOR	
		S. J. MARSHALL	N. S. MARSHALL	I. M. PANJU	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34.80	45.93	3.24	83.97
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	7.50	7.50	0	15.00
	- as % of profit				
	- others, specify...				
5	Others, please specify	0	14.58	0.96	15.54
	Total (A)	42.30	68.01	4.20	114.51
	Ceiling as per the Act	84.00	84.00	84.00	252.00

**ii. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors Manager / Manager			Total Amount
		F. K. BANATWALLA	S. C. SARAN	A. V. CHOWDHARY	
1.	Independent Directors				
	• Fee for attending board / committee meetings	0.30	0.40	0.40	1.10
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (1)	0.30	0.40	0.40	1.10
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	0	0	0	0
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	0.30	0.40	0.40	1.10
	Total Managerial Remuneration	0.30	0.40	0.40	1.10
	Overall Ceiling as per the Act	Not Applicable			



## SIMMONDS MARSHALL LIMITED

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
		Vikash Verma	Nirmal Gupta	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.73	4.27	36.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	Total	31.73	4.27	36.00

### G PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

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

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

May 30, 2018.

**ANNEXURE 'C' TO THE BOARDS REPORT 2017-18****Form No.MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

**To,****The Members,****SIMMONDS MARSHALL LIMITED**

Mumbai - Pune Road, Kasarwadi,

Pune – 411 034.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2018** complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Amendment Act, 2017 (to the extent notified);
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- iv. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
  - a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**
  - f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**
  - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the period of audit]**
- vi. We have also examined compliance with the applicable clauses of the Secretarial Standards I and II issued by The Institute of Company Secretaries of India.

Further, the Company being manufactures of Specialized Nylon Insert Self Locking Nuts and other Special Fasteners, there are no specific laws applicable to the Company, which requires approvals or compliances under any Act or Regulations. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, to the extent applicable.

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

## SIMMONDS MARSHALL LIMITED

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

We further report that -

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

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

**For GMJ & ASSOCIATES  
Company Secretaries**

**[MAHESH SONI]  
PARTNER**

**FCS: 3706 COP: 2324**

**PLACE: MUMBAI  
DATE: MAY 30, 2018.**

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

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

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

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

**For GMJ & ASSOCIATES  
Company Secretaries**

**[MAHESH SONI]  
PARTNER**

**FCS: 3706 COP: 2324**

**PLACE: MUMBAI  
DATE: MAY 30, 2018.**

**ANNEXURE 'D' TO THE BOARDS REPORT 2017-18****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

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

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

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

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

2. The Composition of the CSR Committee.

<b>Name of Member</b>	<b>Designation</b>
Mr. S. C. Saran	Chairperson
Mrs. Amrita Chowdhury	Member
Mr. N. S. Marshall	Member

3. Average net profit of the company for last three financial years Rs.922.33 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item3 above) Rs.18.45 Lakhs
5. Details of CSR spent during the financial year 2017-18.
  - (a) Total amount to be spent for the financial year; 21.04 Lakhs (including Rs. 2.59 Lakhs unspent in previous year)
  - (b) Amount unspent, if any Rs. Nil.

## SIMMONDS MARSHALL LIMITED

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

1.	2.	3.	4.	5.	6.	7.	8.
Sr. No	Project / activity	Sector	Location	Amount outlay (budget) project or programs wise (in Lakhs)	Amount spent on the projects or programs (in Lakhs)	Cumulative expenditure upto to the reporting period (in Lakhs)	Amount spent Direct or through implementing agency
1.	Various	Education	Maharashtra	11.97	11.97	11.97	Marshall Charitable Foundation
2.	Various	Medical Aid	Maharashtra	2.83	2.83	2.83	Marshall Charitable Foundation
3.	Various	Poverty Relief	Maharashtra	6.24	6.25	6.25	Marshall Charitable Foundation
	Total			21.04	21.05	21.05	

6. The Company intends to undertake projects, in accordance with Schedule VII of the Companies Act, 2013 as a part of its initiatives under CSR. In this regard, the Board has approved a CSR policy for implementation by the Committee.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

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

Registered Office:  
Mumbai-Pune Road,  
Kasarwadi,  
Pune -411 034.  
May 30, 2018.

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

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

**ANNEXURE 'E' TO THE BOARDS REPORT 2017-18****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, 2018 is given here below and forms a part of the Directors' Report.

**A. CONSERVATION OF ENERGY:**

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

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

	Units	Current Year	Previous Year
a. Power & Fuel Consumption			
Electricity – Purchased			
Unit (KWH)	Units	31.01	29.33
Total Amount	In Rs.	279.15	258.98
Average Rate	per unit	9.00	8.56
b. Consumption per unit of production		480.06	526.09
Electricity (KWH)/Tonne			

**B. TECHNOLOGY ABSORPTION:****a) Research & Development**

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

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

**b) Technology absorption, adaptation and innovation.**

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

## SIMMONDS MARSHALL LIMITED

### C. FOREIGN EXCHANGE EARNED AND USED:

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

Sr. No.	Activities relating to export initiative taken to increase export markets for products survey to boost export during the year.	The Company has conducted Market increase export markets
1	Foreign Exchange outgo	Rs.2424.92 Lakhs (PY Rs. 92.99 Lakhs)
2	Foreign Exchange earned	Rs.1780.86 Lakhs (PY Rs. 1381.75 Lakhs)

For and on behalf of the Board of Directors  
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#### Registered Office:

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

May 30, 2018.

**ANNEXURE 'F' TO THE BOARDS REPORT 2017-18**

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

Sr. No.	Requirements	Disclosure	
		Name of the Director	Ratio
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. S. J. Marshall	7.51x
		Mr. N. S. Marshall	9.89x
		Mr. I. M. Panju	0.69x
		1. The median remuneration of employees of the Company was Rs. 4.68 lakhs. 2. For this purpose, Sitting fees paid to the Directors have not been considered as remuneration. 3. Figures have been rounded off wherever necessary.	
2	The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary in the financial year	<b>Director</b>	
		Mr. S. J. Marshall	8.9%
		Mr. N. S. Marshall	6.6%
		Mr. I. M. Panju	-
		Mr. VikashVerma	13.3%
		Mr. Nirmal Gupta	270%
* Increase in remuneration is made as per appraisal system and Remuneration and Nomination Policy of the Company			
3	The percentage increase in the median remuneration of employees in the financial year	During FY 2017-18, the percentage increase in the median remuneration of employees as compared to previous year was approximately 35.5%	
4	The number of permanent employees on the rolls of company	There were 327 employees as on March 31, 2018	
5	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration is 20% for employees other than Managerial Personnel and 8% for the Managerial Personnel.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed.	



**ANNEXURE 'G' TO THE BOARDS REPORT 2017-18**

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH THE RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2018.

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

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

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

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

May 30, 2018.

## **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:**

Backed by the Industry's growth and positive consumer sentiment, your company touched new high's in financial year 2017-18. The good news is that the positive market sentiment is continuing and interest rates and inflation are under control and with a good monsoon forecast for a third consecutive year by the Meteorological Department, rural markets are expected to loosen their purse strings further this year on the back of a good crop and better minimum support price. Yours company is confident to maintain the growth momentum current year as well.

### **EXPORTS:**

The Company is fast consolidating its resources to build a significant market presence in the international arena. Exports during the year stood at Rs.1780.86 Lakhs and we are expecting an impressive increase in the current year as well.

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

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

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

During the year under review, the Company has achieved the Total Revenue of Rs. 17580.26Lakhs as against the Total Revenue of Rs. 14554.87Lakhs in the previous year. The Company has earned net profit before tax of Rs. 1441.19Lakhs during the year as against the net profit before tax of Rs. 960.06Lakhs in the previous year.

### **HUMAN RESOURCES:**

Development of skills and updating of knowledge are essential for continuous growth of any organization. Your Company considers human resources as a key asset. Therefore, your Company not only implemented many in house training programs but also sent selected employees to suitable outside programs to keep them appraised of the latest developments in the industry and economy.

### **CAUTIONARY STATEMENT:**

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

## **REPORT ON CORPORATE GOVERNANCE:**

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

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

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

Simmonds Marshall Limited is focused towards its vision of:

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

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

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

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

### **BOARD OF DIRECTORS:**

#### **a) Composition and Committee**

The composition of the Board is in compliance with the provisions of the Companies Act, 2013. As on March 31, 2018 the Board consists of Six Directors. Besides the Chairman who is Executive Director, the Board comprises of Two Executive Directors and three Non-Executive Independent Directors including one Woman Director. The composition of the Board represents an optimal mix of eminent personalities from various walks of life having rich experience in the field of marketing, finance, industry, business and management.

The Board met Five (5) times during the year on May 25, 2017, July 3, 2017, September 13, 2017, November 27, 2017 and February 14, 2018 and the gap between two meetings did not exceed the statutory period laid down by the Companies Act, 2013 and the Secretarial Standard-I issued by the Institute of Company Secretaries of India i.e. One hundred twenty days. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2018 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	
					Public	Private	Member	Chairman
1.	Mr. S. J. Marshall	Promoter and Executive Director	5	Yes	1	6	2	--
2.	Mr. N. S. Marshall	Promoter and Managing Director	5	Yes	2	8	4	--
3.	Mr. I. M. Panju	Whole Time Director	4	Yes	1*	5	1	--
4.	Mr. S. C. Saran	Non-Executive Independent Director	5	Yes	4	2	4	2
6.	Mr. F. K. Banatwalla	Non-Executive Independent Director	4	Yes	2	10	5	4
7.	Mrs. A. V. Chowdhury	Non-Executive Independent Director	5	Yes	--	3	--	--

\*The Company is limited by Guarantee

Relationships between Directors inter-se

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

Shareholding of Non- Executive Independent Directors

Non-Executive Independent Directors do not hold any shares in the 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, none of the Director acts as a member of more than 10 committees or acts as a Chairman of more than 5 committees across all Public Limited Companies.

**b) Information Supplied To The Board:**

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

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company.
- Minutes of meetings of audit committee and other committees of the board.

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

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

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

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

### **c) Board Procedures:**

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

### **AUDIT COMMITTEE:**

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

The Committee acts as a link between the Management, the Internal Auditors, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before its adoption by the Board, review of the internal control system,

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

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

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

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

**b) Composition & Meetings:**

The Committee met Four (4) times during the year on May 25, 2017, September 13, 2017, November 27, 2017 and February 14, 2018 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 Dates(2017-2018)				No. of Meetings held	No. of Meetings Attended
		May 25, 2017	Sep 13, 2017	Nov 27, 2017	Feb 14, 2018		
Mr. F. K. Banatwalla	Chairperson Non-Executive Independent	Yes	No	Yes	Yes	4	3
Mr. N. S. Marshall	Executive Director	Yes	Yes	Yes	Yes	4	4
Mr. S. C. Saran	Non-Executive Independent	Yes	Yes	Yes	Yes	4	4
Ms. A. V. Chowdhury	Non-Executive Independent	Yes	Yes	Yes	Yes	4	4

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 8, 2017 and was attended by Mr. F. K. Banatwalla, Chairperson of the Audit Committee.

**NOMINATION AND REMUNERATION COMMITTEE:**

The company has re-constituted the existing Nomination and Remuneration Committee in accordance with section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Committee comprises of three (3) Non-Executive Independent Directors as a Members..

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

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

The role of the committee has been defined as per section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**b) Composition & Meetings**

The Committee met Three (3) times during the year on May 25, 2017, September 13, 2017 and February 14, 2018. 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 Dates (2017-2018)			No. of Meetings held	No. of Meetings Attended
		May 25, 2017	Sep 13, 2017	Feb 14, 2018		
Mr. F. K. Banatwalla	Chairperson Non-Executive Independent	Yes	No	Yes	3	2
Mr. S. C. Saran	Non-Executive Independent	Yes	Yes	Yes	3	3
*Ms. A. V. Chowdhury	Non-Executive Independent	NA	Yes	Yes	2	2
#Mr. C. B. Bambawale	Non-Executive Independent	NA	NA	NA	--	--

\*Ms. A. V. Chowdhury was appointed as a Member of Nomination and Remuneration Committee w.e.f. July 3, 2017.

#Mr. C. B. Bambawale, resigned w.e.f. May 25, 2017.



### c) **Nomination and Remuneration Policy:**

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

### d) **Details of remuneration paid to Executive Directors for the year ended March 31, 2018:**

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 2017-18.

The details of remuneration paid to executive directors during the financial year 2017-18 are given below:

(In Rs.)

<b>Particulars</b>	<b>S.J. Marshall</b>	<b>N. S. Marshall</b>	<b>I. M. Panju</b>
Salary	34,80,000	45,92,928	3,24,000
Fixed Components:			
Contribution to Provident Fund, etc.	--	14,58,261	96,638
Commission	7,50,000	7,50,000	--
<b>Total</b>	<b>42,30,000</b>	<b>68,01,189</b>	<b>4,20,638</b>

**e) Details of remuneration paid to Directors for the year ended March 31, 2018:**

Non-Executive Directors are paid sitting fees of Rs. 10,000/- for every meeting of the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Independent Directors Meeting.

The details of remuneration paid to Non-Executive directors during the financial year 2017-18 are as follows:

<b>Particulars</b>	<b>S. C. Saran</b>	<b>F. K. Banatwalla</b>	<b>A. V. Chowdhury</b>
Sitting Fees	40,000	30,000	40,000
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 Committee reviewed the performance of the Directors i.e. Non-Executive Independent and Executive Directors and also the senior managerial personnel including Key Managerial Personnel during the year. The Director being evaluated did not participate in the Evaluation process for his respective evaluation.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The company has re-constituted the existing Stakeholders Relationship Committee in accordance with the Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

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

The Company has designated the e-mail ID: [secretarial@simmondsmarshall.com](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)

## SIMMONDS MARSHALL LIMITED

The following table shows the nature of complaints received from the shareholders during the years 2017-2018.

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

There were no complaints pending as on 31st March, 2018.

### Composition & Meetings

The Committee met Four (4) times during the year on May 25, 2017, September 13, 2017, November 27, 2017 and February 14, 2018. 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 Dates (2017-2018)				No. of Meetings held	No. of Meetings Attended
		May 25, 2017	Sept 13, 2017	Nov 27, 2017	Feb 14, 2018		
*Mr. F. K. Banatwalla	Chairperson Non-Executive Independent	NA	No	Yes	Yes	3	2
Mr. S. C. Saran	Non-Executive Independent	Yes	Yes	Yes	Yes	4	4
Mr. N. S. Marshall	Executive Director	Yes	Yes	Yes	Yes	4	4
#Mr. C. B. Bambawale	Non-Executive Independent	NA	NA	NA	NA	--	--

\*Mr. F. K. Banatwalla was appointed as a Member of Stakeholders Relationship Committee w.e.f. July 3, 2017.

#Mr. C. B. Bambawale, was resigned w.e.f. May 25, 2017.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has re-constituted the Corporate Social Responsibility Committee 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 the 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 One (1) time during the year on May 25, 2017. 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 Date (2017-2018)	No. of Meetings held	No. of Meetings Attended
		May 25, 2017		
Mr. S. C. Saran	Chairperson Non-Executive Independent	Yes	1	1
*Mr. N. S. Marshall	Executive Director	NA	--	--
#Mr. C. B. Bambawale	Non-Executive Independent	NA	--	--
Mrs. A. V. Chowdhury	Non-Executive Independent	Yes	1	1

\*Mr. N. S. Marshall was appointed as a Member of Corporate Social Responsibility Committee w.e.f. July 3, 2017.

#Mr. C. B. Bambawale was resigned w.e.f. May 25, 2017.

**INDEPENDENT DIRECTORS MEETING:**

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in a year without the presence of Non Independent Directors and members of the management. All the independent directors shall strive to be present at such meeting.

The independent directors in their meeting shall, inter alia-

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

Independent Directors met 1 (one) time during the year on February 14, 2018, where all the Independent Directors were present

**Familiarization Programme for Independent Directors:**

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

**OTHER POLICIES MANDATED UNDER SEBI (LODR) REGULATIONS, 2015:**

**Archival Policy-** In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, 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 SEBI (LODR) Regulations, 2015, the Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)

**Policy for Determining Materiality of Events-** In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, 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
31/03/2017	08/09/2017	12.00 Noon	Kwality Restaurant, Mumbai - Pune Road, Chinchwad , Pune – 411 019.
31/03/2016	20/09/2016	12.00 Noon	Ador Welding Academy Pvt. Ltd., A-108, 'H' Block, MIDC, Near Morwadi Court, Pimpri, Pune– 411 018.
31/03/2015	23/09/2015	12.00 Noon	Kwality Restaurant, Mumbai - Pune Road, Chinchwad , Pune – 411 019.

**b) Extra Ordinary General Meeting:**

No extraordinary general meeting of the members was held during the year 2017-18.

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

Date of AGM	Description of Special Resolution:
08/09/2017	Special resolution for re-appointment of Mr. S. J. Marshall as Chairman of the Company for a period of 3 years.
20/09/2016	No Special resolution was passed
23/09/2015	Adoption of new set of Articles of Association

**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) 58th Annual General Meeting schedule to be held on**

DAY & DATE : Wednesday, September 26, 2018.  
 TIME : 11:30 a.m.  
 VENUE : Kwaliti Restaurant, Mumbai - Pune Road,  
 M.I.D.C., Chinchwad, Pune - 411 019

**b) Financial Year:**

The Company follows the period of April to March, as the Financial Year. Tentative Financial calendar for the financial year 2018-19 is as under:

<b>Financial Reporting for the Financial Year 2018-19</b>	<b>Tentative month of reporting</b>
Un-audited Financial Results for the quarter ending June 30, 2018	On or before August 14, 2018
Un-audited Financial Results for the quarter and half year ending September 30, 2018	On or before November 14, 2018
Un-audited Financial Results for the quarter and nine months ending December 31, 2018	On or before February 14, 2019
Audited Financial Results for the quarter and year ending March 31, 2019	On or before May 30, 2019

**c) Book Closure:**

The Register of Members and Share Transfer Books will remain closed from September 20, 2018 to September 26, 2018 (both days inclusive) for the purpose of AGM.

**d) Dividend Payment Date:** October 1, 2018

**e) Listing on Stock Exchanges:**

Equity Shares of the Company are listed on BSE Limited, Mumbai (BSE). Annual listing fee for the financial year 2017-2018 has been paid to the BSE Limited, Mumbai.

**f) Stock Code:**

BSE Limited, Mumbai  
 Scrip Name : Simmonds Marshall Limited.  
 Scrip Code : 507998  
 Electronic Mode (ISIN) : INE657D01021  
 Depository Connectivity : NSDL and CDSL.  
 ISIN no for the company's security : INE657D01021

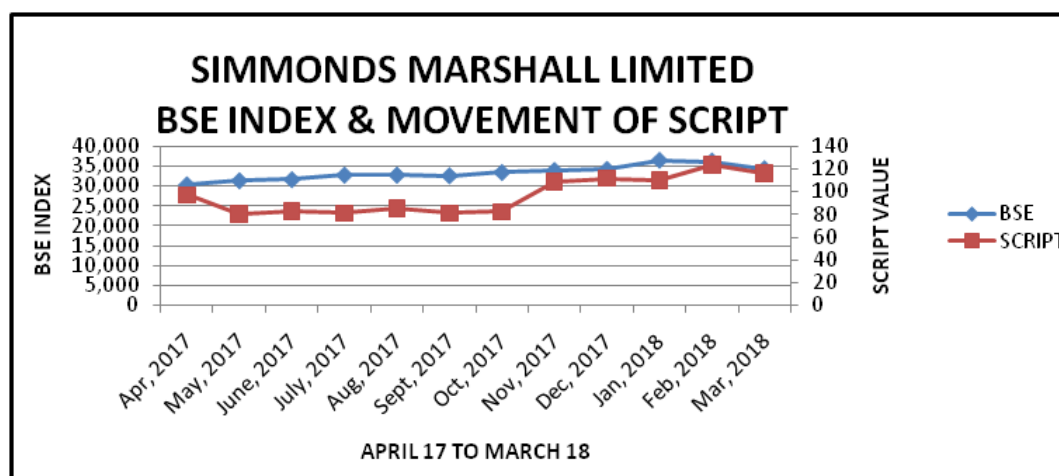
## SIMMONDS MARSHALL LIMITED

### g) Stock Price / Market Price Data:

Month wise high and low price of the Company's Shares at BSE Limited (BSE) from April, 2017 to March, 2018 are as under:

Month	Company's Share [Rs.]		BSE Sensex	
	High	Low	High	Low
April, 2017	104.25	93.15	30,184.22	29,241.48
May, 2017	101.10	74.00	31,255.28	29,804.12
June, 2017	90.00	75.05	31,522.87	30,680.66
July, 2017	91.00	78.00	32,672.66	31,017.11
August, 2017	88.00	72.00	32,686.48	31,128.02
September, 2017	85.00	76.60	32,524.11	31,081.83
October, 2017	89.25	78.00	33,340.17	31,440.48
November, 2017	113.45	80.00	33,865.95	32,683.59
December, 2017	120.00	104.25	34,137.97	32,565.16
January, 2018	144.40	106.60	36,443.98	33,703.37
February, 2018	129.40	97.50	36,256.83	33,482.81
March, 2018	126.80	107.70	34,278.63	32,483.84

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



### i) Registrar to an issue and Share Transfer Agents:

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED, Unit No.1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072. Tel: 022 2851 5606 / 2851 5644 Email: sharexindia@vsnl.com

### j) Share Transfer System:

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

**k) Shareholding as on March 31, 2018**

**i) Shareholding pattern as on March 31, 2018:**

The shareholding of different categories of the shareholders as on March 31, 2018 is given below:

<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
Promoters & Promoter Group	6347558	56.67
Banks /MF /UTI/FI/FII's/FPI	282489	2.52
Bodies Corporate	838521	7.49
Indian Public	3489806	31.16
NRI / OCBs	62881	0.56
Clearing Members	44745	0.40
Central Government (IEPF)	134000	1.20
<b>Total</b>	<b>11200000</b>	<b>100</b>

**ii) Distribution of Shareholding as on March 31, 2018:**

<b>No. of Equity Shares held</b>	<b>No. of Shareholders</b>	<b>No. of Shares held</b>	<b>% of Equity Capital</b>
Upto 500	3277	665413	5.94
501-1000	432	374869	3.35
1001-5000	510	1126741	10.06
5001-10000	64	457557	4.09
10001 & 100000	42	1187385	10.60
100001 & above	10	7388035	65.96
<b>Total</b>	<b>4335</b>	<b>11200000</b>	<b>100</b>

**l) Dematerialization of Shares:**

Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from January 29, 2001 as per notification issued by the Securities & Exchange Board of India(SEBI). As on March 31, 2018, out of total Equity Capital of 1,12,00,000 Equity Shares, 10,720,350 Equity Shares representing 95.72% of the total Equity Shares are held in dematerialized form with NSDL and CDSL.

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

Number of Trades: 2037

Number of Shares: 251850 Equity Shares

**n) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs or any Warrants in the past and hence as on March 31, 2018, the Company does not have any outstanding GDRs / ADRs or any Warrants.

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

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



**q) Address for Correspondence:**

**SIMMONDS MARSHALL LIMITED**

Mumbai Pune Road, Kasarwadi, Pune- 411 034

E-mail: secretarial@simmondsmarshall.com

Telephone Nos: 020-30782150

**OTHER INFORMATION / DISCLOSURES**

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:** None of the transactions with any of the related parties were in conflict with the interests of the Company.
- b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;** None
- c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:** Pursuant to Section 177 (9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations the Company has adopted a Vigil Mechanism/Whistle Blower Policy. The Company believes in professionalism, transparency, integrity and ethical behavior and had thus established a 'Whistle Blower Policy' to facilitate employees to report concerns of any unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. No person has been denied access to the Audit Committee.
- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:** The Company has complied with all mandatory requirements of Listing Regulations and has implemented the following non mandatory requirements:
- **The Board:** Not Applicable since the Company has an Executive Chairman
  - **Shareholders Rights:** Presently the Company is not sending half yearly communication.
  - **Modified opinion(s) in the Audit Report:** It is always the Company's endeavor to present unqualified financial statements. There are no audit modified opinions in the Company's financial statement for the year under review.
  - **Separate posts of Chairman and CEO:** The Company is already having separate posts for Chairman/ CEO and Managing Director.
  - **Reporting of Internal Auditor :** The Internal Auditor is directly reporting to Audit Committee
- e) Web link where policy for determining 'material' subsidiaries is disclosed:** Not Applicable
- f) 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
- g) 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.
- h) Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report:** Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations, required information has been hosted on the Company's website [www.simmondsmarshall.com](http://www.simmondsmarshall.com)
- i) Prevention of Insider Trading:**
- As per regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the "Code of practices and procedures for fair disclosure of unpublished price sensitive information" and "Code of conduct to regulate, monitor and report trading by insiders".

All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code.

**j) CEO / CFO Certification:**

Managing Director/Chief Financial Officer (CFO) have issued certificate as specified in Part B of Schedule II of the regulation 17 (8) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the financial year ended March 31, 2018 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.

**k) 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.

**l) Declaration:**

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations is so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2018.

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

**Registered Office:**

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

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

May 30, 2018.

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

**Declaration regarding affirmation of Code of Conduct**

In terms of the requirements of regulation 26 (3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the senior managerial personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2018.

**S. J. MARSHALL**  
CHAIRMAN

Place : Mumbai  
Dated : May 30, 2018

## **CEO CERTIFICATION**

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

### **Re: Financial Statements for the year 2017-18 – 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, 2018 and that to the best of my knowledge and belief :
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company’s code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that
  - (i) There have been no significant changes in internal control over financial reporting during the year;
  - (ii) There have been no significant changes in accounting policies during the year; and
  - (iii) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**N. S. Marshall**  
Managing Director

Place : Mumbai  
Dated : May 30, 2018

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

To  
The Members  
**Simmonds Marshall Limited**

We have examined the compliance of conditions of Corporate Governance by Simmonds Marshall Limited ('the Company') for the year ended on 31st March, 2018 as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange.

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

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

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

**For GMJ & Associates**  
Company Secretaries

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

Place: Mumbai  
Dated: May 30, 2018

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SIMMONDS MARSHALL LIMITED**

#### **Report on the standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Simmonds Marshall Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the standalone Ind AS Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018 and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**Other Matters**

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the predecessor auditors whose unqualified audit report dated 25th May, 2017 have been furnished to us. The differences arising from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

**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 statement on the matters specified in paragraph 3 and 4 of the Order.

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.
- (c) The standalone Ind AS Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to other matter 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 Ind AS financial statements- Refer Note No. 37
  - ii. The Company did not have material foreseeable losses on long term contracts including derivative contracts.
  - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund.

**For LODHA & CO.**

Chartered Accountants  
Firm Registration No: 301051E

Mumbai  
30th May, 2018

**R. P. Baradiya**  
Partner  
Membership No. 44101

### “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, 2018**

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment (fixed assets).  
b) The Company has a regular programme of physical verification of its property, plant and equipment (fixed assets) by which all property, plant and equipment (fixed assets) are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment (fixed assets) were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.  
c) Based on the information and explanations given to us, there are no immovable properties owned by the Company. Accordingly, the provisions of clause 1(iii) of the Order are not applicable to the Company.
2. The inventory has been physically verified by the management at reasonable intervals during the year. As per the information and explanations given to us, discrepancies noticed on physical verification between the physical stocks and book records were not material.
3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. The Company has not granted any loans, made any investment, provided guarantees or securities covered under Section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
5. No deposits have been accepted by the Company within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Period to which it relates	Amount (₹ in lakhs)	Forum where dispute is pending
The Central Sales Tax, 1956	Central Sales Tax	FY 2012-13	53.54	Joint Commissioner of Sales Tax
The Central Sales Tax, 1956	Central Sales Tax	FY 2013-14	11.09	Deputy 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 Ind AS (Refer Note no 37 to the standalone Ind AS 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 & CO.**  
Chartered Accountants  
Firm Registration No: 301051E

**R. P. Baradiya**  
Partner  
Membership No. 44101

Mumbai  
30th May, 2018



### **“ANNEXURE B”**

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

We have audited the internal financial controls over financial reporting of Simmonds Marshall Limited (“the Company”) as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS 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 Ind AS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**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, 2018, 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 & CO.**  
Chartered Accountants  
Firm Registration No: 301051E

Mumbai  
30th May, 2018

**R. P. Baradiya**  
Partner  
Membership No. 44101

# SIMMONDS MARSHALL LIMITED

## Balance Sheet as at March 31, 2018

Particulars	Note no.	Rs. in Lakhs		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>A. Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	2,482.20	2,494.35	1,986.72
Capital work-in-progress	3	23.66	-	38.70
Other Intangible assets	4	267.31	289.91	363.58
Intangible assets under development		71.33	46.67	-
Investments	5			
- In subsidiaries, associates and joint ventures		405.89	382.06	359.57
- Others		1.00	1.00	1.00
<b>Financial assets</b>				
- Other financial assets	6	39.86	36.86	38.76
Income tax assets (net)		45.45	68.51	63.93
Other non-current assets	7	37.16	14.23	18.31
<b>Total non-current assets</b>		<b>3,373.86</b>	<b>3,333.59</b>	<b>2,870.57</b>
<b>Current assets</b>				
Inventories	8	3,648.87	3,135.85	2,867.30
<b>Financial assets</b>				
- Trade receivables	9	4,688.64	3,716.85	3,250.49
- Cash and cash equivalents	10	6.16	70.24	317.39
- Bank balances other than above	11	116.44	219.78	237.75
- Other financial assets	12	12.81	14.56	18.02
Other current assets	13	155.80	337.63	338.89
<b>Total current assets</b>		<b>8,628.73</b>	<b>7,494.91</b>	<b>7,029.84</b>
<b>TOTAL ASSETS</b>		<b>12,002.59</b>	<b>10,828.50</b>	<b>9,900.41</b>
<b>B. Equity and liabilities</b>				
<b>Equity</b>				
Equity Share Capital	14	224.00	224.00	224.00
Other Equity	15	6,084.59	5,186.36	4,589.28
<b>Total equity</b>		<b>6,308.59</b>	<b>5,410.36</b>	<b>4,813.28</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	16	970.37	1,320.91	1,266.34
Deferred tax liabilities (Net)		193.90	218.43	267.37
Provisions	17	41.95	34.56	25.20
<b>Total non-current liabilities</b>		<b>1,206.22</b>	<b>1,573.90</b>	<b>1,558.91</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	18	1,434.73	1,522.96	1,619.11
- Trade payables	19	2,499.02	1,701.04	1,318.76
- Other financial liabilities	20	393.53	347.13	356.44
Other current liabilities	21	57.63	113.13	123.38
Provisions	17	102.87	159.98	110.53
<b>Total current liabilities</b>		<b>4,487.78</b>	<b>3,844.24</b>	<b>3,528.22</b>
<b>Total equity and liabilities</b>		<b>12,002.59</b>	<b>10,828.50</b>	<b>9,900.41</b>

### Significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For LODHA & CO.

Firm Registration Number - 301051E  
Chartered Accountants

**R. P. Baradiya**  
Partner  
Membership. No. 44101

For and on behalf of the Board of Directors

**S J MARSHALL**  
Chairman  
DIN: 00085682  
**V VERMA**  
Chief Financial Officer

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

Place: Mumbai  
Date: May 30, 2018

## Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note no.	Rs. in Lakhs	
		For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
Revenue from operations	22	17,500.76	14,500.05
Other income	23	79.50	54.82
<b>Total Income</b>		<b>17,580.26</b>	<b>14,554.87</b>
<b>Expenses</b>			
Cost of materials consumed	24	6,828.89	5,681.06
Purchases of traded goods		-	80.84
Changes in inventories of work-in progress and finished goods	25	(645.45)	(237.01)
Employee benefits expense	26	3,367.02	2,549.47
Finance costs	27	329.26	285.71
Depreciation and amortisation expense	28	395.50	402.07
Other expenses	29	5,863.85	4,832.67
<b>Total expenses</b>		<b>16,139.07</b>	<b>13,594.81</b>
<b>Profit before taxation</b>		1,441.19	960.06
<b>Income tax expense</b>			
Current tax		460.33	375.35
Deferred tax charge/(credit)		(24.53)	(48.93)
		<b>435.80</b>	<b>326.42</b>
<b>Profit for the year</b>		<b>1,005.39</b>	<b>633.64</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		56.08	55.92
Tax on above item		(16.33)	(19.35)
<b>Other comprehensive income for the year, net of tax</b>		<b>39.75</b>	<b>36.56</b>
<b>Total comprehensive income for the year</b>		<b>965.64</b>	<b>597.08</b>
Basic and diluted earnings per share (Face value of Rs. 2 each)	32	8.98	5.66

The accompanying notes are an integral part of these financial statements

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

**R. P. Baradiya**  
 Partner  
 Membership. No. 44101

Place: Mumbai  
 Date: May 30, 2018

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

**S J MARSHALL**  
 Chairman  
 DIN: 00085682  
**V VERMA**  
 Chief Financial Officer

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

# SIMMONDS MARSHALL LIMITED

## Statement of Changes in Equity for the year ended March 31, 2018

### (A) Equity Share Capital

(Rs. in Lakhs)

Balance as at April 01, 2016	224.00
Changes in share capital during the year	-
Balance as at March 31, 2017	224.00
Changes in share capital during the year	-
Balance as at March 31, 2018	224.00

### (B) Other Equity

	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income {Other actuarial gains/(losses)}	Total
Balance as at April 01, 2016	154.00	530.00	3,905.28	-	4,589.28
Profit for the year	-	-	633.64	-	633.64
Other comprehensive income for the year	-	-	-	(36.56)	(36.56)
Balance as at March 31, 2017	154.00	530.00	4,538.92	(36.56)	5,186.36
Profit for the year	-	-	1,005.39	-	1,005.39
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividend	-	-	(11.40)	-	(11.40)
Balance as at March 31, 2018	154.00	530.00	5,476.91	(76.31)	6,084.59

The accompanying notes are an integral part of these financial statements

As per our report of even date  
For LODHA & CO.

Firm Registration Number - 301051E  
Chartered Accountants

For and on behalf of the Board of Directors

**R. P. Baradiya**  
Partner  
Membership. No. 44101

**S J MARSHALL**  
Chairman  
DIN: 00085682  
**V VERMA**  
Chief Financial Officer

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

Place: Mumbai  
Date: May 30, 2018

## Statement of Cash Flows for the year ended March 31, 2018

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Cash flow from Operating Activities:</b>		
<b>Net Profit before tax and extraordinary items</b>	1,441.19	960.06
<b>Adjustments for:</b>		
Depreciation and Amortisation expense	395.50	402.07
Remeasurement of defined benefit plan	(56.08)	(55.92)
Sundry Balances Written off (Net)	2.66	4.69
Finance costs	329.26	285.71
Provision for Expected Credit Loss	7.30	11.12
Unrealised foreign exchange gain	(26.16)	(4.15)
Profit on sale of Property, Plant and Equipment (net)	(5.01)	(16.67)
Dividend Income	(0.15)	(0.15)
Interest Income	(10.30)	(15.51)
	637.02	611.19
<b>Operating Profit Before Working Capital Changes</b>	<b>2,078.22</b>	<b>1,571.26</b>
Movement in working capital:		
Decrease / (Increase) in Trade & Other Receivables	(794.01)	(474.00)
Decrease / (Increase) in inventories	(513.02)	(268.55)
Increase / (Decrease) in Trade Payables & Other Payables	786.68	374.55
Increase / (Decrease) in Provisions	(49.72)	58.81
	(570.07)	(309.19)
Cash generated from the operations	1,508.15	1,262.07
Direct tax paid (net)	420.94	360.59
<b>Net Cash generated from Operating Activities "A"</b>	<b>1,087.21</b>	<b>901.48</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	(412.99)	(889.13)
Proceeds from sale of property, plant and equipment	8.90	56.43
Investments in subsidiaries	(23.83)	(22.49)
Investments in bank deposits (net)	103.34	17.97
Interest Received	10.70	14.69
Dividend Income	0.15	0.15
<b>Net Cash used in Investing Activities "B"</b>	<b>(313.73)</b>	<b>(822.39)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds /(repayment) of long term borrowings	(350.54)	54.57
Proceeds /(repayment) of short term borrowings	(88.23)	(96.15)
Dividend & Dividend Tax	(67.40)	-
Finance costs	(331.37)	(284.67)
<b>Net Cash used in Financing Activities "C"</b>	<b>(837.54)</b>	<b>(326.24)</b>
<b>Net Decrease in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(64.08)</b>	<b>(247.15)</b>
Cash & Cash equivalent at the beginning of the year	70.24	317.39
<b>Cash &amp; Cash equivalent as at end of the year (Refer Note No. 10)</b>	<b>6.16</b>	<b>70.24</b>

As per our report of even date  
For LODHA & CO.

Firm Registration Number - 301051E  
Chartered Accountants

**R. P. Baradiya**  
Partner  
Membership. No. 44101

For and on behalf of the Board of Directors

**S J MARSHALL**  
Chairman  
DIN: 00085682  
**V VERMA**  
Chief Financial Officer

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

Place: Mumbai  
Date: May 30, 2018

## Notes to the financial statements

### A. CORPORATE INFORMATION:

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

### B. SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Basis of Preparation of Financial Statements:

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

The figures for the previous year ended March 31, 2017 and opening balance sheet as on April 01, 2016 have also been reinstated by the management as per the requirements of Ind AS. These financial statements are the first financial statements of the Company under Ind AS. Refer note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

The 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. - 39
- (b) Estimation of current tax expenses and payable - Refer note no. - 40

### 3. Property, plant and equipment (PPE)

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

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

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

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

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

### 4. Intangible assets

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

### 5. Depreciation and Amortization:

#### (a) Property plant and equipment (PPE)

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

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

#### (b) Intangible assets

Software is amortized over a period of 3 years

### 6. Financial Instruments:

#### Financial assets - Initial recognition:

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

Subsequent measurement:

Financial assets are subsequently classified as measured at:

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

The above classification is being determined considering:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial assets.



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

**(i) Measured at amortised cost:**

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

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

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

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

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

**Impairment**

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

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

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the 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, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For financial assets measured at FVTPL, there is no requirement of impairment testing.

**Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial Liabilities****Initial Recognition and measurement**

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

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

**Subsequent measurement**

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

**Loans & Borrowings:**

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

**Financial Guarantee Contracts:**

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

**De-recognition**

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

**Derivative financial instruments**

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

**Offsetting of financial instruments**

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

### 7. Fair Value Measurement

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

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

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

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

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

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

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

### 8. Inventory

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

#### **Raw Materials and Packing Materials**

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

#### **Work-in-Progress and Finished Goods**

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

#### **Traded Goods**

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

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

Adequate allowance is made for obsolete and slow moving items.

**9. Cash and Cash Equivalents:**

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

**10. Foreign Currency Transactions:****a) Initial Recognition**

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

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

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

**11. Revenue Recognition :****Sale of Goods**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and service tax etc.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

**Dividend**

Dividend Income is recognized when right to receive the same is established.

**12. Employee Benefits:**

The Company has provided following post-employment plans:

- (a) Defined benefit plans such as gratuity and
- (b) Defined contribution plans such as Provident fund & 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 obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & 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 that the payment covers.

**c) Other employee benefits:**

- (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

**13. Taxes on Income:**

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

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

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

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

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

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

#### **14. Borrowing Cost:**

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

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

#### **15. Earnings Per Share:**

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

#### **16. Leases:**

Where the Company is Lessee

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

Where the Company is Lessor

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

#### **17. Provisions, Contingent Liabilities and Contingent Assets:**

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

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

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

Contingent assets are neither recognized nor disclosed in financial statements.

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

Particulars	Rs. in Lakhs							
	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
<b>Balance as at April 01, 2016</b>								
<b>Gross carrying amount</b>								
Deemed cost as at April 01, 2016 (refer (3) below)	141.76	1,691.92	16.77	96.90	5.91	21.60	11.86	1,986.72
Additions	-	832.31	3.55	30.69	6.93	-	7.68	881.16
Disposals	-	(43.24)	-	-	-	-	(0.02)	(43.26)
Foreign currency exchange differences	-	(5.37)	-	-	-	-	-	(5.37)
<b>Balance as at March 31, 2017</b>	<b>141.76</b>	<b>2,475.62</b>	<b>20.32</b>	<b>127.59</b>	<b>12.84</b>	<b>21.60</b>	<b>19.52</b>	<b>2,819.25</b>
Additions	-	268.36	21.36	59.40	7.27	-	8.28	364.67
Disposals	-	(5.35)	-	(0.85)	(0.20)	-	-	(6.40)
Foreign currency exchange differences	-	(0.03)	-	-	-	-	-	(0.03)
<b>Balance as at March 31, 2018</b>	<b>141.76</b>	<b>2,738.60</b>	<b>41.68</b>	<b>186.14</b>	<b>19.91</b>	<b>21.60</b>	<b>27.80</b>	<b>3,177.49</b>
<b>Accumulated depreciation</b>								
<b>Balance as at April 01, 2016</b>								
Depreciation charge for the year	6.32	274.83	4.29	23.72	2.78	8.87	7.59	328.40
Disposals	-	(3.50)	-	-	-	-	-	(3.50)
<b>Accumulated depreciation as at March 31, 2017</b>	<b>6.32</b>	<b>271.33</b>	<b>4.29</b>	<b>23.72</b>	<b>2.78</b>	<b>8.87</b>	<b>7.59</b>	<b>324.90</b>
Depreciation charge for the year	6.63	314.32	6.11	29.77	4.59	3.43	8.05	372.90
Disposals	-	(1.90)	-	(0.61)	-	-	-	(2.51)
<b>Accumulated depreciation as at March 31, 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>
<b>Net carrying amount as at April 01, 2016</b>	<b>141.76</b>	<b>1,691.92</b>	<b>16.77</b>	<b>96.90</b>	<b>5.91</b>	<b>21.60</b>	<b>11.86</b>	<b>1,986.72</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>135.44</b>	<b>2,204.29</b>	<b>16.03</b>	<b>103.87</b>	<b>10.06</b>	<b>12.73</b>	<b>11.93</b>	<b>2,494.35</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>128.81</b>	<b>2,154.85</b>	<b>31.28</b>	<b>133.26</b>	<b>12.54</b>	<b>9.30</b>	<b>12.16</b>	<b>2,482.20</b>

1. Refer note no. 16 and 18 for property, plant and equipment pledged as collateral security against bank borrowings.

2. Refer note no. 31 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

3. The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 01, 2016 under the previous GAAP.

**Deemed Cost as at April 01, 2016**

Particulars	Rs. in Lakhs							
	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
<b>Gross Block as on April 01, 2016</b>	212.20	3270.74	47.12	217.22	44.18	70.19	72.61	<b>3934.26</b>
<b>Accumulated depreciation till April 01, 2016</b>	70.44	1578.82	30.35	120.32	38.27	48.59	60.75	<b>1947.54</b>
<b>Deemed Cost as at April 01, 2016</b>	<b>141.76</b>	<b>1691.92</b>	<b>16.77</b>	<b>96.90</b>	<b>5.91</b>	<b>21.60</b>	<b>11.86</b>	<b>1986.72</b>

\*Building has been constructed on rented premises owned by the promoters of the Company.

## Notes to the financial statements

## Note 3 : Capital work-in-progress

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Property, plant and equipment under installation	23.66	-	38.70
	<b>23.66</b>	<b>-</b>	<b>38.70</b>

## Note 4 : Other intangible assets

	Goodwill*	Software	Royalty	Total
<b>Balance as at April 01, 2016</b>				
Deemed cost as at April 01, 2016 (Refer note below)	267.30	5.56	90.72	363.58
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
<b>Accumulated depreciation</b>				
<b>Balance as at April 01, 2016</b>				
Depreciation charge for the year	-	5.56	68.11	73.67
Disposals	-	-	-	-
<b>Accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>5.56</b>	<b>68.11</b>	<b>73.67</b>
Depreciation charge for the year	-	-	22.60	22.60
Disposals	-	-	-	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>5.56</b>	<b>90.71</b>	<b>96.27</b>
<b>Net carrying amount as at April 01, 2016</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>267.30</b>	<b>0.00</b>	<b>22.61</b>	<b>289.91</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>267.30</b>	<b>0.00</b>	<b>0.01</b>	<b>267.31</b>

The Company has availed the deemed cost exemption in relation to other intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 01, 2016 under the previous GAAP.

## Deemed Cost as at April 01, 2016

Particulars	Goodwill*	Software	Royalty	Total
Gross Block as on April 01, 2016	267.30	16.68	204.36	488.34
Accumulated depreciation till April 01, 2016	-	11.12	113.64	124.76
<b>Deemed Cost as at April 01, 2016</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>

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



# SIMMONDS MARSHALL LIMITED

## Notes to the financial statements

### Non-current financial assets

#### Note 5 : Investments

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>In Equity instruments (Unquoted)</b>			
<b>Carried at deemed cost</b>			
<b>In partnership firm (subsidiary)</b>			
Stud India (Refer note below)	394.10	370.27	347.78
<b>In an associate</b>			
Formex Private Limited	11.79	11.79	11.79
131,051 [as at March 31, 2017 & April 01, 2016 - 131,051] 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	1.00
4,000 [as at March 31, 2017 & April 01, 2016 - 4,000] shares of Rs. 25 each fully paid up			
	<b>406.89</b>	<b>383.06</b>	<b>360.57</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>406.89</b>	<b>383.06</b>	<b>360.57</b>

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

Name of partnership firm (subsidiary)	Total Capital		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total Capital	398.08	374.01	351.29
Simmonds Marshall Limited - 99%	394.10	370.27	347.78
Navroze S. Marshall - 1%	3.98	3.74	3.51

#### Note 6 : Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Security deposits	36.84	31.58	32.89
Loans to employees	3.02	5.28	5.87
	<b>39.86</b>	<b>36.86</b>	<b>38.76</b>

**Notes to the financial statements****Note 7 : Other non-current assets****Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
(Unsecured, considered good)			
Capital Advances	10.91	-	-
Prepayments	0.67	2.18	0.80
Balances with statutory/ government authorities	25.58	12.05	17.51
	<b>37.16</b>	<b>14.23</b>	<b>18.31</b>

**Note 8 : Inventories****Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Raw materials [including goods in transit of Rs.87.29 lakhs [as at March 31, 2017 - Rs. 81.07 lakhs & as at April 01, 2016 - Rs.19.94 lakhs]	857.45	952.33	1,003.02
Work-in-progress	1,146.05	748.63	463.50
Finished goods [including goods in transit of Rs.279.04 lakhs [as at March 31, 2017 - Rs. 4.49 lakhs & as at April 01, 2016 - Rs. 4.05 lakhs]	678.16	497.17	564.79
Stores and spares [including goods in transit of Rs. Nil [as at March 31, 2017 - Rs. 0.45 lakhs & as at April 01, 2016 - Rs.2.58 lakhs]	7.72	5.15	8.77
Tools [including goods in transit of Rs. Nil [as at March 31, 2017 - Rs. Nil & as at April 01, 2016 - Rs.23.60 lakhs]"	958.06	930.23	825.38
Packing material	1.43	2.34	1.84
	<b>3,648.87</b>	<b>3,135.85</b>	<b>2,867.30</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 9 : Trade receivables****Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
(Unsecured, considered good)			
Trade receivables	4,688.64	3,716.85	3,250.49
	<b>4,688.64</b>	<b>3,716.85</b>	<b>3,250.49</b>

1. Refer note 18 for trade receivables charged against bank borrowings.

2. Refer note 42 for credit terms, ageing analysis and other relevant details related to trade receivables.

3. Trade receivables are net off bill discounting of Rs 278.06 lakhs (as at March 31, 2017 - Rs.190.25 lakhs & as at April 01, 2016 - Rs. 221.74 lakhs)

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Note 10 : Cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks			
- In current accounts	6.16	70.24	317.39
	<b>6.16</b>	<b>70.24</b>	<b>317.39</b>

#### Note 11 : Bank balances other than above

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Bank balances other than above</b>			
- In dividend accounts	11.94	13.73	18.63
- In deposit accounts			
a) Margin money deposit*	84.42	127.68	119.15
b) Margin money deposit**	20.08	78.37	99.97
	<b>116.44</b>	<b>219.78</b>	<b>237.75</b>

\*Margin money deposits amounting to Rs 84.42 lakhs (as at March 31, 2017 - Rs.127.68 lakhs & as at April 01, 2016 - Rs. 119.15 lakhs) are kept as lien as security against foreign currency loan - ECB (Refer note no 16(ii))

\*\*Margin money deposit amounting to Rs 20.08 lakhs (as at March 31, 2017 - Rs.78.37 lakhs & as at April 01, 2016 - Rs. 99.97 lakhs) are kept as lien as security against letter of credit.

#### Note 12 : Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Loans to employees	8.25	9.59	13.87
Interest accrued on deposits	4.56	4.97	4.15
	<b>12.81</b>	<b>14.56</b>	<b>18.02</b>

#### Note 13 : Other current assets

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Advance to suppliers			
- Related parties	5.80	53.01	86.35
- Others	33.78	48.12	41.31
Prepayments	66.98	57.68	39.96
Export incentive receivable	48.99	28.16	89.14
Balances with statutory/ government authorities	-	150.22	81.88
Others	0.25	0.44	0.25
	<b>155.80</b>	<b>337.63</b>	<b>338.89</b>

## Notes to the financial statements

## Note 14 : Equity share capital

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Authorised</b>			
5,00,00,000 equity shares of Rs 2 each	1,000.00	1,000.00	1,000.00
	<b>1,000.00</b>	<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	224.00
	<b>224.00</b>	<b>224.00</b>	<b>224.00</b>

## a) Reconciliation of number of shares

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	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	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>1,12,00,000</b>	<b>224.00</b>

## 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, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos.	% of Holding	Nos.	% of Holding	Nos.	% of Holding
Navroze S Marshall	15,18,548	13.56%	15,18,548	13.56%	14,93,548	13.34%
Shiamak J Marshall	15,32,965	13.69%	15,12,965	13.51%	15,12,965	13.51%
Maki S Marshall	16,67,435	14.89%	16,67,435	14.89%	16,40,435	14.65%
Kamal I Panju	7,17,155	6.40%	7,17,155	6.40%	7,17,155	6.40%
Kayan J Pandole	7,10,655	6.35%	7,10,655	6.35%	7,10,655	6.35%
Clover Technologies Pvt. Ltd.	6,27,504	5.60%	6,19,369	5.53%	5,39,887	4.82%

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 43 (c)

# SIMMONDS MARSHALL LIMITED

## Notes to the financial statements

### Note 15 : Other Equity

Rs. in Lakhs

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Other Com- prehensive Income {Other actu- arial gains/ (losses)}	Total
<b>Balance as at April 01, 2016</b>	<b>154.00</b>	<b>530.00</b>	<b>3,905.28</b>	-	<b>4,589.28</b>
Profit for the year	-	-	633.64	-	633.64
Other comprehensive income for the year	-	-	-	(36.56)	(36.56)
<b>Balance as at March 31, 2017</b>	<b>154.00</b>	<b>530.00</b>	<b>4,538.92</b>	<b>(36.56)</b>	<b>5,186.36</b>
Profit for the year	-	-	1,005.39	-	1,005.39
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividends	-	-	(11.40)	-	(11.40)
<b>Balance as at March 31, 2018</b>	<b>154.00</b>	<b>530.00</b>	<b>5,476.91</b>	<b>(76.31)</b>	<b>6,084.59</b>

## Financial Liabilities

### Note 16 : Non Current Borrowings

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Term loans</b>			
<b>Secured</b>			
<b>From banks</b>			
- Rupee loan (refer note (i) below)	565.25	692.92	427.99
- Foreign currency loan - ECB (refer note (ii) below)	180.37	359.72	535.28
- Vehicle loan (refer note (iii) below)	1.38	6.77	11.63
<b>From a financial institution</b>			
- Vehicle loan (refer note (iv) below)	49.83	13.39	9.99
<b>Unsecured</b>			
Loans from related parties	539.00	567.32	608.83
	<b>1,335.84</b>	<b>1,640.11</b>	<b>1,593.72</b>
Less: Current maturities (refer note 20)			
- Rupee Loan	(145.34)	(130.39)	(146.71)
- Foreign Currency loan	(180.37)	(179.86)	(167.27)
- Vehicle loan (From bank)	(1.38)	-	-
- Vehicle loan (From others)	(14.37)	(8.95)	(13.39)
- Loans from related parties	(24.00)	-	-
	<b>970.37</b>	<b>1,320.91</b>	<b>1,266.34</b>

**Notes to the financial statements**

**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.	Rupee loan	145.34	162.23	181.08	76.60	565.25
	Security	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank. All loans are secured against the personal guarantee of the Managing Director of the Company.				
	Interest rate	10.50% to 12%				
ii.	Foreign currency loan - ECB	180.37	0.00	0.00	0.00	180.37
	Security	a) Secured by first and exclusive charge on plant and machineries funded under the ECB b) Secured by fixed deposit amounting to Rs 84.42 lakhs kept with the bank c) All loans are secured against the corporate guarantee of M/s. J. N. Marshall and Company (Engineering Dept.) and personal guarantee of Chairman and Managing director of the Company.				
	Interest rate	LIBOR + 5.75%				
iii.	Vehicle loan - From bank	1.38	0.00	0.00	0.00	1.38
	Security	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	10.50%				
iv.	Vehicle loan - From others	14.37	15.83	17.43	2.20	49.83
	Security	Secured by way of hypothecation of vehicles acquired under the specific facility granted by the finance company				
	Interest rate	9.50% to 9.99%				
v.	From related parties (Unsecured)	24.00	24.00	24.00	467.00	539.00
	Interest rate	8.50%				

**Note 17 : Provisions**

**Rs. in Lakhs**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Non-Current</b>			
Provision for employee benefits	41.95	34.56	25.20
	<b>41.95</b>	<b>34.56</b>	<b>25.20</b>
<b>Current</b>			
Provision for employee benefits	102.87	159.98	110.53
	<b>102.87</b>	<b>159.98</b>	<b>110.53</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Note 18 : Current borrowings

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Secured</b>			
Loan from a bank, repayable on demand			
- Working capital loan	1,434.73	1,522.96	955.71
- Working capital loan (Foreign currency)	-	-	663.40
	<b>1,434.73</b>	<b>1,522.96</b>	<b>1,619.11</b>

#### Note:

- (i) Working capital loans are secured by way of hypothecation of raw materials, finished goods, stores & spares, book debts etc. and pledge of entire block of assets (both present & future) in favour of consortium of banks on pari pasu other than specific assets financed by respective banks.
- (ii) Working capital loan carries interest ranging 9.30% to 9.80% (as at 31st March, 2017 ranging 9.65% to 9.80%, as at 1st April, 2016 ranging 11% to 12.75%)
- (iii) All loans are secured against the personal guarantee of Managing Director of the Company.

#### Note 19 : Trade payables

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Due to micro, small and medium enterprises*	216.90	111.50	92.21
Others	2,282.12	1,589.54	1,226.55
	<b>2,499.02</b>	<b>1,701.04</b>	<b>1,318.76</b>

\*Refer note no. 35 for disclosure under Micro, Small and Medium Enterprise Development Act.

#### Note 20 : Other financial liabilities

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long term debt (Refer note 16)	365.46	319.19	327.38
Interest accrued but not due on borrowings	7.03	9.15	8.11
Unpaid dividend	11.94	13.73	18.63
Other payables	9.10	5.06	2.32
	<b>393.53</b>	<b>347.13</b>	<b>356.44</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 21 : Other current liabilities

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from customers	4.71	9.70	9.73
Statutory dues	52.92	103.43	113.65
	<b>57.63</b>	<b>113.13</b>	<b>123.38</b>

## Notes to the financial statements

## Note 22 : Revenue from operations

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	17,170.21	14,293.16
Other operating revenue		
(i) Export incentive	70.19	37.84
(ii) Scrap sale	260.36	169.05
	<b>17,500.76</b>	<b>14,500.05</b>

## Note 23 : Other income

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on deposits	10.30	15.51
Share of profits from a partnership firm	23.83	22.49
Net gain on foreign currency transactions	40.17	-
Profit on disposal of property, plant and equipment	5.01	16.67
Dividend income on non-current investments	0.15	0.15
Miscellaneous income	0.04	-
	<b>79.50</b>	<b>54.82</b>

## Note 24 : Cost of materials consumed

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials at the beginning of the year	952.33	1,003.02
Add: Purchases	6,734.01	5,630.37
Less: Raw materials at the end of the year	857.45	952.33
<b>Raw materials consumed</b>	<b>6,828.89</b>	<b>5,681.06</b>



## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Note 25 : Changes in inventories of work-in-progress and finished goods

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening balance</b>		
Work-in-progress	748.63	463.50
Finished goods	497.17	564.79
	<b>1,245.80</b>	<b>1,028.28</b>
<b>Closing balance</b>		
Work-in-progress	1,146.05	748.63
Finished goods	678.16	497.17
	<b>1,824.21</b>	<b>1,245.80</b>
	<b>(578.41)</b>	<b>(217.51)</b>
Less: Excise Duty on opening and closing of finished goods (Net)	67.04	19.50
	<b>(645.45)</b>	<b>(237.01)</b>

#### Note 26 : Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	3,055.66	2,289.73
Contribution to provident funds & other funds	145.06	150.12
Staff welfare expense	166.30	109.62
	<b>3,367.02</b>	<b>2,549.47</b>

#### Note 27 : Finance costs

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense	286.43	249.76
Other borrowing costs	37.15	33.46
Interest charges on unwinding of discount	5.68	2.49
	<b>329.26</b>	<b>285.71</b>

#### Note 28 : Depreciation and amortisation expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	372.90	328.40
Amortization of other intangible assets	22.60	73.67
	<b>395.50</b>	<b>402.07</b>

**Notes to the financial statements**

**Note 29 : Other expenses**

**Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Consumption of stores and spare parts	134.08	142.27
Consumption of tools	968.77	690.15
Consumption of packing materials	147.33	125.70
Power and fuel	325.27	282.66
Job work charges	2,746.14	2,134.67
Rent	267.31	236.80
Repairs and maintenance		
Plant and equipments	125.83	112.73
Others	84.27	57.22
Rates and taxes excluding taxes on income	14.43	13.52
Insurance	12.95	8.24
Communication expenses	18.28	17.61
Travelling and conveyance	69.59	71.58
Printing and stationery	30.64	24.22
Legal and professional fees	167.67	177.88
Freight and forwarding expenses	632.13	552.71
Sales commission	0.48	11.18
Donations and contributions	-	0.05
Provision for expected credit loss	7.30	11.12
Directors' sitting fees	1.10	0.63
Payments to auditors:		
Audit fees including limited review fees	10.20	8.33
Re-imburement of expenses	0.40	0.20
Net loss on foreign currency transactions	-	46.31
Corporate social responsibility expenses*	21.05	25.00
Sundry balance written off (net)	2.66	4.69
Miscellaneous expenses	75.98	77.21
	<b>5,863.85</b>	<b>4,832.67</b>

\*Refer note no 36 details of corporate social responsibility expenditure incurred by the company

**Note 30 : Contingent liabilities**

**Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Claims against the Company not acknowledged as debts			
(i) Disputed Income Tax matters	4.28	63.03	47.52
(ii) Disputed Sales Tax matters	65.13	54.04	-
(iii) Guarantees	0.02	0.02	0.02
	<b>69.43</b>	<b>117.09</b>	<b>47.54</b>

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

**Notes to the financial statements**
**Note 31 : Commitments**
**Rs. in Lakhs**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amounts of contracts remaining to be executed on capital account and not provided for:			
Property, plant and equipment (net of advances)	123.95	17.00	-
	<b>123.95</b>	<b>17.00</b>	-

**Note 32 : Earnings Per share**
**Rs. in Lakhs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit after tax available for equity shareholders	1,005.39	633.64
Weighted average number of equity shares	1,12,00,000	1,12,00,000
Nominal value of equity shares (In Rs.)	2.00	2.00
Basic and diluted Earnings Per Share (In Rs.)	8.98	5.66

**Note 33 : Segment Reporting**
**Business Segment**

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

**Geographical Segment**

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

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

**Rs. in Lakhs**

Information in respect of secondary segment	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue from external customer</b>		
India	15,390.11	12,911.42
Outside India	1,780.10	1,381.75
	<b>17,170.21</b>	<b>14,293.17</b>
<b>Non Current Assets</b>		
India	3,373.86	3,333.59
Outside India	-	-
	<b>3,373.86</b>	<b>3,333.59</b>

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

**Notes to the financial statements****Note 34 : Auditors Remuneration**

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>AUDITORS REMUNERATION (Excluding tax)</b>		
Audit Fees	9.00	7.25
Limited Review	1.20	1.08
Reimbursement of out of pocket expenses	0.40	0.20
	<b>10.60</b>	<b>8.54</b>

**Note 35 : Disclosure under MSMED Act, 2006**

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

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1) Principal amount outstanding	216.90	111.50	92.21
2) Principal amount due and remaining unpaid	-	-	-
3) Interest due on (2) above and the unpaid interest	-	-	-
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	-	-	-
	<b>216.90</b>	<b>111.50</b>	<b>92.21</b>

**Note 36 : Corporate Social Responsibility**

Gross amount required to be spent by the Group as per Section 135 of Companies Act, 2013 during the year is Rs 21.04 Lakhs - including unspent of Rs 2.59 Lakhs for earlier years (Previous year Rs 27.59 Lakhs) and amount actually spent during the year is Rs 21.05 Lakhs (Previous year Rs 25.00 Lakhs), the details of which is as given below:

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Construction/acquisition of any asset	-	-
On purposes other than above	21.05	25.00
	<b>21.05</b>	<b>25.00</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Note 37 : Related party transactions

##### A. Details of related parties

###### Name of related parties

###### Subsidiary

Stud India - Partnership Firm

###### Associate Company

Formex Private Limited

###### Key Management Personnel (KMP)

Mr. S. J. Marshall (Chairman)

Mr. N. S. Marshall (Managing Director)

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

Mr. N.D. Bharucha (Chief Financial Officer - Upto 10th August, 2016)

Mr. V. Verma (Chief Financial Officer - w.e.f. 11th August, 2016)

Mrs. N. Darak (Company Secretary - Upto 30th June, 2016)

Mr. N. Gupta (Company Secretary - w.e.f. 01st July, 2016)

###### Relatives of Key Management Personnel (KMP)

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

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

Corrodyne Coatings Pvt. Ltd.

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

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

J. N. Marshall Pvt. Ltd.

Marshall Real Estate and Investment Corporation

Marshall Charitable Foundation

Forbes Marshall Pvt. Ltd.

##### B. Related Party Transactions

	Rs. in Lakhs	
Particulars	2017-18	2016-17
<b>Subsidiary</b>		
<b>Stud India - Partnership Firm</b>		
Sales	18.43	67.67
Purchases	16.02	7.20
<b>Associate Company</b>		
<b>Formex Private Limited</b>		
Processing Fees	1,045.36	792.05

**Notes to the financial statements**

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

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Mr. S.J. Marshall	42.30	36.52
Mr. N.S. Marshall	68.01	61.51
Mr. I.M. Panju	4.21	3.65
Mr. N.D.Bharucha	-	4.21
Mr. V. Verma	31.73	17.22
Mrs N. Darak	-	0.45
Mr. N. Gupta	4.27	1.58
<b>Interest paid</b>		
Mr. S.J. Marshall	28.90	25.07
Mr. N.S. Marshall	17.10	15.74
<b>Car hire charges</b>		
Mr. N.S. Marshall	4.80	3.07
Mrs. N.N.Bharucha	-	0.07

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

Corrodyne Coatings Pvt. Ltd. - Plating charges	155.17	118.11
J. N. Marshall & Co. (Steel Dept.) - Rent	5.12	1.38
J. N. Marsall & Co. (C.H.C.A.) - Clearing & forwarding charges	47.19	50.08
J. N. Marshall Pvt. Ltd. - Rent / Rates & Taxes	267.33	205.88
J. N. Marshall Pvt. Ltd. - Water charges	10.53	9.21
Forbes Marshall Pvt. Ltd. - Security & Business auxiliary charges	24.78	13.56
Marshall Real Estate and Investment Corporation - Rent	-	1.44
Marshall Charitable Foundation	21.05	25.00

<b>Outstanding balances</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
<b>Subsidiary</b>			
<b>Stud India - Partnership Firm</b>			
<b>Outstanding balances</b>			
Investments	<b>394.10</b>	<b>370.27</b>	<b>347.78</b>
Others	<b>9.11</b>	<b>19.17</b>	<b>42.33</b>
<b>Associate Company</b>			
<b>Formex Private Limited</b>			
Outstanding balances	<b>4.43</b>	<b>53.01</b>	<b>83.94</b>
<b>Key Management Personnel (KMP) and relatives</b>			
<b>Outstanding Loan</b>			
Mr. S.J. Marshall	<b>340.00</b>	<b>334.32</b>	<b>331.83</b>
Mr. N.S. Marshall	<b>199.00</b>	<b>233.00</b>	<b>277.00</b>

**Notes to the financial statements**

<b>Enterprises in which KMP's / Relative of KMP's can exercise significant influence</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Corrodyne Coatings Pvt. Ltd.	60.32	21.83	10.50
J. N. Marshall & Co. (C.H.C.A.)	5.41	0.11	1.19
J. N. Marshall Pvt. Ltd.	4.35	-	12.20
Forbes Marshall Pvt. Ltd.	5.32	-	15.43
Powair Automation Equipment Pvt. Ltd.	-	-	1.72

**Notes:**

- (i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- (ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.
- (iii) Related party relationships have been identified by the management and relied upon by the Auditors.

**Note 38 : Lease Transactions**

The Company's significant leasing arrangements are in respect of operating lease for premises. The period of agreement is generally for two to three years and is renewable by mutual consent. The aggregate lease rental expense recognised in statement of Profit & Loss for the year is Rs 267.31 lakhs (Previous year Rs 236.80 lakhs)

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

<b>Period</b>	<b>Rs. in Lakh</b>	
	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Payable within one year	258.58	228.00
Payable within two to five years	228.00	456.00
Payable beyond five years	-	-
	<b>486.58</b>	<b>684.00</b>

**Note 39 : DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"**

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

**Notes to the financial statements**

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

**A. Balance Sheet**

Rs. in Lakhs

<b>Defined benefit plans</b>			
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Present value of plan liabilities	339.69	440.08	488.19
Fair value of plan assets	264.35	302.44	391.70
<b>Asset/(Liability) recognised</b>	<b>(75.34)</b>	<b>(137.64)</b>	<b>(96.49)</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, 2017</b>	440.08	302.44
Current service cost	37.36	-
Past service cost	12.09	-
Interest Cost/(Income)	24.10	19.91
Return on plan assets excluding amounts included in net finance income/cost	-	(1.26)
Actuarial (gain)/loss arising from changes in financial assumptions	(31.44)	-
Actuarial (gain)/loss arising from experience adjustments	86.26	-
Employer contributions	-	172.02
Benefit payments	(228.76)	(228.76)
<b>As at 31st March, 2018</b>	<b>339.69</b>	<b>264.35</b>
	<b>Present value of obligations</b>	<b>Fair Value of Plan assets</b>
<b>As at 1st April, 2016</b>	488.19	391.70
Current service cost	31.43	-
Past service cost	-	-
Interest Cost/(Income)	32.34	26.43
Return on plan assets excluding amounts included in net finance income/cost	-	(3.16)
Actuarial (gain)/loss arising from changes in financial assumptions	39.39	-
Actuarial (gain)/loss arising from experience adjustments	16.52	-
Employer contributions	-	55.26
Benefit payments	(167.79)	(167.79)
<b>As at 31st March, 2017</b>	<b>440.08</b>	<b>302.44</b>



## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### C. Statement of Profit and Loss

	As at March 31, 2018	As at March 31, 2017
<b>Employee Benefit Expenses:</b>		
Current service cost	37.36	31.43
Interest cost/(income)	4.19	5.91
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>41.55</b>	<b>37.34</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	1.26	-
Actuarial gains/(losses) arising from changes in financial assumptions	(31.44)	39.40
Experience gains/(losses)	86.26	16.52
<b>Total amount recognised in Other Comprehensive Income</b>	<b>56.08</b>	<b>55.92</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, 2018	As at March 31, 2017	As at April 01, 2016
<b>Financial Assumptions</b>			
Discount rate	7.67%	7.40%	8.00%
Salary Escalation Rate	3.50%	4.50%	3.00%
<b>Demographic Assumptions</b>			
Mortality in Service	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Mortality Rate	100%	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%	Upto 40 Yrs: 3% 41 to 50 Yrs : 2% 51 Yrs & above: 1%
Retirement Age	58 & 60 Years	58 & 60 Years	58 & 60 Years
As at 31st March 2018	264.35		

**Notes to the financial statements**

**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%	21.85	25.20
Salary Escalation Rate	1.00%	24.06	21.07

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, 2018 as follows:**

**Rs. in Lakhs**

<b>Year ending March 31, 2018</b>	<b>Defined benefit obligation</b>
<b>2019</b>	<b>54.69</b>
<b>2020</b>	<b>56.66</b>
<b>2021</b>	<b>59.94</b>
<b>2022</b>	<b>46.36</b>
<b>2023</b>	<b>53.06</b>
<b>Thereafter</b>	<b>215.20</b>

**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, 2018 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:

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Expenses recognised in Statement of Profit and Loss	27.10	26.34	22.95
Balance Sheet liability	69.48	56.89	39.23

**Note 40 : Income taxes**

**Rs. in Lakhs**

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

	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
<b>Current tax</b>		
Current year	460.33	375.35
Adjustments for prior periods	-	-
<b>Total current tax</b>	<b>460.33</b>	<b>375.35</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Deferred tax

Relating to origination and reversal of temporary difference	(24.53)	(48.93)
Relating to change in tax rate	-	-
<b>Total deferred income tax expense/(credit)</b>	<b>(24.53)</b>	<b>(48.93)</b>
<b>Total income tax expense/(credit)</b>	<b>435.80</b>	<b>326.42</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 :

	Rs. in Lakhs	
(b) Reconciliation of effective tax rate	Year ended March 31, 2018	Year ended March 31, 2017
Profit before taxation	1,441.19	960.06
Enacted income tax rate in India	34.61%	34.61%
Tax at the enacted income tax rate	498.80	332.28
Tax effects of amounts which are not deductible in calculating taxable income:		
Donations	3.64	4.33
Due to rate differences	(59.81)	-
Others	(6.83)	(10.19)
<b>Tax expense/ (credit)</b>	<b>435.80</b>	<b>326.42</b>

#### (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018:

	Rs. in Lakhs				
	As at April 01, 2016	Credit/ (charge) in Statement of profit and loss	As at March 31, 2017	Credit/ (charge) in Statement of profit and loss	As at March 31, 2018
<b>Deferred tax assets/ (liabilities)</b>					
Property, plant and equipment	(242.62)	20.70	(221.92)	51.44	(170.48)
Expenses allowed on payment basis	13.70	32.77	46.47	(22.91)	23.56
Amortisation of goodwill reversed	(39.32)	(9.25)	(48.57)	(7.78)	(56.35)
Financial assets at amortised cost	3.70	3.85	7.55	2.13	9.67
Financial liabilities at amortised cost	(2.83)	0.86	(1.97)	1.66	(0.31)
	<b>(267.37)</b>	<b>48.93</b>	<b>(218.45)</b>	<b>24.53</b>	<b>(193.90)</b>

**Notes to the financial statements****Note 41 : 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 counter party. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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

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

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

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

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

	<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>April 01, 2016</b>					
Trade receivables	-	-	3,250.49	3,250.49	3,250.49
Cash and bank balances	-	-	555.14	555.14	555.14
Others financial assets	-	-	56.78	56.78	56.78
<b>Total financial assets</b>	-	-	<b>3,862.41</b>	<b>3,862.41</b>	<b>3,862.41</b>
<b>Financial liabilities</b>					
Borrowings	-	-	2,885.45	2,885.45	2,885.45
Trade payables	-	-	1,318.76	1,318.76	1,318.76
Others financial liabilities	-	-	356.44	356.44	356.44
<b>Total financial liabilities</b>	-	-	<b>4,560.65</b>	<b>4,560.65</b>	<b>4,560.65</b>
<b>March 31, 2017</b>					
<b>Financial assets</b>					
Trade receivables	-	-	3,716.85	3,716.85	3,716.85
Cash and cash equivalents	-	-	290.02	290.02	290.02
Others	-	-	51.42	51.42	51.42
<b>Total</b>	-	-	<b>4,058.29</b>	<b>4,058.29</b>	<b>4,058.29</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Financial liabilities

Borrowings	-	-	2,843.87	2,843.87	2,843.87
Trade payables	-	-	1,701.04	1,701.04	1,701.04
Others	-	-	347.13	347.13	347.13
<b>Total financial liabilities</b>	-	-	<b>4,892.04</b>	<b>4,892.04</b>	<b>4,892.04</b>

#### March 31, 2018

#### Financial assets

Trade receivables	-	-	4,688.64	4,688.64	4,688.64
Cash and cash equivalents	-	-	122.60	122.60	122.60
Others	-	-	52.67	52.67	52.67
<b>Total</b>	-	-	<b>4,863.91</b>	<b>4,863.91</b>	<b>4,863.91</b>

#### Financial liabilities

Borrowings	-	-	2,405.10	2,405.10	2,405.10
Trade payables	-	-	2,499.02	2,499.02	2,499.02
Others	-	-	393.53	393.53	393.53
<b>Total financial liabilities</b>	-	-	<b>5,297.65</b>	<b>5,297.65</b>	<b>5,297.65</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.

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>April 01, 2016</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>March 31, 2017</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>March 31, 2018</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-

**Notes to the financial statements**

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 42 : 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, 2018	As at March 31, 2017	As at April 01, 2016
Secured working capital credit facility from Banks	2,253.17	2,142.77	1,665.23
Balance Sheet liability	69.48	56.89	39.23

**(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 April 01, 2016</b>			
<b>Non-derivative liabilities</b>			
Borrowings	2,885.45	1,619.11	1,266.34
Trade payables	1,318.76	1,318.76	-
Other financial liabilities	356.44	356.44	-
<b>Rs. in Lakhs</b>			
	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2017</b>			
<b>Non-derivative liabilities</b>			
Borrowings	2,843.87	1,522.96	1,320.91
Trade payables	1,701.04	1,701.04	-
Other financial liabilities	347.13	347.13	-

## Notes to the financial statements

Rs. in Lakhs

	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2018</b>			
<b>Non-derivative liabilities</b>			
Borrowings	2,405.10	1,434.73	970.37
Trade payables	2,499.02	2,499.02	-
Other financial liabilities	393.53	393.53	-

**(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.

**Notes to the financial statements****(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.

**Financial Risk Factors****Foreign currency exposure**

	March 31, 2018		March 31, 2017	
	In Foreign Currency	(Rs. in lakhs)	In Foreign Currency	(Rs. in lakhs)
<b>Receivable</b>				
GBP	5,79,604	530.08	3,23,565	261.70
USD	48,057	31.25	49,475	32.08
Euro	9,984	8.00	5,952	4.12
<b>Payable</b>				
GBP	777	0.71	826	0.67
USD	6,26,044	407.08	9,10,462	590.33
JY	1,00,87,986	61.85	88,97,387	51.57
	<b>March 31, 2018</b>		<b>March 31, 2017</b>	
	<b>1% Increase</b>	<b>1% decrease</b>	<b>1% Increase</b>	<b>1% decrease</b>
Increase / (decrease) in loss	1.00	(1.00)	(3.45)	3.45

**(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 rates 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:

**Notes to the financial statements**

**Rs. in Lakhs**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Borrowings bearing fixed rate of interest	1,335.84	1,640.11	1,593.72
Borrowings bearing variable rate of interest	1,434.73	1,522.96	1,619.11
	<b>2,770.57</b>	<b>3,163.07</b>	<b>3,212.83</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:

**Rs. in Lakhs**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Increase in basis points	50.00	50.00	50.00
Effect on profit before tax	(13.85)	(15.82)	(16.06)
Decrease in basis points	50.00	50.00	50.00
Effect on profit before tax	13.85	15.82	16.06

**(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.

**Rs. in Lakhs**

<b>Exposure to the Credit risks</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
- Trade Receivables	4,688.64	3,716.85	3,250.49

**Trade and other receivables**

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 30-90 days.

To assess whether there is a significant change / increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counter party.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counter party



## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

#### Ageing of the accounts receivables

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0-3 months	3,814.38	3,038.71	2,694.21
3-6 months	691.10	531.01	479.51
6-12 months	120.17	107.84	61.27
beyond 12 months	62.99	39.29	15.50
	<b>4,688.64</b>	<b>3,716.85</b>	<b>3,250.49</b>

#### Movement in provisions of doubtful debts and advances

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017
<b>Opening provision</b>	-	-
Add: Additional provision made	-	-
Less: Provision write off/ reversed	-	-
Less: Provision utilised against bad debts	-	-
<b>Closing provisions</b>	-	-

#### Note 43 : Capital risk management

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

- \* safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- \* maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc.

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

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity attributable to equity shareholders of the Company	6,308.59	5,410.36	4,813.28
Net debt (Total borrowings less cash and cash equivalents)	2,777.59	3,172.21	3,220.94
<b>Total capital (Borrowings and Equity)</b>	<b>9,086.18</b>	<b>8,582.57</b>	<b>8,034.22</b>
<b>Gearing ratio</b>	<b>0.31</b>	<b>0.37</b>	<b>0.40</b>

**Notes to the financial statements****(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, 2018	As at March 31, 2017	As at April 01, 2016
<b>First charge*</b>			
Property, plant and equipment*	2,482.20	2,494.35	1,986.72
Trade receivables	4,688.64	3,716.85	3,250.49
Inventories	3,648.87	3,135.85	2,867.30

\*Represents net book value.

**(c) Dividends**

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy.

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2017 of Rs. 0.50 Per fully paid up share (March 31, 2016 - Rs. 0.50) [Including dividend distribution tax of Rs. 11.40 lacs (as at 31-March 2017 - Rs. 11.40 lacs)]	-	67.40

**Dividends not recognised at the end of reporting period**

Since year end, the directors have recommended the payment of a final dividend of Rs. 0.70 per fully paid up equity share (March 31, 2017 - Rs. 0.50 per fully paid up equity shares) [Including dividend distribution tax of Rs. 15.96 lacs (as at 31-March 2017 - Rs. 11.40 lacs)] The Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

94.36

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**(d) Net debt reconciliation**

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current borrowings	(970.37)	(1,320.91)	(1,266.34)
Current maturities of non-current borrowings	(365.46)	(319.19)	(327.38)
Current borrowings	(1,434.73)	(1,522.96)	(1,619.11)
Interest payable	(7.03)	(9.15)	(8.11)
Net Debt	(2,777.59)	(3,172.21)	(3,220.94)

## Notes to the financial statements

Rs. in Lakhs

	Non-current borrowings	Current maturities of non-current borrowings	Current borrowings	Interest payable	Total
<b>Net debt as at April 1, 2017</b>	(1,320.91)	(319.19)	(1,522.96)	(9.15)	(3,172.21)
Cash flows	350.54	(46.27)	88.23	-	392.50
Finance costs	-	-	-	(329.26)	(329.26)
Interest paid	-	-	-	331.37	331.37
<b>Net debt as at March 31, 2018</b>	<b>(970.37)</b>	<b>(365.46)</b>	<b>(1,434.73)</b>	<b>(7.03)</b>	<b>(2,777.59)</b>

**Note 44 : First time adoption of Ind AS**

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemptions and exceptions availed****A. Ind AS optional exemptions****(i) Deemed Cost**

The Company on first time adoption of Ind AS, has elected to continue with the carrying value for all of its property, plant & equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

**(ii) Investments in subsidiaries and associate**

The Company present separate financial statement wherein Ind AS 27 requires it to measure its investment in subsidiaries and associate either at cost or in accordance with the Ind AS 109. The Company at first time adoption has measured such investment at cost in accordance with the Ind AS 27, wherein it has option to measure the investments in its separate opening Ind AS balance sheet at cost as determined in accordance with Ind AS 27 or deemed cost. Deemed cost shall be fair value at the entity's date of transition to Ind AS in its separate financial statement or previous GAAP carrying amount as on that date. The Company has adopted deemed cost being previous GAAP carrying amount as on date of transition.

**B. Ind AS mandatory exemptions****(i) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

**Notes to the financial statements****(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(iii) De-recognition of financial assets and financial liabilities**

The Company has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- (i) Reconciliation of Balance sheet as at April 1, 2016 (Transition date)
- (ii) A. Reconciliation of Balance sheet as at March 31, 2017  
B. Reconciliation of total comprehensive income for the year ended March 31, 2017
- (iii) Reconciliation of Equity as at April 1, 2016 and March 31, 2017
- (iv) Impact on cash flow statement for the period ended March 31, 2017

The presentation requirements under previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with previous GAAP.

**(i) Reconciliation of Balance sheet as at April 1, 2016**

		Rs. in Lakhs		
	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		1,986.72	-	1,986.72
Capital work-in-progress		38.70	-	38.70
Other Intangible assets	(viii)	249.98	113.60	363.58
Intangible assets under development		-	-	-
Investments in subsidiaries, associates and joint ventures		359.57	-	359.57
Other Investments		1.00	-	1.00
<b>Financial assets</b>				
- Other financial assets		38.76	-	38.76
Income tax assets (net)		63.93	-	63.93
Other non-current assets		18.31	-	18.31
<b>Total non-current assets</b>		<b>2,756.97</b>	<b>113.60</b>	<b>2,870.57</b>
<b>Current assets</b>				
Inventories		2,867.30	-	2,867.30
<b>Financial assets</b>				
- Trade receivables	(ix)	3,261.18	(10.69)	3,250.49
- Cash and cash equivalents		317.39	-	317.39

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

- Bank balances other than above		237.75	-	237.75
- Other financial assets		18.02	-	18.02
Other current assets		338.89	-	338.89
<b>Total current assets</b>		<b>7,040.53</b>	<b>(10.69)</b>	<b>7,029.84</b>
		<b>9,797.50</b>	<b>102.91</b>	<b>9,900.41</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		224.00	-	224.00
Other equity	<b>44C(iii)</b>	4,516.62	72.66	4,589.28
<b>Total equity</b>		<b>4,740.62</b>	<b>72.66</b>	<b>4,813.28</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	<b>(vi)</b>	1,274.51	(8.17)	1,266.34
Deferred tax liabilities (Net)	<b>(iv)</b>	228.95	38.42	267.37
Provisions		25.20	-	25.20
<b>Total non-current liabilities</b>		<b>1,528.66</b>	<b>30.25</b>	<b>1,558.91</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings		1,619.11	-	1,619.11
- Trade payables		1,318.76	-	1,318.76
- Other financial liabilities		356.44	-	356.44
Other current liabilities		123.38	-	123.38
Provisions		110.53	-	110.53
<b>Total current liabilities</b>		<b>3,528.22</b>	<b>-</b>	<b>3,528.22</b>
		<b>9,797.50</b>	<b>102.91</b>	<b>9,900.41</b>

### (ii) A. Reconciliation of Balance sheet as at March 31, 2017

Rs. in Lakhs

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		2,494.35	-	2,494.35
Capital work-in-progress		-	-	-
Other Intangible assets	<b>(viii)</b>	149.58	140.33	289.91
Intangible assets under development		46.67	-	46.67
Investments in subsidiaries, associates and joint ventures		382.06	-	382.06
Other Investments		1.00	-	1.00
<b>Financial assets</b>				
- Other financial assets	<b>(vii)</b>	35.34	1.52	36.86
Income tax assets (net)		68.51	-	68.51
Other non-current assets		14.23	-	14.23
<b>Total non-current assets</b>		<b>3,191.74</b>	<b>141.85</b>	<b>3,333.59</b>

**Notes to the financial statements**

**Current assets**

Inventories 3,135.85 - 3,135.85

**Financial assets**

- Trade receivables (ix) 3,738.65 (21.80) 3,716.85  
 - Cash and cash equivalents 70.24 - 70.24  
 - Bank balances other than above 219.78 - 219.78  
 - Other financial assets 14.56 - 14.56  
 Other current assets (vii) 339.15 (1.52) 337.63

**Total current assets** 7,518.23 (23.32) 7,494.91  
**10,709.97 118.53 10,828.50**

**Equity and liabilities**

**Equity**

Equity share capital 224.00 - 224.00  
 Other equity 44C(iii) 5,037.74 148.62 5,186.36  
**Total equity 5,261.74 148.62 5,410.36**

**Non-current liabilities**

**Financial liabilities**

- Borrowings (vi) 1,326.60 (5.69) 1,320.91  
 Deferred tax liabilities (Net) (iv) 175.43 43.00 218.43  
 Provisions 34.56 - 34.56

**Total non-current liabilities 1,536.59 37.31 1,573.90**

**Current liabilities**

**Financial liabilities**

- Borrowings 1,522.96 - 1,522.96  
 - Trade payables 1,701.04 - 1,701.04  
 - Other financial liabilities 347.13 - 347.13  
 Other current liabilities 113.13 - 113.13  
 Provisions (i) 227.38 (67.40) 159.98

**Total current liabilities 3,911.64 (67.40) 3,844.24**

**Total Liabilities 10,709.97 118.53 10,828.50**

**ii. B. Reconciliation of Statement of total comprehensive income for the year ended March 31, 2017**

**Rs. in Lakhs**

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
Revenue from operations		14,500.05	-	14,500.05
Other income		54.82	-	54.82
<b>Total income</b>		<b>14,554.87</b>	<b>-</b>	<b>14,554.87</b>
Expenses				
Cost of materials consumed		5,681.06	-	5,681.06
Purchases of traded goods		80.84	-	80.84
Changes in inventories of work-in progress and finished goods		(237.01)	-	(237.01)

## SIMMONDS MARSHALL LIMITED

### Notes to the financial statements

Employee benefits expense	(v)	2,605.38	(55.91)	2,549.47
Finance costs	(vi)	283.22	2.49	285.71
Depreciation and amortisation expense	(viii)	428.80	(26.73)	402.07
Other expenses	(ix)	4,821.55	11.12	4,832.67
<b>Total expenses</b>		<b>13,663.84</b>	<b>(69.03)</b>	<b>13,594.81</b>
<b>Profit before tax</b>		<b>891.03</b>	<b>69.03</b>	<b>960.06</b>
<b>Tax expense</b>				
Current tax	(v)	356.00	19.35	375.35
Deferred tax (net)	(iv)	(53.48)	4.55	(48.93)
<b>Profit for the year (A)</b>		<b>588.51</b>	<b>45.13</b>	<b>633.64</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations, net of tax		-	36.56	36.56
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>36.56</b>	<b>36.56</b>
<b>Total comprehensive income for the year</b>		<b>588.51</b>	<b>8.57</b>	<b>597.08</b>

### iii. Reconciliation of Equity as at April 1, 2016 and March 31, 2017

Rs. in Lakhs

	As at March 31, 2017	As at April 1, 2016
Total Equity (Shareholder's funds) under previous GAAP	5,037.74	4,516.62
Reversal of Proposed dividend (Including dividend distribution tax)	67.40	-
Net Gain on financial assets/liabilities fair valued through Statement of Profit and Loss	5.68	8.17
Goodwill amortisation reversed	140.33	113.60
Expected Credit Loss	(21.80)	(10.68)
Deferred tax impact	(42.99)	(38.43)
<b>Total equity under Ind AS</b>	<b>5,186.36</b>	<b>4,589.28</b>

### iv. Impact on cash flow statement for the period ended March 31, 2017

No material impact on statement of cash flows

### Notes to First-time adoption:

#### (i) Proposed Dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as subsequent events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

#### (ii) Remeasurement of post employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change there is no impact on the total equity as at March 31, 2017.

**Notes to the financial statements****(iii) Adjustments to revenue:**

Under previous GAAP, the Company accounted revenue net of trade discounts, sales taxes and excise duties. Under Ind AS, revenue is being recognised at fair value of consideration received or receivable, gross of excise duty. Excise duty is being charged under Other expenses. Any sales incentive, discounts or rebates in any form including cash discounts given to customer are being considered as reductions to selling price and revenue is presented on net basis.

**(iv) Deferred taxes:**

Under previous GAAP, deferred taxes were recognised based on profit and loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is being recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has been recognised to the extent Company has reasonable certainty over future taxable profits as against virtual certainty under the previous GAAP.

**(v) Other Comprehensive Income:**

Under Ind AS, all items of income and expense recognised during the year should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss are shown in the Statement of Profit and Loss as "other comprehensive income". OCI for the Company includes re-measurement of defined benefit plans of Rs 36.56 lakhs net of taxes. The concept of other comprehensive income did not exist under previous GAAP.

**(vi) Financial Liabilities:**

Borrowings and other financial liabilities which were recognised at historical cost under previous GAAP have been recognised at amortised cost under IND AS with the difference been adjusted to opening retained earnings.

**(vii) Financial Assets:**

Under the previous GAAP, interest free security deposits are recorded at transaction price. Under Ind AS All financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits and the difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

**(viii) Amortisation of goodwill:**

Business Combination requires impairment testing of goodwill. The Company has done impairment testing of goodwill as on date of transition and no impairment is required. Thus, amortisation of goodwill charged to Statement of Profit and Loss is reversed.

**(ix) Expected credit loss allowance:**

The Company recognises a loss allowance on trade receivables which is measured using Life time Expected Credit Losses (ECL).

**Note 45 : Recent accounting pronouncements****IND AS 115 - Revenue from Contracts with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.



### Notes to the financial statements

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

#### **Ind AS 21 - Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

#### **Ind AS 12 - Income Taxes:**

Amendments to Ind AS 12, Income Taxes clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence of guidance of Ind AS 12 and do not change the underlying principles for recognition of deferred tax asset.

The management is yet to assess the impact of the aforesaid amendments on the Company's financial information.

**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 :** Post the applicability of Goods and Service Tax (GST) with effect from 01st July 2017, revenue from operations are disclosed net of GST, whereas Excise duty formed part of other expenses in previous year. Accordingly, the revenue from operations and other expenses for the year are not comparable with previous year.

**Note 48 :** The financial statements were approved for issue by the Board of Directors on May 30, 2018.

#### **For and on the behalf of board**

**S J MARSHALL**  
Chairman  
DIN: 00085682

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

**V VERMA**  
Chief Financial Officer

**N GUPTA**  
Company Secretary

**Place : Mumbai**

**Date: May 30, 2018**

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SIMMONDS MARSHALL LIMITED

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated financial statements of Simmonds Marshall Limited ("the Parent Company"), its subsidiary and its associate (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity for the year then ended, the Consolidated Statement of Cash flows, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

The respective Board of Directors of the companies included in the group and its associates 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 Consolidated Ind AS 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Consolidated Ind AS, of the financial position of the Group as at 31st March, 2018 and its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Other Matters

a) Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose unqualified audit report dated 25th April, 2017 have been furnished to us. The differences arising from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

b) We did not audit the financial statements of the subsidiary included in the consolidated financial statements, whose financial statements reflects total assets of Rs 744.09 lakhs as at March 31, 2018 (as at March 31, 2017 Rs 676.62 lakhs), total revenue of Rs 1302.00 lakhs, net profit of Rs 24.08 lakhs and net cash outflows of Rs 1.19 lakhs for the year ended March 31, 2018 (Revenue of Rs 1040.33 lakhs, net profit of Rs 22.72 lakhs and net cash inflows of Rs 15.10 lakhs for the year ended March 31, 2017), as considered in the consolidated financial statements. The consolidated financial statement also include the group's share of net profit of Rs 4.66 lakhs (Loss) for the year ended March 31, 2018 (Rs 1.75 lakhs (Profit) for the year ended March 31, 2017) 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, to the extent applicable, that:
  - (i) 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.
  - (ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.
  - (iv) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
  - (v) On the basis of the written representations received from the directors of the Parent Company and the associate as on 31st March, 2018 are taken on record by the Board of Directors of the Parent Company and the associate, none of the directors are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

- i. The consolidated Ind AS financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group– Refer Note No 30 to the consolidated financial statements.
- i. The Group does not have material foreseeable losses on long term contracts including derivative contracts.
- ii. There are no amounts required to be transferred to the Investor Education and Protection Fund.

For LODHA & CO.  
Chartered Accountants  
Firm Registration No: 301051E

R. P. Baradiya  
Partner  
Membership No. 44101

Mumbai, May 30, 2018

## 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 Ind AS financial statements of the Group as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Simmonds Marshall Limited (hereinafter referred to as “the Parent Company”), its subsidiary and its associate (collectively referred to as “the Group”).

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent Company, its subsidiary and its associate are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Parent Company, its subsidiaries and its associates 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, 2018, based on the internal control over financial reporting criteria established by the respective companies 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.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Parent Company, in so far as it relates to separate financial statements of its subsidiary and its associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate incorporated in India.

For LODHA & CO.  
Chartered Accountants  
Firm Registration No: 301051E

R. P. Baradiya  
Partner  
Membership No. 44101

Mumbai, May 30, 2018

# SIMMONDS MARSHALL LIMITED

## Consolidated Balance Sheet as at March 31, 2018

Rs. in Lakhs

Particulars	Note no.	Rs. in Lakhs		
		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>A. Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	2,570.21	2,589.46	2,090.03
Capital work-in-progress	3	23.66	-	38.70
Other intangible assets	4	267.31	289.91	363.58
Intangible assets under development		71.33	46.67	-
Investments	5			
- In an associate		7.13	11.81	10.16
- Others		1.00	1.00	1.00
<b>Financial assets</b>				
- Other financial assets	6	42.08	38.44	41.78
Income tax assets (net)		45.17	63.51	66.40
Other non-current assets	7	45.17	22.24	26.31
<b>Total non-current assets</b>		<b>3,073.06</b>	<b>3,063.04</b>	<b>2,637.96</b>
<b>Current assets</b>				
Inventories	8	4,002.47	3,429.00	3,081.54
<b>Financial assets</b>				
- Trade receivables	9	4,957.12	3,967.42	3,426.08
- Cash and cash equivalents	10	9.81	75.08	337.33
- Bank balances other than above	11	116.44	219.78	237.75
- Other financial assets	12	13.13	15.59	19.59
Other current assets	13	154.43	340.79	338.89
<b>Total current assets</b>		<b>9,253.40</b>	<b>8,047.66</b>	<b>7,441.18</b>
<b>TOTAL ASSETS</b>		<b>12,326.46</b>	<b>11,110.70</b>	<b>10,079.14</b>
<b>B. Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	14	224.00	224.00	224.00
Other equity	15	6,079.93	5,186.47	4,587.58
<b>Total equity attributable to owner</b>		<b>6,303.93</b>	<b>5,410.47</b>	<b>4,811.58</b>
Non-controlling interest		10.50	10.25	10.25
<b>Total equity</b>		<b>6,314.43</b>	<b>5,420.72</b>	<b>4,821.61</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	16	970.37	1,320.91	1,266.34
Deferred tax liabilities (Net)		200.75	226.85	275.74
Provisions	17	41.95	34.56	25.20
<b>Total non-current liabilities</b>		<b>1,213.07</b>	<b>1,582.32</b>	<b>1,567.28</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	18	1,444.73	1,532.96	1,634.36
- Trade payables	19	2,772.29	1,947.25	1,463.51
- Other financial liabilities	20	405.94	347.13	356.81
Other current liabilities	21	70.95	116.98	125.04
Provisions	17	105.05	163.34	110.53
<b>Total current liabilities</b>		<b>4,798.96</b>	<b>4,107.66</b>	<b>3,690.25</b>
<b>Total equity and liabilities</b>		<b>12,326.46</b>	<b>11,110.70</b>	<b>10,079.14</b>

### Significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For LODHA & CO.

Firm Registration Number - 301051E  
Chartered Accountants

R. P. Baradiya  
Partner  
Membership. No. 44101

Place: Mumbai  
Date: May 30, 2018

For and on behalf of the Board of Directors

S J MARSHALL  
Chairman  
DIN: 00085682  
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, 2018**

Particulars	Note no.	Rs. in Lakhs	
		For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
Revenue from operations	22	18,764.77	15,464.87
Other income	23	60.58	32.98
<b>Total Income</b>		<b>18,825.35</b>	<b>15,497.85</b>
<b>Expenses</b>			
Cost of materials consumed	24	7,796.44	6,256.76
Purchases of traded goods		-	80.84
Changes in inventories of work-in progress and finished goods	25	(703.59)	(183.69)
Employee benefits expense	26	3,534.49	2,710.51
Finance costs	27	329.26	285.71
Depreciation and amortisation expense	28	403.62	410.26
Other expenses	29	6,012.93	4,967.35
<b>Total expenses</b>		<b>17,373.15</b>	<b>14,527.74</b>
<b>Profit before taxation</b>		<b>1,452.20</b>	<b>970.11</b>
<b>Income tax expense</b>			
Current tax		472.67	385.35
Deferred tax charge/(credit)		(26.11)	(48.88)
Taxation relating to earlier years		-	(0.23)
		<b>446.56</b>	<b>336.24</b>
<b>Profit for the year</b>		<b>1,005.64</b>	<b>633.87</b>
Share of (loss) / profit from an associate		(4.66)	1.75
<b>Total profit for the year</b>		<b>1,000.98</b>	<b>635.62</b>
<b>Attributable to -</b>			
- Owners of the Company		1,000.74	635.39
- Non-controlling interests		0.24	0.23
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		56.08	55.92
Tax on above item		(16.33)	(19.35)
<b>Other comprehensive income for the year, net of tax</b>		<b>39.75</b>	<b>36.56</b>
<b>Attributable to -</b>			
- Owners of the Company		39.75	36.56
- Non-controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>961.23</b>	<b>599.06</b>
<b>Attributable to -</b>			
- Owners of the Company		<b>960.99</b>	<b>598.82</b>
- Non-controlling interests		<b>0.24</b>	<b>0.23</b>
Basic and diluted earnings per share (Face value of Rs. 2 each)	32	8.94	5.67

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

**R. P. Baradiya**  
 Partner  
 Membership. No. 44101

Place: Mumbai  
 Date: May 30, 2018

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

**S J MARSHALL**  
 Chairman  
 DIN: 00085682  
**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, 2018

### (A) Equity Share Capital

(Rs. in Lakhs)

<b>Balance as at April 01, 2016</b>	224.00
Changes in share capital during the year	-
<b>Balance as at March 31, 2017</b>	224.00
Changes in share capital during the year	-
<b>Balance as at March 31, 2018</b>	224.00

### (B) Other Equity

	Securities Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income {Other actuarial gains/(losses)}	Total
<b>Balance as at April 01, 2016</b>	<b>154.00</b>	<b>530.00</b>	<b>3,903.58</b>	-	<b>4,587.58</b>
Profit for the year	-	-	635.62	-	635.62
Other comprehensive income for the year	-	-	-	(36.56)	(36.56)
<b>Balance as at March 31, 2017</b>	<b>154.00</b>	<b>530.00</b>	<b>4,539.20</b>	<b>(36.56)</b>	<b>5,186.47</b>
Profit for the year	-	-	1,000.98	-	1,000.98
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividend	-	-	(11.40)	-	(11.40)
<b>Balance as at March 31, 2018</b>	<b>154.00</b>	<b>530.00</b>	<b>5,472.78</b>	<b>(76.31)</b>	<b>6,079.93</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date  
For LODHA & CO.

Firm Registration Number - 301051E  
Chartered Accountants

For and on behalf of the Board of Directors

**R. P. Baradiya**  
Partner  
Membership. No. 44101

**S J MARSHALL**  
Chairman  
DIN: 00085682  
**V VERMA**  
Chief Financial Officer

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

Place: Mumbai  
Date: May 30, 2018

## Consolidated Statement of Cash Flows for the year ended March 31, 2018

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Cash flow from Operating Activities:</b>		
<b>Net Profit before tax and extraordinary items</b>	1,452.20	970.11
<b>Adjustments for:</b>		
Depreciation and Amortisation expense	403.62	410.26
Remeasurement of defined benefit plan	(56.08)	(55.92)
Sundry Balances Written off (Net)	2.66	4.69
Provision for Expected Credit Loss	7.30	11.12
Unrealised foreign exchange gain	(26.16)	(4.15)
Finance costs	329.26	285.71
Profit on sale of Property, Plant and Equipment (net)	(5.01)	(16.67)
Dividend Income	(0.15)	(0.15)
Interest Income	(15.21)	(15.62)
	640.22	619.27
<b>Operating Profit Before Working Capital Changes</b>	2,092.42	1,589.38
Movement in working capital:		
Decrease / (Increase) in Trade & Other Receivables	(804.26)	(546.30)
Decrease / (Increase) in inventories	(573.47)	(347.46)
Increase / (Decrease) in Trade Payables & Other Payables	832.90	474.36
Increase / (Decrease) in Provisions	(50.90)	62.17
	(595.73)	(357.24)
Cash generated from the operations	1,496.69	1,232.13
Direct tax paid (net)	438.00	362.89
<b>Net Cash generated from Operating Activities "A"</b>	<b>1,058.69</b>	<b>869.25</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment/ intangible assets (including capital work-in-progress)	(414.01)	(889.13)
Proceeds from sale of property, plant and equipment	8.90	56.43
Investments in bank deposits (net)	103.34	17.97
Interest Received	15.21	15.62
Dividend Income	0.15	0.15
<b>Net Cash used in Investing Activities "B"</b>	<b>(286.41)</b>	<b>(798.97)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds /(repayment) of long term borrowings	(350.54)	54.57
Proceeds /(repayment) of short term borrowings	(88.23)	(101.40)
Dividend & Dividend Tax	(67.40)	-
Finance costs	(331.37)	(285.71)
<b>Net Cash used in Financing Activities "C"</b>	<b>(837.54)</b>	<b>(332.53)</b>
<b>Net Decrease in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(65.27)</b>	<b>(262.25)</b>
Cash & Cash equivalent at the beginning of the year	75.08	337.33
<b>Cash &amp; Cash equivalent as at end of the year</b>	<b>9.81</b>	<b>75.08</b>
<b>(Refer Note No. 10)</b>		

As per our report of even date  
For LODHA & CO.

Firm Registration Number - 301051E  
Chartered Accountants

**R. P. Baradiya**  
Partner  
Membership. No. 44101

Place: Mumbai  
Date: May 30, 2018

For and on behalf of the Board of Directors

**S J MARSHALL**  
Chairman  
DIN: 00085682

**V VERMA**  
Chief Financial Officer

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

**N GUPTA**  
Company Secretary

## Notes to the consolidated financial statements

### A. CORPORATE INFORMATION:

Simmonds Marshall Limited ('The Parent Company') together with its subsidiary and associate (collectively referred to as the 'Group') is a public limited company domiciled in India. Its shares are listed on BSE Limited (Bombay Stock Exchange). The Group is primarily engaged in the business of manufacture of Industrial Fasteners such as nuts, bolts etc.

#### GROUP STRUCTURE

Name of Company	Relationship	Holding / Interest
M/s. Stud India	Subsidiary	99%
M/s. Formex Private Limited	Associate	49%

### B. SIGNIFICANT ACCOUNTING POLICIES:

#### 1(a) Basis of Preparation of Consolidated Financial Statements:

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

The figures for the previous year ended March 31, 2017 and opening balance sheet as on April 01, 2016 have also been reinstated by the management as per the requirements of Ind AS. These financial statements are the first financial statements of the group under Ind AS. Refer note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

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

- (i) Certain financial assets and liabilities are measured at Fair value (Refer note no.1.6)
- (ii) Defined benefit employee plan (Refer note no. 1.12)

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

#### 1(b) Principles of consolidation:

##### Subsidiary -

Subsidiary is an entity over which the group has control. There is no change in the ownership interest as compared to previous year. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company 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. - 39
- (b) Estimation of current tax expenses and payable - Refer note no. - 40

**3. Property, plant and equipment (PPE)**

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

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

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

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

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

#### 4. Intangible assets

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

#### 5. Depreciation and Amortization:

##### (a) Property plant and equipment (PPE)

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

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

##### (b) Intangible assets

- Software is amortized over a period of 3 years

#### 6. Financial Instruments:

##### Financial assets - Initial recognition:

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

##### Subsequent measurement:

Financial assets are subsequently classified as measured at:

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

The above classification is being determined considering:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial assets.

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

##### (i) Measured at amortised cost:

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

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

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

are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

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

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

**Impairment**

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

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

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

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

### **Subsequent measurement**

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

### **Loans & Borrowings:**

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

### **Financial Guarantee Contracts:**

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

### **De-recognition**

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

### **Derivative financial instruments**

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

### **Offsetting of financial instruments**

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

## **7. Fair Value Measurement**

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

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

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

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

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

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

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

## 8. Inventory

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

### Raw Materials and Packing Materials

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

### Work-in-Progress and Finished Goods

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

### Traded Goods

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

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

Adequate allowance is made for obsolete and slow moving items.

## 9. Cash and Cash Equivalents:

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



### 10. Foreign Currency Transactions:

#### a) Initial Recognition

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

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

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

### 11. Revenue Recognition :

#### Sale of Goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and service tax etc.

#### Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

#### Dividend

Dividend Income is recognized when right to receive the same is established.

### 12. Employee Benefits:

The group has provided following post-employment plans:

- (a) Defined benefit plans such a 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 actuaries through actuarial valuation using the projected unit credit method.

The group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & 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 that the payment covers.

**c) Other employee benefits:**

- (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- (b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

**13. Taxes on Income:**

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

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

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

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

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

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

#### **14. Borrowing Cost:**

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

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

#### **15. Earnings Per Share:**

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

#### **16. Leases:**

##### **Where the group is Lessee**

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

##### **Where the group is Lessor**

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

#### **17. Provisions, Contingent Liabilities and Contingent Assets:**

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

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

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

Contingent assets are neither recognized nor disclosed in financial statements.

**Notes to the consolidated 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, 2016</b>									
<b>Gross carrying amount</b>									
Deemed cost as at April 01, 2016 (refer (3) below)	8.71	142.83	1,775.32	26.22	96.90	6.59	21.60	11.86	2,090.03
Additions	-	-	832.31	3.55	30.69	6.93	-	7.68	881.16
Disposals	-	-	(43.24)	-	-	-	-	(0.02)	(43.26)
Foreign currency exchange differences	-	-	(5.37)	-	-	-	-	-	(5.37)
<b>Balance as at March 31, 2017</b>	<b>8.71</b>	<b>142.83</b>	<b>2,559.01</b>	<b>29.77</b>	<b>127.59</b>	<b>13.52</b>	<b>21.60</b>	<b>19.52</b>	<b>2,922.56</b>
Additions	-	-	268.36	22.09	59.40	7.27	-	8.57	365.69
Disposals	-	-	(5.35)	-	(0.85)	(0.20)	-	-	(6.40)
Foreign currency exchange differences	-	-	(0.03)	-	-	-	-	-	(0.03)
<b>Balance as at March 31, 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>3,281.82</b>
<b>Accumulated depreciation</b>									
Balance as at April 01, 2016	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	6.34	281.72	5.47	23.72	2.88	8.87	7.59	336.59
Disposals	-	-	(3.50)	-	-	-	-	-	(3.50)
Accumulated depreciation as at March 31, 2017	-	6.34	278.22	5.47	23.72	2.88	8.87	7.59	333.09
Depreciation charge for the year	-	6.65	321.09	7.33	29.77	4.69	3.43	8.06	381.02
Disposals	-	-	(1.90)	-	(0.61)	-	-	-	(2.51)
Accumulated depreciation as at March 31, 2018	-	12.99	597.41	12.80	52.88	7.57	12.30	15.65	711.60
<b>Net carrying amount as at April 01, 2016</b>	<b>8.71</b>	<b>142.83</b>	<b>1,775.32</b>	<b>26.22</b>	<b>96.90</b>	<b>6.59</b>	<b>21.60</b>	<b>11.86</b>	<b>2,090.03</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>8.71</b>	<b>136.49</b>	<b>2,280.79</b>	<b>24.30</b>	<b>103.87</b>	<b>10.64</b>	<b>12.73</b>	<b>11.93</b>	<b>2,589.46</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>8.71</b>	<b>129.85</b>	<b>2,224.58</b>	<b>39.06</b>	<b>133.26</b>	<b>13.02</b>	<b>9.30</b>	<b>12.43</b>	<b>2,570.21</b>

1. Refer note no. 16 and 18 for property, plant and equipment pledged as collateral security against bank borrowings.

2. Refer note no. 31 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

3. The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 01, 2016 under the previous GAAP.

**Deemed Cost as at April 01, 2016**

Particulars	Freehold land	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
<b>Gross Block as on April 01, 2016</b>	8.71	213.33	3,377.79	60.07	217.22	45.27	70.19	72.61	<b>4,065.19</b>
<b>Accumulated depreciation till April 01, 2016</b>	-	70.50	1,602.47	33.85	120.32	38.68	48.59	60.75	<b>1,975.16</b>
<b>Deemed Cost as at April 01, 2016</b>	<b>8.71</b>	<b>142.83</b>	<b>1,775.32</b>	<b>26.22</b>	<b>96.90</b>	<b>6.59</b>	<b>21.60</b>	<b>11.86</b>	<b>2,090.03</b>

**\*Building has been constructed on rented premises owned by the promoters of the Company.**

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

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

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Property, plant and equipment under installation	23.66	-	38.70
	<b>23.66</b>	<b>-</b>	<b>38.70</b>

#### Note 4 : Other intangible assets

	Goodwill*	Software	Royalty	Total
<b>Balance as at April 01, 2016</b>				
Deemed cost as at April 01, 2016 (Refer note below)	267.30	5.56	90.72	363.58
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
<b>Accumulated depreciation</b>				
<b>Balance as at April 01, 2016</b>				
Depreciation charge for the year	-	5.56	68.11	73.67
Disposals	-	-	-	-
<b>Accumulated depreciation as at March 31, 2017</b>	<b>-</b>	<b>5.56</b>	<b>68.11</b>	<b>73.67</b>
Depreciation charge for the year	-	-	22.60	22.60
Disposals	-	-	-	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>5.56</b>	<b>90.71</b>	<b>96.27</b>
<b>Net carrying amount as at April 01, 2016</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>267.30</b>	<b>-</b>	<b>22.61</b>	<b>289.91</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>267.30</b>	<b>-</b>	<b>0.01</b>	<b>267.31</b>

The Group has availed the deemed cost exemption in relation to other intangible assets on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on April 01, 2016 under the previous GAAP.

#### Deemed Cost as at April 01, 2016

Particulars	Goodwill*	Software	Royalty	Total
Gross Block as on April 01, 2016	267.30	16.68	204.36	488.34
Accumulated depreciation till April 01, 2016	-	11.12	113.64	124.76
<b>Deemed Cost as at April 01, 2016</b>	<b>267.30</b>	<b>5.56</b>	<b>90.72</b>	<b>363.58</b>

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

## Notes to the consolidated financial statements

## Non-current financial assets

## Note 5 : Investments

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>In Equity instruments (Unquoted)</b>			
<b>Carried at deemed cost</b>			
<b>In an associate</b>			
Formex Private Limited	11.79	11.79	11.79
131,051 [as at March 31, 2017 & April 01, 2016 - 131,051] shares of Rs.10 each fully paid up (Holding 49% ownership interest)			
Less: Share of loss from associate	(4.66)	0.02	(1.63)
	<b>7.13</b>	<b>11.81</b>	<b>10.16</b>
<b>Others</b>			
<b>Zoroastrian Co-op Bank Limited</b>	1.00	1.00	1.00
4,000 [as at March 31, 2017 & April 01, 2016 - 4,000] shares of Rs. 25 each fully paid up			
	<b>8.13</b>	<b>12.81</b>	<b>11.16</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>8.13</b>	<b>12.81</b>	<b>11.16</b>

## Note 6 : Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Security deposits	38.42	33.16	34.47
Loans to employees	3.66	5.28	7.31
	<b>42.08</b>	<b>38.44</b>	<b>41.78</b>

## Note 7 : Other non-current assets

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Capital advances	10.91	-	-
Advance to suppliers	8.01	8.01	8.01
Prepayments	0.67	2.18	0.80
Balances with statutory/ government authorities	25.58	12.05	17.50
	<b>45.17</b>	<b>22.24</b>	<b>26.31</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

#### Note 8 : Inventories

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw materials [including goods in transit of Rs.87.29 lakhs [as at March 31, 2017 - Rs. 81.07 lakhs & as at April 01, 2016 - Rs.19.94 lakhs]	991.98	1,084.56	1,095.57
Work-in-progress	1,365.12	909.55	585.19
Finished goods [including goods in transit of Rs.279.04 lakhs [as at March 31, 2017 - Rs. 4.49 lakhs & as at April 01, 2016 - Rs. 4.05 lakhs]	678.16	497.17	564.79
Stores and spares [including goods in transit of Rs.Nil [as at March 31, 2017 - Rs. 0.45 lakhs & as at April 01, 2016 - Rs.2.58 lakhs]	7.72	5.15	8.77
Tools [including goods in transit of Rs.Nil [as at March 31, 2017 - Rs. Nil & as at April 01, 2016 - Rs.23.60 lakhs]	958.06	930.23	825.38
Packing material	1.43	2.34	1.84
	<b>4,002.47</b>	<b>3,429.00</b>	<b>3,081.54</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 9 : Trade receivables

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Trade receivables	4,957.12	3,967.42	3,426.08
	<b>4,957.12</b>	<b>3,967.42</b>	<b>3,426.08</b>

1. Refer note 18 for trade receivables hypothecated as primary security against bank borrowings.

2. Refer note 42 for credit terms, ageing analysis and other relevant details related to trade receivables.

3. Trade receivables are net off bill discounting of Rs 278.06 lakhs (as at March 31, 2017 - Rs.190.25 lakhs & as at April 01, 2016 - Rs. 221.74 lakhs)

#### Note 10 : Cash and cash equivalents

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks			
- In current accounts	9.80	73.98	336.99
Cash on hand	0.01	1.10	0.34
	<b>9.81</b>	<b>75.08</b>	<b>337.33</b>

## Notes to the consolidated financial statements

## Note 11 : Bank balances other than above

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Bank balances other than above</b>			
- In dividend accounts	11.94	13.73	18.63
- In deposit accounts			
a) Margin money deposit*	84.42	127.68	119.15
b) Margin money deposit**	20.08	78.37	99.97
	<b>116.44</b>	<b>219.78</b>	<b>237.75</b>

\*Margin money deposits amounting to Rs 84.42 lakhs (as at March 31, 2017 - Rs.127.68 lakhs & as at April 01, 2016 - Rs. 119.15 lakhs) are kept as lien as security against foreign currency loan - ECB (Refer note no 16(ii))

\*\*Margin money deposit amounting to Rs 20.08 lakhs (as at March 31, 2017 - Rs.78.37 lakhs & as at April 01, 2016 - Rs. 99.97 lakhs) are kept as lien as security against letter of credit.

## Note 12 : Other financial assets

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good)			
Loans to employees	8.25	10.62	13.87
Interest accrued on deposits	4.55	4.97	4.15
Others	0.33	-	1.57
	<b>13.13</b>	<b>15.59</b>	<b>19.59</b>

## Note 13 : Other current assets

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good			
Advance to suppliers			
- Related parties	4.43	53.01	86.35
- Others	33.78	48.12	41.31
Prepayments	66.98	57.68	39.96
Export incentive receivable	48.99	28.16	89.14
Balances with statutory/ government authorities	-	153.38	81.88
Others	0.25	0.44	0.25
	<b>154.43</b>	<b>340.79</b>	<b>338.89</b>

## Note 14 : Equity share capital

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Authorised</b>			
5,00,00,000 equity shares of Rs 2 each	1,000.00	1,000.00	1,000.00
	<b>1,000.00</b>	<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	224.00
	<b>224.00</b>	<b>224.00</b>	<b>224.00</b>



## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

#### a) Reconciliation of number of shares

Rs. in Lakhs

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	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	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>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 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 Parent Company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Nos.	% of Holding	Nos.	% of Holding	Nos.	% of Holding
Navroze S Marshall	15,18,548	13.56%	15,18,548	13.56%	14,93,548	13.34%
Shiamak J Marshall	15,32,965	13.69%	15,12,965	13.51%	15,12,965	13.51%
Maki S Marshall	16,67,435	14.89%	16,67,435	14.89%	16,40,435	14.65%
Kamal I Panju	7,17,155	6.40%	7,17,155	6.40%	7,17,155	6.40%
Kayan J Pandole	7,10,655	6.35%	7,10,655	6.35%	7,10,655	6.35%
Clover Technologies Pvt. Ltd.	6,27,504	5.60%	6,19,369	5.53%	5,39,887	4.82%

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 43 (c)

## Notes to the consolidated financial statements

## Note 15 : Other Equity

Rs. in Lakhs

Particulars	Securities Premium Reserve	General Reserve	Retained Earnings	Other Com- prehensive Income {Other actu- arial gains/ (losses)}	Total
<b>Balance as at April 01, 2016</b>	<b>154.00</b>	<b>530.00</b>	<b>3,903.58</b>	-	<b>4,587.58</b>
Profit for the year	-	-	635.62	-	635.62
Other comprehensive income for the year	-	-	-	(36.56)	(36.56)
<b>Balance as at March 31, 2017</b>	<b>154.00</b>	<b>530.00</b>	<b>4,539.20</b>	<b>(36.56)</b>	<b>5,186.47</b>
Profit for the year	-	-	1,000.98	-	1,000.98
Other comprehensive income for the year	-	-	-	(39.75)	(39.75)
Dividend paid during the year	-	-	(56.00)	-	(56.00)
Tax on Dividends	-	-	(11.40)	-	(11.40)
<b>Balance as at March 31, 2018</b>	<b>154.00</b>	<b>530.00</b>	<b>5,472.78</b>	<b>(76.31)</b>	<b>6,079.93</b>

## Note 16 : Financial Liabilities

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Non Current Borrowings</b>			
<b>Term loans</b>			
<b>Secured</b>			
<b>From banks</b>			
- Rupee loan (refer note (i) below)	565.25	692.92	427.99
- Foreign currency loan - ECB (refer note (ii) below)	180.37	359.72	535.28
- Vehicle loan (refer note (iii) below)	1.38	6.77	11.63
<b>From a financial institution</b>			
- Vehicle loan (refer note (iv) below)	49.83	13.39	9.99
<b>Unsecured</b>			
Loans from related parties	539.00	567.32	608.83
	<b>1,335.84</b>	<b>1,640.11</b>	<b>1,593.72</b>
Less: Current maturities (refer note 20)			
- Rupee Loan	(145.34)	(130.39)	(146.71)
- Foreign Currency loan	(180.37)	(179.86)	(167.27)
- Vehicle loan (From bank)	(1.38)	-	-
- Vehicle loan (From others)	(14.37)	(8.95)	(13.39)
- Loans from related parties	(24.00)	-	-
	<b>970.37</b>	<b>1,320.91</b>	<b>1,266.34</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

#### 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.	Rupee loan	145.34	162.23	181.08	76.60	565.25
	Security	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank. All loans are secured against the personal guarantee of the Managing Director of the Parent Company.				
	Interest rate	10.50% to 12%				
ii.	Foreign currency loan - ECB	180.37	0.00	0.00	0.00	180.37
	Security	a) Secured by first and exclusive charge on plant and machineries funded under the ECB b) Secured by fixed deposit amounting to Rs 84.42 lakhs kept with the bank c) All loans are secured against the corporate guarantee of M/s. J. N. Marshall and Company (Engineering Dept.) and personal guarantee of Chairman and Managing director of the Parent Company.				
	Interest rate	LIBOR + 5.75%				
iii.	Vehicle loan - From bank	1.38	0.00	0.00	0.00	1.38
	Security	Secured by first charge by way of hypothecation of assets acquired under the specific facility granted by the bank.				
	Interest rate	10.50%				
iv.	Vehicle loan - From others	14.37	15.83	17.43	2.20	49.83
	Security	Secured by way of hypothecation of vehicles acquired under the specific facility granted by the finance company				
	Interest rate	9.50% to 9.99%				
v.	From related parties (Unsecured)	24.00	24.00	24.00	467.00	539.00
	Interest rate	8.50%				

#### Note 17 : Provisions

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Non-Current</b>			
Provision for employee benefits	41.95	34.56	25.20
	<b>41.95</b>	<b>34.56</b>	<b>25.20</b>
<b>Current</b>			
Provision for employee benefits	105.05	163.34	110.53
	<b>105.05</b>	<b>163.34</b>	<b>110.53</b>

**Notes to the consolidated financial statements****Note 18 : Current borrowings****Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
<b>Secured</b>			
Loan from a bank, repayable on demand			
- Working capital loan	1,434.73	1,522.96	955.71
- Working capital loan (Foreign currency)	-	-	663.40
<b>Unsecured</b>			
- From a related party	10.00	10.00	15.25
	<b>1,444.73</b>	<b>1,532.96</b>	<b>1,634.36</b>

**Note:**

- a. (i) Working capital loans are secured by way of hypothecation of raw materials, finished goods, stores & spares, book debts etc. and pledge of entire block of assets (both present & future) in favour of consortium of banks on pari pasu other than specific assets financed by respective banks.
- (ii) Working capital loan carries interest ranging 9.30% to 9.80% (as at 31st March, 2017 ranging 9.65% to 9.80%, as at 1st April, 2016 ranging 11% to 12.75%)
- (iii) All loans are secured against the personal guarantee of the Managing Director of the Parent Company.
- b. (i) Unsecured loan of Rs 10 Lakhs (interest free) is due to J. N. Marshall Engineering Pvt. Ltd., a group company.

**Note 19 : Trade payables****Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Due to micro, small and medium enterprises*	216.90	111.50	92.21
Others	2,555.39	1,835.75	1,371.30
	<b>2,772.29</b>	<b>1,947.25</b>	<b>1,463.51</b>

\*Refer note no. 35 for disclosure under Micro, Small and Medium Enterprise Development Act.

**Note 20 : Other financial liabilities****Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Current maturities of long term debt (Refer note 16)	365.46	319.19	327.38
Interest accrued but not due on borrowings	7.03	9.15	8.11
Unpaid dividend	11.94	13.73	18.63
Other payables	21.51	5.06	2.69
	<b>405.94</b>	<b>347.13</b>	<b>356.81</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.

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

#### Note 21 : Other current liabilities

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from customers	4.71	9.70	9.73
Statutory dues	52.92	107.28	115.31
Other payables	13.32	-	-
	<b>70.95</b>	<b>116.98</b>	<b>125.04</b>

#### Note 22 : Revenue from operations

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	18,423.68	15,252.08
Other operating revenue		
(i) Export incentive	70.19	37.84
(ii) Scrap sale	270.90	174.95
	<b>18,764.77</b>	<b>15,464.87</b>

#### Note 23 : Other income

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on deposits	15.21	15.62
Net gain on foreign currency transactions	40.17	-
Profit on disposal of property, plant and equipment	5.01	16.67
Dividend income on non-current investments	0.15	0.15
Freight charges received	-	0.48
Miscellaneous income	0.04	0.06
	<b>60.58</b>	<b>32.98</b>

#### Note 24 : Cost of materials consumed

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials at the beginning of the year	1,084.56	1,003.02
Add: Purchases	7,703.86	6,338.30
Less: Raw materials at the end of the year	991.98	1,084.56
<b>Raw material consumed</b>	<b>7,796.44</b>	<b>6,256.76</b>

## Notes to the consolidated financial statements

## Note 25 : Changes in inventories of work-in-progress and finished goods

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Opening balance</b>		
Work-in-progress	909.55	677.74
Finished goods	497.17	564.79
	<b>1,406.72</b>	<b>1,242.52</b>
<b>Closing balance</b>		
Work-in-progress	1,365.12	909.55
Finished goods	678.16	497.17
	<b>2,043.28</b>	<b>1,406.72</b>
	<b>(636.55)</b>	<b>(164.19)</b>
Less: Excise Duty on opening and closing of finished goods (Net)	67.04	19.50
	<b>(703.59)</b>	<b>(183.69)</b>

## Note 26 : Employee benefits expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	3,184.06	2,407.25
Contribution to provident funds & other funds	160.48	172.81
Staff welfare expense	189.95	130.45
	<b>3,534.49</b>	<b>2,710.51</b>

## Note 27 : Finance costs

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense	286.43	249.76
Other borrowing costs	37.15	33.46
Interest charges on unwinding of discount	5.68	2.49
	<b>329.26</b>	<b>285.71</b>

## Note 28 : Depreciation and amortisation expense

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	381.02	336.59
Amortization of other intangible assets	22.60	73.67
	<b>403.62</b>	<b>410.26</b>

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

#### Note 29 : Other expenses

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spare parts	134.08	142.27
Consumption of tools	968.77	690.15
Consumption of packing materials	147.33	125.70
Power and fuel	340.53	295.64
Job work charges	2,775.76	2,155.57
Rent	283.21	246.40
Repairs and maintenance		
Plant and equipment	131.29	118.32
Others	88.96	68.36
Rates and taxes excluding taxes on income	14.74	13.52
Insurance	12.99	8.28
Communication expenses	19.62	19.34
Travelling and conveyance	72.53	73.40
Printing and stationery	30.64	24.22
Legal and professional	168.33	178.72
Freight and forwarding expenses	679.24	587.09
Sales commission	0.48	11.18
Donations and contributions	-	0.05
Provision for Expected Credit Loss	7.30	11.12
Directors' sitting fees	1.10	0.63
Payments to auditors:		
Audit fees including limited review fees	13.93	12.58
Re-imburement of expenses	0.40	0.20
Net loss on foreign currency transactions	-	46.31
Corporate social responsibility expenses*	21.05	25.00
Sundry balance written off (net)	2.66	4.69
Miscellaneous expenses	97.99	108.62
	<b>6,012.93</b>	<b>4,967.35</b>

\*Refer note no 36 details of corporate social responsibility expenditure incurred by the Group Company

#### Note 30 : Contingent liabilities

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claims against the Group Company not acknowledged as debts			
(i) Disputed Income Tax matters	4.28	63.03	47.52
(ii) Disputed Sales Tax matters	65.13	54.04	-
(iii) Guarantees	0.02	0.02	0.02
	<b>69.43</b>	<b>117.09</b>	<b>47.54</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.

**Notes to the consolidated financial statements****Note 31 : Commitments****Rs. in Lakhs**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 01, 2016</b>
Estimated amounts of contracts remaining to be executed on capital account and not provided for:			
Property, plant and equipment (net of advances)	123.95	17.00	-
	<b>123.95</b>	<b>17.00</b>	-

**Note 32 : Earnings Per share****Rs. in Lakhs**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
Profit after tax available for equity shareholders	1,000.74	635.39
Weighted average number of equity shares	1,12,00,000	1,12,00,000
Nominal value of equity shares (In Rs.)	2.00	2.00
Basic and diluted Earnings Per Share (In Rs.)	8.94	5.67

**Note 33 : 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.

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

**Rs. in Lakhs**

<b>Information in respect of secondary segment</b>	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>Revenue from external customer</b>		
India	16,643.58	13,870.33
Outside India	1,780.10	1,381.75
	<b>18,423.68</b>	<b>15,252.08</b>
<b>Non Current Assets</b>		
India	3,073.06	3,063.04
Outside India	-	-
	<b>3,073.06</b>	<b>3,063.04</b>

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



## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

#### Note 34 : Auditors Remuneration

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>AUDITORS REMUNERATION (Excluding tax)</b>		
Audit Fees	11.00	10.25
Limited Review	2.93	2.33
Reimbursement of out of pocket expenses	0.40	0.20
	<b>14.33</b>	<b>12.78</b>

#### Note 35 : Disclosure under MSMED Act, 2006

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

Rs. in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1) Principal amount outstanding	216.90	111.50	92.21
2) Principal amount due and remaining unpaid	-	-	-
3) Interest due on (2) above and the unpaid interest	-	-	-
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	-	-	-
	<b>216.90</b>	<b>111.50</b>	<b>92.21</b>

#### Note 36 : Corporate Social Responsibility

Gross amount required to be spent by the Group as per Section 135 of Companies Act, 2013 during the year is Rs 21.04 Lakhs - including unspent of Rs 2.59 Lakhs for earlier years (Previous year Rs 27.59 Lakhs) and amount actually spent during the year is Rs 21.05 Lakhs (Previous year Rs 25.00 Lakhs), the details of which is as given below:

Rs. in Lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Construction/acquisition of any asset	-	-
On purposes other than above	21.05	25.00
	<b>21.05</b>	<b>25.00</b>

**Notes to the consolidated financial statements****Note 37 : Related party transactions****A. Details of related parties****Name of related parties****Subsidiary**

Stud India - Partnership Firm

**Associate Company**

Formex Private Limited

**Key Management Personnel (KMP)**

Mr. S. J. Marshall (Chairman)

Mr. N. S. Marshall (Managing Director)

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

Mr. N.D. Bharucha (Chief Financial Officer - Upto 10th August, 2016)

Mr. Vikash Verma (Chief Financial Officer - w.e.f. 11th August, 2016)

Mrs Nidhi Darak (Company Secretary - Upto 30th June, 2016)

Mr. Nirmal Gupta (Company Secretary - w.e.f. 01st July, 2016)

**Relatives of Key Management Personnel (KMP)**

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

**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 &amp; Co.(Steel Dept.)

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

J. N. Marshall Engineering Pvt. Ltd.

J. N. Marshall Pvt. Ltd.

Marshall Real Estate and Investment Corporation

Marshall Charitable Foundation

Forbes Marshall Pvt. Ltd.

Powair Automation Equipment Pvt. Ltd.

**B. Related Party Transactions**

	<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
<b>Associate Company</b>		
<b>Formex Private Limited</b>		
Processing Fees	1,045.36	792.05

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

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

Particulars	2017-18	2016-17
Mr. S.J. Marshall	42.30	36.52
Mr. N.S. Marshall	68.01	61.51
Mr. I.M. Panju	4.21	3.65
Mr. N.D.Bharucha	-	4.21
Mr. Vikash Verma	31.73	17.22
Mrs Nidhi Darak	-	0.45
Mr. Nirmal Gupta	4.27	1.58
<b>Interest paid</b>		
Mr. S.J. Marshall	28.90	25.07
Mr. N.S. Marshall	17.10	15.74
<b>Car hire charges</b>		
Mr. N.S. Marshall	4.80	3.07
Mrs. N.N. Bharucha	-	0.07

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

Corrodyne Coatings Pvt. Ltd. - Plating charges	155.17	118.11
J. N. Marshall & Co.(Steel Dept.) - Rent	5.12	1.38
J. N. Marsall & Co. (C.H.C.A.) - Clearing & forwarding charges	47.19	50.08
J. N. Marshall Pvt. Ltd. - Rent / Rates & Taxes	267.33	205.88
J. N. Marshall Pvt. Ltd. - Water charges	10.53	9.21
Forbes Marshall Pvt. Ltd. - Security & Business auxilliary charges	24.78	13.56
Marshall Real Estate and Investment Corporation - Rent	-	1.44
Marshall Charitable Foundation	21.05	25.00

Outstanding balances	2017-18	2016-17	2015-16
<b>Associate Company</b>			
<b>Formex Private Limited</b>			
Outstanding balances	4.43	53.01	83.94
<b>Key Management Personnel (KMP) and relatives</b>			
<b>Outstanding Loan</b>			
Mr. S.J. Marshall	340.00	334.32	331.83
Mr. N.S. Marshall	199.00	233.00	277.00
<b>Enterprises in which KMP's / Relative of KMP's can exercise significant influence</b>			
Corrodyne Coatings Pvt. Ltd.	60.32	21.83	10.50
J. N. Marshall & Co. (C.H.C.A.)	5.41	0.11	1.19
J. N. Marshall Pvt. Ltd.	4.35	-	12.20
J. N. Marshall Engineering Pvt. Ltd.	10.00	10.00	15.25
Forbes Marshall Pvt. Ltd.	5.32	-	15.43
Powair Automation Equipment Pvt. Ltd.	-	-	1.72

**Notes to the consolidated financial statements****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, except as discussed above.
- (iii) Related party relationships have been identified by the management and relied upon by the Auditors.

**Note 38 : Lease Transactions**

The Group's significant leasing arrangements are in respect of operating lease for premises. The period of agreement is generally for two to three years and is renewable by mutual consent. The aggregate lease rental expense are Rs 283.21 Lakhs (Previous year Rs 246.40 Lakhs)

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

Period	Rs. in Lakh	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Payable within one year	258.58	228.00
Payable within two to five years	228.00	456.00
Payable beyond five years	-	-
	<b>486.58</b>	<b>684.00</b>

**Note 39 : 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.

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

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

#### A. Balance Sheet

Rs. in Lakhs

	Defined benefit plans		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of plan liabilities	339.69	440.08	488.19
Fair value of plan assets	264.35	302.44	391.70
<b>Asset/(Liability) recognised</b>	<b>(75.34)</b>	<b>(137.64)</b>	<b>(96.49)</b>

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

	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April, 2017</b>	440.08	302.44
Current service cost	37.36	-
Past service cost	12.09	-
Interest Cost/(Income)	24.10	19.91
Return on plan assets excluding amounts included in net finance income/cost	-	(1.26)
Actuarial (gain)/loss arising from changes in financial assumptions	(31.44)	-
Actuarial (gain)/loss arising from experience adjustments	86.26	-
Employer contributions	-	172.02
Benefit payments	(228.76)	(228.76)
<b>As at 31st March, 2018</b>	<b>339.69</b>	<b>264.35</b>
	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April, 2016</b>	488.19	391.70
Current service cost	31.43	-
Past service cost	-	-
Interest Cost/(Income)	32.34	26.43
Return on plan assets excluding amounts included in net finance income/cost	-	(3.16)
Actuarial (gain)/loss arising from changes in financial assumptions	39.39	-
Actuarial (gain)/loss arising from experience adjustments	16.52	-
Employer contributions	-	55.26
Benefit payments	(167.79)	(167.79)
<b>As at 31st March, 2017</b>	<b>440.08</b>	<b>302.44</b>

Notes to the consolidated financial statements

C. Statement of Profit and Loss

	As at March 31, 2018	As at March 31, 2017
<b>Employee Benefit Expenses:</b>		
Current service cost	37.36	31.43
Interest cost/(income)	4.19	5.91
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>41.55</b>	<b>37.34</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	1.26	-
Actuarial gains/(losses) arising from changes in financial assumptions	(31.44)	39.40
Experience gains/(losses)	86.26	16.52
<b>Total amount recognised in Other Comprehensive Income</b>	<b>56.08</b>	<b>55.92</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, 2018	As at March 31, 2017	As at April 01, 2016
<b>Financial Assumptions</b>			
Discount rate	7.67%	7.40%	8.00%
Salary Escalation Rate	3.50%	4.50%	3.00%
<b>Demographic Assumptions</b>			
Mortality in Service	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Mortality Rate	100%	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%	Upto 40 Yrs: 3% 41 to 50 Yrs : 2% 51 Yrs & above: 1%
Retirement Age	58 & 60 Years	58 & 60 Years	58 & 60 Years

**Notes to the consolidated financial statements****E. Sensitivity**

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	21.85	25.20
Salary Escalation Rate	1.00%	24.06	21.07

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, 2018 as follows:**

Rs. in Lakhs

Year ending March 31, 2018	Defined benefit obligation
2019	54.69
2020	56.66
2021	59.94
2022	46.36
2023	53.06
Thereafter	215.20

**ii) Compensated Absences:** The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as on 31st March, 2018 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, 2018	As at March 31, 2017	As at April 01, 2016
Expenses recognised in Statement of Profit and Loss	27.10	26.34	22.95
Balance Sheet liability	69.48	56.89	39.24

**Note :**

Gratuity of Rs 2.18 lakhs (As at March 31, 2017 - Rs 3.36 lakhs ; As at April 01, 2016 - Rs Nil) has been provided in the current year on estimation basis by the subsidiary of Parent Company. In absence of the break-up or certificate from actuarial, the same is classified as short term gratuity under current provisions

## Notes to the consolidated financial statements

## Note 40 : Income taxes

Rs. in Lakhs

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

	Year ended March 31, 2018	Year ended March 31, 2017
<b>Current tax</b>		
Current year	472.67	385.35
Adjustments for prior periods	-	(0.23)
<b>Total current tax</b>	<b>472.67</b>	<b>385.12</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	(26.11)	(48.88)
Relating to change in tax rate	-	-
<b>Total deferred income tax expense/(credit)</b>	<b>(26.11)</b>	<b>(48.88)</b>
<b>Total income tax expense/(credit)</b>	<b>446.56</b>	<b>336.24</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 :

	Year ended March 31, 2018	Year ended March 31, 2017
<b>(b) Reconciliation of effective tax rate</b>		
Profit before taxation	1,452.20	970.11
Enacted income tax rate in India	34.61%	34.61%
Tax at the enacted income tax rate	502.61	335.75
Tax effects of amounts which are not deductible in calculating taxable income:		
Donations	3.64	4.33
Due to rate differences	(59.81)	-
Others	0.12	(3.84)
<b>Tax expense/ (credit)</b>	<b>446.56</b>	<b>336.24</b>



## (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2017 and March 31, 2018:

	Rs. in Lakhs				
	As at April 01, 2016	Credit/ (charge) in Statement of profit and loss	As at March 31, 2017	Credit/ (charge) in Statement of profit and loss	As at March 31, 2018
<b>Deferred tax assets/ (liabilities)</b>					
Property, plant and equipment	(253.01)	21.53	(231.48)	52.33	(179.15)
Expenses allowed on payment basis	15.72	31.89	47.61	(22.22)	25.39
Amortisation of goodwill reversed	(39.32)	(9.25)	(48.57)	(7.78)	(56.35)
Financial assets at amortised cost	3.70	3.85	7.55	2.13	9.67
Financial liabilities at amortised cost	(2.83)	0.86	(1.97)	1.66	(0.31)
	<b>(275.74)</b>	<b>48.88</b>	<b>(226.85)</b>	<b>26.11</b>	<b>(200.74)</b>

**Note 41 : 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 counter party. 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.

**Notes to the consolidated financial statements**

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>April 01, 2016</b>					
Trade receivables	-	-	3,426.08	3,426.08	3,426.08
Cash and bank balances	-	-	575.08	575.08	575.08
Others financial assets	-	-	61.37	61.37	61.37
<b>Total financial assets</b>	-	-	<b>4,062.53</b>	<b>4,062.53</b>	<b>4,062.53</b>
<b>Financial liabilities</b>					
Borrowings			2,900.70	2,900.70	2,900.70
Trade payables			1,463.51	1,463.51	1,463.51
Others financial liabilities			356.81	356.81	356.81
<b>Total financial liabilities</b>	-	-	<b>4,721.02</b>	<b>4,721.02</b>	<b>4,721.02</b>
<b>March 31, 2017</b>					
<b>Financial assets</b>					
Trade receivables	-	-	3,967.42	3,967.42	3,967.42
Cash and cash equivalents	-	-	294.86	294.86	294.86
Others	-	-	54.03	54.03	54.03
<b>Total</b>	-	-	<b>4,316.31</b>	<b>4,316.31</b>	<b>4,316.31</b>
<b>Financial liabilities</b>					
Borrowings	-	-	2,853.87	2,853.87	2,853.87
Trade payables	-	-	1,947.25	1,947.25	1,947.25
Others	-	-	347.13	347.13	347.13
<b>Total financial liabilities</b>	-	-	<b>5,148.25</b>	<b>5,148.25</b>	<b>5,148.25</b>
<b>March 31, 2018</b>					
<b>Financial assets</b>					
Trade receivables	-	-	4,957.12	4,957.12	4,957.12
Cash and cash equivalents	-	-	126.25	126.25	126.25
Others	-	-	55.21	55.21	55.21
<b>Total</b>	-	-	<b>5,138.58</b>	<b>5,138.58</b>	<b>5,138.58</b>
<b>Financial liabilities</b>					
Borrowings	-	-	2,415.10	2,415.10	2,415.10
Trade payables	-	-	2,772.29	2,772.29	2,772.29
Others	-	-	405.94	405.94	405.94
<b>Total financial liabilities</b>	-	-	<b>5,593.33</b>	<b>5,593.33</b>	<b>5,593.33</b>

**Notes to the consolidated financial statements**

**c. Fair value estimation**

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

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

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

	Level 1	Level 2	Level 3
<b>April 01, 2016</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>March 31, 2017</b>			
Assets at fair value	-	-	-
Liabilities at fair value	-	-	-
<b>March 31, 2018</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 42 : Financial risk factors**

The Group's principal financial liabilities comprise loans and borrowings, advances and 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 include loans, 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.

**Notes to the consolidated financial statements****i) Financing arrangements**

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

	Rs. in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured working capital credit facility from Banks	2,253.17	2,142.77	1,665.23

**(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 April 01, 2016</b>			
<b>Non-derivative liabilities</b>			
Borrowings	2,900.70	1,634.36	1,266.34
Trade payables	1,463.51	1,463.51	-
Other financial liabilities	356.81	356.81	-

	Rs. in Lakhs		
	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2017</b>			
<b>Non-derivative liabilities</b>			
Borrowings	2,853.87	1,532.96	1,320.91
Trade payables	1,947.25	1,947.25	-
Other financial liabilities	347.13	347.13	-

	Rs. in Lakhs		
	Carrying amount	1-12 months	more than 12 months
<b>As at March 31, 2018</b>			
<b>Non-derivative liabilities</b>			
Borrowings	2,415.10	1,444.73	970.37
Trade payables	2,772.29	2,772.29	-
Other financial liabilities	405.94	405.94	-

**(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. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Group's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

**Notes to the consolidated financial statements**
**(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 thier limited transaction in the foreign currency.

**Financial Risk Factors**
**Foreign currency exposure**

	March 31, 2018		March 31, 2017	
	In Foreign Currency	(Rs. in lakhs)	In Foreign Currency	(Rs. in lakhs)
<b>Receivable</b>				
GBP	5,79,604	530.08	3,23,565	261.70
USD	48,057	31.25	49,475	32.08
Euro	9,984	8.00	5,952	4.12
<b>Payable</b>				
GBP	777	0.71	826	0.67
USD	6,26,044	407.08	9,10,462	590.33
JY	1,00,87,986	61.85	88,97,387	51.57
	March 31, 2018		March 31, 2017	
	1% Increase	1% decrease	1% Increase	1% decrease
Increase / (decrease) in loss	1.00	(1.00)	(3.45)	3.45

**(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, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings bearing fixed rate of interest	1,335.84	1,640.11	1,593.72
Borrowings bearing variable rate of interest	1,434.73	1,522.96	1,619.11
	<b>2,770.57</b>	<b>3,163.07</b>	<b>3,212.83</b>

**Notes to the consolidated financial statements****Interest rate sensitivity**

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

	Rs. in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Increase in basis points	50.00	50.00	50.00
Effect on profit before tax	(13.85)	(15.82)	(16.06)
Decrease in basis points	50.00	50.00	50.00
Effect on profit before tax	13.85	15.82	16.06

**(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		
<b>Exposure to the Credit risks</b>	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
- Trade Receivables	4,957.12	3,967.42	3,426.08

**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 counter party.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations
- (iv) Significant increase in credit risk on other financial instruments of same counter party

## SIMMONDS MARSHALL LIMITED

### Notes to the consolidated financial statements

#### Ageing of the accounts receivables

	Rs. in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0-3 months	4,069.67	3,263.88	2,835.03
3-6 months	696.57	536.20	481.42
6-12 months	121.94	110.30	68.47
beyond 12 months	68.94	57.04	41.16
	<b>4,957.12</b>	<b>3,967.42</b>	<b>3,426.08</b>

#### Movement in provisions of doubtful debts and advances

	Rs. in Lakhs	
	As at March 31, 2018	As at March 31, 2017
<b>Opening provision</b>	-	-
Add: Additional provision made	-	-
Less: Provision write off/ reversed	-	-
Less: Provision utilised against bad debts	-	-
<b>Closing provisions</b>	-	-

#### Note 43 : 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		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total equity attributable to equity shareholders of the Group	6,303.93	5,410.47	4,811.58
Net debt (Total borrowings less cash and cash equivalents)	2,787.59	3,182.21	3,236.19
<b>Total capital (Borrowings and Equity)</b>	<b>9,091.52</b>	<b>8,592.68</b>	<b>8,047.77</b>
<b>Gearing ratio</b>	<b>0.31</b>	<b>0.37</b>	<b>0.40</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, 2018	As at March 31, 2017	As at April 01, 2016
<b>First charge*</b>			
Property, plant and equipment*	2,482.20	2,494.35	1,986.72
Trade receivables	4,688.64	3,716.85	3,250.49
Inventories	3,648.87	3,135.85	2,867.30

\*Represents net book value.

## Notes to the consolidated financial statements

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017
<b>Equity Shares</b>		
Final dividend for the year ended March 31, 2017 of Rs. 0.50 Per fully paid up share (March 31, 2016 - Rs. 0.50) [Including dividend distribution tax of Rs. 11.40 lacs (as at 31-March 2017 - Rs. 11.40 lacs)]	-	67.40

**Dividends not recognised at the end of reporting period**

Since year end, the directors have recommended the payment of a final dividend of Rs. 0.70 per fully paid up equity share (March 31, 2017 - Rs. 0.50 per fully paid up equity shares) [Including dividend distribution tax of Rs. 15.96 lacs (as at 31-March 2017 - Rs. 11.40 lacs)] The Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

	94.36	-
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**(d) Net debt reconciliation**

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current borrowings	(970.37)	(1,320.91)	(1,266.34)
Current maturities of non-current borrowings	(365.46)	(319.19)	(327.38)
Current borrowings	(1,444.73)	(1,532.96)	(1,634.36)
Interest payable	(7.03)	(9.15)	(8.11)
Net Debt	(2,787.59)	(3,182.21)	(3,236.19)

Rs. in Lakhs

	Non-current borrowings	Current maturities of non-current borrowings	Current borrowings	Interest payable	Total
<b>Net debt as at April 1, 2017</b>	(1,320.91)	(319.19)	(1,532.96)	(9.15)	(3,182.21)
Cash flows	350.54	(46.27)	88.23	-	392.50
Finance costs	-	-	-	(329.26)	(329.26)
Interest paid	-	-	-	331.37	331.37
<b>Net debt as at March 31, 2018</b>	<b>(970.37)</b>	<b>(365.46)</b>	<b>(1,444.73)</b>	<b>(7.03)</b>	<b>(2,787.59)</b>

**Note 44 : First time adoption of Ind AS**

The accounting policies set out in Note 1, have been applied in preparing the financial statements from the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.



**Notes to the consolidated financial statements****Exemptions and exceptions availed****A. Ind AS optional exemptions****(i) Deemed Cost**

The Group on first time adoption of Ind AS, has elected to continue with the carrying value for all of its property, plant & equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed costs as at the date of transition.

**(ii) Investments in subsidiaries and associate**

The Group present separate financial statement wherein Ind AS 27 requires it to measure its investment in subsidiaries and associate either at cost or in accordance with the Ind AS 109. The Group at first time adoption has measured such investment at cost in accordance with the Ind AS 27, wherein it has option to measure the investments in its separate opening Ind AS balance sheet at cost as determined in accordance with Ind AS 27 or deemed cost. Deemed cost shall be fair value at the entity's date of transition to Ind AS in its separate financial statement or previous GAAP carrying amount as on that date. The Group has adopted deemed cost being previous GAAP carrying amount as on date of transition.

**B. Ind AS mandatory exemptions****(i) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Group made estimates for following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

**(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(iii) De-recognition of financial assets and financial liabilities**

The Group has elected to apply derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

(i) Reconciliation of Balance sheet as at April 1, 2016 (Transition date)

(ii) A. Reconciliation of Balance sheet as at March 31, 2017

B. Reconciliation of total comprehensive income for the year ended March 31, 2017

(iii) Reconciliation of Equity as at April 1, 2016 and March 31, 2017

(iv) Impact on cash flow statement for the period ended March 31, 2017

The presentation requirements under previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Group prepared in accordance with previous GAAP.

## Notes to the consolidated financial statements

## (i) Reconciliation of Balance sheet as at April 1, 2016

			Rs. in Lakhs	
	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		2,090.03	-	2,090.03
Capital work-in-progress		38.70	-	38.70
Other Intangible assets	(viii)	249.98	113.60	363.58
Intangible assets under development		-	-	-
Investments in subsidiaries, associates and joint ventures		10.16	-	10.16
Other Investments		1.00	-	1.00
<b>Financial assets</b>				
- Other financial assets		41.78	-	41.78
Income tax assets (net)		66.40	-	66.40
Other non-current assets		26.31	-	26.31
<b>Total non-current assets</b>		<b>2,524.36</b>	<b>113.60</b>	<b>2,637.96</b>
<b>Current assets</b>				
Inventories		3,081.54	-	3,081.54
<b>Financial assets</b>				
- Trade receivables	(ix)	3,436.77	(10.69)	3,426.08
- Cash and cash equivalents		337.33	-	337.33
- Bank balances other than above		237.75	-	237.75
- Other financial assets		19.59	-	19.59
Other current assets		338.89	-	338.89
<b>Total current assets</b>		<b>7,451.87</b>	<b>(10.69)</b>	<b>7,441.18</b>
		<b>9,976.22</b>	<b>102.92</b>	<b>10,079.14</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		224.00	-	224.00
Other equity	44 C (iii)	4,515.00	72.58	4,587.58
Total equity attributable to owner		4,739.00	72.58	4,811.58
Non-controlling interest		10.03	-	10.03
<b>Total equity</b>		<b>4,749.03</b>	<b>72.58</b>	<b>4,821.61</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
- Borrowings	(vi)	1,274.51	(8.17)	1,266.34
Deferred tax liabilities (Net)	(iv)	237.23	38.51	275.74
Provisions		25.20	-	25.20
<b>Total non-current liabilities</b>		<b>1,536.94</b>	<b>30.34</b>	<b>1,567.28</b>

## SIMMONDS MARSHALL LIMITED

### Current liabilities

#### Financial liabilities

- Borrowings	1,634.36	-	1,634.36
- Trade payables	1,463.51	-	1,463.51
- Other financial liabilities	356.81	-	356.81
Other current liabilities	125.04	-	125.04
Provisions	110.53	-	110.53
<b>Total current liabilities</b>	<b>3,690.25</b>	-	<b>3,690.25</b>
	<b>9,976.22</b>	<b>102.92</b>	<b>10,079.14</b>

### (ii) A. Reconciliation of Balance sheet as at March 31, 2017

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, plant and equipment		2,589.47	(0.01)	2,589.46
Capital work-in-progress		-	-	-
Other Intangible assets	(viii)	149.58	140.33	289.91
Intangible assets under development		46.67	-	46.67
Investments in subsidiaries, associates and joint ventures		11.81	-	11.81
Other Investments		1.00	-	1.00
<b>Financial assets</b>				
- Other financial assets	(vii)	36.92	1.52	38.44
Income tax assets (net)		63.51	-	63.51
Other non-current assets		22.24	-	22.24
<b>Total non-current assets</b>		<b>2,921.20</b>	<b>141.84</b>	<b>3,063.04</b>
<b>Current assets</b>				
Inventories		3,429.00	-	3,429.00
<b>Financial assets</b>				
- Trade receivables	(ix)	3,989.22	(21.80)	3,967.42
- Cash and cash equivalents		75.08	-	75.08
- Bank balances other than above		219.78	-	219.78
- Other financial assets		15.59	-	15.59
Other current assets	(vii)	342.31	(1.52)	340.79
<b>Total current assets</b>		<b>8,070.97</b>	<b>(23.31)</b>	<b>8,047.66</b>
		<b>10,992.17</b>	<b>118.53</b>	<b>11,110.70</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital		224.00	-	224.00
Other equity	44 C (iii)	5,037.84	148.63	5,186.47
<b>Total equity attributable to owner</b>		<b>5,261.84</b>	<b>148.63</b>	<b>5,410.47</b>
Non-controlling interest		10.25	-	10.25
<b>Total equity</b>		<b>5,272.09</b>	<b>148.63</b>	<b>5,420.72</b>

**Non-current liabilities****Financial liabilities**

- Borrowings	(vi)	1,326.60	(5.69)	1,320.91
Deferred tax liabilities (Net)	(iv)	183.86	42.99	226.85
Provisions		34.56	-	34.56
<b>Total non-current liabilities</b>		<b>1,545.02</b>	<b>37.30</b>	<b>1,582.32</b>

**Current liabilities****Financial liabilities**

- Borrowings		1,532.96	-	1,532.96
- Trade payables		1,947.25	-	1,947.25
- Other financial liabilities		347.13	-	347.13
Other current liabilities		116.98	-	116.98
Provisions	(i)	230.74	(67.40)	163.34
<b>Total current liabilities</b>		<b>4,175.06</b>	<b>(67.40)</b>	<b>4,107.66</b>
<b>TOTAL LIABILITIES</b>		<b>10,992.17</b>	<b>118.53</b>	<b>11,110.70</b>

**ii. B. Reconciliation of Statement of total comprehensive income for the year ended March 31, 2017**

Rs. in Lakhs

	Notes	Previous GAAP	Ind AS adjustments	Ind AS
Revenue from operations		15,464.87	-	15,464.87
Other income		32.98	-	32.98
<b>Total income</b>		<b>15,497.85</b>	-	<b>15,497.85</b>
<b>Expenses</b>				
Cost of materials consumed		6,256.76	-	6,256.76
Purchases of traded goods		80.84	-	80.84
Changes in inventories of work-in progress and finished goods		(183.69)	-	(183.69)
Employee benefits expense	(v)	2,766.42	(55.91)	2,710.51
Finance costs	(vi)	283.22	2.49	285.71
Depreciation and amortisation expense	(viii)	436.99	(26.73)	410.26
Other expenses	(ix)	4,956.23	11.12	4,967.35
<b>Total expenses</b>		<b>14,596.77</b>	<b>(69.03)</b>	<b>14,527.74</b>
Profit before tax		<b>901.08</b>	<b>69.03</b>	<b>970.12</b>
<b>Tax expense</b>				
Current tax	(v)	366.00	19.35	385.35
Deferred tax (net)	(iv)	(53.43)	4.55	(48.88)
Taxation relating to earlier years		(0.23)	-	(0.23)
<b>Profit for the year (A)</b>		<b>588.73</b>	<b>45.12</b>	<b>633.87</b>
Share of profit / (loss) from an associate		-	-	1.75
<b>Total profit for the year</b>		<b>588.73</b>	<b>45.12</b>	<b>635.62</b>

## SIMMONDS MARSHALL LIMITED

### Other comprehensive income

Items that will not be reclassified to profit or loss

Remeasurements of post-employment benefit obligations, net of tax	-	36.56	36.56
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<b>Other comprehensive income for the year</b>	-	<b>36.56</b>	<b>36.56</b>
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<b>Total comprehensive income for the year</b>	<b>588.73</b>	<b>8.56</b>	<b>599.06</b>
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### iii. Reconciliation of Equity as at April 1, 2016 and March 31, 2017

Rs. in Lakhs

	As at March 31, 2017	As at April 1, 2016
Total Equity (Shareholder's funds) under previous GAAP	5,261.84	4,739.00
Reversal of Proposed dividend (Including dividend distribution tax)	67.40	-
Net Gain on financial assets/liabilities fair valued through Statement of Profit and Loss	5.68	8.17
Goodwill amortisation reversed	140.33	113.60
Expected Credit Loss	(21.80)	(10.68)
Deferred tax impact	(42.99)	(38.51)
<b>Total equity under Ind AS</b>	<b>5,410.46</b>	<b>4,811.58</b>

### iv. Impact on cash flow statement for the period ended March 31, 2017

No material impact on statement of cash flows

#### Notes to First-time adoption:

#### (i) Proposed Dividend

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as subsequent events. Accordingly, provision for proposed dividend including dividend distribution tax was recognised as liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

#### (ii) Remeasurement of post employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change there is no impact on the total equity as at March 31, 2017.

#### (iii) Adjustments to revenue:

Under previous GAAP, the Group accounted revenue net of trade discounts, sales taxes and excise duties. Under Ind AS, revenue is being recognised at fair value of consideration received or receivable, gross of excise duty. Excise duty is being charged under Other expenses. Any sales incentive, discounts or rebates in any form including cash discounts given to customer are being considered as reductions to selling price and revenue is presented on net basis.

#### (iv) Deferred taxes:

Under previous GAAP, deferred taxes were recognised based on profit and loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is being recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS. Deferred tax asset has been recognised to the extent Group has reasonable certainty over future taxable profits as against virtual certainty under the previous GAAP.

**(v) Other Comprehensive Income:**

Under Ind AS, all items of income and expense recognised during the year should be included in profit or loss for the year, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss are shown in the Statement of Profit and Loss as "other comprehensive income". OCI for the Group includes re-measurement of defined benefit plans of Rs 36.56 lakhs net of taxes. The concept of other comprehensive income did not exist under previous GAAP.

**(vi) Financial Liabilities:**

Borrowings and other financial liabilities which were recognised at historical cost under previous GAAP have been recognised at amortised cost under IND AS with the difference been adjusted to opening retained earnings.

**(vii) Financial Assets:**

Under the previous GAAP, interest free security deposits are recorded at transaction price. Under Ind AS All financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued the security deposits and the difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

**(viii) Amortisation of goodwill:**

Business Combination requires impairment testing of goodwill. The Group has done impairment testing of goodwill as on date of transition and no impairment is required. Thus, amortisation of goodwill charged to Statement of Profit and Loss is reversed.

**(ix) Expected credit loss allowance:**

The Group recognises a loss allowance on trade receivables which is measured using Life time Expected Credit Losses (ECL).

**Note 45 : Recent accounting pronouncements****IND AS 115 - Revenue from Contracts with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers effective from April 1, 2018. The core principle of the new standard is that an entity should recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

**Ind AS 21 - Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

**Ind AS 12 - Income Taxes:**

Amendments to Ind AS 12, Income Taxes clarifying the requirements for recognising deferred tax assets on unrealised losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. These amendments only clarify the existence of guidance of Ind AS 12 and do not change the underlying principles for recognition of deferred tax asset.

## SIMMONDS MARSHALL LIMITED

**The management is yet to assess the impact of the aforesaid amendments on the Company's financial information.**

**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 :** Post the applicability of Goods and Service Tax (GST) with effect from 01st July 2017, revenue from operations are disclosed net of GST, whereas Excise duty formed part of other expenses in previous year. Accordingly, the revenue from operations and other expenses for the year are not comparable with previous year.

**Note 48 :** The financial statements were approved for issue by the Board of Directors on May 30, 2018.

**For and on the behalf of board**

**S J MARSHALL**  
Chairman  
DIN: 00085682

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

**V VERMA**  
Chief Financial Officer

**N GUPTA**  
Company Secretary

**Place : Mumbai**  
**Date: May 30, 2018**

# SIMMONDS MARSHALL LIMITED

Regd. Office: Mumbai-Pune Road, Kasarwadi, Pune, 411 034 Maharashtra  
Tel No. 020-30782150, Fax No. 020-30782195  
Website: www.simmondsmarshall.com Email ID: secretarial@simmondsmarshall.com  
**CIN: L29299PN1960PLC011645**

58th Annual General Meeting to be held on September 26, 2018 at 11:30 A.M.  
At: Kwaliti Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019

## ATTENDANCE SLIP

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

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

I/We hereby record my / our presence at the 58th Annual General Meeting at Kwaliti Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019 on Wednesday, the September 26, 2018 at 11.30 A.M.

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

\*Applicable for investors holdings shares in electronic form.

- A Member or his duly appointed Proxy wishing to attend the meeting must complete this admission slip and hand it over at the entrance of the meeting hall.
- Name of the Proxy in BLOCK letters \_\_\_\_\_ (in case a Proxy attends the meeting)
- Those who hold shares in Demat form to quote their Demat Account No. and Depository Participant (D.P) ID. No/\_\_\_\_\_

## FORM NO. MGT-11

### PROXY FORM

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

**CIN: L29299PN1960PLC011645**

**Name of the Company: Simmonds Marshall Limited**

**Registered Office: Mumbai-Pune Road, Kasarwadi, Pune – 411034**

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

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

- 1) Name \_\_\_\_\_ Email id \_\_\_\_\_  
Address \_\_\_\_\_ or failing him
- 2) Name \_\_\_\_\_ Email id \_\_\_\_\_  
Address \_\_\_\_\_ or failing him
- 3) Name \_\_\_\_\_ Email id \_\_\_\_\_  
Address \_\_\_\_\_ or failing him



and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on Wednesday, the September 26, 2018 at 11.30 A.M. at Kwality Restaurant, Mumbai - Pune Road, M.I.D.C., Chinchwad, Pune - 411 019 and at any adjournment thereof in respect of such resolution as are indicated below.

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars	Optional	
		For	Against
<b>Ordinary Business</b>			
1	To approve and adopt Audited Financial Statement (Standalone & Consolidated), for the year ended March 31, 2018 and reports of the Board of Directors and Auditors thereon.		
2	Declaration of Dividend on Equity Shares for the year ended March 31, 2018		
3	To appoint a Director in place of Mr. S. J. Marshall, who retires by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business</b>			
4	Approval of re-appointment of Mr. F. K. Banatwalla (DIN: 02670802), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019:		
5	Approval of re-appointment of Mr. S. C. Saran (DIN: 00032194), Independent Director for a second term of 5 consecutive years, existing term expires on March 31, 2019:		
6	Ratification of the Remuneration of the Cost Auditor.		
7	Approval for providing service / delivery document(s) to the Member(s) on actual cost.		

Signed this..... Day of ..... 2018

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

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

Affix Revenue Stamp of Rs. 1
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**Note:**

- (1) This form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of Annual General Meeting of the Company.
- (2) For the resolution, Explanatory Statement and Notes, please refer to Notice of the 57th Annual General Meeting.
- (3) \*\* This is only optional. Please put 'X' in the appropriate column against a resolutions indicated in the box.
- (4) Please complete all details including details of Member (s) in above box before Submission.



*If undelivered please return to :*

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

Unit : Simmonds Marshall Limited  
Unit No. 1, Luthra Industrial Premises  
Andheri Kurla Road, Andheri (East)  
Mumbai - 400 072.  
Tel.: 28515606 / 28515644  
E-mail : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)