



SOLITAIRE
MACHINE
TOOLS LTD

FORM A

1	Name of the Company	Solitaire Machine Tools Ltd
2	Annual Financial statements for the year ended	31 st March 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable

For Solitaire Machine Tools Ltd.

SOLITAIRE MACHINE TOOLS LTD.

DIRECTOR

Ashok J Sheth

Chairman and Managing Director

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered office of the company not less than 48 hours before the commencement of the meeting.
2. Members are requested to advise immediately any change in their address to the Company's Registered Office or M/s Link Intime India Private Limited, Mumbai, quoting their registered folio number. Shareholders holding shares in dematerialized form shall address their communication to their respective depository participant only.
3. All communication in respect to the shares be addressed to share transfer agent "Link Intime India Private Limited" at C-13, Pannalal Silk Mills Compound, LB S Marg, Bhandup (West), Mumbai 400078.
4. The Register of Members and Share transfer Books will remain closed from Monday, the 23rd June, 2014 to Monday, the 30th June, 2014 (both days inclusive).
5. Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of Annual General meeting.
6. The Company's shares are listed at Mumbai and Vadodara Stock Exchanges.
7. Electronic copy of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
8. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).
The instructions for e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) Open email and open PDF file viz; "solitaireevoting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Solitaire Machine Tools Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sachin@sachinfcs.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com
 - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-voting period commences on 24th June, 2014 (9:00 am) and ends on 26th June, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30th May, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 30th May, 2014.
 - VII. Mr. Sachin Chhadawa, Practising Company Secretary (Membership No. FCS 5619) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.smtgrinders.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and Vadodara Stock Exchange.



SOLITAIRE MACHINE TOOLS LIMITED

CIN : L28932MH1967PLC013747

Registered Office : 107, Arun Chambers, Tardeo Road, Mumbai - 400 034

**NOTICE
TWENTY SECOND ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of the Solitaire Machine Tools Limited will be held on Monday, the 30th June, 2014 at 9.30 a.m. at Gold Coins, 6, Arun Chambers, Next to A.C. Market, Tardeo Road, Mumbai 400 034, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on March 31, 2014 and Profit and Loss Account for the year ended on that date and Directors' report and Auditors Report thereon.
2. To declare dividend for the financial year 2013-14.
3. To appoint a director in place of Mrs. Padmaja K. Mukundan, who retires by rotation, and being eligible, offers herself for reappointment.
4. To appoint a director in place of Mrs. Rashmi Desai, who retires by rotation, and being eligible, offers herself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

For SOLITAIRE MACHINE TOOLS LIMITED

Ashok J Sheth
Chairman and Managing Director

Place: Vadodara
Date: 10/05/2014

Solitaire Machine Tools Limited
(CIN: L28932MH1967PLC013747)
Regd. Office: 107, Arun Chambers, Tardeo Road, Mumbai – 400 034
Email: sales@smtgrinders.com, Website: http://www.smtgrinders.com, Phone: 022- 66602156.*

Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Solitaire Machine Tools Limited
Registered office: 107, Arun Chambers, Tardeo Road, Mumbai – 400 034

BALLOT PAPER

S No	Particulars	Details
1.	Name of the First Named Shareholder (in block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	Adoption of Financial Statements for the year ended March 31, 2014			
2.	Approval of Dividend for the financial year 2013-14			
3.	Re-appointment of Mrs. Padmaja K. Mukundan, who retires by rotation			
4.	Re-appointment of Mrs. Rashmi Desai, who retires by rotation			
5.	Appointment of Auditors and fixing their remuneration			

Place:

Date:

(Signature of the shareholder)

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting 22nd Annual Report of your company together with the Audited Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS:

The financial results of the company for the year under review with comparison thereof with last four year's results are summarised below:

(Rs. in Lacs)

Particulars	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012	Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
Sales (Net)	923.08	1036.45	1407.65	954.97	626.41
Other Income	20.66	14.71	15.21	7.38	12.42
Increase/ (Decrease) in stocks	84.90	57.00	(32.02)	(45.51)	(38.02)
Profit Before Taxation:	58.52	141.85	192.41	136.65	24.94
Less:					
Taxation	25.00	50.00	65.14	48.02	6.50
Fringe Benefit Tax	-	-	-	-	-
Add/Less: Deferred Tax	3.70	1.11	5.80	(6.63)	4.83
Net Profit after Tax:	37.21	88.17	134.62	77.17	17.14
Add: Profit brought Forward from Previous Year	514.75	466.16	417.13	392.93	375.79
Profit available for appropriation	551.96	554.34	551.75	470.11	392.93
Proposed Dividend	22.71	34.07	68.13	45.42	-
Corporate Tax on Proposed Dividend	3.86	5.53	11.05	7.54	-
Transfer to General Reserve	0.00	0.00	6.41	-	-
Balance Carried to Balance Sheet	525.39	514.75	466.16	417.13	392.93

DIVIDEND:

Your Directors recommend dividend of Rs. 0.50/- per share (5%) on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2014 subject to members' approval.

OPERATIONS:

The operation for the year has shown further decline in sales and profits. The Capital Goods industry and especially the Machine Tools industry have suffered. The slowdown in Automobiles production has affected the industry and SMT in particular a lot during the year. The order booking and delay in taking delivery of the machines has affected the performance of the Company.

The total net sales were down by about 11 % to Rs. 923.06 Laes against previous year Rs. 1137.00 Laes. The net profit also declined by about 58 % to Rs. 37.21 Laes against previous year Rs. 88.17 Laes. The only Silver lining was that with decline in Domestic Demands, the Export sales went up from Rs. 1.35 Crore in previous year to Rs. 2.98 Crore during the year. The Company sold machines and spares to USA, Mexico, Italy and UK.

In spite of the downturn the Company has remained Debt Free. The borrowings from Bank were in Cash Credit account against increased inventory of machines and parts.

The New Year started with Political uncertainty in the country and its industrial policies. However, thanks to our country's democratic values, we have given clear verdict to form a government which would be targeting Growth all around the country. The positive signs would prompt growth and hopefully, Manufacturing industry would get desired boost.

The Engineering, Aerospace and Automotive industry worldwide is looking at upward trend. The Company has been able to book orders from USA, Australia, New Zealand, Brazil, Argentina and Italy. This shows acceptance of the Quality of Indian manufactured machines in industrial world. The Company is also member of Government of India initiative of Promoting "Brand India" campaign in various parts of the world.

The company has been able to maintain the raw material and manufacturing cost to earlier level with small increase in percentage. The inventory of semi-finished machines and parts has grown due to non-shipment of the machines.

The Company plans to launch its Double Disk Grinder and Micro Centerless grinder at IMTEX 2015 in Bangalore in January 2015. The New Solitaire No.1 Mini Plus was manufactured and was well accepted by customers.

The Company distributed funds to Employees children to promote education, especially for Girl Child. The Company thanks it's customers for continuous support and especially International customers for their support and faith in meeting their requirements from the company against international competition. The company's personnel have worked hard to achieve the targets in spite of difficult times and tough market conditions. The Company thanks its bankers for continued support during the year.

On a sad note, Mr P.J.Sheth, Chairman Emeritus, founder, promoter and mentor to us at SMT passed away on August 15, 2013.

DIRECTORS:

Mrs. Padmaja K. Mukundan, Director and Mrs. Rashmi Desai, Director of the company are liable to retire by rotation being eligible, offers themselves for re-appointment. The Board recommends their reappointment. The Board of Directors is duly constituted.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:

The Directors state:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to the material departures.
- ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true

COMPLIANCE CERTIFICATE:

The secretarial compliance certificate pursuant to the provision of Sec. 383A(1) of the Act, is obtained from Mr. Sachin Chhadawa, Practicing Company Secretary, Mumbai and is attached herewith for your kind perusal and forms part of this Director's Report.

FIXED DEPOSIT:

During the financial year under consideration, the Company had not accepted nor renewed any deposits from public within the meaning of Section 58-A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

None of the employees are drawing salary whose particulars are to be included in the Directors' Report as required u/s 217(2A) of the Companies Act, 1956.

PERSONNEL & INDUSTRIAL RELATIONS:

Relations with all employees were cordial and congenial atmosphere prevailed. Your Directors acknowledge the committed efforts of the employees at all levels and their satisfying contribution in management and company affairs.

INSURANCE:

Your Company continued to cover all assets mainly: plant & machinery, building, materials, furniture & fixtures, employees for the possibly risks like fire, flood, public liability, break-down, terrorism, Earthquake and accidents.

INVESTOR EDUCATION AND PROTECTION FUND:

The Company has transferred Rs. 1,44,178/- to Investor Education and Protection Fund during the year under review.

ACKNOWLEDGEMENT:

Your Director's take this opportunity to thank the customers, shareholders, suppliers, bankers, financial institutions, and central and state government for their continued support to the company.

BY ORDER OF THE BOARD

ASHOK J SHETH
Chairman and Managing Director

Place: Vadodara
Date: 10/05/2014

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development:

The Company is part of the industry broadly known as Capital Goods. The Capital Goods Industry consists of various products in different segments like Textiles Machinery, Engineering Industries and Automobiles and ancillary manufacturing. The Company is part of Capital Goods Industry known as Machine Tools Industry catering to various segments as explained above. Being part of Capital Goods Industry, fortunes of company is directly linked to the growth and progress of the industry to which it caters. The other relevant factors having bearing on the industry are government policies, import export policies, and incentive for investment available to the industries.

The Centerless Grinders manufactured by the company are used in the industry like Automobile, Automobile Ancillaries, Textiles Machinery, Steel Industry, Bearing Industry etc.

2. Opportunities and Threats:

The growth opportunity for the machine tools industry is in direct proportion to the industrial growth of other industries like Textile Machinery Industry, Automobile Industry, Steel Industry, Bearing Industry, etc. to which the Machine Tool Industry is supplementary industry. During the last few years, the phenomenal growth in Automobiles Industry has largely contributed to the growth of machine tools industry and opportunity lies in the further growth anticipated in the Automobiles Industry as several multinational car manufacturer shifts their production base to India. Another potential growth opportunity lies in out sourcing of Automobile ancillary products from India, which has tremendous growth potential in the coming years.

3. Segment wise Performance:

Presently, company is dealing in single segment activity namely Machine Tools.

4. Outlook:

The long-term outlook for the industry is optimistic based upon the product innovation and cutting edge technology for sustaining growth. The export market especially to U.S.A. will sustain and an additional avenue is opened for exports to Europe, South America & others. The domestic demand will also grow in the current year.

5. Internal Control Systems and Their Adequacy:

Considering the size and nature of the business, presently adequate internal control systems are in place. However, as and when company achieves further growth and higher level of operations, company will review the internal control system to match with changed requirement...

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against unauthorized use or disposition and that transaction are authorized and recorded correctly.

The company has constituted Audit Committee consisting of non-executive and independent Directors to look into various aspects of Accounts. The company has a clearly defined organization structure in place.

6. The Financial and Operational Performance:

The financial statement is in confirmation with the provisions of the Companies Act, 1956 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company.

7. Human Resource Development:

The company believes that the main strength of any organization is its people. It is the people who build the system and create a climate to suit the growth and excellence in the company. The industrial relations, during the year were cordial.

8. Cautionary statement:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments and Industrial growth within India and the countries in which the Company conducts business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE:

Company's Philosophy on Corporate Governance:

Solitaire Machine Tools Limited believes that good Corporate Governance is essential to achieve long-term corporate goals, enhance shareholders' value and attain highest level of transparency. The Company is committed to achieve the highest standard of Corporate Governance, accountability and equity in all facets of its operations and in all interaction with stakeholders. The Company believes that all its operations and actions must serve the underlined goal of enhancing customers' satisfaction and shareholders' value over a sustained period of time.

I. Board of Directors:

A. The Board of Directors comprises three Executive Directors (two are Executive Directors and Managing Directors and one of the three is Executive Director and Whole Time Director) and five non-executive directors.

During the year, four Board Meetings were held on 4th May, 2013, 27th July, 2013, 26th October 2013 and 1st February, 2014.

B. The Composition of the Board of Directors, their attendance at the board meeting during the year and at the last Annual General Meeting along with number of other directorships, committee chairmanship/ memberships is as follows:

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 22.06.2013	No. of other Directorship	Committee Membership/ Chairmanship	
					Member	Chairman
1. Mr. A. J. Sheth	Promoter, CMD and Executive	4	Yes	–		1
2. Mr. H. J. Badani	Promoter, MD and Executive	2	Yes	1	1	
3. Ms. Shilpa Taneja	Promoter and Non-Executive	3	Yes	2	2	
4. Mr. Harsh Badani	Promoter, WTD and Executive	2	Yes	1		
5. Mr. A. J. Kothari	Independent	4	Yes	–	2	
6. Dr. Amita S. Shah	Independent	1	Yes	–	1	
7. Ms. Rashmi S Desai	Independent	1	--	--		
8. Mrs. Padmaja K. Mukundan	Independent	2	--	--		2

CMD – Chairman & Managing Director, ED – Executive Director, WTD – Wholetime Director.

NED - Non-Executive Director, ID – Independent Director

Except sitting fees, no other remuneration is paid to Non-Executive Directors. Leave of absence is granted to the directors absent for meetings.

C. Appointment of Directors:

The brief particulars of the Directors of the Company retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are as under:

Mrs. Padmaja K. Mukundan, Director and Mrs. Rasmi Desai, Director of the Company retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting.

D. Code of Conduct:

The Company has laid down a code of conduct for all Board Members and senior management personnel of the company. The code of conduct is available on the website of the company at www.smtarinders.com

II. Audit Committee:

Terms of Reference:

The Audit Committee comprises of three Non-Executive Directors under the Chairmanship of Mrs. Padmaja Mukundan, the other members in the Committee being Mrs. Shilpa Taneja and Mr. Anil Kothari. All the members of the Audit Committee are financially literate.

During the year four Audit Committee Meetings were held on 4th May 2013, 26th July, 2013, 25th October 2013 and 31st January, 2014.

The attendance record of Audit Committee members is given below:

Name of The Directors	No. of Meetings	
	Held	Attended
1. Mrs. Padmaja Mukundan	4	4
2. Mr. Anil Kothari	4	4
3. Mrs. Shilpa Taneja	4	4

This Committee comprises of two independent Directors and one promoter.

The Audit Committee is responsible for:

- Overseeing the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To recommend the appointment of statutory auditors and fixation of their fees.
- Review of Accounting and financial policies and practices.
- Review of Internal Control Systems.
- Reviewing with the Management, the Quarterly and Annual Financial Statements before submission to the Board, to discuss their findings, suggestions and other related matters and to give recommendations on any such matter connected herewith which will be binding on the Board.

- f. To review the Company's financial and risk management policies, particularly relating to foreign exchange exposure.
- g. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in Section 292A or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice, if necessary.

III. Subsidiary Companies:

There are two subsidiary companies which are as follows:

- 1. Shruchi Manufacturing Limited
- 2. JBS Machinery Corporation

IV. Other Disclosures:

A. Disclosure of Related Party Transactions:

All related party transactions have been entered into in the ordinary course of business and were placed periodically before the Audit Committee and the Board. All transactions with the related parties or others were on an arm's length basis.

B. Disclosure of Accounting Treatment:

All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.

C. Risk Management Framework:

The company has in place mechanisms to inform the Board Members about the Risk Assessment and Minimization procedures and periodical reviews to ensure that risk is controlled by the Executive Management through the means of a properly defined framework.

D. Proceeds from public issues, right issues, preferential issues, etc.:

No money has been raised from public issues, right issues, preferential issues, etc.

E. Remuneration Committee:

During the financial year 2013-14, Remuneration Committee Meeting was not held.

The Remuneration Committee comprises of three Non-Executive and Independent Directors under the Chairmanship of Ms. Padmaja Mukundan, the other members in the Committee being Dr. Amita Shah and Mr. Anil Kothari.

F. Remuneration paid / payable to Managing Director for the year ended 31st March, 2014.

Managing / Executive / Whole-time Director	Salary (Rs.)	annual ex-gratia (performance linked incentive)	Commission (Rs)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Sto Op
Mr. Ashok Sheth	7.2 Lacs	1.50 Lacs	--	1.65	--	--
Mr. Hemendra Badani	7.2 Lacs	1.50 Lacs	--	0.82	--	--
Mr. Harsh Badani	4.2 Lacs	1.50 Lacs	--	0.14	--	--

G. Shareholders' / Investors' Grievance Committee:

The Company has reconstituted Investors' Grievance Committee on 30th January 2010 under the Chairmanship of Mr. Ashok J Sheth.

This Committee comprises of:

1. Mr. Ashok J Sheth
2. Ms. Shilpa Taneja
3. Mr. Hemendra Badani

Terms of Reference:

To look into all the complaints received from the shareholders regarding share transfers, non- receipt of Balance Sheet, dividend, etc.

Mr. N. M. B. Khan, Dy. General Manager – Finance and Corporate Affairs has been designated as a Compliance Officer.

As no grievances were received during the year, no meeting of the Investor's Grievance Committee was held during the year.

As on 31st March, 2014 there were no complaints / queries and pending replies. There are no share transfers pending for registration for more than 30 days as on the said date.

H. General Body Meetings:

Location and time for the last three Annual General Meetings:

Year	Location	Date	Time
2010 - 11	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai - 400 021	18.06.2011	4.00 p.m.
2011 - 12	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai - 400 021	31.05.2012	10.00 a.m.
2012 - 13	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai - 400 021	22.06.2013	4.00 p.m.

I. Means of Communication:

Company is publishing quarterly un-audited financial results and notice advertisements in The Free Press Journal in English and Nay Shakti in Marathi, regularly. It is being updated on the Company's website.

J. General Shareholders Information:

i. AGM Date, Time and Venue	Monday, the 30 th June, 2014 at 9.30a.m.at 6, Arun Chambers, Next to A.C Market, Tardeo Road, Mumbai- 400 034		
ii. Financial Calendar 2014-15	Probable Dates:		
First quarterly results	Before end of July, 2014		
Audited Yearly Results	Before mid of May, 2015		
iii. Book Closure Date	23 rd June, 2014 to 30 th June, 2014		
iv. Dividend payment date	Within 30 days of AGM, if approved by shareholders of the Company		
v. Listing on Stock Exchange.	The Stock Exchange, Mumbai and The Vadodara Stock Exchange		
vi. Stock Code:	522152		
vii. Dematerialization ISIN No.	INE410A01013		
viii. Market Price Data High/ Low during each month of the Financial Year 2013-14 at BSE.	Months	High (Rs.)	Low (Rs.)
	April, 2013	18.80	13.05
	May, 2013	18.00	13.05
	June, 2013	13.70	11.72
	July, 2013	15.10	11.66
	Aug, 2013	14.70	12.00
	Sept, 2013	15.90	11.41
	Oct, 2013	18.75	15.90
	Nov, 2013	19.50	17.65
	Dec, 2013	18.00	15.50
	Jan, 2014	15.55	10.50
	Feb, 2014	15.35	11.32
	March, 2014	12.42	9.77

K. Share Transfer System:

Board of Directors has delegated the power to approve the share transfers to Registrar and Share transfer agent M/s. Link Intime India Private Limited having its office at L B S Marg, Bhandup (West), Mumbai - 400 078

L. Distribution of Shareholding as on 31st March, 2014.

No. of equity shares held	No. of Folios / Shareholders	No. of Shares held	% of Share holding
Upto 500	3574	679,907	14.9
501 to 1000	315	266,775	5.8
1001 to 2000	163	253,243	5.5
2001 to 3000	46	117,497	2.5
3001 to 4000	18	62,839	1.3
4001 to 5000	18	86,079	1.8
5001 to 10000	28	200,155	4.4
More than 10000	36	2,875,681	63.3
Total	4198	4,542,176	

M. Shareholding Pattern as on 31st March, 2014.

Category	No. of Share held	% of Share holding
Promoters	2,031,807	44.73
Banks, Financial Institutions, Insurance Companies, Mutual Funds	0	0
Foreign Financial Institutions	0	0
Private Corporate Bodies	142,727	3.14
Indian Public	2,319,748	51.07
N. R. I.	22,672	0.50
G. D. R. / A. D. R.	0	0
Others	25,222	0.56
Total	4,542,176	100

N. Other Information:

Dematerialization of shareholding and equity	Nearly 84.77% of total equity share capital (3850185) Shares are held in dematerialized form with NSDL and CDSL as on 31 st March, 2014.
Registrars and Share Transfer Agents	Link Intime India Private Limited Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai – 400 078.
<u>For Dematerialization Shares</u>	Link Intime India Private Limited Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai – 400 078
<u>For Physical Shares:</u> In House arrangement.	Solitaire Machine Tools Ltd 107, Arun Chambers, Tardeo Road, Mumbai- 400034
Plant Locations	1. Solitaire Machine Tools Limited, 292, Dharamsinh Desai Marg, Chhani Road, Vadodara – 390 002 2. Solitaire Machine Tools Limited, A 24/ 25, Krishan Industrial Estate, Gorwa, Vadodara – 390 016
Address for correspondence	Solitaire Machine Tools Limited 107, Arun Chambers, Tardeo Road, Mumbai 400 034

Ashok J Sheth
Managing Director

Hemendra J Badani
Managing Director

N. M. B. Khan
Manager Finance & Compliance Officer

Date: 10/05/2014
Place: Vadodara

V. CEO/ CFO Certificate:

To the Board of Directors of Solitaire Machine Tools Limited,

We, A J Sheth, Managing Director and N M B Khan, Manager Finance of Solitaire Machine Tools Limited, to the best of our knowledge and belief, hereby certify that:

(A) We have reviewed the Balance sheet as at 31st March, 2014 and Profit & Loss Account for the year ended as on that date along with all it's schedules, notes to the accounts and also the Cash Flow statements for the year ended 31st March, 2014 and based on our knowledge and information, confirms that:

- i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that may be misleading,
- ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) Based on our knowledge and information, there are no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

(C) We along with Company's other certifying officers, accept responsibility for establishing and maintaining internal controls and that we have:

- i) evaluated the effectiveness of internal control system of the company, and
- ii) disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operations of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(D) We, along with Company's other certifying officers, have indicated to the Auditors and the Audit Committee:

- (i) significant changes in the internal control during the year,
- (ii) significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
- (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ashok J Sheth
Managing Director

N. M. B. Khan
Manager Finance

Date: 10/05/2014
Place: Vadodara

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To:

Solitaire Machine Tools Limited,
Mumbai.

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31st March, 2014.

Date: 10/05/2014
Place: Vadodara

Ashok J Sheth
Managing Director

SACHIN CHHADAWA
B.Sc, LL.B, FCS
Practicing Company Secretary

48, Ultimate Business Centre, 111-A, M. G. Road,
Opp. Mumbai University, Fort, Mumbai: 400 023
Tel: +91 22 22672626, Cell: + 91 9920618833.
Email: sachin@sachinfcs.com

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To The Shareholders of Solitaire Machine Tools Limited

I have examined the compliance of conditions of Corporate Governance by Solitaire Machine Tools Limited, for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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

In my opinion and to the best of our information and explanations given to me, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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

Place: Vadodara
Date: 10/05/2014

Sachin Chhadawa
Practicing Company Secretary
FCS 5619 C P No 4617

SACHIN CHHADAWA
B.Sc, LL.B, FCS
Practicing Company Secretary

48, Ultimate Business Centre, 111-A, M. G. Road,
Opp. Mumbai University, Fort, Mumbai: 400 023
Tel: +91 22 22672626, Cell: + 91 9920618833,
Email sachin@sachinfcs.com

CIN: L28932MH1967PLC013747

Authorised Capital : Rs. 5,50,00,000/-

Paid-up Capital : Rs. 4,54,21,760/-

COMPLIANCE CERTIFICATE

[Pursuant to Sec.383A(1) of the Companies Act, 1956]

The Members,
SOLITAIRE MACHINE TOOLS LIMITED,
107, Arun Chambers, Tardeo Road,
Mumbai – 400 032,

I have examined the registers, records, books and papers of SOLITAIRE MACHINE TOOLS 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 financial year ended on 31st March, 2014. 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, the officers and the agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all the registers as stated in Annexure 'A' to this certificate as per the provisions of the Act and the rules made there under and all the entries therein have been recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board and other authorities with the time prescribed under the Act and the rules made there under.
3. The company, being a public limited company, comments are not required.
4. The Board of Directors duly met **4 (Four)** times on 4th May, 2013, 27th July, 2013, 26th October 2013 and 1st February, 2014 in respect of which meetings the proceedings were properly recorded & signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 15th June, 2013 to 22nd June, 2013 (both days inclusive).
6. The annual general meeting for the financial year ended on 31st March, 2013 was held on 22nd June, 2013 after giving due notice to the members of the company & the resolutions passed there at were duly recorded in the minutes book maintained for the purpose.
7. No Extra Ordinary General Meetings was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has complied with the provisions of section 297 of the Act in respect of contracts specified in that section.

10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company was required to obtain any approvals from the Board of directors, members or Central Government.
12. The Company was not required to issue a duplicate share certificate during the year under scrutiny.
13. The company has:
 - a. Delivered all the certificates on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act;
 - b. deposited the amount of dividend declared including interim dividend in a separate bank account on 28th June, 2013;
 - c. Paid / posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Axis Bank Limited;
 - d. transferred the amounts in unpaid dividend account which have remained unclaimed and unpaid for a period of seven years to Investor Education and Protection Fund ;
 - e. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The company has not appointed Managing Director or Whole-time Director for the financial year under the report.
16. The company has not appointed any sole selling agent for the financial year under the report.
17. There were no matters requiring approvals of the Central Government, Company Law Board, Regional Directors, Registrar and such other authorities as may be prescribed under the various provisions of the Act, for the financial year under the report.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act to the extent and wherever applicable.
19. The company has not issued equity shares during the financial year and complied with the provisions of the Act.
20. The company has not bought back any shares during the financial year under report.
21. The company has not issued any preference shares during the financial year under report.
22. There were no instances in the company requiring to keep in abeyance rights to dividends, bonus shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The company has not accepted any deposits under Section 58A of the Companies Act, 1956.
24. The borrowings made by the company during the financial year under report do not attract provisions of Sec. 293(1) (d) of the Act.
25. The company has made loans and investments or given guarantees or provided securities to bodies corporate in compliance with the provisions of the Act.

26. The company has not altered the provisions of Memorandum with respect to the situation of the company's registered office from one state to another during the year.
27. The company has not altered the provisions of Memorandum with respect to the objects of the company during the year.
28. The company has not altered the provisions of Memorandum with respect to the name of the company during the year and complied with the provisions of the Act.
29. The company has not altered the provisions of Memorandum with respect to the capital of the company during the year.
30. The company has not altered its Articles of Association in the year under the report.
31. Based on the representations made by the Directors, the company has not received any prosecution notice or show cause notices for the alleged offences under the Act.
32. The company has not received any security from its employees during the year under certification.
33. The Company has duly deposited both the employee's & employer's contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Place: Vadodara
Date: 10/05/2014

Sachin Chhadawa
Practicing Company Secretary
FCS 5619 C P No 4617

Encl: Annexures "A" & "B"

ANNEXURE "A"

Following Registers are maintained by the company:-

1. Register of Members u/s 150.
2. Register of Directors, Managing Director etc. u/s 303.
3. Register of Director's shareholding u/s 307.
4. Register of disclosure of interest u/s 301.
5. Register of charges u/s 143.
6. Register of share transfer.
7. Register of Balance sheet.
8. Books of Accounts: As regards compliance of Section 209, 210 and 211 of the Act concerned while giving this certificate, I have relied on the report of the Statutory Auditors of the company.

Following books are maintained by the company:-

1. Board Meeting Minutes Book.
2. General Meeting Minutes Book.
3. Audit Committee Minutes Book
4. Remuneration Committee Minutes Book

ANNEXURE "B"

Forms and returns to be filed by the company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

A] Forms filed with the Registrar of Companies, Mumbai.

Form / Return.	Details for which form was filed.	Under following provision.	Date of filing/ Document date	Whether filed within prescribed time limit.	Whether filed by paying delayed filing fees.
Form 20B	In respect of AGM held on 22.06.2013	Sec.159	21.08.2013	Yes	No
Form 23AC and 23ACA	Balance sheet and Profit & Loss Account for the financial year ended on 31.03.2013	Sec.220	31.10.2013	No	Yes
Form 66	Compliance Certificate for the year ended 31.03.2013	Sec. 383A	19.07.2013	Yes	No
Form 8	Modification of charge	Sec. 125	04.03.2014	Yes	No

B] Regional Director or any other authority: Nil

Independent Auditor's Report
To the Members of SOLITAIRE MACHINE TOOLS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **SOLITAIRE MACHINE TOOLS LIMITED** which comprise the Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (ii) in the case of the Statement of 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our report of even date on the accounts of M/s. **SOLITAIRE MACHINE TOOLS LIMITED**, for the year ended 31st March, 2014.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) As per the information and explanations given to us physical verification of fixed assets has been carried out once during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and nature of its business.
(c) The Company has not disposed of any substantial part of fixed assets during the year.
2. (a) As per the information furnished, the inventories have been physically verified during the year by the management.
(b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. The Company has not granted or taken any loan secured or unsecured to/from any company or other parties covered in the register maintained under Section 301 of the Companies Act 1956. Hence provisions of paragraph 4 (iii) (a) to (g) of the order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.

5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Companies Act, 1956, exceeding the value of Rs. Five Lakhs in respect of any party during the year.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as per directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and the nature of its business.
8. We have broadly reviewed the books of accounts maintained by the company 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 are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
9. (a) According to the information and explanations given to us and the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, the following dues of custom demands have not been deposited by the company on account of dispute:

Name of the Statute	Nature of the Dues	Amount Rs. (Net of Payment)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	DGFT	2,300,000	1999-2000	Writ No. 1957 of 2000 before Delhi High Court

10. The company has no accumulated losses at the end of the financial year and the Company has not incurred any cash losses in the current and immediately preceding financial year.
11. On the basis of our examination and according to the information and explanations given to us, the company has not defaulted in repayment of the dues to a bank with respect to its borrowings. The company has not borrowed any loans from financial institutions and debenture holders.
12. Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly the provisions of paragraph 4 (xii) of the said order are not applicable.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/ mutual benefit fund/societies and accordingly, the provisions of paragraph 4 (xiii) of the said order are not applicable.
14. In our opinion, regarding investments in shares and securities dealt with by the company during the year proper records have been maintained of the transactions and contracts and timely entries have been made therein and such securities and shares are held by the company in its own name.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to us, the company has not availed any term loan during the year.
17. In our opinion and according to information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that, the Company has not used the funds borrowed on short term basis during the year for the long term investments.
18. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures and accordingly provisions of paragraph 4 (xix) of the said order, are not applicable.
20. The Company has not made any public issues during the year and accordingly provisions of paragraph 4 (xx) of the said order, are not applicable.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For AJMERA AJMERA AND ASSOCIATES
FIRM REGISTRATION NO.123989W
CHARTERED ACCOUNTANTS

K.N. AJMERA
PARTNER
MEMBERSHIP NO. 010805

PLACE: VADODARA
DATED: 10.05.2014

SOLITAIRE MACHINE TOOLS LIMITED

Balance Sheet As At 31st March, 2014

(Amounts in Rs.)

Particulars	Notes No	As at 31.03.2014	As at 31.03.2014
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	45,421,760	45,421,760
(b) Reserves and Surplus	3	59,158,157	58,094,302
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	9,183,991	9,553,095
(3) Current Liabilities			
(a) Short-Term Borrowings	5	12,613,063	4,159,121
(b) Trade Payables	6	13,718,742	9,890,297
(c) Other Current Liabilities	7	25,015,736	9,386,432
(d) Short-Term Provisions	8	3,131,301	3,959,272
Total		168,242,749	140,464,279
<u>II. ASSETS</u>			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		71,227,630	76,616,606
(ii) Capital Work-in-Progress		4,391,082	-
(b) Non-current Investments	10	75,618,712	76,616,606
(c) Long term Loans and Advances	11	5,375,542	5,375,542
(d) Other Non-Current Assets	12	6,493,918	5,290,465
		359,036	359,036
(2) Current Assets			
(a) Current Investments	13	8,805	8,805
(b) Inventories	14	40,184,815	27,199,643
(c) Trade Receivables	15	12,000,672	10,177,319
(d) Cash and Cash Equivalents	16	23,951,065	13,512,451
(e) Short-Term Loans and Advances	17	4,250,184	1,924,412
Total		168,242,749	140,464,279
Significant Accounting Policies and Notes on Accounts	1 to 39		
AS PER OUR REPORT OF EVEN DATE ATTACHED			
FOR AJMERA AJMERA & ASSOCIATES FIRM REGISTRATION NO.123989W CHARTERED ACCOUNTANTS.		FOR AND ON BEHALF OF THE BOARD	
		Ashok J. Sheth CMD	
		Shulpa Taneja Director	
K.N. AJMERA PARTNER MEMBERSHIP NO. : 010805			
PLACE : VADODARA			
DATE : 10/05/2014			

SOLITAIRE MACHINE TOOLS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2014

(Amounts in Rs.)

Particulars	Notes No	For the year ended 31st March 2014	For the year ended 31st March 2013
I. Revenue from Operations	18	92,307,521	103,645,842
II. Other Income	19	2,066,206	1,471,155
III. Total Revenue (I +II)		94,373,727	105,116,997
IV. Expenses:			
Cost of Materials Consumed	20	50,940,824	49,249,274
Changes in inventories of finished goods and stock-in-process	21	(8,490,195)	(5,700,400)
Employee benefits expense	22	15,149,729	14,488,415
Finance Costs	23	623,218	568,595
Depreciation	9	6,616,563	6,548,760
Other Expenses	24	23,315,092	25,777,306
Total Expenses		88,155,230	90,931,950
V. Profit before extraordinary items and tax (III-IV)		6,218,496	14,185,047
VI. Extraordinary Items	25	366,685	-
VII. Profit before tax (V- VI)		5,851,811	14,185,047
VI. Tax expense:			
(1) Current Tax		2,500,000	5,000,000
(2) Short provision of Income Tax relating to earlier years		-	478,126
(3) Deferred Tax		(369,105)	(110,946)
		2,130,895	5,367,180
VII. Profit/(Loss) for the period (V - VI)		3,720,916	8,817,867
VIII. Earning per equity share:			
Equity share of par value of Rs. 10/- each			
Before Extra Ordinary Item			
(1) Basic		0.90	1.94
(2) Diluted		0.90	1.94
After Extra Ordinary Item			
(1) Basic		0.82	1.94
(2) Diluted		0.82	1.94
Significant Accounting Policies and Notes on Accounts	1 to 39		
AS PER OUR REPORT OF EVEN DATE ATTACHED			
FOR AJMERA AJMERA & ASSOCIATES		FOR AND ON BEHALF OF THE BOARD	
FIRM REGISTRATION NO 123989W		Ashok J Sheth CMD	
CHARTERED ACCOUNTANTS.		Shilpa Taneja Director	
K.N. AJMERA PARTNER MEMBERSHIP NO : 010805			
PLACE : VADODARA DATE : 10/05/2014			

SOLITAIRE MACHINE TOOLS LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014			
S.NO	PARTICULARS	2013-2014 Rs.	2012-2013 Rs.
A	CASH FLOW FROM OPERATION ACTIVITIES:		
	Net Profit as per Profit & Loss Account:	3,720,916	8,817,867
	Adjustment for Depreciation	6,616,563	6,548,760
	Dividend Received	-	(45,663)
	Tax Provision for Taxation & Deferred Tax	2,130,895	5,367,180
	Interest Received	(1,677,094)	(1,336,438)
	Interest and financial Charges	539,029	435,541
	Loss/(Profit) on Sale of Assets	(6,796)	(34,152)
	Operating Profit Before Working capital Changes	11,323,513	19,753,095
	Adjustment For:		
	Trade & other Receivable	(5,782,751)	6,879,701
	Inventories	(12,985,171)	(8,545,683)
	Direct Taxes paid (Net of Refund)	(1,595,586)	(5,787,614)
	Trade Payables	19,684,035	(17,977,002)
	Net Cash Flow From Operating Activities	10,644,040	(5,677,503)
B	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of Fixed Assets (Including WIP)	(1,295,791)	(1,090,289)
	Capital Work in progress	(4,391,082)	-
	Sale of Fixed Assets	75,000	70,000
	Interest Received	1,677,094	1,336,438
	Dividend Received	-	45,663
	Net Cash used in Investing Activities	(3,934,779)	361,812
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds From Borrowing (Net of Repayment)	8,227,656	1,889,053
	Dividend Paid	(3,406,632)	(6,813,264)
	Dividend Tax	(552,641)	(1,105,453)
	Interest and Financial Charges paid	(539,029)	(435,541)
	Net Cash used in Financing Activities	3,729,354	(6,465,205)
	Net Increase in Cash & cash Equivalents	10,438,614	(11,780,897)
	Opening Balance of Cash & Cash Equivalents	13,512,451	25,293,348
	Closing Balance of Cash & Cash Equivalents	23,951,065	13,512,451

Notes: 1. The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.

2. Figures of the previous year have been regrouped/ reclassified, wherever necessary

In terms of our report of even date
For AJMERA AJMERA AND ASSOCIATES
FIRM REGISTRATION NO.123989W
CHARTERED ACCOUNTANTS

For and on behalf of the board

Ashok J Sheth CMD

Shilpa Taneja Director

K.N. AJMERA
PARTNER
MEMBERSHIP NO.010805

Place: VADODARA
Dated: 10/05/2014

SOLITAIRE MACHINE TOOLS LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014****1 SIGNIFICANT ACCOUNTING POLICIES:****a). System of Accounting:**

- i). The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis unless otherwise stated hereinafter.
- ii). The accounts are prepared under historical cost convention, as a going concern and generally in accordance with applicable accounting standards.

iii). Use of Estimates:

The preparation of the financial statements in conformity with generally accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the period in which such revisions are made.

b). Fixed Assets and Depreciation:

- i). Fixed Assets are stated at their cost of acquisition less Depreciation. Additions to Fixed Assets are net of Modvat Credit.
- ii). Depreciation on Fixed Assets is provided on Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956.

iii). Intangible Assets:

Technical Know Fee:

Intangible Assets are stated at cost of acquisition less accumulated amortization.

Technical know how is amortized over a period of Five Years in equal installments.

c). Investments:

Long Term Investments are stated at cost. Current Investments are carried at the lower of cost and quoted/fair value. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of management.

d). Valuation of Inventories:

- i). Raw Materials - Components - Lower of the Cost or net realisable value
- ii). Stores & Spares - Lower of the Cost or net realisable value
- iii). Cutting Tools and Holding Tools - Lower of the Cost or net realisable value
- iv). Semi Finished Goods - Lower of the Cost or net realisable value, calculated on percentage of work executed on contracted price.
- v). Finished Goods - Lower of the Cost or net realisable

e). Foreign Exchange Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Monetary items are translated at the year end rate. The differences between the rate prevailing on the date of transaction and on the date of settlement and also on translation at the end of the year are recognised as income or expenses, as the case may be for the year except in the case of Long Term Liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

f). **Treatment of Retirement Benefits:**

- i). The Company's contribution to recognised provident fund, and Employees' state Insurance Scheme are defined contribution plans are charged to the Profit and Loss Account when incurred.
- ii). The Company's employees are covered under the Employees Group Gratuity Cum Life Assurance Scheme of Life Insurance Corporation of India which is a defined benefit scheme. The Company account for gratuity liability equivalent to the premium amount payable to Life Insurance Corporation of India every year, which is based on actuarial valuation.
- iii). Leave Encashment is accounted on cash basis.

g). **Revenue Recognition:**

- a) Revenue is recognised on transfer of significant risk and reward in respect of ownership.
- b) Sales are stated exclusive of Value Added Tax, Central Sales Tax and are net of sales return and Trade Discount. Excise Duty deducted from gross turnover (gross) is the amount that is included in the amount of amount of gross turnover.
- c) Set-off Claims and other claims, are accounted for as and when admitted by the appropriate authorities.
- d) Exchange Fluctuation and accrued interest on L. C. Margin and Bank Guarantee Margin are accounted on cash basis.
- e) Dividend income is recognised in the year when the right to receive payment is established.

h). **Purchases are accounted for net of modvat credit.**

i). **Excise Duty:**

Excise Duty in respect of finished goods lying in factory premises are provided for and included in the valuation of inventory.

j). **Taxation:**

- i). Provision for current income tax is determined on the basis of the amount of tax payable on taxable income for the year.
- ii). Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

k). **Contingent Liabilities, Provisions & Contingent Assets:**

- i) Contingent liabilities are not recognised and are disclosed in notes.
- ii). Provisions involving substantial degree of estimation in measurement are recognized when the present obligation resulting from past events gives rise to probability of outflow of resources embodying economic benefits on settlement.
- iii). Provisions are reviewed at each Balance sheet date and adjusted to reflect the current best estimates
- iv). Contingent assets are neither recognised nor disclosed in financial statements.

l). **Impairment of Assets:**

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount.

m). **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as a part of the cost of such assets till such period the assets are ready for use. All other borrowing costs are charged to revenue.

SOLITAIRE MACHINE TOOLS LIMITED**NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014**

The previous periods figures have been regrouped/reclassified, wherever necessary to conform to the current period presentation.

2. SHARE HOLDERS FUND - SHARE CAPITAL

(Amounts in Rs.)

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	AUTHORIZED Equity shares, 10/- par value 55,00,000 (55,00,000) equity shares	55,000,000	55,000,000
		55,000,000	55,000,000
2	ISSUED Equity shares, 10/- par value 50,39,750 (50,39,750) equity Shares	50,397,500	50,397,500
		50,397,500	50,397,500
3	SUBSCRIBED & PAID UP CAPITAL Equity shares, 10/- par value 45,42,176 (45,42,176) Equity Shares fully paid-up	45,421,760	45,421,760
	Total	45,421,760	45,421,760

The Company has only one class of shares referred to as equity shares having a par value of 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on 10-5-2014 proposed a dividend of Rs. 0.50 per equity share. The proposal is subject to the approval of share holders at their Annual General Meeting. The total dividend appropriation for the year ended 31st March, 2014 amounted to Rs.26,57,060/- including corporate dividend tax of Rs.3,85,972/-.

During the previous year ended March 31, 2013 the amount per share dividend recognised as distributions to equity share holders was Rs. 0.75. The total dividend appropriation for the year ended March 31, 2013 amounted to Rs.3959273/- including corporate dividend tax of Rs.552641/-.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of number of shares outstanding and the amount of share capital as at 31st March 2014 and 31st March 2013 is set out below:

Sr. No	Particulars	Equity Shares		Equity Shares	
		Number	Rs.	Number	Rs.
		31/03/2014		31/03/2013	
1	Shares outstanding at the beginning of the year	4,542,176	45,421,760	4,542,176	45,421,760
2	Shares issued during the year	-	-	-	-
3	Shares bought back during the year	-	-	-	-
4	Shares outstanding at the end of the year	4,542,176	45,421,760	4,542,176	45,421,760

Shares in the company held by each shareholder holding more than 5 percent shares (Equity shares in nos of Rs.10/- each)

Sr. No	Name of Shareholder	As at 31st Mar 2014		As at 31st Mar 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Jyoti Prafull Sheth	997,062	21.95	985,930	21.71
2	Bharati Ashok Sheth	397,520	8.75	390,692	8.60
3	Ashok Jivarajbhai Sheth	356,660	7.85	356,660	7.85
	TOTAL	1,751,242	38.55	1,733,282	38.16

3. SHAREHOLDER FUNDS-RESERVE & SURPLUS

Sr. No	Particulars		As at 31.03.2014		As at 31.03.2013
1	Capital reserve - Opening balance Opening Balance		2,078,470		2,078,470
2	General Reserve Opening Balance	4,541,050		4,541,050	
	Add: Transferred from Surplus		4,541,050		4,541,050
3	Surplus Opening Balance	51,474,781		46,616,188	
	Add: Net profit after tax transferred	3,720,916		8,817,867	
	Amount available for appropriation		55,195,697		55,434,055
	Appropriations:				
	Dividend		2,271,088		3,406,000
	Dividend Tax		385,972		552,000
	Surplus- Closing Balance		52,538,637		51,474,055
	Total		59,158,157		58,094,055

4. NON CURRENT LIABILITIES -DEFERRED TAX LIABILITIES (NET)

Sr. No	Particulars		As at 31.03.2014		As at 31.03.2013
1	Opening	9,553,095		9,664,041	
2	For the year (Difference between book & I.T Depreciation)	(369,105)	9,183,991	(110,946)	9,553,095
	Total		9,183,991		9,553,095

5. CURRENT LIABILITIES -SHORT TERM BORROWINGS

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
	SECURED		
1	From Axis Bank Ltd. Baroda Cash Credit (The above loans are Secured against Immovable and movable properties of the Company including Plant & Machinerics, stocks of all kinds, shares, Book debts and further by personal guarantee of some Directors)	12,613,063	4,159,121
	Total	12,613,063	4,159,121

6. CURRENT LIABILITIES -TRADES PAYABLE

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Trade Payables	13,718,742	9,890,297
	Total	13,718,742	9,890,297

7. CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Current maturity of Long Term Debt		226,286
2	Advances from Customers	20,319,197	4,193,175
3	Un-paid Dividends	1,455,291	1,386,802
4	Provision for Expenses	2,971,401	2,943,355
5	Withholding and other Taxes payable	269,847	296,914
6	Excise duty payable on Finished goods		339,900
	Total	25,015,736	9,386,432

8. CURRENT LIABILITIES -SHORT TERM PROVISIONS

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Provision for Taxation	474,241	
2	Proposed Dividend	2,271,088	3,406,632
3	Provision for tax on Dividend	385,972	552,641
	Total	3,131,301	3,959,273

SOLITAIRE MACHINE TOOLS LIMITED

9. FIXED ASSETS

Particulars	ORIGINAL COST			DEPRECIATION AND AMORTIZATION			NET BLOCK VALUE		
	As at 01.04.2013 Rs.	Additions/ Adjustments during the period Rs.	Deductions/ Retirement during the period Rs.	As at 31.03.2014 Rs.	As at 01.04.2013 Rs.	For the Period Rs.	Deductions/ Adjustments during the period Rs.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Tangible Assets:									
Land	5,302,195	-	-	5,302,195	-	-	-	5,302,195	5,302,195
Building	35,368,890	181,776	-	35,550,666	9,233,564	1,184,621	-	25,132,481	26,135,326
Office Premises	1,400,833	-	-	1,400,833	390,547	22,834	-	987,452	1,010,286
Plant & Machinery	75,185,070	574,161	96,213	75,663,018	43,182,040	3,580,510	28,009	28,928,477	32,003,030
Electric Installation	2,411,025	-	-	2,411,025	821,749	114,524	-	1,474,752	1,589,276
Furniture & Fixtures	11,768,432	23,583	-	11,792,015	6,487,751	745,740	-	4,558,524	5,280,681
Vehicles	8,416,368	491,171	-	8,907,539	4,150,810	814,512	-	3,942,217	4,265,558
Office Equipments	2,126,573	-	-	2,126,573	1,257,811	101,012	-	767,750	868,762
Computer	301,307	25,100	-	326,407	139,815	52,810	-	133,782	161,492
Total	142,280,693	1,295,791	96,213	143,480,271	65,664,087	6,616,563	28,009	71,227,630	76,616,606
Previous Year Rupees	140,198,708	2,798,937	716,952	142,280,693	59,796,431	6,548,760	681,104	65,664,087	76,616,606

10. NON CURRENT ASSETS -NON-CURRENT INVESTMENTS

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<u>LONG TERM INVESTMENT- AT COST</u> <u>TRADE (UN-QUOTED)</u>		
	<u>INVESTMENTS IN SUBSIDIARY COMPANIES:</u>		
1	SHRUCHI MANUFACTURING LTD 15900 Equity Shares of Rs. 100/- each fully paid up.	1,590,000	1,590,000
2	JBS MACHINERY CORPORATION 1000. Equity shares of 51 each, fully paid up	3,785,542	3,785,542
	Total	5,375,542	5,375,542

Un-quoted Investments 5,375,542 5,375,542

11. NON CURRENT ASSETS -LONG TERM LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<u>UNSECURED, CONSIDERED GOOD:</u> <u>CAPITAL ADVANCES, OTHER LOANS AND ADVANCES:</u>		
1	Loan to Subsidiary Company	3,929,447	2,163,447
2	Advance Income Taxes	-	430,173
3	Loans and advances to Employees	512,357	637,285
4	Electricity and other Deposits	682,114	469,314
5	Rental Deposits	1,370,000	1,590,246
	Total	6,493,918	5,290,465

12. NON CURRENT ASSETS - OTHER NON CURRENT ASSETS

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	<u>UNSECURED CONSIDERED GOOD</u>		
1	Advances to Gratuity Trust	5,000	5,000
2	Duty recoverable under protest	354,036	354,036
	Total	359,036	359,036

13. CURRENT ASSETS - CURRENT INVESTMENTS

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	(Valued at lower of the cost and fair value Non Trade -Quoted)		
1	50 Equity Shares of Batliboi Ltd.of Rs. 5/- each fully paid-up.	1,465	1,465
2	10 Equity Shares ABC Bearing Ltd.of Rs. 10/- each fully paid-up	7,040	7,040
3	Shares of N.M. Bank of Rs.100/- each	300	300
	Total	8,805	8,805

Quoted Investments (At Cost)	8,805	8,805
Market Value of Quoted Investments	1,283	1,176

14. CURRENT ASSETS -INVENTORIES

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	(Valued at Lower of the cost or net realisable value and Semi Finished Goods valued on percentage of work executed on contracted price)		
1	Raw Materials - Components	19,605,410	15,347,216
2	Semi Finished Goods	19,661,716	4,839,065
3	Rebuilding in Process	7,933	3,349,094
4	Spares in Process	170,410	71,805
5	Cutting Tools	632,642	397,023
6	Holding Tools	106,703	105,540
7	Finished Grinders	-	3,089,900
	Total	40,184,815	27,199,643

15. CURRENT ASSETS-TRADE RECEIVABLES

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	Un-Secured -Considered Good		
1	Debts outstanding for a period exceeding six months	2,466,625	3,616,711
2	Other Debts-Un-secured	9,534,047	6,560,608
	Total	12,000,672	10,177,319

16. CURRENT ASSETS -CASH & CASH EQUIVALENT

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
1	Cash-in-Hand: Cash Balance	2,759	583
	Sub Total (A)	2,759	583
2	Bank Balance:* on current accounts	1,705,056	1,435,200
	Sub Total (B)	1,705,056	1,435,200
3	Other Bank Balances: Fixed Deposit With Bank	22,243,250	12,076,668
	Sub Total (C)	22,243,250	12,076,668
	Total [A + B + C]	23,951,065	13,512,451

* Balance with Banks includes Unclaimed Dividend of Rs.1,655,291/- P.Y Rs. 1,386,802/-

17. CURRENT ASSETS -SHORT TERMS LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	Unsecured, Considered Good :		
1	Interest accrued on FDR	1,372,685	1,177,212
2	Balances with Excise, Sales Tax & Service Tax	2,712,692	574,989
3	For Supply of Goods and Rendering Services	66,410	18,745
4	Prepaid Expenses	98,397	153,466
	Total	4,250,184	1,924,412

18. REVENUE FROM OPERATIONS

Sr. No	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
1	Sale of Products		92,586,082	108,125,193
	Less: Excise duty		5,779,827	10,054,619
			86,806,255	98,070,574
2	Revenue from Sale of Services		5,288,926	5,381,228
3	Other Operating Revenue-Scrap Sales		212,340	194,040
	Total		92,307,521	103,645,842

19. OTHER INCOME

Sr. No	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
1	Interest received on Deposits with Bank (TDS Rs.167,711/- P.Y Rs 1,33,599/-)		1,677,094	1,336,438
2	Miscellaneous Income		342,197	-
3	Interest on Income Tax Refund		-	54,902
4	Sundry credit balance W/Back		40,119	-
5	Dividend Received		-	45,663
6	Profit on Sale of Fixed Assets		6,796	34,152
	Total		2,066,206	1,471,155

20. COST OF MATERIAL CONSUMED

Sr. No	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
	COMPONENTS:			
1	Opening Stock		15,347,216	12,133,981
2	Add : Purchases		55,199,018	52,462,509
			70,546,234	64,596,490
3	Less Closing Stock		19,605,410	15,347,216
	Total		50,940,824	49,249,274

21. CHANGE IN INVENTORIES

Sr. No	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
1	Closing Stock			
	Finished Goods		-	3,089,900
	Semi-Finished Goods		19,661,716	4,839,065
	Rebuilding in process		7,933	3,349,094
	Spares in process		170,410	71,805
			19,840,059	11,349,864
2	Less : Opening Stock			
	Finished Goods		3,089,900	-
	Semi-Finished Goods		4,839,065	4,435,899
	Rebuilding in process		3,349,094	1,175,713
	Spares in process		71,805	37,852
			11,349,864	5,649,464
	Total		8,490,195	5,700,400

22. EMPLOYMENT BENEFIT EXPENSES

Sr. No	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
1	Salaries and Wages		13,475,653	12,823,945
2	Contribution to Provident Fund and Other Funds		1,346,440	1,237,013
3	Staff welfare expenses		327,636	427,457
	Total		15,149,729	14,488,415

Note:

(Salaries and wages included Director's remuneration Rs.3,130,192/- P.Y.4,073,000/- Contribution to P.F.50,400/- P.Y.Rs.50,400/-)

23. FINANCE COSTS

Sr. No	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
A	INTEREST EXPENSES:			
1	Interest to Bank		539,029	435,541
B.	OTHER BORROWING COST:			
1	Processing Fee		84,189	133,054
	Total		623,218	568,595

24. OTHER EXPENSES

Sr. No	Particulars		For the year ended 31st March 2014	For the year ended 31st March 2013
1	Consumption of Stores and spares		2,448,464	2,472,062
2	Power and fuel		1,857,746	1,791,803
3	Labour Contract Charges		3,794,318	3,211,175
4	Rent		677,000	684,000
5	Repair to Building		141,632	291,938
6	Repairs to Machinery		397,838	606,509
7	Insurance		384,505	237,228
8	Rates and Taxes		541,152	417,515
9	Bank Charges		121,595	150,756
10	Auditor's Remuneration:			
	Audit Fee		112,360	112,360
	Tax Audit Fee		56,180	56,180
11	Labour Charges		1,680,290	1,425,732
12	Travelling Expenses		1,542,814	2,248,810
13	Postage and Courier		203,508	187,980
14	Printing and Stationery		170,359	328,451
15	Telephone & Mobile		220,964	196,778
16	Legal & Professional Charges		951,264	922,568
17	Vehicle Expenses		573,841	515,075
18	Annual General Meeting Expenses		188,111	187,059
19	Others Repairs		228,854	365,810
20	Security Charges		437,481	337,762
21	Advertisement		1,928,291	1,383,394
22	Export Expenses		294,341	27,521
23	Sales Expenses		339,369	619,099
24	Sales Commission		2,532,881	2,439,623
25	Packing Expenses		384,243	372,200
26	Registrar's Fees		142,627	141,798
27	Donation		500	50,500
28	Exhibition Expenses		-	677,154
29	Miscellaneous Expenses		867,680	1,389,215
30	Computer Expenses		103,607	557,079
31	Foreign Exchange Fluctuation		(8,725)	832,272
32	Excise on Finished Goods		-	339,900
33	Old Advances Written off		-	200,000
	Total (A+B)		23,315,092	25,777,306

25 Extra Ordinary item includes prior year expenses amounting to Rs.366,685/- (P.Y Rs. Nil)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

26. COMPANY IS CONTINGENTLY LIABLE IN RESPECT OF:

- a). Penalty Levied by DGFT of Rs. 23 Lacs (Net of advance) (Previous year- Rs.23 lacs) and contested in appeal, vide WP No.1957 of 2000 pending at Delhi High Court.
- b). Income Tax,Demand under dispute and contested under appeal
A.Y.2006-07 -Penalty Rs.800,000/- (Previous year Rs. 800,000)
- c). Bank Guarantees issued Rs.1,532,500/- (P.Y Rs.910,200/-)
- d). ESIC Demand under dispute Rs. Nil/- (P.Y. 525,694/-)

27. A). BREAK-UP FOR IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED

	31.03.2014 Amount Rs.	% of total Consumption	31.03.2013 Amount Rs.	% of total Consumption
Imported	6,005,280	12.00	7,791,272	16.00
Indigenous	44,935,544	88.00	41,458,002	84.00
	<u>50,940,824</u>	<u>100.00</u>	<u>49,249,274</u>	<u>100.00</u>

	Rs. 31.03.2014	Rs. 31.03.2013
B). C.I.F. VALUE OF IMPORTS		
Components & Others	6,179,364	7,477,924
Capital Goods	3,471,289	-
C). EARNING IN FOREIGN EXCHANGE		
F.O.B Value of Exports	29,288,853	13,507,233
D). EXPENDITURE IN FOREIGN CURRENCY:		
Travelling Expenses	187,584	358,826

28. Related Party Disclosures have been set out as below. The related parties, as defined by Accounting Standard 18 related party disclosure, issued by Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of information available with the company.

A) NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONSHIP:

- 1). Subsidiaries : Shruchi Manufacturing Limited
JBS Machinery Corporation
- 2). Associates : Adventure Advertising Private Limited
Metal Perforation Private Limited.
- 3). Key Management Personnel : Mr. A.J. Sheth - Chairman & Managing Director
Mr. H.J. Badani - Vice Chairman & Managing Director
Mr. Harsh Badani - Whole Time Director
- 4). Relatives of Key Management Personnel and Associates : Smt. Jyoti P. Sheth - Wife of Chairman Emeritus
- 5). Chairman Emeritus : Mr. P.J. Sheth

b) Disclosure of Transactions with Related Parties as required by Accounting Standard 18:

S.N	Nature of Transaction	Subsidiaries	Associates	Key Management Personnel	Relatives	Total
1)	Receiving of Services	900,000 (300,000)	142,548 (60,838)	- -	- -	1,042,548 (360,838)
2)	Managerial Remuneration	-	-	3,130,192 (4,073,000)	350,487 -	3,480,679 (4,073,000)
3)	Rent paid	-	-	-	600,000 (600,000)	600,000 (600,000)
4)	Loan Given	2,581,175 (2,120,457)	- -	- -	- -	2,581,175 (2,120,457)
5)	Loans Received Back	815,175 (2,300,000)	- -	- -	- -	815,175 (2,300,000)
6)	Office Deposit Recd back	-	-	-	220,246 (1,209,754)	220,246 (1,209,754)
7)	Advance Received	- (44,100)	- -	- -	- -	- (44,100)
8)	Outstanding balances as at 31.03.2014 :					
	i) Loan Out Standing	3,929,447 (2,163,447)	- -	- -	- -	3,929,447 (2,163,447)
	ii) Investments	5,375,542 (5,375,542)	- -	- -	- -	5,375,542 (5,375,542)
	iii) Security Deposit	-	-	-	1,370,000 (1,590,246)	1,370,000 (1,590,246)
	iv) Other Liabilities	-	185,036 (42,488)	390,000 (485,000)	-	575,036 (527,488)

* Figures in Brackets are of previous year.

29. The Company has no reportable segment. Accordingly, pursuant to Accounting Standard (AS-17) on segment reporting issued by the institute of Chartered Accountant of India, segmental information is not required to be provided.

30. The company has not reported liabilities of Gratuity which is a defined benefit plan in accordance with Accounting Standard 15 issued by Institute of Chartered Accountants of India as it is covered under Group Gratuity Scheme of Life Insurance Corp. of India.

31. EARNING PER SHARE:

	2013-2014	2012-2013
(i). Net Profit after tax available for Equity Shareholders (in Rs.)	3,720,916	8,817,867
(ii). Weighted average of number of equity shares outstanding during the year	4,542,176	4,542,176
(iii). Basic and Diluted Earnings per equity share of Rs. 10 each (in Rs.)	0.82	1.94

32. DEFERRED TAX LIABILITY

	AS ON 31.03.2014	AS ON 31.03.2013
Opening Balance	9,553,095	9,664,041
Difference between book and Tax Depreciation	(369,105)	(110,946)
Deferred Tax Liability	9,183,990	9,553,095

33. There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of Rs. 3,54,036.00 (Previous year Rs. 3,54,036/- which is being contested on Order No. D/827/97 of Rs.3,54,036.00 dt. 14.08.1997. Amount has been paid against thereof as advance under protest.

34. BALANCE DUE FROM SUBSIDIARY COMPANIES:

Name	Balance As on 1.4.2014 Rs	Balance As on 1.4.2013 Rs	Maximum balance during the year Rs
Shruchi Manufacturing Limited	3,929,447	2,163,447	3,929,447

35. Sundry Creditors, Sundry Debtors, Loans and Advances are subject to confirmation.

36. The company has not received any intimation from "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act; 2006 and, hence, disclosure, if any relating the amounts un paid as at 31st March, 2014 together with interest paid and payable are required under the said Act have not been given.

37. There are no amounts due and outstanding, to be credited to Investor Education and Protection Fund.

38. The Accounts of Subsidiary Companies have not been consolidated in the Financial Statements of the Company, as the amounts involved are not material.

39. Previous Year's figures have been regrouped / re-arranged wherever deemed necessary so as to make them comparable and figures are stated to the nearest rupee.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ON ACCOUNTS

1 to 39

IN TERMS OF OUR ATTACHED
REPORT OF EVEN DATE

For AJMERA AJMERA & ASSOCIATES
FIRM REGISTRATION NO.123989W
CHARTERED ACCOUNTANTS

For and on behalf of the board

Ashok J Sheth CMD

Shilpa Taneja Director

K.N.AJMERA
PARTNER
MEMBERSHIP NO.010805

PLACE : VADODARA
DATED : 10-05-2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANY

Name of the Subsidiary	Shruchi Manufacturing Limited
1. The financial year of the subsidiary Company	31 st March, 2014
2. Share of the Subsidiary Companies held by Solitaire Machine Tools Ltd. on the above date.	
a. Number of Equity Shares	15900
b. Extent of holding in Equity Shares	100%
3. The net aggregate of profit/(loss) of the Subsidiary Company for the Financial year, so far they concern The members of Solitaire Machine Tools Ltd. were:	
a. Dealt with in the Account of Solitaire Machine Tools Ltd. for the year Ended 31 st March, 2014	Nil
b. Not dealt with in the account of Solitaire Machine Tools Ltd. for the year Ended 31 st March, 2014	(Rs. 94,187.00)
4. The net aggregate of profit/(loss) of the Subsidiary Company for the Previous Financial year, so far they concern the members of Solitaire Machine Tools Ltd. were:	
a. Dealt with in the Account of Solitaire Machine Tools Ltd. For the year Ended 31 st March, 2013	Nil
b. Not dealt with in the account of Solitaire Machine Tools Ltd. For the year Ended 31 st March, 2013	Rs. 9,122.00

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Vadodara

A. J. Sheth

Mg. Director

Date: 10.05.2014

H. J. Badani

Mg. Director