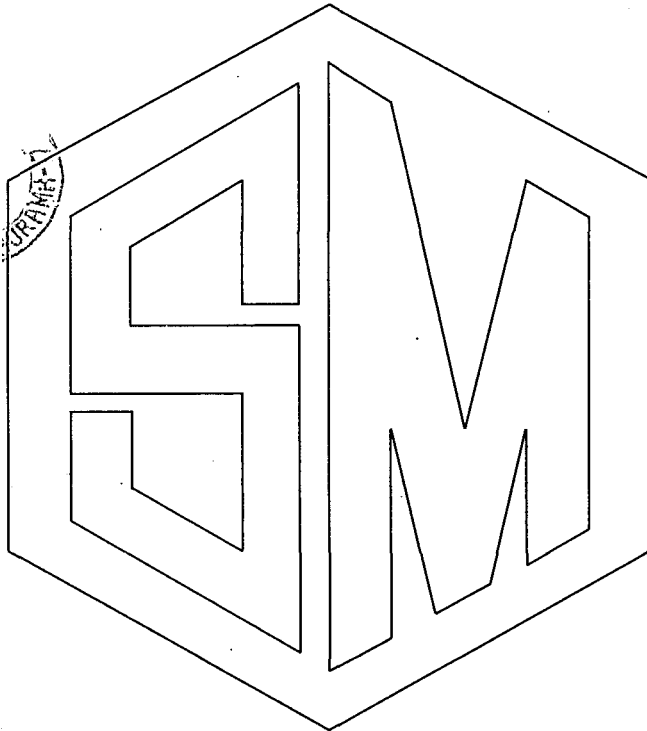


# SIMMONDS MARSHALL LIMITED



49TH ANNUAL REPORT 2008-09

## SIMMONDS MARSHALL LIMITED

### BOARD OF DIRECTORS

Mr. S. J. Marshall  
(Chairman)  
Mr. N. S. Marshall  
(Managing Director)  
Mr. I. M. Panju  
Mr. R. A. Shroff  
Mr. C. B. Bambawale  
Mr. S. C. Saran  
Mr. F K. Banatwalla (appointed on 28/07/2009)

### SECRETARY & CHIEF ACCOUNTANT

Mr. N. D. Bharucha

### AUDITORS

M/s. SHR & Co.  
Chartered Accountants  
Rewa Chambers  
Marine Lines  
Mumbai - 400 020.

### BANKERS

Central Bank of India  
Union Bank of India  
The Zoroastrian Co-operative Bank Ltd.

### ADMINISTRATIVE OFFICE

Apeejay Chambers  
5, Wallace Street  
Mumbai - 400 001.

### REGISTERED OFFICE & FACTORY

Mumbai - Pune Road  
Kasarwadi  
Pune - 411 034.

### REGISTRARS & SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.  
17/B, Dena Bank Building, 2nd Floor,  
Horniman Circle, Fort, Mumbai - 400 001.

**NOTICE:**

NOTICE is hereby given that the FORTY - NINTH Annual General Meeting of the Members of Simmonds Marshall Limited will be held at Kwality Restaurant, Mumbai-Pune Road, MIDC, Chinchwad, Pune 411019 on Wednesday, the 23<sup>rd</sup> September, 2009 at 12.00 Noon to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Directors' Report and the Profit & Loss Account for the year ended March 31, 2009, the Balance Sheet as on that date and the Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. C. Saran who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C. B. Bambawale who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

To consider and if thought fit, to pass with or without modification(s), the following Resolutions.

**6. AS AN ORDINARY RESOLUTION :**

"RESOLVED that Mr. Farokh K. Banatwalla whose term of office as an Additional Director of the Company expires at this Annual General Meeting be and is hereby appointed as Director of the Company".

**7. AS A SPECIAL RESOLUTION :**

"RESOLVED THAT in supercession to all earlier resolutions and subject to such approvals, consents and sanctions as may be necessary and

further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 for appointment of Mr. S. J. Marshall as Chairman of the Company on fresh terms for a period of 3 [Three] years w.e.f. October 1, 2008 at a consolidated remuneration not exceeding Rs. 2,50,000/- p.m."

"FURTHER RESOLVED THAT specific powers be and are hereby given to the Board of Directors of the Company to decide his remuneration from time to time within the overall ceiling not exceeding Rs. 2,50,000/- p.m. and is hereby specifically approved with liberty to the board of the Company to alter and vary the terms and conditions in such manner as may be agreed to between the Board and Mr. S. J. Marshall so as not to exceed the limits as specified in Schedule XIII read with other applicable provisions, if any, of the Act or any amendments thereto or enactment thereof."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

"FURTHER RESOLVED THAT the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time and further in the event of sufficient profits in any year to pay maximum permissible remuneration as provided in Section 198 of the Companies Act, 1956".

## SIMMONDS MARSHALL LIMITED

### MINIMUM REMUNERATION:

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II or Part II of Schedule XIII computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as amended in the future.

### 8. AS A SPECIAL RESOLUTION:

"RESOLVED THAT in supercession to all earlier resolutions and subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 for appointment of Mr. N. S. Marshall as Managing Director of the Company on fresh terms for a period of 3 [Three] years w.e.f. October 1, 2008 at a consolidated remuneration not exceeding Rs. 2,50,000/- p.m."

"FURTHER RESOLVED THAT specific powers be and are hereby given to the Board of Directors of the Company to decide his remuneration from time to time within the overall ceiling not exceeding Rs. 2,50,000/- p.m. and is hereby specifically approved with liberty to the Board of the Company to alter and vary the terms and conditions in such manner as may be agreed to between the Board and Mr. N. S. Marshall so as not to exceed the limits as specified in Schedule XIII read with other applicable provisions, if any, of the Act or any amendments thereto or enactment thereof."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution."

FURTHER RESOLVED THAT the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time and further in the event of sufficient profits in any year to pay maximum permissible remuneration as provided in Section 198 of the Companies Act, 1956.

### MINIMUM REMUNERATION:

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II or Part II of Schedule XIII computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II to Schedule XIII of the Companies Act 1956, as in force for the time being or as amended in the future.

### 9. AS A SPECIAL RESOLUTION:

"RESOLVED THAT in supercession to all earlier resolutions and subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents, and sanctions, the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 for appointment of Mr. I. M. Panju as Whole time Director of the Company on fresh terms for a period of 3 [Three] years w.e.f. January 1,

2009 at a consolidated remuneration not exceeding Rs. 2,50,000/- p.m.”

“FURTHER RESOLVED THAT specific Powers be and are hereby given to the Board of Directors of the Company to decide his remuneration from time to time within the overall ceiling not exceeding Rs. 2,50,000/- p.m. and is hereby specifically approved with liberty to the Board of the Company to alter and vary the terms and conditions in such manner as may be agreed to between the Board and Mr. I. M. Panju so as not to exceed the limits as specified in Schedule XIII read with other applicable provisions, if any, of the Act or any amendments thereto or enactment thereof.”

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to take all such steps and do all such acts and deeds as may be necessary to give effect to the above Resolution.”

“FURTHER RESOLVED THAT the Board be and is hereby authorised to fix, alter and vary the terms and conditions of the appointment provided however that the remuneration payable shall not exceed the limits mentioned above and the limits specified in Schedule XIII of the Companies Act, 1956 as existing or as amended, modified or re-enacted from time to time and further in the event of sufficient profits in any year to pay maximum permissible remuneration as provided in Section 198 of the Companies Act, 1956”.

**MINIMUM REMUNERATION:**

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the limits specified in Section II or Part II of Schedule XIII computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as amended in the future.

**10. AS A SPECIAL RESOLUTION:**

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the existing guidelines issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable laws, and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall include any committee constituted for the time being in force, there of) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board. The consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on preferential basis upto 1,00,000 Equity Shares of face value of Rs.10/- each at a exercise price (Including Premium) decided by the Board of Directors which is not lower than the minimum price specified as per Clause 13.1.1.1 of Chapter XIII of SEBI (Disclosure & Investor Protection) Guidelines, 2000 but not higher than Rs. 100/- per Equity Share to the persons mentioned below on a preferential allotment basis :

<b>Sl. No.</b>	<b>Name of the Applicant (Proposed Allottees)</b>	<b>No. of Equity Shares proposed to be allotted</b>
1.	Mr. Navroze S. Marshall	40,000
2.	Mrs. Maki S. Marshall	38,750
3.	Mrs. Kayan J. Pundole	21,250

## SIMMONDS MARSHALL LIMITED

RESOLVED FURTHER THAT the Equity Shares shall be issued by the Company on the following terms and conditions:

- I. The amount to be paid up on at the time of allotment shall not be less than 100% of the exercise price, and other such terms and conditions of the Equity Shares may be decided in accordance with SEBI Guidelines and other provisions of applicable law, by the Board of Directors.
- II. The Equity Shares allotted to above persons, shall be subject to lock-in period for a period of 3 years from the date of allotment of Equity Shares.
- III. *The issue of the Equity Shares, arising from the aforesaid exercise shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum & Articles of Association of the Company and also the Preferential Issue Guidelines issued by SEBI or any other authority as the case may be, or any modifications thereof.*
- IV. The Equity Shares to be issued and allotted shall rank pari-passu in all respect including payment of Dividend with the existing Equity Shares of the Company.
- V. In the event of the Company making a right offer / bonus offer of new Equity Shares prior to the allotment of these Equity Shares resulting from the exercise of this option, the Equity Shareholders stand increased in the same proportion as that of right offer / bonus issue and such additional Equity Shares will be offered to the Equity Share Holders at the same price at which the existing Shareholders are offered the Equity Shares.

"RESOLVED FURTHER THAT the funds so raised shall be for augmenting the net-worth of the Company".

"RESOLVED FURTHER THAT the Relevant Date in relation to the shares for the purpose of determining the issue price under the SEBI (Disclosure & Investor Protection) Guidelines, 2000, relating to the preferential issue shall be 24<sup>th</sup> August, 2009".

"RESOLVED FURTHER THAT Mr. S. J. Marshall and/or Mr. N.S. Marshall, Directors of the Company be and are hereby jointly and/or severally authorized to take all such steps and sign all such documents as may be deemed necessary to give effect to this resolution and to delegate all or any of the powers herein conferred to any officer or officers of the Company to give effect to the aforesaid resolution or to legal experts, consultants and to pay any fees, commission, remuneration, incur expenses and take such further steps as required for the above."

### 11. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT in supercession of earlier resolutions passed, the consent of the Company be and is hereby accorded under the provision of Section 293 [1](d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time any sum or sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board of Directors may at its discretion think fit notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company ( apart from the temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business ) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount of such borrowing by the Board of Directors shall not at any time exceed Rs. 100 crores."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors be and is hereby authorised to take all steps and give directions as may be necessary or desirable and to settle any question or difficulty whatsoever that may arise herein as they may in their absolute discretion deem fit."

### 12. AS AN ORDINARY RESOLUTION:

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section

293[1](a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct or in favour of all or any of the Financial Institutions/Banks/ any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any other person(s)/bodies corporate by way of private placement or otherwise, to secure rupee/ foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs. 100 crores excluding with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under Agreement/Arrangements entered into/to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments”.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution.”

By the Order of the Board

**S.J. MARSHALL**  
Chairman

Registered Office:  
Mumbai Pune Road  
Kasarwadi  
Pune 411 034

Dated: July 28, 2009

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a Member.
2. The Register of Members, and the Share Transfer Books of the Company, shall remain closed from 8<sup>th</sup> September, 2009 to 23<sup>rd</sup> September, 2009 both days inclusive.
3. The dividend, if declared, will be paid on and from the date of 1<sup>st</sup> October, 2009 to the Members whose names stand in the Register of Members as on 23<sup>rd</sup> September, 2009.
4. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
5. Members are requested to expeditiously intimate any change in their registered addresses to the Company.
6. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
7. Registrar and Transfer Agents:

The Company has appointed M/s. Sharex Dynamic (India) Pvt. Ltd., 17/B, Dena Bank Building, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001 as registrars and transfer agents of the Company. All correspondence in relation to transfer of shares, etc., as well as request for dematerialisation of shares be made to the registrars.

**Explanatory Statement under Sec. 173 of the Companies' Act, 1956:**

**Item 6:**

Mr. Farokh K. Banatwalla was appointed as additional Director at the Board Meeting held on 28<sup>th</sup> July, 2009 and in terms of provision of Section 260 of the Companies Act, 1956 and Article 135 of the Articles of Association of the Company holds office up to the date of the 49<sup>th</sup> Annual General Meeting.

## SIMMONDS MARSHALL LIMITED

Mr. Farokh K. Banatwalla is a banker by profession and has worked with Indian and foreign banks for over 35 years in different capacities including that of CEO and Managing Director. His vast experience will be immensely useful and beneficial to the Company. The Company has received notice in writing from members under Section 257 of the Companies Act, 1956 proposing his candidature for electing him as Director.

### Item 7 to 9:

Mr. S.J. Marshall is Chairman, Mr. N.S. Marshall is Managing Director and Mr. I.M. Panju is Whole-time Director of the Company.

It is proposed to change the terms of appointment of Mr. S.J. Marshall, Mr. N.S. Marshall and Mr. I.M. Panju and pay them remuneration as per the provisions contained in Schedule XIII of the Companies Act, 1956.

It is also proposed to give liberty to the Board of Directors to vary the terms so that in the event of Company earning sufficient profits in any year, the Company can pay maximum permissible remuneration as provided in Section 198 of the Companies Act, 1956.

Looking at the time and other efforts put in by Mr. S.J. Marshall, Mr. N.S. Marshall and Mr. I. M. Panju and the experience they have, the Board recommends the resolutions be passed by the members of the Company.

Necessary disclosures as provided in Section-B to Part-II of Schedule-XIII of the Companies Act, 1956 are as follows:

1. The above revision and change in terms have been cleared by a Resolution passed by the Remuneration Committee.
2. The Company has not defaulted on any Debts or Debentures or Interest payable thereon.
3. The Resolutions proposed above are Special Resolutions and the appointments are for a period of not exceeding 3 years.
4. The other information:

### I. GENERAL INFORMATION:

- a) The Company is an existing Company and is doing business since incorporation. The Company is engaged in production of Industrial Fasteners.
- b) Date of expected date of commencement of commercial production – Not applicable as the Company is an existing Company.
- c) In case of new companies, expected date of commencement of activities - Not applicable as the Company is an existing Company.
- d) Financial performance – The Company achieved a net profit of Rs.2.60 crores
- e) Export performance – F.O.B. Rs.4.95 crores
- f) Foreign investments or collaboration, if any. NIL

### II. INFORMATION ABOUT THE APPOINTEES:

1. Mr. S.J. Marshall aged about 71 years has an extensive experience of over 45 years to his credit. He is an Economics graduate from Bombay University. He has undergone a corroborative training for a period of 2 years with our collaborators in UK.
2. Mr. N.S. Marshall aged about 33 years has got an experience of over 9 years to his credit. He is an MBA in Management. He has vast experience with multinationals in the United States of America to his credit and is managing the day to day affairs as Managing Director of the Company.
3. Mr. I.M. Panju aged about 49 years has got an experience of over 23 years to his credit. He is an MBA in Finance. He has vast experience as a financial consultant and is a big asset to the Company, being the Whole-time director of the Company.

### III. OTHER INFORMATION:

The Company is not a loss making Company but has inadequate Profits. The reason being



the Industry in which the Company operates is competitive and also restricts its margins.

But in future with increase in Sales and favourable market conditions, the performance of the Company will improve substantially.

Comparative remuneration with respect to Industry, size of the Company etc. are not possible to be compiled as it is difficult to call and compile information from such industries. In this regard the Board is of the opinion that the proposed remuneration is not detrimental to the interest of the Company nor its other stakeholders.

**IV. DISCLOSURE:**

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

There is no Service Contract with the Managing or Whole time Directors.

Mr. S.J. Marshall, Mr. N.S. Marshall and Mr. I.M. Panju may be deemed to be interested in the respective resolutions as the respective resolutions are related to each of them.

Mr. S.J. Marshall, Mr. N.S. Marshall and Mr. I.M. Panju may be deemed to be interested in the resolution No. 7,8, & 9 as they are related to each other.

This Explanatory Statement along with the notice is and shall be deemed to

be an abstract under Section 302 of the Companies Act, 1956.

**Item 10:**

The following disclosure is made in accordance with the provisions of Chapter XIII of the Securities and Exchange Board of India (Disclosure of Investor Protection) Guidelines, 2000.

**1. OBJECTS OF THE ISSUE :**

The Company is engaged in manufacture of Industrial Fastners. To expand its business, beside augmenting the long term working capital requirement of the Company, the Company has taken loans from Directors of the Company. Now the Board has decided to convert the said loans into equity shares. The increase in equity through issue of Equity Shares would also increase net worth of the Company.

**2. INTENTION OF THE PROMOTERS/ DIRECTORS:**

The intention of the Promoters is just to convert their loans into equity as this will lead to increase in net worth of the Company.

No Change in Control:

As the allotment is to the existing Promoters, the existing promoters of the Company will continue to be in control of the Company and there will not be any changes in the management / control of the Company as a result of the proposed preferential allotment.

## SIMMONDS MARSHALL LIMITED

### 3. SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE:

Category	Pre-issue Equity Holding	% of Share Holding	Post-issue Equity Holding*	% of Share Holding
	<b>30/06/2009</b>			
<b>1. Promoters Group</b>				
a. Indian Promoters	10,74,939	51.187	11,74,939	53.406
b. Total for Promoters Group	10,74,939	51.187	11,74,939	53.406
<b>2. Institutional Investors</b>				
a. Banks, Financial Institutions, Insurance Companies	100	0.005	100	0.004
b. Total of Institutional Investors	100	0.005	100	0.004
<b>3. Others</b>				
a. Resident Indians	7,35,861	35.041	7,35,861	33.448
b. Bodies Corporate	2,66,654	12.698	2,66,654	12.121
c. NRIs/OCBs	20,676	0.985	20,676	0.940
d. Under Clearing Member	1,770	0.084	1,770	0.081
e. Total of Others	10,24,961	48.808	10,24,961	46.590
<b>Total Paid-up Capital</b>	<b>21,00,000</b>	<b>100.000</b>	<b>22,00,000</b>	<b>100.000</b>

\* Assuming that the proposed holder have exercised their entitlement in full.

Lock in Period:

The Equity Shares to be issued to above allottees shall be locked in for a period as prescribed under SEBI [Disclosure & Investor Protection] Guidelines 2000 as amended.

#### 4. PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED:

The Company will complete the allotment of shares within a period of 15 days from the date of passing of the resolution by the shareholders or where the allotment on preferential basis requires any approval by any regulatory authority or central

Government, the allotment of shares will be completed within 15 days from the date of such approvals.

#### Certificates from Auditors:

M/s. SHR & CO., Chartered Accountants, Statutory Auditors of the Company has certified that the proposed preferential issue is being made in accordance with the requirements contained in SEBI (DIP) Guidelines, 2000 for Preferential Issue. A copy of the said certificates is available for inspection by the shareholders at the registered office of the Company on all working days except Saturdays and Sundays between 11.00 a.m. to 3.00 p.m. prior to the date of Annual General Meeting and will also be available for inspection at the meeting.

**Details of Proposed Allotment of Equity Shares:**

Sl. No.	Name of the Proposed Allottees	Preferential Allotment	
		No. of Proposed Equity Shares to be allotted	% of post issue Equity Shares*
1	Mr. Navroze S. Marshall	40,000	40.00%
2	Mrs. Maki S. Marshall	38,750	38.75%
3	Mrs. Kayan J. Pundole	21,250	21.25%
	<b>Total</b>	<b>1,00,000</b>	<b>100.00%</b>

**NOTE :**

\* Assuming that the holders have exercised their entitlement in full.

The above Equity Shares will be issued and allotted at a price not less than the higher of the following in terms of SEBI Guidelines for preferential issue as amended from time to time :-

- a. The average of the weekly high and low of the closing prices of the related shares quoted on the Stock Exchange during the six months preceding the relevant date, or
- b. The average of the weekly high and low of the closing prices of the related shares quoted on a Stock Exchange during the two weeks preceding the relevant date.

**Explanation:**

- (i) "Relevant Date" for the purpose of this clause means the date Thirty days prior to the date on which the meeting of General body of Shareholders is held in terms of Section 81 (1A) of the Companies Act, 1956 to consider the proposed issue, which is 24<sup>th</sup> August, 2009.
- (ii) "Stock Exchange" for the purpose of this clause means any of the recognized stock exchanges on which the Shares are listed and in which the highest trading volume in respect of shares of the Company has been

recorded during the preceding six months prior to the relevant date.

The Resolution requires approval of the members as per the provisions of the Companies Act, 1956 and your Board recommends the Resolution for approval.

Mr. Navroze S. Marshall may be deemed to be interested in the Resolution to the extent of his existing shareholding in the Company.

Mr. Shiamak J. Marshall be considered to be interested being related to Mr. Navroze S. Marshall.

None of the other directors of the Company is / are interested in the said Resolution..

**Item 11 & 12:**

The Company, from time to time, obtains loans and financial assistance from the Financial Institutions/Banks/other lending agencies/trustees for the holders of debentures/bonds/ other instruments which may be issued and the same are required to be secured by creation of mortgage/charge on the assets of the Company.

Section 293[1](a) of the Companies Act, 1956, inter alia, provides that the Board of Directors of a Public Limited Company shall not without the consent of the Company in General Meeting sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the

## SIMMONDS MARSHALL LIMITED

Company, since creation of mortgage/charge by the Company in favor of the above entities may be regarded as disposal of the assets or undertaking of the Company, it is necessary for the members to pass a resolution under Section 293[1](a) of the Companies Act, 1956.

The Company is requiring funds for day to day working and also on going expansion. For these new loans are proposed to be obtained. It is therefore necessary to increase the limit to which the company can borrow funds to Rs. 100 crores.

Therefore it is necessary for members to pass the resolution under Sections 293[1](a) and Section 293[1](d) of the Companies Act, 1956.

The Board recommends the resolution to be passed.

None of the Directors of the Company are concerned or interested in the Resolution.

By the Order of the Board

**S.J. MARSHALL**  
Chairman

Registered Office:  
Mumbai Pune Road  
Kasarwadi  
Pune 411 034

Dated: July 28, 2009

**DIRECTORS' REPORT****TO THE MEMBERS OF SIMMONDS MARSHALL LIMITED.**

Your Directors have pleasure in presenting their FORTY-NINTH Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

**FINANCIAL RESULTS**

	<b>2007 - 08</b>	
	<b>Rupees</b>	<b>Rupees</b>
Profit for the year	2,60,20,087	4,55,61,743
Less: Provisions for Tax		
Current Tax	55,00,000	1,35,00,000
Fringe Benefit Tax	4,00,000	5,00,000
Deferred Tax (Net)	34,57,617	25,13,079
Add: Profit brought forward from the Previous year	5,88,36,019	3,81,55,334
Less: Taxes of prior years	—	1,98,134
Less: Expenses relating to prior years	—	7,56,055
Less: Provision for Tax on Dividend	4,28,274	7,13,790
Less: Transfer to Special Reserve	10,00,000	25,00,000
Less: Transfer to Reserves & Surplus	7,15,50,215	5,88,36,019
<b>Leaving a balance of</b>	<b>25,20,000</b>	<b>42,00,000</b>

Your Directors recommend payment of Dividend of Rs.1.20 per Equity Share.

**OPERATION:**

The turnover during the year was Rs.32,68,37,935/- against Rs.30,03,40,021/-, registering an increase of 8.82%. However, the profit reduced to Rs.2,60,20,087/- from Rs.4,55,61,743/-.

The year 2008-09 started with a strong economy carrying forward momentum of previous years' growth. However, towards September '08, global recession caught up with India and the economy slowed down significantly.

The Indian Automotive Industry grew overall at 4% till September '08 and thereafter nose-dived. The high interest rate in combination with the non-availability of the funds affected the market demand for the vehicles which in

turn affected the Company's performance. The Auto Industry was severely affected and the Company's growth and performance is inextricably linked with this segment of industry.

The year 2009-10 is likely to be a stable year and there are already signs of recovery especially for the 2-wheeler segment.

**EXPORTS:**

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

During the year under review, the Company exported goods worth F.O.B. Rs.4,95,23,912/-. The Company hopes to do much better on this front in the future.

**ENVIRONMENT & ENERGY  
CONSERVATION:**

Efforts for control of Environment and Conservation of energy is an on-going process in your Company. As required by the Company's (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relevant data pertaining to conservation of energy, technology, absorption and Foreign Exchange Earnings and Outgo are given in the prescribed format as per Annexure to this Report.

**PARTICULARS OF EMPLOYEES:**

Information pursuant to Section 217(2A) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988 read with the Companies (Particulars of Employees) Rules, 1975 form part of this Report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the Shareholders of the Company, excluding the aforesaid information. Any Shareholder of the Company interested in obtaining a copy of the said statement may write to the Secretary & Chief Accountant, Apeejay Chambers, 5 Wallace Street, Fort, Mumbai 400 001.

**DIRECTORS:**

Mr. R.A. Shroff resigned from the Board of Directors of the Company on 28<sup>th</sup> July, 2009. Your Directors place on records their appreciation of valuable service and able guidance rendered by Mr. R.A. Shroff to the Company during the tenure as a Director.

Mr. S.C. Saran retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. C.B. Bambawale retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Farokh K. Banatwalla was appointed as an Additional Director at the Board Meeting held on 28<sup>th</sup> July, 2009. His appointment is to be confirmed at the forthcoming Annual General Meeting.

**DIRECTORS' RESPONSIBILITY  
STATEMENT:**

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgements and estimates made 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 ended 31<sup>st</sup> March, 2009 and the profit and loss account for the year ended 31<sup>st</sup> March, 2009;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

**SECRETARIAL COMPLIANCE  
CERTIFICATE:**

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

**AUDITORS:**

M/s. SHR & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as Auditors of the Company.

**ACKNOWLEDGEMENT:**

The Directors wish to place on record the support received from its employees, banks, financial institutions, shareholders, customers and suppliers.

By the Order of the Board

**S.J. MARSHALL**  
Chairman

Dated: July 28, 2009

## ANNEXURE TO DIRECTORS' REPORT

## FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO  
CONSERVATION OF ENERGY

## A. POWER &amp; FUEL CONSUMPTION :

	Current Year 2008-09	Previous Year 2007-08
NYLOC SELF LOCKING NUTS (INDUSTRIAL FASTNERS)		
1. Electricity		
(a) Purchased Units-Lakh KWH	14.38	10.55
Total Amount	79.58	58.00
Rate / Unit - Rs.	5.53	5.50
(b) Own Generation		
(i) Through Diesel Generation		Not Applicable
Unit per ltr. of Diesel Oil Cost / Unit		
(ii) Through Steam Turbine / Generator Unit		Not Applicable
Unit per ltr. of Fuel Oil / Gas Cost / Unit		
2. Coal (specify quality and where used )		Not Applicable
Quantity (Tonnes)		
Total Cost		
Average Rate		
3. Furnace Oil		Not Applicable
Quantity (K. Ltrs)		
Total Amount - Rs. Lakhs		
Average Rate-- Rs. Per K. Ltr.		
4. Others / Internal Generation (Please Give Details)		Not Applicable
Quantity		
Total Cost		
Rate / Unit		

## SIMMONDS MARSHALL LIMITED

### B. CONSUMPTION PER UNIT OF PRODUCTION :

Product	Electricity KWH/Tonne	Furnace Oil Ltrs./Tonne	Coal Kgs/Tonne
Industrial Self Locking Nuts			
Current Year	895.29		Not Applicable
Previous Year	613.78		Not Applicable

### CONSERVATION OF ENERGY

Monitoring of power factor and steps to avoid wastage of energy is being done and is an on-going commitment.

### FORM-B

DISCLOSURE OF PARTICULARS WITH RESPECT TO  
TECHNOLOGY ABSORPTION

### RESEARCH AND DEVELOPMENT

We do not have a Research & Development Department. However, the Company regularly keeps in touch with technological developments pertaining to its product so that general improvements are implemented.

### TECHNOLOGY ABSORPTION

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 is an on-going process.

### FORM - C

FOREIGN EXCHANGE EARNINGS & OUTGO

### EARNINGS

Efforts are being made to explore Foreign Market. The Company's F.O.B. Value of Exports were Rs. 4,95,23,912/- and Rs. 8,74,105/- was received towards claims during the year ended 31st March, 2009.

The Company expects to maintain the steady growth in Exports.

### OUTGO

The Foreign Exchange Outgo/Expenditure has been Rs. 11,01,62,688/- during the year ended 31st March, 2009.



**SECRETARIAL COMPLIANCE CERTIFICATE**

**AUTHORISED SHARE CAPITAL : RS. 10,00,00,000/-.**

**PAID UP SHARE CAPITAL: RS. 2,10,00,000/-.**

The Members

**M/s. SIMMONDS MARSHALL LIMITED**

Mumbai-Pune Road

Kasarwadi

Pune - 411 034.

I have examined the registers, records, books and papers of **M/s. SIMMONDS MARSHALL LIMITED** [the Company] as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on **MARCH 31, 2009**. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **ANNEXURE - 'A'** to this Certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as required with the Registrar of Companies or other authorities as prescribed under the Act and the rules made hereunder wherever applicable **AS PER ANNEXURE - 'B'**.
3. The Company being a Limited Company, Comments not required.
4. The Board of Directors duly met 4 [FOUR] times during the aforesaid Financial Year i.e. on 25/04/2008, 31/07/2008, 31/10/2008 and 30/01/2009 and in respect of each meeting proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members during the financial year.
6. The Company held its Annual General Meeting during the year in time i.e. on 24<sup>th</sup> September, 2008 and in respect of which proper notice was given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not given or advanced any amount as defined in Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has entered necessary particulars in the register maintained under Section 301 of the Companies Act, 1956.

## SIMMONDS MARSHALL LIMITED

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has issued duplicate share certificates during the financial year and necessary compliances of the Act were made.
13. The Company has:
  - i. delivered all the certificates on allotment of Shares in accordance with the provisions of the Companies Act, 1956.
  - ii. duly complied with the requirements of Section 217 of the Act.
  - iii. other clauses are not applicable.
14. The Board of Directors of the Company is duly constituted.
15. The Company has appointed/re-appointed Managing Director/Whole Time Director during the financial year and necessary compliances of the Act were made.
16. The company has not appointed any Sole Selling Agents during the financial year.
17. The company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Equity Shares during the financial year under review.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has complied with the provisions of Section 293 (1) (d) of the Act.
25. The Company has complied with the provisions of Section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from the one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Object of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment has imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was regular in depositing the Provident Fund dues with the prescribed authorities.

**[CS MAHESH SONI]**  
**Practising Company Secretary**  
**FCS: 3706; COP: 2324.**

Mumbai, July 28, 2009.

## SIMMONDS MARSHALL LIMITED

### ANNEXURE 'A' TO THE SECRETARIAL COMPLIANCE CERTIFICATE :

Name of the Company: M/s. SIMMONDS MARSHALL LIMITED.

#### DETAILS OF REGISTERS MAINTAINED:

Sl. No.	Section Number	Name of Register
1.	108	Share Transfer Register
2.	150	Register of Members
3.	193	Minutes of all meetings of Board of Directors
4.	193(1)	Minutes of General Meetings
5.	301	Register of Contracts
6.	303	Register of Directors
7.	307	Register of Directors' Shareholding
8.	125	Register of Charge

### ANNEXURE 'B' TO THE SECRETARIAL COMPLIANCE CERTIFICATE

Name of the Company: M/s. SIMMONDS MARSHALL LIMITED.

#### DETAILS OF FORMS FILED WITH THE REGISTRAR OF COMPANIES:

Sl. No.	Document / Under Section	Filed on	Whether filed in time	Whether additional fee paid
1.	Annual Return U/s. 159 Form 20B	19.11.2008	Yes	No
2.	Balance Sheet U/s.210 Form 23AC/23ACA	28.10.2008	No	Yes
3.	Din 3	25.02.2009	No	Yes

[CS MAHESH SONI]  
Practising Company Secretary  
FCS: 3706; COP: 2324.

Mumbai, July 28, 2009.

**AUDITORS' REPORT****TO THE MEMBERS OF  
SIMMONDS MARSHALL LIMITED**

1. We have audited the attached Balance Sheet of SIMMONDS MARSHALL LIMITED as at March 31, 2009 and also the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) on the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For SHR & CO.  
Chartered Accountants

( HITESH R. SHAH )  
PARTNER  
Membership No. 104795

Mumbai, July 28, 2009

**ANNEXURE TO THE  
AUDITORS' REPORT**

**(ANNEXURE REFERRED TO IN PARAGRAPH 2  
OF OUR REPORT OF EVEN DATE ON THE  
FINANCIAL STATEMENTS FOR THE YEAR  
ENDED MARCH 31, 2009 OF SIMMONDS  
MARSHALL LIMITED)**

- i. (a) The Company is in the process of updating its records showing particulars, including quantitative details and situation of fixed assets;
- (b) According to information and explanations provided to us the company has decided to carry out the physical verification of fixed assets once in three years which in our opinion is reasonable having regard to the size of the company and nature of its business. As explained to us, necessary adjustments in respect of discrepancies if any, noticed will be made in the books on such verification of fixed assets.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii. (a) As explained to us, inventory have been physically verified during the year by the management, except for inventory lying with outside parties, for which confirmations have been obtained from them.
- (b) The procedures explained to us, which are followed by the management for physical verification of inventory, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records, have been properly dealt with in the books of account.
- iii. (a) According to the information and explanations given to us, the Company has not granted any secured or unsecured loan to Companies, firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956.

**ANNEXURE TO THE  
AUDITORS' REPORT (contd.)**

- (b) According to the information and explanation given to us, the Company has taken unsecured loans from Companies, firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 2,80,83,232/- and the year-end balance of such loans aggregates to Rs. 2,80,15,091/-. There are nine parties including Companies and firms covered in the register maintained u/s 301 of the Companies Act, 1956 from whom Company has taken loans.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken from Companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (d) There is no stipulation as to repayments of principal amount in respect of aforesaid loans. The Company is regular in payment of interest.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- v. (a) According to the information and explanations given to us, we are of the opinion that during the year, the particulars of contracts/arrangements that need to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58 AA of the Companies Act, 1956, and the rules framed there under during the year. No order has been passed by Company Law Board or National Company Tribunal or Reserve Bank of India or any Court or any Tribunal.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of records with a view to determine whether they are accurate.
- ix. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at March 31, 2009 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty or Cess outstanding on account of any dispute except income Tax demand of Rs. 23,01,730 for assessment year 2006-2007 against which the company has preferred an appeal before the Commissioner of Appeals (Mumbai).
- x. The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- xi. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to banks.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- xiv. The Company does not deal or trade in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- xvi. As informed to us, the term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us on an overall examination of Balance Sheet and Cash Flows of the Company, we report that the Company has not utilised funds raised on short-term basis for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not issue any debentures during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For SHR & CO.  
Chartered Accountants

(HITESH R. SHAH)  
PARTNER  
Membership No. 104795

Mumbai, July 28, 2009.

# SIMMONDS MARSHALL LIMITED

## BALANCE SHEET

AS AT MARCH 31, 2009

	Schedule No.	Rupees	As at 31-3-2008 Rupees
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	2,10,00,000	2,10,00,000
Reserves and Surplus	2	<u>7,71,50,215</u>	<u>6,34,36,019</u>
		<u>9,81,50,215</u>	<u>8,44,36,019</u>
<b>LOAN FUNDS</b>			
Secured Loans	3	14,26,88,510	11,75,87,527
Unsecured Loans (Refer to Note No. 3 of Schedule 18)		<u>3,09,34,038</u>	<u>2,88,53,898</u>
		<u>17,36,22,548</u>	<u>14,64,41,425</u>
Deferred Tax Liability (Net) (Refer to Note No. 15 of Schedule 18)		1,06,30,686	71,73,069
<b>TOTAL</b>		<u>28,24,03,449</u>	<u>23,80,50,513</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	17,21,82,665	14,12,07,242
Less: Depreciation		<u>6,43,12,027</u>	<u>5,74,59,644</u>
Net Block		<u>10,78,70,638</u>	<u>8,37,47,598</u>
<b>INVESTMENTS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	5	12,79,468	12,79,468
Inventories	6	12,17,74,422	10,03,26,928
Sundry Debtors	7	8,18,57,683	7,79,36,693
Cash and Bank Balances	8	56,79,390	1,43,48,257
Loans and Advances	9	<u>4,52,54,045</u>	<u>4,36,48,408</u>
		<u>25,45,65,540</u>	<u>23,62,60,286</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	10	3,40,46,540	4,63,23,049
Provisions	11	<u>4,72,65,657</u>	<u>3,69,13,790</u>
		<u>8,13,12,197</u>	<u>8,32,36,839</u>
<b>NET CURRENT ASSETS</b>		<u>17,32,53,343</u>	<u>15,30,23,447</u>
<b>TOTAL</b>		<u>28,24,03,449</u>	<u>23,80,50,513</u>
<b>NOTES TO THE ACCOUNTS</b>			
	18		

As per our Report attached

For SHR & Co.  
Chartered Accountants

HITESH R. SHAH  
Partner  
Membership No. 104795

Mumbai, July 28, 2009

N. D. BHARUCHA  
Secretary & Chief  
Accountant

S. J. MARSHALL  
N. S. MARSHALL  
I. M. PANJU  
R. A. SHROFF  
C. B. BAMBAWALE  
S. C. SARAN  
F. K. BANATWALLA

Chairman  
Managing Director

Directors



**SIMMONDS MARSHALL LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule No.	Rupees	2007-08 Rupees
<b>INCOME</b>			
Sale of Goods		36,32,26,725	34,11,62,327
Less: Excise Duty		<u>3,63,88,790</u>	<u>4,08,22,306</u>
		32,68,37,935	30,03,40,021
Miscellaneous Income	12	<u>64,91,818</u>	<u>17,73,637</u>
		<u>33,33,29,753</u>	<u>30,21,13,658</u>
<b>EXPENDITURE</b>			
Variation in Stocks	13	23,83,092	(88,41,630)
Raw Materials and Components	14	15,36,55,096	13,87,91,871
Payments to and Provisions for Employees	15	5,95,14,229	4,79,28,588
Other Expenses	16	6,25,83,149	5,86,55,654
Depreciation		77,25,308	62,52,983
Interest	17	<u>2,14,48,792</u>	<u>1,37,64,449</u>
		<u>30,73,09,666</u>	<u>25,65,51,915</u>
<b>PROFIT BEFORE TAX</b>		2,60,20,087	4,55,61,743
Less : PROVISIONS FOR TAX			
Current Tax		55,00,000	1,35,00,000
Fringe Benefit Tax		4,00,000	5,00,000
Deferred Tax (Net)		<u>34,57,617</u>	<u>25,13,079</u>
(Refer to Note No. 15 of Schedule 18)			
<b>NET PROFIT</b>		1,66,62,470	2,90,48,664
Less : Expenses relating to prior years		—	7,56,055
Less : Taxes of prior years		—	<u>1,98,134</u>
Profit after taxation and prior period adjustments		1,66,62,470	2,80,94,475
Add : Profit brought forward from Previous Year		<u>5,88,36,019</u>	<u>3,81,55,334</u>
Amount available for appropriation		<u>7,54,98,489</u>	<u>6,62,49,809</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend on Equity Shares		25,20,000	42,00,000
Provision for Tax on dividend		4,28,274	7,13,790
Transfer to General Reserve		10,00,000	25,00,000
Balance Carried to Reserves & Surplus		<u>7,15,50,215</u>	<u>5,88,36,019</u>
		<u>7,54,98,489</u>	<u>6,62,49,809</u>
Basic and diluted earning per share (Rs.)		7.93	13.38

**NOTES TO THE ACCOUNTS**

18

As per our Report attached

For SHR & Co.  
Chartered Accountants

N. D. BHARUCHA  
Secretary & Chief  
Accountant

S. J. MARSHALL  
N. S. MARSHALL  
I. M. PANJU  
R. A. SHROFF  
C. B. BAMBAWALE  
S. C. SARAN  
F. K. BANATWALLA

Chairman  
Managing Director

HITESH R. SHAH  
Partner  
Membership No. 104795

Directors

Mumbai, July 28, 2009

**SIMMONDS MARSHALL LIMITED**

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

		31-3-2009 Rupees	As at 31-3-2008 Rupees
<b>SCHEDULE 1 : SHARE CAPITAL</b>			
AUTHORISED :			
1,00,00,000	Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
(Previous year			
1,00,00,000)		<u>10,00,00,000</u>	<u>10,00,00,000</u>
<b>ISSUED AND SUBSCRIBED</b>			
21,00,000 (Previous year	Equity Shares of Rs. 10/- each		
21,00,000)	fully paid-up	<u>2,10,00,000</u>	<u>2,10,00,000</u>
of the above shares:			
12,718	Equity Shares were allotted as fully paid-up pursuant to a contract without payments being received in cash.		
1,10,000	Equity Shares of Rs. 10/- each were allotted as fully paid by way of Bonus Shares by capitalisation of General Reserve.		

**SIMMONDS MARSHALL LIMITED**

	31-3-2009 Rupees	As at 31-3-2009 Rupees	31-3-2008 Rupees	As at 31-3-2008 Rupees
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>				
<b>GENERAL RESERVE</b>				
Per Last Balance Sheet	46,00,000		21,00,000	
Add : Transfer from Profit & Loss Account	<u>10,00,000</u>		<u>25,00,000</u>	
		56,00,000		46,00,000
Profit and Loss A/c.		7,15,50,215		5,88,36,019
		<u>7,71,50,215</u>		<u>6,34,36,019</u>
<b>SCHEDULE 3 : SECURED LOANS</b>				
<b>FROM NATIONALISED BANKS</b>				
Loans and Overdrafts (Refer to note i, ii & iii)		10,21,19,261		9,60,91,370
<b>FROM A CO-OPERATIVE BANK</b>				
Term Loan	1,45,06,360		66,09,077	
Other Loans and Overdrafts (Refer to note i, ii & iii)	<u>2,21,30,301</u>		<u>1,40,39,592</u>	
		3,66,36,661		2,06,48,669
<b>FROM BANKS &amp; OTHERS</b> (Secured against vehicles) (Refer to note iv)		39,32,588		8,47,488
<b>NOTE :</b>				
i. Term Loans are secured against hypothecation of specific plant & machineries.				
ii. Other Loans and overdrafts are secured against hypothecation of raw materials, stocks in process, finished goods, spares & book debts.				
iii. All Loans are secured by hypothecation of all movable assets on pari-passu basis shared between consortium of banks and also secured by personal guarantee of Chairman.				
iv. Secured against hypothecation of Vehicles.				
		<u>14,26,88,510</u>		<u>11,75,87,527</u>

**SIMMONDS MARSHALL LIMITED**

**SCHEDULE 4 : FIXED ASSETS**

	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As at April 1, 2008	Addi- tions	Deduc- tions	As at March 31, 2009	As at April 1, 2008	On Deduc- tions	For the Year	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Factory Premises	1,15,05,606	33,39,274	—	1,48,44,880	15,40,955	—	4,25,646	19,66,601	1,28,78,279	99,64,651
Warehouse	6,00,959	—	—	6,00,959	3,57,322	—	20,072	3,77,394	2,23,565	2,43,637
Plant & Machinery	11,14,72,265	2,22,08,851	—	13,36,81,116	4,89,88,286	—	53,99,917	5,43,88,203	7,92,92,913	6,24,83,979
Vehicles	64,96,483	61,77,469	17,81,789	1,08,92,163	23,56,953	8,72,925	10,39,403	25,23,431	83,68,732	41,39,530
Office Equipments	21,35,895	48,499	—	21,84,394	12,45,382	—	91,909	13,37,291	8,47,103	8,90,513
Computers	27,43,338	3,33,382	—	30,76,720	16,38,931	—	2,92,383	19,31,314	11,45,406	11,04,407
Electrical Installations	43,61,852	58,300	—	44,20,152	5,70,295	—	3,04,151	8,74,446	35,45,706	37,91,557
Furniture & Fixtures	18,90,844	5,91,437	—	24,82,281	7,61,520	—	1,51,827	9,13,347	15,68,934	11,29,324
<b>Total</b>	<b>14,12,07,242</b>	<b>3,57,57,212</b>	<b>17,81,789</b>	<b>17,21,82,665</b>	<b>5,74,59,644</b>	<b>8,72,925</b>	<b>77,25,308</b>	<b>6,43,12,027</b>	<b>10,78,70,638</b>	<b>8,37,47,598</b>
Previous Year	7,98,28,620	6,24,74,410	10,95,788	14,12,07,242	5,12,06,661	—	62,52,983	5,74,59,644	8,37,47,598	—

## SIMMONDS MARSHALL LIMITED

	31-3-2009 Rupees	As at 31-3-2009 Rupees	31-3-2008 Rupees	As at 31-3-2008 Rupees
<b>SCHEDULE 5 : INVESTMENTS</b>				
Long Term - Unquoted (At Cost)				
NON-TRADE :				
4000 (Previous year 4000) Shares @ Rs. 25/- each of Zoroastrian Co-op. Bank Ltd.		1,00,000		1,00,000
TRADE :				
131051 (Previous year 131051) Shares @ Rs.10/- each of Formex Pvt. Ltd.		11,79,468		11,79,468
		<u>12,79,468</u>		<u>12,79,468</u>
<b>SCHEDULE 6 : INVENTORIES</b>				
(As valued and certified by the Chairman)				
Stores & Spare Parts - at cost		3,25,420		4,34,285
Packing Materials - at cost		30,575		1,56,938
Loose Tools - at cost		4,26,02,804		2,89,04,090
Stock in Trade :				
Raw Materials - at cost	3,03,61,502		1,99,94,402	
Work in Process - at cost	2,61,81,090		3,42,08,982	
Finished Goods - at lower of cost or net realisable value	<u>2,22,73,031</u>		<u>1,66,28,231</u>	
		7,88,15,623		7,08,31,615
		<u>12,17,74,422</u>		<u>10,03,26,928</u>
<b>SCHEDULE 7 : SUNDRY DEBTORS</b>				
(Unsecured, considered good)				
Debts exceeding six months		81,40,390		15,85,836
Other Debts		<u>7,37,17,293</u>		<u>7,63,50,857</u>
		<u>8,18,57,683</u>		<u>7,79,36,693</u>
<b>SCHEDULE 8 : CASH AND BANK BALANCES</b>				
With Scheduled Banks				
on Current Account		32,62,146		46,91,395
on Time Deposits		24,17,244		96,56,862
(Earmarked against Import Letter of Credits)		<u>56,79,390</u>		<u>1,43,48,257</u>

## SIMMONDS MARSHALL LIMITED

	As at 31-3-2009 Rupees	As at 31-3-2008 Rupees
<b>SCHEDULE 9 : LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Deposits	19,31,215	18,50,899
Advances recoverable in cash or in kind or for value to be received	59,64,848	1,03,72,814
Balance with Excise Authorities on Current Account	2,580	3,405
Interest Accrued on Time Deposits	34,443	64,009
Advance Payment of Income Tax & Tax deducted at source	3,73,20,959	3,13,57,281
	<u>4,52,54,045</u>	<u>4,36,48,408</u>
<b>SCHEDULE 10 : CURRENT LIABILITIES</b>		
Sundry Creditors (Note 8 of Schedule 18)		
Due to Micro, Small & Medium Enterprises	10,27,523	85,41,248
Due to others	3,25,41,701	3,74,77,319
Unclaimed Dividend	4,77,316	3,04,482
	<u>3,40,46,540</u>	<u>4,63,23,049</u>
<b>SCHEDULE 11 : PROVISIONS</b>		
Gratuity Liability	68,17,383	—
Taxes	3,75,00,000	3,20,00,000
Proposed Dividend	25,20,000	42,00,000
Provision for Tax on Dividend	4,28,274	7,13,790
	<u>4,72,65,657</u>	<u>3,69,13,790</u>

**SCHEDULES FORMING PART OF  
THE PROFIT AND LOSS ACCOUNT**

	2008-09 Rupees	2007-08 Rupees
<b>SCHEDULE 12 : MISCELLANEOUS INCOME</b>		
Interest on Deposits	3,11,800	2,67,915
Tax Deducted at Source: Rs.54,514/- (Previous Year Rs.37,375/-)		
Other Income	6,57,860	4,16,724
Dividend Income Non-Trade Investments	15,000	15,000
Difference in Foreign Exchange (Net)	—	10,73,998
Prior period income (Net)	55,07,158	—
	<u>64,91,818</u>	<u>17,73,637</u>

**SCHEDULE 13 : VARIATION IN STOCKS**
**OPENING STOCKS**

Work-in-Process	3,42,08,982	3,00,82,797
Finished Goods	1,66,28,231	1,19,12,786
	<u>5,08,37,213</u>	<u>4,19,95,583</u>

**LESS : CLOSING STOCKS**

Work-in-Process	2,61,81,090	3,42,08,982
Finished Goods	2,22,73,031	1,66,28,231
	<u>4,84,54,121</u>	<u>5,08,37,213</u>
	<u>23,83,092</u>	<u>(88,41,630)</u>

**SIMMONDS MARSHALL LIMITED**

	<b>2008-09</b> Rupees	<b>2007-08</b> Rupees
<b>SCHEDULE 14 : RAW MATERIALS AND COMPONENTS COST</b>		
Opening Stock	1,99,94,402	1,40,96,200
Add : Purchases	<u>16,95,36,564</u>	<u>14,62,62,182</u>
	18,95,30,966	16,03,58,382
Less: Sale of Turnings, Borings and Bar Ends	<u>55,14,368</u>	<u>54,83,678</u>
	18,40,16,598	15,48,74,704
Less: Closing Stock	<u>3,03,61,502</u>	<u>1,99,94,402</u>
	15,36,55,096	13,48,80,302
Opening Stock (Trading Items)	—	—
Add: Trading Purchase	—	39,11,569
Less: Closing Stock (Trading Items)	<u>—</u>	<u>—</u>
	<u>15,36,55,096</u>	<u>39,11,569</u>
	<u><u>15,36,55,096</u></u>	<u><u>13,87,91,871</u></u>
<b>SCHEDULE 15 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries, Wages and Bonus	3,74,26,395	3,62,77,895
Contribution to Provident & Other Funds	41,56,329	38,02,315
Contribution to Group Gratuity-cum-Life Assurance Scheme with Life Insurance Corporation of India	79,28,295	15,97,581
Staff Welfare	<u>1,00,03,210</u>	<u>62,50,797</u>
	<u>5,95,14,229</u>	<u>4,79,28,588</u>



**SIMMONDS MARSHALL LIMITED**

	<b>2008-09 Rupees</b>	<b>2007-08 Rupees</b>
<b>SCHEDULE 16 : OTHER EXPENSES</b>		
Stores Consumed	41,13,308	33,05,608
Loose Tools Consumed	1,17,80,183	1,44,44,694
Power & Fuel	82,19,048	61,29,821
Commission on Sales	6,97,533	6,42,012
Rent	1,50,000	1,50,000
Rates & Taxes	2,36,288	54,352
Insurance	12,34,939	9,19,457
Packing and Forwarding Charges	96,53,512	87,95,864
Repairs & Maintenance to:		
Plant & Machinery	22,78,919	19,06,058
Others	18,78,330	20,40,199
Printing & Stationery	5,94,793	7,03,695
Auditors' Remuneration:		
Audit Fees	1,30,000	90,000
Tax Audit Fees	12,500	12,500
In-Other-Capacity	27,500	25,500
Out of Pocket Expenses & Service Tax	40,108	6,182
Limited Review Certification fees	12,000	12,000
M VAT Audit Fees	60,000	—
Representation before I.T. Authorities	—	22,000
Travelling & Conveyance	41,66,791	50,25,159
Advertisement	1,74,118	3,21,723
Postage, Telephone & Telegram	13,98,870	12,63,876
Legal & Professional Charges	47,77,704	36,64,933
Miscellaneous Expenses	44,32,780	49,97,800
Directors' Fees	20,000	20,000
Loss on Sale of Fixed Assets (Net)	87,359	—
Difference in Foreign Exchange (Net)	27,11,661	—
Chairman's Remuneration:	12,99,564	15,13,034
Salary, Commission and Contribution to Provident and Other Funds [inclusive of expenditure on perquisites amounting to Rs. NIL (Previous Year Rs. 4,822/-)]		
Wholetime Director's Remuneration:	3,65,391	3,65,391
Salary, Commission and Contribution to Provident and Other Funds [inclusive of expenditure on perquisites amounting to Rs. NIL (Previous Year Rs. NIL)]		
Managing Director's Remuneration:	20,29,950	22,83,796
Salary, Commission and Contribution to Provident and Other Funds [inclusive of expenditure on perquisites amounting to Rs. NIL (Previous Year Rs. NIL)]		
	<u>6,25,83,149</u>	<u>5,86,55,654</u>
<b>SCHEDULE 17 : INTEREST</b>		
Interest on Bank Term Loan	72,50,679	34,07,292
Finance Charges	2,89,183	1,65,061
Machine Finance Charges	—	5,233
On Others	1,39,08,930	1,01,86,863
Includes Rs.10,44,000/- paid to Directors, (Previous Year - Rs.4,97,976/-)		
	<u>2,14,48,792</u>	<u>1,37,64,449</u>

## SIMMONDS MARSHALL LIMITED

### SCHEDULE 18 : NOTES TO THE ACCOUNTS

1. Significant Accounting Policies :

(a) System of Accounting:

The Company adopts the accrual basis in the preparation of its accounts.

(b) Inflation:

Assets and Liabilities are recorded at historical cost.

(c) Fixed Assets:

Fixed Assets are capitalised at cost inclusive of inward freight, duties, taxes and installation expenses.

(d) Investments:

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

(e) Inventories:

Inventories are valued at lower of cost or net realisable value.

i) Cost of raw materials, stores and spare parts, packing materials and loose tools is arrived at on the basis of weighted average cost.

ii) Work-in-process and finished goods include conversion cost in addition to landed cost of raw materials.

iii) Scrap is valued at net realisable value.

(f) Revenue Recognition:

i) Export Sales are recognised on the basis of date of bills of lading.

ii) Sales are recognised upon passage of title to the customers which generally coincides with despatch of goods and are recorded inclusive of excise duty but are net of trade discounts, sales tax, sales returns and remissions.

iii) Revenue from services is recognised when services are rendered.

iv) Dividend and interest income is accounted when right to receive is established.

v) Export benefits under duty exemption scheme is being accounted in the year of exports.

(g) Sale of Turnings, Borings and Bar ends:

Sale of turnings, borings and bar ends coming out of the production line as scrap, is reduced while working out cost of raw materials.

(h) Depreciation:

Depreciation on assets acquired prior to Public Issue of Shares/Debentures in 1986, is continued to be provided on Written Down Value at the rates as specified in Schedule XIV to the Companies Act, 1956, whereas on assets acquired and brought into use after 1986, depreciation is provided on Straight Line Method at rates and in the manner specified under the said Schedule.

(i) Retirement Benefits:

i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.

ii) Contribution payable to recognised provident fund and superannuation scheme which is defined contribution scheme is charged to Profit & Loss Account. Retirement benefit in the form of (being administered by LIC) is a defined benefit obligation and is provided for on the basis of actuarial valuation as at Balance sheet date. The actuarial gains or losses determined are recognised in the profit and loss.

(j) Foreign Currency Transactions:

The transactions in foreign currency are accounted at the exchange rate prevailing at the date of the transaction. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit & Loss Account. Foreign currency assets & liabilities at the year end are translated at year-end exchange rates, and resultant exchange difference is recognised in the Profit & Loss Account.

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(k) Taxation:

Provision for taxation comprises of current tax, fringe benefit tax (FBT) and deferred tax.

Current tax is provided on taxable income using applicable tax rates and tax laws.

Provision for FBT is made on the basis of the fringe benefits provided/deemed to have been provided using applicable tax rates and tax laws.

The deferred tax for timing differences between the books and tax profits/losses for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as of Balance Sheet date.

Deferred tax assets arising from the timing differences are recognised to the extent there is virtual certainty that assets can be realised in future.

(l) Impairment of Assets:

Assets/cash generating units are assessed at each balance sheet dates for possible impairment in carrying value of assets based on external and internal sources of information and indications. In case of recoverable amount of assets/cash generating unit is less than carrying amount, impairment loss is recognised in the Profit & Loss Account, for difference in carrying value of assets/cash generating units and recoverable amount.

(m) Provision and contingent liabilities:

i) Provision in respect of present obligation arising out of past events is made in accounts when reliable estimates can be made of the amount of obligation and it is probable that an outflow of resources will be required to settle the obligation.

ii) Contingent liabilities are disclosed by way of note to the financial statements after careful evaluation by the management of the facts and legal aspects of matter involved.

	As at 31-3-2009 Rupees	As at 31-3-2008 Rupees
2. (i) Contingent Liabilities not provided for:		
(a) Bills discounted with Banks	15,23,010	43,75,803
(b) Bonds given by the company against import of machineries under EPCG scheme	5,58,13,000	3,78,13,000
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances)	—	2,14,92,785
(iii) Income Tax	23,01,730	—
3. Unsecured Loans include Loan from Directors	1,18,71,222	1,16,00,000
The Company has relied on various case laws and accordingly it has not considered the amount received from relatives of directors as deposits covered under Companies Deposit Acceptance Rule, 1975.		
4. In compliance with Accounting Standards-2 (AS-2) revised, Excise Duty liability estimated at Rs.24,94,732 (2007-08 : Rs.30,38,263) on Finished goods lying in factory premises has been loaded on the valuation of Finished goods. However, it has no impact on the Profit and Loss Account.		
5. In the opinion of the management, inventories continue to have a realisable value of at least amount at which they are stated in Balance sheet.		
6. Balance of Sundry Debtors, Loans & Advances and Sundry Creditors balances are subject to confirmations, verification and adjustments necessary upon reconciliation thereof. Pending adjustments on confirmations, if any, it is shown as good in nature.		
7. Advances due from Private company/Firms/Concerns in which the Directors of the Company are Directors/Partners/Proprietors :		
Desmet Ballestra India Pvt. Ltd.	—	39,636
(Maximum balance Rs.)	(45,000)	(90,000)
Powair Automation Equipment Pvt. Ltd.	—	1,514
(Maximum balance Rs.)	(1,514)	(1,514)
J. N. Marshall & Co. (Engineering Dept.)	—	3,06,064
(Maximum balance Rs.)	(3,06,064)	(4,44,703)
J. N. Marshall & Co. Customs House Clearing Agents	—	3,15,379
(Maximum balance Rs.)	(7,42,270)	(4,63,742)

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8. On the basis of information available with the company regarding total amount due to suppliers as covered under Micro, Small and Medium enterprises Development Act, 2006, as at March 31, 2009 amounts to Rs.10,27,523 (2007 - 08 Rs.85,43,029). Since there were no overdues beyond the credit period extended to the company which is less than 45 days, no liability for payment of interest and related disclosures under the said Act arose. This has been relied upon by the auditors.

9. Managerial Remuneration

	2008-09 Rupees	2007-08 Rupees
(A) Salary and Allowances	28,50,000	24,30,000
Commission	—	9,94,880
Contribution to Provident, Superannuation and Gratuity Fund	8,44,905	7,32,519
Perquisites	—	4,822
	<u>36,94,905</u>	<u>41,62,221</u>

The managerial remuneration stated above does not include sitting fees of Rs.20,000/- (2007-08 Rs.20,000/-) paid to Non Executive Directors.

(B) Due to inadequacy of profits under section 349 during the year remuneration has been paid to Managing and whole Time directors as per schedule XIII of The Companies Act, 1956 and no commission has been paid to them.

(C) Computation of Net Profit under section 349 of the Companies Act 1956 and Commission payable to the Directors.

	2008-09 Rupees	2007-08 Rupees
Remuneration to Chairman, Managing Director and Whole-time Director is paid as per Section 198 of the Companies Act, 1956	36,94,905	41,62,221
COMPUTATION OF MANAGERIAL COMMISSION ON PROFITS IN ACCORDANCE WITH SECTION 198 AND 349 OF THE COMPANIES ACT, 1956:		
i) Profit before taxation as per Profit & Loss Account	2,60,20,087	4,55,61,743
ii) Add back:		
a) Directors' Fees	20,000	20,000
b) Managerial Remuneration	<u>36,94,905</u>	<u>41,62,221</u>
	37,14,905	41,82,221
	<u>2,97,34,992</u>	<u>4,97,43,964</u>
Add: Loss on sale of fixed assets as per Accounts (Net)	<u>87,359</u>	—
iii) Sub Total	2,98,22,351	4,97,43,964

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	2008-09 Rupees	2007-08 Rupees
iv) Profit on which commission is to be based	2,98,22,351	4,97,43,964
v) Commission to the Chairman (Whole Time Director) at 1% of (iv) above	—	4,97,440
vi) Commission to the Managing Director at 1% of (iv) above	—	4,97,440
vii) Therefore Provided in the accounts (v) + (vi)	—	9,94,880
10. Details of Employee Benefits as required by the "Accounting Standard - 15" "Employee Benefits" are as follows :		
i. Defined Contribution Plan :		
During the year ended March 31, 2009, the company has recognised the following amounts in the profit and loss account :		
Employer's contribution to Provident fund & Family Pension Fund	36,24,064	30,27,525
Employer's contribution to Superannuation Fund	5,55,078	4,94,167
ii. Defined Benefit plan		
A. The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on term not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India.		
B. Details of defined benefit plan : As per actuarial valuation report of LIC of India as at March 31, 2009 is as under:		
<b>Particulars</b>		
I. Components of employer expense		
i. Current Service cost	4,76,401	4,20,980
ii. Interest Cost	9,96,263	8,73,723
iii. Expected return on Plan assets	(12,42,075)	(9,55,398)
iv. Curtailment cost/(Credit)	—	—
v. Settlement cost/(Credit)	—	—
vi. Past Service Cost	—	—
vii. Actuarial Losses / (Gains)	79,35,111	5,29,518
viii. Effect of the limit in Para 59(b) of AS 15	—	—
ix. Total Expenses	81,65,700	8,68,823
Note: The Company has recognised expense of Rs. 81,65,700 in its Profit & Loss Account.		
II. Actual Contribution and Benefits Payments for end of the year		
1. Actual benefits Payments	(5,83,514)	(2,92,466)
2. Actual Contributions	5,08,090	32,08,277

## SIMMONDS MARSHALL LIMITED

	2008-09 Rupees	2007-08 Rupees
III. Net asset/(liability) recognised in the Balance Sheet as at end of the year		
i. Present Value of Defined Benefit Obligation	2,12,77,550	1,24,53,289
ii. Fair Value of Plan Assets	1,44,60,167	1,32,93,516
iii. Funded Status [Surplus/(Deficit)]	(68,17,383)	8,40,227
iv. Unrecognised Past Service Costs	—	—
v. Net asset/(liability) recognised in the Balance sheet	(68,17,383)	—
vi. Net asset not recognised for in accounts.	—	8,40,227
IV. Change in Defined Benefit Obligation during the year		
i. Present value of Defined Benefit Obligation as at beginning of the year	1,24,53,289	1,09,21,534
ii. Current Service Cost	4,76,401	4,20,980
iii. Interest Cost	9,96,263	8,73,723
iv. Curtailment cost/(Credit)	—	—
v. Settlement cost/(Credit)	—	—
vi. Plan amendments	—	—
vii. Acquisitions/Amalgamations	—	—
viii. Actuarial Losses/(Gains)	79,35,111	5,29,518
ix. Benefits paid	(5,83,514)	(2,92,466)
x. Present value of Defined Benefit Obligations as at end of the year	2,12,77,550	1,24,53,289
V. Change in Fair Value of Plan Assets during the year		
1. Plan assets as at beginning of the year	1,32,93,516	94,22,307
2. Acquisition/Amalgamation	—	—
3. Expected return on Plan Assets	12,42,075	9,55,398
4. Actuarial Gains/(Losses)	—	—
5. Actual Company Contributions	5,08,090	32,08,277
6. Benefits paid	(5,83,514)	(2,92,466)
7. Plan assets as at end of the year	1,44,60,167	1,32,93,516
VI. Actuarial Assumptions		
i. Discount Rate	8%	8%
ii. Expected Return on plan assets	9.25%	9.25%
iii. Salary Escalation Rate	4%	4%
VII. The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is Rs. 12,42,075/-.		
VIII. The assumption of the future salary increase, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.		

## SIMMONDS MARSHALL LIMITED

	2008-09 Rupees	2007-08 Rupees
IX. The major categories of Plan Assets as a percentage of the total plan assets		
i. Insurer Managed Funds	100%	100%
ii. Others	0%	0%
iii. Total	100%	100%
X. Experience Adjustments		
i. Present value of Defined Benefit Obligation as at March 31, 2009	2,12,77,550	1,24,53,289
ii. Fair Value of Plan Assets as at March 31, 2009	1,44,60,167	1,32,93,516
iii. Funded status [Surplus/(Deficit)]	(68,17,383)	8,40,227
iv. Experience adjustment on Plan Liabilities	(79,35,111)	(5,29,518)
v. Experience adjustment on plan Assets	—	—
11. The Company's business activity falls within a single primary business segment, viz manufacture of Nyloc Self Locking Nuts (Industrial Fastners). As such there are no separate reportable segments as per Accounting Standard 17.		
12. RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18		
RELATED PARTIES		
A. i. Associate Enterprises: N.A.		
ii. Key Management Personnel		
Mr. S.J. Marshall (Chairman)		
Mr. N.S. Marshall (Managing Director)		
Mr. I.M. Panju (Whole-Time Director)		
iii. Relatives of Key Management Personnel		
Mrs. M.S. Marshall		
Mrs. K.I. Panju		
Mrs. K.J. Pundole		
iv. Enterprises in which Key Management Personnel have significant influence.		
Desmet Ballestra (India) Pvt. Ltd.		
Diamtools Pvt. Ltd.		
Formex Pvt. Ltd.		
Jiji Marshall Trading Co. Pvt. Ltd.		
J. N. Marshall & Co. (Steel Dept.)		
J. N. Marshall & Co. - Custom House Clearing Agents		
J. N. Marshall & Co. (Engg. Dept.)		
J. N. Marshall Engineering Pvt. Ltd.		
J. N. Marshall Ltd.		
Marshall Real Estate & Investment Corporation		
Powair Automation Equipments Pvt. Ltd.		
Simmonds Marshall Ltd. - Employees' Provident Fund		
S. J. Marshall Trading Co. Pvt. Ltd.		
Spirax Marshall Ltd.		

## SIMMONDS MARSHALL LIMITED

	2008-09 Rupees	2007-08 Rupees	
<b>B. Related Party Transactions</b>			
i. Associate Companies			
ii. Key Management Personnel & Relatives			
(a) Remuneration	36,94,905	41,61,805	
(b) Interest	20,07,201	8,75,039	
(c) Payment for Services	—	2,76,000	
Outstanding balance as on 31.03.2009	Cr. 2,33,25,091	Cr. 2,27,76,036	
iii. Enterprises in which Key Management Personnel have significant influence			
(a) Payment for Services	1,82,40,242	1,41,80,409	
(b) Purchase of Materials	70,088	1,76,954	
(c) Payment of Interest	4,49,576	2,80,568	
(d) Payment of Rent / Rates & Taxes	4,40,288	1,14,000	
(e) Contribution to Provident Fund	61,88,198	50,24,727	
(f) Receipt for share of expense	5,40,000	5,40,000	
(g) Receipt for sales	6,879	—	
Outstanding balance as on 31.03.2009	Cr. 69,53,643	Cr. 37,26,505	
C. There are no write offs/write back of any amounts for any of the above parties.			
13. The Company's significant leasing arrangements are in respect of operating lease for premises and other assets. The period of agreement is generally for one year and is renewable by mutual consent. The aggregate lease rental expense are Rs. 4,36,000/- (Previous year Rs. 3,48,000/-)			
14. Earning per share (EPS)			
Profit for the year after tax (Rs.)	1,66,62,470	2,80,94,475	
No. of ordinary shares for Basic EPS (Nos)	21,00,000	21,00,000	
Nominal value of ordinary shares (Rs.)	10/-	10/-	
Basic earning per ordinary share (Rs.)	7.93	13.38	
15. In accordance with Accounting Standard-22, Accounting for taxes on Income, the Company has considered deferred taxes during the year: As at 31st March, 2009 the major components of deferred tax balances are set out below:			
DEFERRED TAX LIABILITY	As on 01/04/08 Rupees	Current Year Charge Rupees	As on 31/03/09 Rupees
Difference between accounting and tax depreciation	71,73,069	34,57,617	1,06,30,686
	<u>71,73,069</u>	<u>34,57,617</u>	<u>1,06,30,686</u>



16. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956 :

i) PARTICULARS IN RESPECT OF GOODS MANUFACTURED:  
Class of Goods: Nyloc Self-Locking Nuts (Industrial Fastners)

Unit of Measurement	Metric Tonnes	Metric Tonnes
Licensed Capacity	2,400	2,400
Installed Capacity	2,400*	2,400*
Actual Production	12,56,97,910 Numbers (Equivalent to 1606.182 Metric Tonnes)	15,21,44,137 Numbers (Equivalent to 1,718.861 Metric Tonnes)

\*Installed Capacity is as certified by the Management and has not been verified by the Auditors, this being a technical matter.

	31-03-2009		31-03-2008	
	QUANTITY NUMBERS	VALUE RUPEES	QUANTITY NUMBERS	VALUE RUPEES
ii) OPENING & CLOSING STOCKS OF GOODS MANUFACTURED BY THE COMPANY:				
Nyloc Self-Locking Nuts (Industrial Fastners)				
Opening Stocks as at 01-04-2008	1,24,02,027	1,66,28,231	1,00,13,653	1,19,12,786
Closing Stocks as at 31-03-2009	1,06,71,859	2,18,20,031	1,24,02,027	1,66,28,231

Note : The Stocks are after adjusting excesses/shortages ascertained on physical verification and free samples.

iii) OPENING AND CLOSING STOCKS OF GOODS TRADED BY THE COMPANY:

Hexagonal Bolts

Opening Stocks	—	—	—	—
Closing Stocks	—	—	—	—



## SIMMONDS MARSHALL LIMITED

	2008-09 RUPEES	2007-08 RUPEES
viii) C.I.F. VALUE OF IMPORTS :		
a) Raw Materials	7,51,52,612	5,82,69,904
b) Loose Tools	1,25,21,022	1,15,49,253
c) Capital Goods	2,23,71,560	2,15,87,242
d) Trading Purchase	—	9,65,052
e) Stores	81,120	—
	11,01,26,314	9,23,71,451
ix) EXPENDITURE IN FOREIGN CURRENCY:		
a) Foreign Travel	4,07,110	3,94,502
b) Repairs - Machinery	2,08,082	17,643
c) Commission on Exports	1,18,078	1,21,999
d) Claims	1,25,379	—
x) EARNINGS IN FOREIGN CURRENCY:		
a) Exports of Industrial Fastners calculated on F.O.B. Value	4,95,23,912	5,35,18,120
b) Claims	8,74,105	4,57,950
17. The Previous Year's figures have been re-grouped wherever necessary in order to conform the current year's classification.		
SIGNATURES TO SCHEDULES 1 TO 18		
As per our Report attached		
For SHR & Co. Chartered Accountants  HITESH R. SHAH Partner Membership No.. 104795	N. D. BHARUCHA Secretary & Chief Accountant	S. J. MARSHALL N. S. MARSHALL I. M. PANJU R. A. SHROFF C. B. BAMBAWALE S. C. SARAN F. K. BANATWALLA
		Chairman Managing Director  } Directors
Mumbai, July 28, 2009		

**SIMMONDS MARSHALL LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE AS PER SCHEDULE VI,  
PART (IV) OF THE COMPANIES ACT, 1956.**

**I. Registration Details**

Registration No.	11645
State Code	11
Balance Sheet Date	31/03/2009

**II. Capital Raised during the year (Rs. in Thousands)**

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)**

<i>Source of Funds</i>	
Total Liabilities	282403
Total Assets	282403
Paid-up Capital	21000
Reserves and Surplus	77150
Secured Loans	142688
Unsecured Loans	30934
Deferred Tax Liability	10631
Net Fixed Assets	107870
Investments	1280
Net Current Assets	173253
Accumulated Losses	NIL
Miscellaneous Expenditure	NIL

**IV. Performance of Company (Rs. in Thousands)**

Total Income	333330
Total Expenditure	307310
Profit Before Tax	26020
Profit After Tax	16662
Earning Per Share in Rs.	7.93
Dividend rate %	12%

**V. Generic Names of Three Principal Products/Service of Company. (As per monetary terms)**

Item Code No.	73181600
(Itc Code)	
Product Description	<b>NYLOC SELF - LOCKING NUTS</b>

As per our Report attached

For SHR & Co.  
Chartered Accountants

HITESH R. SHAH  
Partner  
Membership No. 104795

N. D. BHARUCHA  
Secretary & Chief  
Accountant

S. J. MARSHALL  
N. S. MARSHALL  
I. M. PANJU  
R. A. SHROFF  
C. B. BAMBAWALE  
S. C. SARAN  
F. K. BANATWALLA

Chairman  
Managing Director

} Directors

Mumbai, July 28, 2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008-09		2007-08	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and extraordinary items		2,60,20,087		4,55,61,743
Adjustments for :				
Depreciation	77,25,308		62,52,983	
Loss on sale of Fixed Assets	87,359		—	
Interest Expense	2,14,48,792		1,37,64,449	
Interest Income	(3,11,800)		(2,67,915)	
Dividend Income	(15,000)		(15,000)	
Prior Period (Income) /Expense	(55,07,458)		—	
		<u>2,34,27,201</u>		<u>1,97,34,517</u>
Operating Profit before Working Capital Changes		4,94,47,288		6,52,96,260
Adjustments for :				
Trade and other receivables	4,37,051		(2,99,97,394)	
Inventories	(2,14,47,494)		(2,16,13,929)	
Trade payables	(54,59,126)		1,18,49,186	
		<u>(2,64,69,569)</u>		<u>(3,97,62,137)</u>
Cash generated from operations		2,29,77,719		2,55,34,123
Income taxes paid		(63,63,678)		(1,43,05,824)
Cash inflow before prior year income/(expenses)		1,66,14,041		1,12,28,299
Prior Year income/(expenses)		55,07,458		(7,56,055)
Net cash inflow from operating activities		<u>2,21,21,499</u>		<u>1,04,72,244</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(3,27,57,212)		(6,13,78,622)
Sale of Fixed Assets		8,21,505		—
Interest received		3,11,800		2,67,915
Dividend received		15,000		15,000
Net cash used in investing activities		<u>(3,16,08,907)</u>		<u>(6,10,95,707)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings		2,71,81,123		7,13,59,196
Interest paid		(2,14,48,792)		(1,37,64,449)
Dividend Paid		(42,00,000)		—
Income - Tax on Dividend		(7,13,790)		(4,41,788)
Net cash used in financing activities		<u>8,18,541</u>		<u>5,71,52,959</u>
Net (decrease)/increase in cash and cash equivalents		(86,68,867)		65,29,496
Cash and cash equivalents at beginning of year		1,43,48,257		78,18,761
Cash and cash equivalents at end of year		<u>56,79,390</u>		<u>1,43,48,257</u>

As per our Report attached

For SHR & Co.  
Chartered AccountantsN. D. BHARUCHA  
Secretary & Chief  
AccountantS. J. MARSHALL  
N. S. MARSHALL  
I. M. PANJU  
R. A. SHROFF  
C. B. BAMBAWALE  
S. C. SARAN  
F. K. BANATWALLAChairman  
Managing DirectorHITESH R. SHAH  
Partner  
Membership No. 104795

} Directors

Mumbai, July 28, 2009



**SIMMONDS MARSHALL LIMITED**

**SIMMONDS MARSHALL LIMITED**

**PROXY FORM**

( TO BE FILLED IN BLOCK LETTERS )

I/We \_\_\_\_\_

of \_\_\_\_\_ being

Member(s) of the above named Company hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or

failing him \_\_\_\_\_ of

\_\_\_\_\_ as my/our proxy of vote for me/

us and on my/our behalf at the Forty-Ninth Annual General Meeting of the Company to be held on Wednesday, September 23, 2009 at 12.00 noon and at any adjournment thereof

Register Folio No. \_\_\_\_\_ Signature \_\_\_\_\_



No. of Shares held \_\_\_\_\_

Proxies to be valid must be deposited at the Registered Office of the Company at Mumbai-Pune Road, Kasarwadi, Pune - 411 034 not later than 12.00 noon on September 22, 2009.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

**SIMMONDS MARSHALL LIMITED**

**ATTENDANCE SLIP**

**TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL**

**( TO BE FILLED IN BLOCK LETTERS )**

Full name of the Member/Joint Holder attending \_\_\_\_\_

Name of Proxy \_\_\_\_\_

I hereby record my presence at the Forty-Ninth ANNUAL GENERAL MEETING of the Company held at Kwaliti Restaurant, Mumbai-Pune Road, M.I.D.C., Chinchwad, Pune-411019, on Wednesday, September 23, 2009 at 12.00 noon

Register Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

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

**SIMMONDS MARSHALL LIMITED**

**BOOK-POST**

*If undelivered please return to :*

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

**Unit : Simmonds Marshall Limited**

17/B, Dena Bank Building, 2nd Floor,  
Horniman Circle, Fort, Mumbai-400 001.

Tel. : 2270 2485, 2264 1376

E-mail : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)