

SOLITAIRE MACHINE TOOLS LIMITED
REPORT
AND
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH, 2015

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BOARD OF DIRECTORS

Mr. A. J. Sheth
Mr. H. J. Badani
Mr. Harsh Badani
Ms. Shilpa Taneja
Mr. A. J. Kothari
Dr. Amita Shah
Mrs. Rashmi Desai
Mrs. Padmaja K. Mukundan

Chairman & Managing Director
Vice Chairman & Managing Director
Whole Time Director
Director
Director
Director
Director
Director

CORPORATE MANAGEMENT

Mr. A. J. Sheth
Mr. H. J. Badani
Mr. Harsh Badani
Mr. N. M. B. Khan

Chairman & Managing Director
Vice Chairman & Managing Director
Whole Time Director
Dy. General Manger (Finance & Corporate Affairs)

REGISTERED & CORPORATE OFFICE

107, ARUN CHAMBERS, TARDEO ROAD
MUMBAI-400 034
Tel: 022 66602156

**PLANTS
PLANT I:**

292, DHARAMSINH DESAI MARG
CHHANI ROAD, VADODARA-390 002
Tel: 0265 277 2415/ 277 3585
Email: sales@smtgrinders.com

PLANT II

A-24/25, KRISHNA INDUSTRIAL ESTATE,
GORWA, VADODRA-390 016
Tel: 0265 658 0010
Email: sales@smtgrinders.com

WEBSITE

www.smtgrinders.com

AUDITORS

AJMERA AJMERA & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

BANKER

AXIS BANK LTD.
VARDHMAN COMPLEX, OPP. G.E.B.
RACE COURSE CIRCLE (NORTH),
VADODARA-390 007

SHARE TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED,
C-13, PANNALAL SILK MILLS COMPOUND,
L.B.S. MARG, BHANDUP (WEST)
MUMBAI-400 078

SECRETARIAL CONSULTANT

SACHIN CHHADAWA
PRACTICING COMPANY SECRETARY
MUMBAI

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the Twenty Third Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS :

The performance during the period ended 31st March, 2015 has been as under:

(Rs. in Lacs)

Particulars	Year Ended 31 st March, 2015	Year Ended 31 st March, 2014	Year Ended 31 st March, 2013	Year Ended 31 st March, 2012	Year Ended 31 st March, 2011
Sales (Net)	1079.42	923.08	1036.45	1407.65	954.97
Other Income	15.44	20.66	14.71	15.21	7.38
Increase/ (Decrease) in stocks	150.75	84.90	57.00	(32.02)	(45.51)
Profit Before Taxation	104.63	58.52	141.85	192.41	136.62
Less:					
Taxation	56.00	25.00	50.00	65.14	48.00
Fringe Benefit Tax	-	-	-	-	-
Add/Less: Deferred Tax	26.08	3.70	1.11	5.80	(6.63)
Net Profit after Tax	62.94	37.21	88.17	134.62	77.17
Add: Profit brought Forward from Previous Year	525.39	514.75	466.16	417.13	392.93
Profit available for appropriation	588.33	551.96	554.34	551.75	470.11
Proposed Dividend	34.06	22.71	34.07	68.13	45.42
Corporate Tax on Proposed Dividend	6.81	3.86	5.53	11.05	7.54
Transfer to General Reserve	0.00	0.00	0.00	6.41	-
Balance Carried to Balance Sheet	547.45	525.39	514.75	466.16	417.14

DIVIDEND:

Your Directors recommend dividend of Rs. 34,06,632/- per share (7.5%) on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2015 subject to members' approval.

OPERATIONS:

The operation for the year has shown growth after two years of decline in Sales and profits. The market has started slow recovery for Machine Tools industry. The acceptability of our quality and service was recognized in International market and it resulted in higher exports. Export constituted close to **45 %** of total sales of the year. During the year our Grinders were sold in Australia, New Zealand, China, Italy, UK and USA. This helped the company to show the growth and profitability for the year. There was some delay in taking delivery of the grinders ready with us by customers due to various reasons. This resulted in higher inventory. However, the delayed consignments are now cleared and would help improve results for the current financial year.

The total sales were up by about 17 % to Rs. 1079.42 Lacs against previous year's sales of Rs. 923.07 Lacs. The net profit also increased by about 69 % to Rs. 62.94 lacs against previous year's Rs. 37.20 lacs.

Your company has been able to remain Debt Free for the year. The borrowings from bank are in Cash Credit account. The company has earned more from Bank deposits than the interest paid to banks.

The New Year has started with good orders in hand and general optimism in the industry for higher growth in future. The expected growth in Infrastructure, Defense, Aerospace and Energy sector would help in having more disposable income in hands of working people. This normally results in higher sales in Automotive and Engineering industry. Similarly exports of automotive and other components has seen higher demand and resulted in higher exports in time to come. On Export Front also your Company has orders in hands from Brazil, Argentina, UK and USA. More orders are expected from other export markets. The Domestic Front is also looking up.

EEPC has recognized the Export efforts of Your Company and has awarded Star Performer for the Year 2012 -2013 for western region. The award was handed over by Gujarat Chief Minister, Mrs. Anandiben Patel to Mr. Harsh Badani in Ahmedabad.

The company has been able to reduce the input cost by about 1 % during the year inspite of higher cost in some area of procurement and higher cost of import due to depreciation of Rupee. The total cost was reduced by about 4 % by curtailing expenses. Further cuts in expenses are being planned to improve the working.

The Company had participated in IMTEX 2015 at Bangalore in January 2015. The Micro Centerless Grinder and Double Disk Grinder were launched at the exhibition. The response to new as well as existing product range was good. The first Micro Centerless grinder is being tooled up for a tiny medical implement component and is expected to be supplied to an Export Oriented customer. The company is developing another model for Engine valve industry and it expects to have orders for the same in current and future years. The continuous Development activity has helped Your Company to stay ahead of competition and compete with International manufacturers in Europe, USA, Japan etc.

The Company continued it's social responsibility as far as possible with it's own resources.

The company thanks its customers for continuous support and faith in meeting their requirements. The Company's personnel have worked hard to achieve these targets and work for better future. The Company thanks its Bankers and all other agencies for their continued support.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Report on Corporate Governance and Management Discussion and Analysis Reports along with Certificate of the Company Secretary in Practice pursuant to clause 49 of the Listing Agreement with the Stock Exchanges has been included in the report. Your company has been practicing the principle of good Corporate Governance over the year. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to BSE where the Company's Shares are listed.

DEMATERIALIZATION OF SHARES:

84.94% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2015 and balance 15.06% is in physical form.

NUMBER OF BOARD MEETINGS HELD:

The Board of Directors duly met 4 times during the financial year from 1st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows :

10th May, 2014, 2nd August, 2014, 1st November, 2014 and 31st January, 2015.

DIRECTORS:

The Board of Directors are duly constituted. As per provisions of Companies Act, 2013 for retirement by rotation, all executive directors are now liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

a) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;

c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis;

e) They have laid down internal financial controls in the company that are adequate and were operating effectively.

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

COMMENTS ON AUDIT OBSERVATIONS:

With respect to the Statutory Auditors' observations regarding dues of custom, please note that, the same have not been deposited by the company on account of dispute which is pending before Delhi High Court.

COMMENTS ON SECRETARIAL AUDITOR'S OBSERVATIONS:

There is no malafide intention on the part of company and delay if any, in the matter is inadvertently and caused due to oversight. The Company is in process of complying all the requirements of the Companies Act, 2013 and amended listing agreement.

AUDITORS:

Statutory Auditors:

The Auditors, M/s. Ajmera Ajmera & Associates, Chartered Accountants, Mumbai retire at this Annual General Meeting and being eligible, offer themselves for reappointment.

Secretarial Audit :

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report Annexure-A.

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

a. CONSERVATION OF ENERGY:

The company's operations do not involve substantial consumption of power in comparison to costs of production. However, regulatory measures are there to ensure that the consumption of power is within the norms.

b. TECHNOLOGY ABSORPTION:

The company has fully absorbed the technical know-how received from USA and Italy.

c. FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign exchange earnings of the company during the year 2014-2015 were Rs. 490.84 Lacs (Previous Year Rs. 292.89 Lacs) while outgoings were Rs. 0.74 Lacs (Previous Year Rs. 1.88 Lacs).

VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.smtgrinders.com under <http://www.smtgrinders.com/policies> link.

RELATED PARTY TRANSACTIONS:

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-B.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at www.smtgrinders.com under <http://www.smtgrinders.com/policies> link.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-C.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

There are no Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 during the current Financial Year.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

S. No.	Name	Designation	Remuneration paid FY 14-15	Remuneration paid FY 13-14	Increase in remuneration from previous year	Ratio/Times per Median of employee remuneration
1	Mr. Ashok Sheth	Chairman and Managing Director	Rs. 10,58,502/-	Rs. 10,35,000/-	Rs. 23,502/-	5.75
2	Mr. Hemendra Badani	Managing Director	Rs. 10,54,310/-	Rs. 9,52,000/-	Rs. 1,02,310/-	5.73
3	Mr. Harsh Badani	Whole Time Director	Rs. 7,10,265/-	Rs. 5,84,000/-	Rs. 1,26,265/-	3.86

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

ACKNOWLEDGEMENT:

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance. The Directors wish to place on record their appreciation for the dedicated efforts put in by Employees of the Company at all levels.

For and on behalf of Board of Directors

ASHOK J SHETH
Chairman and Managing Director
DIN: 00174006

Place: Mumbai
Date: 17/06/2015

ANNEXURE 'A' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

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

To,
The Members,
Solitaire Machine Tools Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Solitaire Machine Tools Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Solitaire Machine Tools Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(6) Employees Provident Fund and Miscellaneous Provisions Act, 1952

(7) Employees State Insurance Act, 1948

(8) Factories Act, 1948

(9) Income Tax Act, 1961 and Indirect Tax Laws

(10) Sales Tax

(11) Central Excise & Customs

(12) Service Tax

(13) Professional Tax

(14) Secretarial of Industrial Assistance (SIA)

(15) Equal Remuneration Act, 1976

(16) Industrial Dispute Act, 1947

(17) Minimum Wages Act, 1948

(18) Payment of Bonus Act, 1965

(19) Payment of Gratuity Act, 1972

(20) Payment of Wages Act, 1936

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and Vadodara Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. *The Company has not appointed Company Secretary in full time employment and Chief Financial Officer as per Section 203 of the Companies Act, 2013.*

2. *Non Disclosure of notice of closure of register of members, details with respect to unpaid dividend, Financial Statements and Audited Accounts of last 8 years, Quarterly unaudited Financial Results, Profile of Independent Directors on website of the Company.*
3. *The Company is in process of forming committees as per the Companies Act, 2013 and amended listing agreement.*
4. *Non disclosures with respect to Inter-se promoter transfer as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*
5. *and Administration) Rules, 2014 in some cases (Inter-se promoter transfer in March).*
6. *Non filing of MGT 10 pursuant to Section 93 of The Companies Act, 2013 and pursuant to rule 13 of The Companies (Management Non Compliance with respect to disclosures under Regulation 29 (1) and 29 (2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011*
7. *Non Filing of Annual Return on Foreign Liabilities and Assets*
8. *Non filing of Cost Audit report for the year ended 31.03.2014*

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place:: Mumbai
Date: 17/06/2015

Sachin Chhadawa
Practicing Company Secretary
FCS 5619 C P No 4617

ANNEXURE 'B' TO BOARD'S REPORT

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

1. Details of contracts or arrangements or transactions not at Arm's length basis :

Sr. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Nil
2.	Nature of contracts/arrangements/transaction	Nil
3.	Duration of the contracts/arrangements /transaction	Nil
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5.	Justification for entering into such contracts or arrangements or transactions	Nil
6.	Date of approval by the Board	Nil
7.	Amount paid as advances, if any	Nil
8.	Date on which the special resolution was passed in General meeting as required	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sr. No.	Particulars	Details	
1.	Name (s) of the related party	Shruchi Manufacturing Limited	Adventure Advertising Private Limited
2.	Nature of Relation ship	Subsidiary Company	Associate Company
3.	Nature of contracts / arrangements /transaction	Transaction on Assignment basis	Transaction on Assignment basis
4.	Duration of the contracts/ arrangements / transaction	N. A.	N. A.
5.	Salient terms of the contracts or arrangements or transaction	Receiving Professional & Technical services.	Receiving services of advertisement printing work
6.	Justification for entering into such contracts or arrangements or transactions	Approved by Board of Directors	Approved by Board of Directors
7.	Date of approval by the Board	10th May, 2014	10th May, 2014
8.	Amount incurred during the year	Rs. 600,000/-	Rs. 89,235/-

ANNEXURE 'C' TO BOARD'S REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN: L28932MH1967PLC013747
2. Registration Date: 24/05/1967
3. Name of the Company: SOLITAIRE MACHINE TOOLS LIMITED
4. Category / Sub-Category of the Company: Company Limited by shares
5. Address of the Registered office and contact details: 107, Arun Chambers, Tardeo Road, Mumbai – 400 032, Tel: 022 66602156
6. Whether listed company: Yes
7. Name, Address and Contact details of Registrar and Transfer Agent, if any:
Link Intime India Private Limited, L. B. S. Marg, Bhandup (West), Mumbai – 400 078

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY –

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Cincinnati-20M Centreless Grinders & Loose Spares	28221	96.63

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Shruchi Manufacturing Limited 107, Arun Chambers, Tardeo Road, Mumbai - 400 034	U29253MH1991PLC060001	Subsidiary	100	2 (87)
2.	JBS Machinery Corporation 2508, Dunham Woods Ct., St.	-	Subsidiary	100	2 (87)

b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)	-	-	-	-	-	-	-	-	-
(2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1876107	152800	2028907	44.67	1879177	152800	2031977	44.74	0.15
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.	124327	18400	142727	3.14	80845	18400	99245	2.19	30.47
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1018250	520791	1539041	33.88	1010008	512891	1522899	33.53	1.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	780707	0	780707	17.19	837570	0	837570	18.44	7.28
c) Others									
i) Clearing Member	4005	0	4005	0.09	5085	0	5085	0.11	26.97
ii) HUF	21117	0	21117	0.46	19728	0	19728	0.43	6.58
iii) NRI (Repatriable)	10772	0	10772	0.24	10772	0	10772	0.24	0
iv) NRI (Non	11900	0	11900	0.26	11900	0	11900	0.26	0

Repatriable)									
v) Trust	100	0	100	0.00	100	0	100	0.00	0
vi) Independent Director	2900	0	2900	0.06	2900	0	2900	0.06	-
Sub-total (B)(2):-	1974078	539191	2513269	55.33	1978908	531291	2510199	55.26	0.12
Total Public Shareholding (B)=(B)(1)+(B)(2)	1974078	539191	2513269	55.33	1978908	531291	2510199	55.26	0.12
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3850185	691991	4542176	100	3858085	684091	4542176	100	-

ii) Shareholding of Promoters –

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Jyoti Sheth	997062	21.95	0	0	0	0	-21.95
2.	Bharati Sheth	397520	8.75	0	400400	8.81	0	0.06
3.	Ashok Sheth	356660	7.85	0	606125	13.34	0	5.49
4.	Shruchi Manufacturing Limited	135000	2.97	0	135000	2.97	0	0
5.	Dinesh Sheth	85415	1.88	0	85405	1.88	0	0
6.	Harsh Badani	19700	0.43	0	717643	15.80	0	15.37
7.	Geeta Pai	12800	0.28	0	12800	0.28	0	0
8.	Swati Badani	7000	0.15	0	56854	1.25	0	1.1

9.	Manjunath Pai	5000	0.11	0	5000	0.11	0	0
10.	Shilpa Taneja	4700	0.10	0	4700	0.10	0	0
11.	Hemendra Badani	2100	0.05	0	2100	0.05	0	0
12.	Vora Shraddha Suneel	2000	0.04	0	2000	0.04	0	0
13.	Sandipbhai Shah	1300	0.03	0	1300	0.03	0	0
14.	Jeni Isak Rangwala	950	0.02	0	950	0.02	0	0
15.	Ashok Bavishi	500	0.01	0	500	0.01	0	0
16.	Gita Amin	500	0.01	0	500	0.01	0	0
17.	Sudhir Mehta	500	0.01	0	500	0.01	0	0
18.	Praful Vora	200	0.00	0	200	0.00	0	0
	Total	2028907	44.67	0	2031977	44.74	0	0.15

iii) Change in Promoters' Shareholding (please specify, if there is no change) –

		Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Jyoti Sheth				
	At the beginning of the year	997062	21.95	997062	21.95
	Transmission during the year	997062	21.95	0	0.00
	At the End of the year	0	0	0	0.00
2.	Bharati Sheth				
	At the beginning of the year	397520	8.75	397520	8.75

	Bought during the year	2880	0.06	400400	8.82
	At the End of the year	400400	8.82	400400	8.82
3.	Ashok Sheth				
	At the beginning of the year	356660	7.85	356660	7.85
	Bought during the year	249465	5.49	606125	13.34
	At the End of the year	606125	13.34	606125	13.34
4.	Shruchi Manufacturing Limited	No change			
5.	Dinesh Sheth				
	At the beginning of the year	85415	1.88	85415	1.88
	Sold during the year	10	0.11	85405	1.88
	At the End of the year	85405	1.88	85405	1.88
6.	Harsh Badani				
	At the beginning of the year	19700	0.43	19700	0.43
	Bought during the year	697943	15.37	717643	15.80
	At the End of the year	717643	15.80	717643	15.80
7.	Geeta Pai	No change			
8.	Swati Badani				
	At the beginning of the year	7000	0.15	7000	0.15
	Bought during the year	997062	21.95	1004062	22.11
	Sold during the year	947208	20.85	56854	1.25
	At the End of the year	56854	1.25	56854	1.25
9.	Manjunath Pai	No change			
10.	Shilpa Taneja	No change			
11.	Hemendra Badani	No change			

12.	Vora Shraddha Suneel	No change			
13.	Sandipbhai Shah	No change			
14.	Jeni Isak Rangwala				
	At the beginning of the year	950	0.02	950	0.02
	Bought during the year	1900	0.04	2850	0.06
	Sold during the year	1900	0.04	950	0.02
	At the End of the year	950	0.02	950	0.02
15.	Ashok Bavishi	No change			
16.	Gita Amin	No change			
17.	Sudhir Mehta	No change			
18.	Praful Vora	No change			

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1.	Ajay Patadia				
	At the beginning of the year	93241	2.05	93241	2.05
	Bought during the year	250	0.005	93491	2.06
	At the End of the year	93491	2.06	93491	2.06
2.	Hansa Patadia	No change			
3.	Manish Patadia	No change			
4.	Snehalatha Singhi	No change			
5.	Camel Foods				

	Private Limited				
	At the beginning of the year	53217	1.17	53217	1.17
	Sold during the year	15471	0.34	37746	0.83
	Bought during the year	890	0.02	38636	0.85
	At the End of the year	38636	0.85	38636	0.85
6.	Vimal Modi	No change			
7.	Ashok Shah				
	At the beginning of the year	47343	1.04	47343	1.04
	Sold during the year	3380	0.07	43963	0.97
	Bought during the year	90	0.00	44053	0.97
	At the End of the year	44053	0.97	44053	0.97
8.	Aditya Shah				
	At the beginning of the year	45000	0.99	45000	0.99
	Bought during the year	24752	0.54	69752	1.54
	At the End of the year	69752	1.54	69752	1.54
9.	Parag Ved	No change			
10.	Saraf N. Narayan				
	At the beginning of the year	28207	0.62	28207	0.62
	Sold during the year	19407	0.43	8800	0.19
	At the End of the	8800	0.19	8800	0.19

	year				
11.	Sahastra Pal Singh	No change			

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Ashok Sheth				
	At the beginning of the year	356660	7.85	356660	7.85
	Bought during the year	249465	5.49	606125	13.34
	At the End of the year	606125	13.34	606125	13.34
2.	Harsh Badani				
	At the beginning of the year	19700	0.43	19700	0.43
	Bought during the year	697943	15.37	717643	15.80
	At the End of the year	717643	15.80	717643	15.80
3.	Shilpa Taneja	No change			
4.	Amita Shah				
	At the beginning of the year	2900	0.06	2900	0.06
	Bought during the year	8700	0.18	11600	0.26
	Sold during the year	8700	0.18	2900	0.06

	At the End of the year	2900	0.06	2900	0.06
5.	Hemendra Badani	No change			

V. INDEBTEDNESS

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

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
iv) Cash Credit A/c	126.43			126.43
Total (i+ii+iii+iv)	126.43			126.43
Change in Indebtedness during the financial year				
<input type="checkbox"/> Addition				
<input type="checkbox"/> Reduction	17.67			17.67
Net Change	17.67			17.67
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
iv) Cash Credit A/c	108.46			108.46
Total (i+ii+iii+iv)	108.46			108.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL –

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ashok Sheth	Hemendra Badani	Harsh Badani	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7,20,000 1,28,502 -	7,20,000 1,24,310 -	4,95,000 24,015 -	19,35,000 2,76,827 -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify (Incentive & Bonus)	2,10,000	2,10,000	1,91,250	6,11,250
	Total (A)	10,58,502	10,54,310	7,10,265	28,23,077
	Ceiling as per the Act	10% of Net Profit of the Company or as per Schedule V			

B. Remuneration to other directors:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Anil Kothari	Mrs. Rashmi Desai	Mrs. Padmaja Mukundan	
	1. Independent Directors	Mr. Anil Kothari	Mrs. Rashmi Desai	Mrs. Padmaja Mukundan	
	<input type="checkbox"/> Fee for attending board / committee meetings	6,000	2,000	2,000	10,000
	<input type="checkbox"/> Commission	-	-	-	-
	<input type="checkbox"/> Others, please specify	6,880	-	-	6,880
	Total (1)	12,880	2,000	2,000	16,880
	2. Other Non-Executive Directors	Dr. Amita Shah	Mrs. Shilpa Taneja	-	
	<input type="checkbox"/> Fee for attending board/	4,000	4,000		8,000

	committee meetings				
	<input type="checkbox"/> Commission	-	-		-
	<input type="checkbox"/> Others, please specify	-	-		-
	Total (2)	4,000	4,000		8,000
	Total (B)=(1+2)				24,880
	Total Managerial Remuneration				28,47,957
	Overall Ceiling as per the Act	11% of Net Profit of the Company or as per Schedule V			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
– Not Applicable

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable

For and on behalf of Board of Directors

ASHOK J SHETH
Chairman and Managing Director
DIN: 00174006

Place: Mumbai
Date: 17/06/2015

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 age technology for sustaining growth. The export market especially to U.S.A., China, etc. will sustain and an additional avenue is opened for exports to Europe, South America, Asia & 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, 2013 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 10th May, 2014, 2nd August, 2014, 1st November, 2014 and 31st January, 2015.

- 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 Director-ship	No. of Board Meetings Attended	Attendance at last AGM held on 22.06.2013	No. of other Director-ship	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	4	Yes	1	1	
3. Ms. Shilpa Taneja	Promoter and Non - Executive	2	Yes	2	2	
4. Mr. Harsh Badani	Promoter, WTD and Executive	3	No	1		
5. Dr. Amita S. Shah	Independent	2	No	--	1	
6. Mr. A. J. Kothari	Independent	3	Yes	--	2	
7. Ms. Rashmi S Desai	Independent	1	No	--		
8. Mrs. Padmaja K. Mukundan	Independent	1	No	--		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:

Dr. Amita Shah, Director and Mrs. Shilpa Taneja, 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.smtgrinders.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 9th May 2014, 2nd August, 2014, 31st October 2014 and 30th January, 2015.

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.

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 2014-15, 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, 2015.

Managing / Executive / Whole-time Director	Salary (Rs.)	annual ex-gratia (performance linked incentive)	Commission (Rs)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Stock Option
Mr. Ashok Sheth	7.2 Lacs	2.10 Lacs	--	1.29	--	--

Mr. Hemendra Badani	7.2 Lacs	2.10 Lacs	--	1.24	--	--
Mr. Harsh Badani	4.95 Lacs	1.91 Lacs	--	0.24	--	--

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, 2015 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
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.
2013 - 14	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	30.06.2014	9.30 a. m.

I. Means of Communication:

Company is publishing quarterly un-audited financial results and notice advertisements in The Free Press Journal in English and Nav 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 20 th July, 2014 at 10.00A.M. at Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034		
ii. Financial Calendar 2015-16 First quarterly results Audited Yearly Results	Probable Dates: Before end of July, 2015 Before mid of May, 2016		
iii. Book Closure Date	14 th July, 2015 to 20 th July, 2015		
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 2014-15 at BSE.	Months	High (Rs.)	Low (Rs.)
	April, 2014	15.00	10.90
	May, 2014	15.55	12.11
	June, 2014	16.40	12.50
	July, 2014	16.25	12.96
	Aug, 2014	16.45	12.65
	Sept, 2014	18.25	12.55
	Oct, 2014	14.40	11.00
	Nov, 2014	15.68	12.72
	Dec, 2014	16.80	15.00
	Jan, 2015	17.20	14.00
	Feb, 2015	17.45	14.45
March, 2015	16.70	12.20	

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, 2015.

No. of equity shares held	No. of Folios / Shareholders	No. of Shares held	% of Share holding
Upto 500	3477	663838	14.62
501 to 1000	310	264092	5.81
1001 to 2000	146	227453	5.01
2001 to 3000	44	111537	2.46
3001 to 4000	12	42785	0.94
4001 to 5000	23	108429	2.39
5001 to 10000	29	211009	4.65
More than 10000	37	2913033	64.13
Total	4078	4,542,176	100

M. Shareholding Pattern as on 31st March, 2015.

Category	No. of Share held	% of Share holding
Promoters	20,34,877	44.80
Banks, Financial Institutions, Insurance Companies, Mutual Funds	0	0
Foreign Financial Institutions	0	0
Private Corporate Bodies	99,245	2.19
Indian Public	23,60,469	51.97
N. R. I.	22,672	0.50
G. D. R. / A. D. R.	0	0
Others	24,913	0.55
Total	4,542,176	100

N. Other Information:

Dematerialization of shareholding and equity	Nearly 84.94% of total equity share capital (3858085) Shares are held in dematerialized form with NSDL and CDSL as on 31 st March, 2015.
Registrars and Share Transfer Agents <u>For Dematerialization Shares</u> <u>For Physical Shares:</u> In House arrangement.	Link Intime India Private Limited Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai – 400 078. Link Intime India Private Limited Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai – 400 078 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
DIN: 00174006

Hemendra J Badani
Managing Director
DIN: 00143330

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

Date: 17/06/2015
Place: Mumbai

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, 2015 and Profit & Loss Account for the year ended as on that date along with all its schedules, notes to the accounts and also the Cash Flow statements for the year ended 31st March, 2015 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
DIN: 00174006

N. M. B. Khan
Manager Finance

Date: 17/06/2015
Place: Mumbai

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, 2015.

Date: 17/06/2015
Place: Mumbai

Ashok J Sheth
Managing Director
DIN: 00174006

SACHIN CHHADAWA 48, Ultimate Business Centre, 111-A, M. G. Road,
B.Sc, LL.B, FCS Opp. Mumbai University, Fort, Mumbai: 400 023
Practicing Company Secretary 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, 2015, 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: Mumbai
Date: 17/06/2015

Sachin Chhadawa
Practicing Company Secretary
FCS 5619 C P No 4617

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
SOLITAIRE MACHINE TOOLS LIMITED**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **SOLITAIRE MACHINE TOOLS LIMITED**, which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards referred under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 qualified audit opinion on the financial statements.

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015
- b) In the case of the Statement of Profit and Loss, of the '**Profit**' for the year ended on that date; and
- c) 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act
 - f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to our best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note.26 to the financial statements.

- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

K.N. AJMERA
PARTNER
MEMBERSHIP NO. 010805

PLACE: MUMBAI
DATED: 09-05-2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that:

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 at reasonable intervals 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 generally maintaining proper records of inventory and no material discrepancies were noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Thus paragraph 3(iii) of the order is 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. In our opinion and according to the information and explanations given to us company has not accepted any deposits, from the directives issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act.
6. As informed to us the central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013
7. (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, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty excise , value added tax, 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 2015 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 ` (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

- (d) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
8. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

9. 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.
10. 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.
11. According to the information and explanations given to us, the company has not availed any term loan during the year.
12. 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, nor have we been informed of such case by the management.

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

K.N. AJMERA
PARTNER
MEMBERSHIP NO. 010805

PLACE: MUMBAI
DATED: 09-05-2015

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
SOLITAIRE MACHINE TOOLS LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SOLITAIRE MACHINE TOOLS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Grouping accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of subsidiary JBS Machinery Corporation whose financial statements / financial information reflect total assets of `42.23 Lacs as at 31stMarch, 2015, total revenues of `NIL lacs and net cash flows amounting to `Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company, its subsidiary Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company, its Subsidiary Company incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note.27 to the consolidated financial statements.
 - ii. The Group does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, incorporated in India.

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

K.N. AJMERA
PARTNER
MEMBERSHIP NO. 010805

PLACE: MUMBAI
DATED: 09.05.2015

ANNEXURE TO AUDITORS REPORT:

(Referred in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements for the year ended March 31, 2015 of the Group)

In case of Holding Company as per clause 7 (c) of the order 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 ` (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

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

K.N. AJMERA
PARTNER
MEMBERSHIP NO. 010805

PLACE: MUMBAI
DATED: 09-05-2015

SOLITAIRE MACHINE TOOLS LIMITED
Balance Sheet As At 31st March, 2015

(Amount in ₹)

Particulars	Notes No	As at 31.03.2015	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	58,187,729	59,158,157
		103,609,489	104,579,917
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	6,575,642	9,183,991
		6,575,642	9,183,991
(3) Current Liabilities			
(a) Short-Term Borrowings	5	10,846,257	12,613,063
(b) Trade Payables	6	10,604,686	13,718,742
(c) Other Current Liabilities	7	28,788,193	25,015,736
(d) Short-Term Provisions	8	8,139,654	3,131,301
		58,378,790	54,478,842
Total		168,563,921	168,242,750
<u>II. ASSETS</u>			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		63,739,365	71,227,630
(ii) Capital Work-in-Progress		-	4,391,082
		63,739,365	75,618,712
(b) Non-current Investments	10	5,375,542	5,375,542
(c) Long term Loans and Advances	11	5,932,502	6,493,918
(d) Other non-current assets	12	359,036	359,036
		75,406,445	87,847,208
(2) Current Assets			
(a) Current Investments	13	8,805	8,805
(b) Inventories	14	57,694,513	40,184,815
(c) Trade Receivables	15	15,075,462	12,000,672
(d) Cash and Cash Equivalents	16	16,842,018	23,951,065
(e) Short-term Loans and Advances	17	3,536,677	4,250,184
		93,157,475	80,395,541
Total		168,563,921	168,242,750
Significant Accounting Policies and Notes on Accounts	1 to 38		
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
K.N. AJMERA PARTNER MEMBERSHIP NO. : 010805		(ASHOK JIVRAJBHAI SHETH) MANAGING DIRECTOR DIN NO.00174006	
		(HEMANDRA JAYANTILAL BADANI) MANAGING DIRECTOR DIN NO.00143330	
PLACE : MUMBAI DATE : 09-05-2015			

SOLITAIRE MACHINE TOOLS LIMITED

Statement of Profit and Loss for the period ended 31st March, 2015

(Amount in ₹)

Particulars	Notes No	For the period ended 31st March, 2015	For the period ended 31st March, 2014
I. Revenue from Operations	18	107,942,430	92,307,521
II. Other Income	19	1,543,811	2,066,206
III. Total Revenue (I +II)		109,486,241	94,373,727
IV. Expenses:			
Cost of Materials Consumed	20	58,058,343	50,940,824
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(15,921,520)	(8,490,195)
Employee Benefit Expense	22	17,079,062	15,149,729
Financial Costs	23	1,151,160	623,218
Depreciation	9	10,061,542	6,616,563
Other Expenses	24	27,833,246	23,315,092
Total Expenses		98,261,833	88,155,231
V. Profit before extraordinary items and tax (III-IV)		11,224,408	6,218,496
VI. Extraordinary Items	25	761,264	366,685
VII .Profit before tax (V- VI)		10,463,144	5,851,811
VIII. Tax expense:			
(1) Current Tax		5,600,000	2,500,000
(2) Short provision of Income Tax relating to earlier years		1,177,055	-
(3) Deferred Tax		(2,608,348)	(369,105)
		4,168,707	2,130,895
IX. Profit/(Loss) for the period (VII - VIII)		6,294,438	3,720,916
X. Earning per equity share:			
Equity share of par value of ₹. 10/- each			
Before Extra Ordinary Item			
(1) Basic		1.55	0.90
(2) Diluted		1.55	0.90
After Extra Ordinary Item			
(1) Basic		1.39	0.82
(2) Diluted		1.39	0.82
Significant Accounting Polices and Notes on Accounts	1 to 38		
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	
K.N. AJMERA PARTNER MEMBERSHIP NO. : 010805		(ASHOK JIVRAJBHAI SHETH) MANAGING DIRECTOR DIN NO.00174006	
		(HEMANDRA JAYANTILAL BADANI) MANAGING DIRECTOR DIN NO.00143330	
PLACE : MUMBAI DATE : 09-05-2015			

SOLITAIRE MACHINE TOOLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(Amount in ₹)	
	2014-2015	2013-2014
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit as per Profit & Loss Account	6,294,438	3,720,916
Adjustment for Depreciation	10,061,542	6,616,563
Tax Provision for Taxation & Deferred Tax	4,168,707	2,130,895
Interest Received	(1,587,514)	(1,677,094)
Interest and financial Charges	977,679	539,029
Loss/(Profit) on Sale of Assets	-	(6,796)
Operating Profit Before Working capital Changes	19,914,851	11,323,513
Adjustment For:		
Trade & other Receivable	(1,799,867)	(5,782,751)
Inventories	(16,663,427)	(12,985,171)
Direct Taxes paid (Net of Refund)	(4,045,672)	(1,595,586)
Trade Payables	658,401	19,684,034
Net Cash Flow From Operating Activities	(1,935,714)	10,644,039
 B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including WIP)	(1,359,303)	(1,295,791)
Capital Work in progress	-	(4,391,082)
Sale of Fixed Assets	-	75,000
Interest Received	1,587,514	1,677,094
Net Cash used in Investing Activities	228,211	(3,934,779)
 C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Borrowing (Net of Repayment)	(1,766,806)	8,227,656
Dividend Paid	(2,271,088)	(3,406,632)
Dividend Tax	(385,972)	(552,641)
Interest and Financial Charges paid	(977,679)	(539,029)
Net Cash used in Financing Activities	(5,401,545)	3,729,354
Net Increase in Cash & cash Equivalents	(7,109,048)	10,438,614
Opening Balance of Cash & Cash Equivalents	23,951,066	13,512,451
Closing Balance of Cash & Cash Equivalents	16,842,018	23,951,065

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

(K.N. AJMERA)
PARTNER
MEMBERSHIP NO.010805

For and on behalf of the board

(ASHOK JIVRAJBHAI SHETH)
MANAGING DIRECTOR
DIN NO.00174006

PLACE : MUMBAI
DATED : 09-05-2015

(HEMANDRA JAYANTILAL BADANI)
MANAGING DIRECTOR
DIN NO.00143330

SOLITAIRE MACHINE TOOLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

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 II of the Companies Act, 2013.

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.
- 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) Gross sales is inclusive of sales tax, excise duty and service income and are net of incentives discounts and rebates.
- 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, 2015

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

2. SHARE HOLDERS FUND - SHARE CAPITAL

(Amount in ₹)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
1	AUTHORIZED		
	Equity shares, 10/- par value	55,000,000	55,000,000
	55,00,000 (55,00,000) equity shares		
		55,000,000	55,000,000
2	ISSUED		
	Equity shares, 10/- par value	50,397,500	50,397,500
	50,39,750 (50,39,750) equity Shares		
		50,397,500	50,397,500
3	SUBSCRIBED & PAID UP CAPITAL		
	Equity shares, 10/- par value	45,421,760	45,421,760
	45,42,176 (45,42,176) Equity Shares fully paid-up		
	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 09-05-2015 proposed a dividend of ₹. 0.75 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, 2015 amounted to ₹40,87,757/-including corporate dividend tax of ₹.6,81,125/-

During the year ended March,31,2014 the amount per share dividend recognised as distributions to equity share holders was ₹.0.50. The total dividend appropriation for the year ended March,31,2014 amounted to ₹.26,57,060/- including corporate dividend tax ₹.3,85,972/-.

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 2015 and 31st March 2014 is set out below:

Sr. No	Particulars	Equity Shares		Equity Shares	
		Number	₹	Number	₹
		31/03/2015		31/03/2014	
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 ₹.10/- each)

Sr. No	Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Harsh H Badani	717,643	15.80	-	-
2	Jyoti Prafull Sheth	-	-	997,062	21.95
3	Ashok Jivarajbhai Sheth	606,125	13.34	356,660	7.85
4	Bharati Ashok Sheth	400,400	8.82	397,520	8.75
	TOTAL	1,724,168	37.96	1,751,242	38.55

3. SHAREHOLDER FUNDS-RESERVE & SURPLUS

Sr. No	Particulars	As at 31.03.2015		As at 31.03.2014	
1	CAPITAL RESERVE - OPENING BALANCE				
	Opening Balance		2,078,470		2,078,470
2	GENERAL RESERVE				
	Opening Balance	4,541,050		4,541,050	
	Less: Difference of reassessment of Useful Life of Fixed Assets as per Schedule II.	3,177,107	1,363,943	-	4,541,050
3	SURPLUS				
	Opening Balance	52,538,635		51,474,781	
	Add: Net profit after tax transferred	6,294,438		3,720,916	
	Amount available for appropriation		58,833,073		55,195,697
	Appropriations:				
	Dividend		3,406,632		2,271,088
	Dividend Tax		681,125		385,972
			4,087,757		2,657,060
	Surplus- Closing Balance		54,745,316		52,538,637
	Total		58,187,729		59,158,157

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

Sr. No	Particulars	As at 31.03.2015		As at 31.03.2014	
1	Opening	9,183,990		9,553,095	
2	For the year (Difference between book & I.T Depreciation)	(2,608,348)	6,575,642	(369,105)	9,183,990
	Total		6,575,642		9,183,990

5. CURRENT LIABILITIES -SHORT TERM BORROWINGS

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	SECURED From Axis Bank Ltd. Baroda Cash Credit AXIS BANK LTD.(C.C A/C.013010300009447) (The above loans are Secured against Immovable and movable properties of the Company including Plant & Machineries, stocks of all kinds, shares, Book debts and further by personal guarantee of some Directors)		10,846,257		12,613,063
	Total		10,846,257		12,613,063

6. CURRENT LIABILITIES -TRADES PAYABLE

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Trade Payables		10,604,686		13,718,742
	Total		10,604,686		13,718,742

7. CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Advances from Customers		23,014,095		20,319,197
2	Un-paid Dividends		1,418,542		1,455,291
3	Provision for Expenses		3,612,811		2,971,401
4	Withholding and other Taxes payable		11,495		269,847
5	Excise duty payable on Finished goods		731,250		-
	Total		28,788,193		25,015,736

8. CURRENT LIABILITIES -SHORT TERM PROVISIONS

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Provision for Employee Benefits Gratuity		846,272		-
2	Provision for Taxation		3,205,625		474,241
3	Proposed Dividend		3,406,632		2,271,088
4	Provision for tax on Dividend		681,125		385,972
	Total		8,139,654		3,131,301

SOLITAIRE MACHINE TOOLS LIMITED

9. FIXED ASSETS

(Amount in ₹)

Particulars	ORIGINAL COST				DEPRECIATION AND AMORTIZATION				NET BLOCK VALUE	
	As at 31.03.2014	Additions/ Adjustments during the period	Deductions Retirement during the period	As at 31.03.2015	As at 01.04.2014	For the Period	Deductions/ Adjustments during the period (refer note below)	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets:										
Land	5,302,195	-	-	5,302,195	-	-	-	-	5,302,195	5,302,195
Building	35,550,666	16,252	-	35,566,918	10,418,185	1,209,889	84,886	11,712,960	23,853,958	25,132,481
Office Premises	1,400,833	-	-	1,400,833	413,381	85,303	(3)	498,681	902,152	987,452
Plant & Machinery	75,663,018	5,669,747	-	81,332,765	46,734,541	5,695,226	974,313	53,404,079	27,928,686	28,928,477
Electric Installation	2,411,025	-	-	2,411,025	936,273	706,833	180,252	1,823,358	587,667	1,474,752
Furniture & Fixtures	11,792,015	34,829	-	11,826,844	7,233,491	1,311,759	988,511	9,533,762	2,293,082	4,558,524
Vehicles	8,907,539	-	-	8,907,539	4,965,322	955,388	186,583	6,107,293	2,800,246	3,942,217
Office Equipments	2,126,573	-	-	2,126,573	1,358,823	19,778	710,793	2,089,393	37,180	767,750
Computer	326,407	29,557	-	355,964	192,625	77,366	51,772	321,764	34,200	133,782
Total	143,480,271	5,750,385	-	149,230,656	72,252,641	10,061,542	3,177,107	85,491,289	63,739,365	71,227,630
Previous Year Rupees	142,280,693	1,295,791	96,213	143,480,271	65,664,087	6,616,563	28,009	72,252,641	71,227,630	

Note : Includes ₹.31,77,107/- (P.Y.Nil) on account of adjustment due to transitional provision of Schedule II of the Companies Act, 2013 as on 01-04-2014

10. NON CURRENT ASSETS -NON-CURRENT INVESTMENTS

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	LONG TERM INVESTMENT- AT COST TRADE (UN-QUOTED) INVESTMENTS IN SUBSIDIARY COMPANIES :		
1	SHRUCHI MANUFACTURING LTD. 15900 Equity Shares of ₹. 100/- each fully paid up.	1,590,000	1,590,000
2	JBS MACHINERY CORPORATION 1000, Equity shares of \$ 1 each, fully paid up	3,785,542	37,885,542
	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 31.03.2015	AS AT 31.03.2014
	UNSECURED, CONSIDERED GOOD : CAPITAL ADVANCES, OTHER LOANS AND ADVANCES:		
1	Loan to Subsidiary Company	3,929,447	3,929,447
2	Advance Income Taxes		
3	Loans and advances to Employees	385,413	512,357
4	Electricity and other Deposits	539,314	682,114
5	Rental Deposits	1,078,328	1,370,000
	Total	5,932,502	6,493,918

12. NON CURRENT ASSETS - OTHER NON CURRENT ASSETS

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	(UNSECURED CONSIDERED GOOD)		
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 31.03.2015	AS AT 31.03.2014
	VALUED AT LOWER OF THE COST AND FAIR VALUE NON TRADE -QUOTED		
1	50 Equity Shares of Batliboi Ltd.of ₹. 5/- each fully paid-up.	1,465	1,465
2	10 Equity Shares ABC Bearing Ltd.of ₹. 10/- each fully paid-up	7,040	7,040
3	Shares of N.M. Bank of ₹.100/- each	300	300
	Total	8,805	8,805

Quoted Investments (At Cost)	8,805	8,805
Market Value of Quoted Investments	2,301	1,283

14. CURRENT ASSETS -INVENTORIES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	(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	21,072,084	19,605,410
2	Semi Finished Goods	29,154,511	19,661,716
3	Rebuilding in Process	9,392	7,933
4	Spares in Process	16,427	170,410
5	Cutting Tools	756,377	632,642
6	Holding Tools	104,472	106,703
7	Finished Grinders	6,581,250	-
	Total	57,694,513	40,184,814

15. CURRENT ASSETS-TRADE RECEIVABLES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	UN-SECURED -CONSIDERED GOOD		
1	Debts outstanding for a period exceeding six months	2,463,545	2,466,625
2	Other Debts-Un-secured	12,611,916	9,534,047
	Total	15,075,462	12,000,672

16. CURRENT ASSETS -CASH & CASH EQUIVALENT

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Cash-in-Hand Cash Balance	3,427	2,759
	Sub Total (A)	3,427	2,759
2	Bank Balance on current accounts	1,595,342	1,705,056
	Sub Total (B)	1,595,342	1,705,056
3	Other Bank Balances: Fixed Deposit With Bank	15,243,250	22,243,250
	Sub Total (C)	15,243,250	22,243,250
Total [A + B + C]		16,842,018	23,951,065

17. CURRENT ASSETS -SHORT TERMS LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
UNSECURED, CONSIDERED GOOD :			
1	Interest accrued on FDR	715,574	1,372,685
2	Balances with Excise, Sales Tax & Service Tax	2,325,337	2,712,692
3	For Supply of Goods and Rendering Services	317,890	66,410
4	Prepaid Expenses	177,876	98,397
Total		3,536,677	4,250,184

18. REVENUE FROM OPERATIONS

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Sale of Products	110,109,820	92,586,082
	Less: Excise duty	5,998,524	5,779,827
		104,111,296	86,806,255
2	Revenue from Sale of Services	3,639,398	5,288,926
3	Other Operating Revenue-Scrap Sales	191,736	212,340
	Total	107,942,430	92,307,521

19. OTHER INCOME

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Interest received on Deposits with Bank (TDS ₹.1,58,752/- P.Y. ₹.1,67,711/-)	1,587,514	1,677,094
2	Miscellaneous Income	20	342,197
3	Sundry credit balance W/Back	-	40,119
4	Foreign Exchange Fluctuation	(43,723)	-
5	Profit on Sale of Fixed Assets	-	6,796
	Total	1,543,811	2,066,206

20. COST OF MATERIAL CONSUMED

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	COMPONENTS:		
1	Opening Stock	19,605,410	15,347,216
2	Add : Purchases	59,525,017	55,199,018
		79,130,427	70,546,234
3	Less Closing Stock	21,072,084	19,605,410
	Total	58,058,343	50,940,824

21. CHANGE IN INVENTORIES

Sr. No	Particulars		AS AT 31.03.2015	AS AT 31.03.2014
1	Closing Stock			
	Finished Goods		6,581,250	-
	Semi-Finished Goods		29,154,511	19,661,716
	Rebuilding in process		9,392	7,933
	Spares in process		16,427	170,410
			35,761,579	19,840,059
2	Less : Opening 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	71805
			19,840,059	11,349,864
	Total		15,921,520	8,490,195

22. EMPLOYMENT BENEFIT EXPENSES

Sr. No	Particulars		AS AT 31.03.2015	AS AT 31.03.2014
1	Salaries and Wages		14,478,363	13,475,653
2	Contribution to Provident Fund and Other Funds		2,148,812	1,346,440
3	Staff welfare expenses		451,887	327,636
	Total		17,079,062	15,149,729

Note:

(Salaries and wages included Director's Remuneration ₹.28,23,077/- P.Y.
₹.31,30,192/- Contribution to P.F. ₹. 59,400/- P.Y. ₹.50,400/-

23. FINANCIAL COST

Sr. No	Particulars		AS AT 31.03.2015	AS AT 31.03.2014
A	INTEREST EXPENSES:			
1	Interest to Bank		977,679	539,029
B.	OTHER BORROWING COST:			
1	Processing Fee		173,481	84,189
	Total		1,151,160	623,218

24. OTHER EXPENSES

Sr. No	Particulars		AS AT 31.03.2015	AS AT 31.03.2014
1	Consumption of Stores and Spares		3,878,083	2,448,464
2	Power and Fuel		1,990,649	1,857,746
3	Labour Contract Charges		4,411,737	3,794,318
4	Rent		600,000	677,000
5	Repair to Building		253,780	141,632
6	Repairs to Machinery		783,881	397,838
7	Insurance		301,032	384,505
8	Rent, Rates and Taxes		595,176	541,152
9	Bank Charges		102,579	121,595
10	Auditor's Remuneration:			
	Statutory Audit Fee		114,000	112,360
	Tax Audit Fee		57,000	56,180
11	Labour Charges		2,392,963	1,680,290
12	Travelling Expenses		1,470,166	1,542,814
13	Postage and Courier		140,183	203,508
14	Printing and Stationery		163,849	170,359
15	Telephone & Mobile		224,635	220,964
16	Legal & Professional Charges		1,539,735	951,264
17	Vehicle Expenses		478,722	573,841
18	Annual General Meeting Expenses		233,416	188,111
19	Others Repairs		315,141	228,854
20	Security Charges		452,042	437,481
21	Advertisement		2,102,552	1,928,291
22	Export Expenses		186,394	294,341
23	Sales Expenses		1,758,159	339,369
24	Sales Commission		926,446	2,532,881
25	Packing Expenses		605,903	384,243
26	Registrar's Fees		137,920	142,627
27	Donation		-	500
28	Miscellaneous Expenses		832,176	867,680
29	Computer Expenses		53,678	103,607
30	Foreign Exchange Fluctuation		-	(8,725)
31	Excise Duty on Finished Goods		731,250	-
	Total (A+B)		27,833,246	23,315,090

Note:

Excise Duty shown under expenditure represents aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock of Finished goods.

25. EXTRAORDINARY ITEMS

Extra Ordinary item includes prior year expenses amounting to ₹.761,264/- (₹.366,685/-)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

26 Company is contingently liable in respect of:

- a). Penalty Levied by DGFT of ₹.23 Lacs (Net of advance) (Previous year- ₹.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 ₹.Nil /- (Previous year ₹.8,00,000/-)
- c). Bank Guarantees Current year ₹.Nil/-(P.Y ₹.15,32,000/-)
- d). There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of ₹. 3,54,036/- (Previous year ₹ .3,54,036/-) which is being contested on Order No. D/827/97 of ₹.3,54,036/- dt. 14.08.1997. Amount has been paid against thereof as advance under protest and reflected under Non-Current Assets.

27 a). Break-up for Imported and Indigenous Raw Materials Consumed

	31.03.2015 Amount ₹	% of total Consumption	31.03.2014 Amount ₹	% of total Consumption
Imported	7,291,947	12.00	6,005,279	12.00
Indigenous	51,100,448	88.00	44,935,543	88.00
	58,392,395	100.00	50,940,822	100.00

	₹ 31.03.2015	₹ 31.03.2014
b). C.I.F. Value of Imports		
Components & Others	6,317,004	6,179,364
Capital Goods	-	3,471,289
c). Earning in Foreign Exchange		
F.O.B Value of Exports	49,083,877	29,288,853
d). Expenditure in Foreign Currency :		
Travelling Expenses	74,136	187,584
Commission	-	-
Royalty	-	-

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	600,000 (900,000)	89,235 (142,548)	- -	- -	689,235 (1,042,548)
2)	Managerial Remuneration & Perques	-	-	2,823,077 (3,130,192)	120,967 (350,487)	2,944,044 (3,480,679)
3).	Rent paid	-	-	-	600,000 (600,000)	600,000 (600,000)
4).	Loan Given	-	-	-	-	-
		(2,581,175)	-	-	-	(2,581,175)
5).	Loans Received Back	-	-	-	-	-
		(815,175)	-	-	-	(815,175)
6).	Office Deposit Recd back	-	-	-	291,672 (220,246)	291,672 (220,246)
7).	Outstanding balances as at 31.03.2015 :					
	i) Loan Out Standing	3,929,447 (3,929,447)	- -	- -	- -	3,929,447 (3,929,447)
	ii) Investments	5,375,542 (5,375,542)	- -	- -	- -	5,375,542 (5,375,542)
	iii) Security Deposit	-	-	-	1,078,328 (1,370,000)	1,078,328 (1,370,000)
	iv) Other Liabilities	264,500 -	135,490 (185,036)	481,500 (390,000)	- -	881,490 (575,036)

* Figures in Brackets are of previous year.

S.N	Nature of Transaction	Name of the Related Party	Current Year ₹	Previous Year ₹	
1)	Receiving of Services				
	Subsidiaries	Shruchi Manufacturing Limited	600,000	9,00,000	
	Associates	Adventure Advertising Private Limited	89,235	1,42,548	
2)	Managerial Remuneration	Key Management Personnel	A.J. Sheth	10,58,502	1094807
			H.J. Badani	10,54,310	1011767
			P.J.Sheth	-	404764
			Harash Badani	7,10,265	618854
				28,23,077	31,30,192
	Relatives	Jyoti P Sheth	1,20,967	3,50,487	
3)	Rent Paid				
	Relatives	Jyoti P Sheth	600,000	600,000	
4)	Loan Given				
	Subsidiaries	Shruchi Manufacturing Limited	-	25,81,175	
5)	Loans Received Back				
	Subsidiaries	Shruchi Manufacturing Limited	-	8,15,175	
6)	Office Deposit Recd back				
	Relatives	Jyoti P Sheth	2,91,672	2,20,246	

7)	Outstanding balances as at 31.03.2015 :			
	i) Loan Out Standing			
	Subsidiaries	Shruchi Manufacturing Limited	3,929,447	39,29,447
	ii) Investments			
	Subsidiaries	Shruchi Manufacturing Limited	53,75,542	53,75,542
	iii) Security Deposit			
	Relatives	Jyoti P Sheth	10,78,328	13,70,000
	iv) Other Liabilities			
	Subsidiaries	Shruchi Manufacturing Limited	2,64,500	-
	Associates	Adventure Advertising Private Limited	1,35,490	1,85,036
	Key Management Personnel	A.J. Sheth	1,65,000	1,25,000
		H.J. Badani	1,65,000	1,30,000
		Harash Badani	1,51,500	1,35,000
			4,81,500	3,90,000

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 **Earning per share:**

	<u>2014-2015</u>	<u>2013-2014</u>
(i). Net Profit after tax available for Equity Shareholders (in ₹.)	6,294,438	3,720,916
(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 ₹. 10 each (in ₹.)	1.39	0.82

31 **Deferred Tax Liability**

	<u>AS ON 31.03.2015</u>	<u>AS ON 31.03.2014</u>
Opening Balance	9,183,990	9,553,095
Difference between book and Tax Depreciation	(2,608,348)	(369,105)
Deferred Tax Liability	6,575,642	9,183,990

32 Balance due from Subsidiary Company.

Name	Balance As on 1.4.2015 ₹	Balance As on 1.4.2014 ₹	Maximum balance during the year ₹
Shruchi Manufacturing Limited	3,929,447	3,929,447	3,929,447

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

34 The Company has no information as to whether any of its suppliers constitute small-scale industrial undertakings and therefore, the amount due to such suppliers has not been identified.

35 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,2015 together with interest paid and payable are required under the said Act have not been given.

36 A. Gratuity

The company's obligations towards the gratuity Fund is a Defined Benefit Plan. Every employee who has completed a continuous period of five years or more of services gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in form of a qualifying insurance policy.

The Following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the fund status and amounts recognised in the Balance sheet.

PARTICULARS	2014-2015	2013-2014
Statement of Profit & Loss		
Net employee benefit expense recognised in the employee cost		
Current Service cost	212,836	195,083
Interest cost on benefit obligation	235,072	140,212
Expected return on plan assets	(144,859)	(130,967)
Net actuarial (gain) /loss recognized in the year	(498,730)	922,479
Past service cost	-	-
Net Benefit expense	(195,681)	1,126,807
Balance sheet		
Benefit Asset/(Liability)		
Present value of defined benefit obligation	2,496,607	2,679,840
Fair Value of Plan Assets	1,909,134	1,694,437
Plan Asset/Liability :	(587,473)	(985,403)
Net Asset/Liability		
Non Current	(375,349)	(772,567)
Current	(212,484)	(212,836)

Changes In the present value of the defined benefit obligation are as follows :

PARTICULARS	2014-2015	2013-2014
Opening Defined benefit obligation	2,679,840	1,540,787
Current service cost	212,836	195,083
Interest Cost	235,072	140,212
Prior Year Charge	-	-
Benefits paid	(144,411)	(124,077)
Actuarial (gain) / Losses on obligations	(486,730)	927,835
Closing Defined benefit obligation :	2,496,607	2,679,840
Changes in the fair value of Plan assets are as follows :		
Opening fair value of plan assets	1,694,437	1,540,787
Contributions by employer	201,890	141,404
Expected return	144,859	130,967
Benefits paid	(144,411)	(124,077)
Actuarial gains / (losses)	12,359	5,356
Closing Fair value of Plan Assets	1,909,134	1,694,437

The Principal Assumptions used in determining gratuity and for the Company's plans are shown below :

PARTICULARS	2014-15	2013-2014
Discount rate	7.70%	9.10%
Future salary Increase	5%	5%
Expected rate of return on assets	8.50%	8.50%
Employer Turn over		

The estimates of future salary increases , considered in actuarial variation , take account of inflation, seniority promotion and other relevant factors ,such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year are as follows :

PARTICULARS	2014-15	2013-14
Defined benefit Obligations	2,496,607	2,679,840
Plan assets	1,909,134	1,694,437
Surplus / (Deficits)	(587,473)	(985,403)
Prior Year Charge	-	-
Experience adjustments on plan Liabilities	(754,101)	927,835.00
Experience adjustments on plan Assets	(12,359)	(5,356)

B. Compensated Absences

The key assumptions used in computation of provision for long term compensated absences are as given below :

Discount rate (% p.a)	7.70%	9.10%
Future Salary Increase (% p.a)	5.00%	5.00%
Mortality rate	Indian Assured Live Indian Assured Lives Mortality (2006-08)	
Attrition (% p.a)	2% to 8%	2% to 8%

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

38 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 38

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

(K.N. AJMERA)
PARTNER
MEMBERSHIP NO.010805

(ASHOK JIVRAJBHAI SHETH)
MANAGING DIRECTOR
DIN NO.00174006

PLACE : MUMBAI
DATED : 09-05-2015

(HEMANDRA JAYANTILAL BADANI)
MANAGING DIRECTOR
DIN NO.00143330

SOLITAIRE MACHINE TOOLS LIMITED
Consolidated Balance Sheet As At 31st March, 2015

(Amount in ₹)

Particulars	Notes No	As at 31.03.2015	As at 31.03.2014
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Funds			
(a) Share Capital	2	44,071,760	44,071,760
(b) Reserves and Surplus	3	58,359,050	59,463,184
		102,430,810	103,534,944
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	6,787,990	9,335,311
(b) Non-Other Current Liabilities	5	1,890,000	1,890,000
		8,677,990	11,225,311
(3) Current Liabilities			
(a) Short-Term Borrowings	6	10,846,257	12,613,063
(b) Trade Payables	7	10,604,686	13,718,742
(c) Other Current Liabilities	8	28,535,293	25,036,129
(d) Short-Term Provisions	9	8,139,654	3,131,301
		58,125,890	54,499,235
Total		169,234,691	169,259,490
<u>II. ASSETS</u>			
(1) Non-current assets			
(a) Fixed Assets	10		
(i) Tangible Assets		68,600,803	76,385,693
(ii) In-Tangible Assets		4,470,772	4,523,962
(iii) Capital Work-in-Progress		-	4,391,082
		73,071,575	85,300,737
(b) Non-current Investments	11	509,040	509,040
(c) Long term Loans and Advances	12	2,063,055	2,586,811
(d) Other non-current assets	13	359,036	359,036
		76,002,706	88,755,624
(2) Current assets			
(a) Current Investments	14	8,805	8,805
(b) Inventories	15	57,694,513	40,184,814
(c) Trade Receivables	16	15,075,462	12,000,672
(d) Cash and Cash Equivalents	17	16,916,527	24,059,391
(e) Short-term Loans and Advances	18	3,536,677	4,250,184
		93,231,984	80,503,866
Total		169,234,691	169,259,490

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

K.N. AJMERA
PARTNER
MEMBERSHIP NO. : 010805

(ASHOK JIVRAJBHAI SHETH)
MANAGING DIRECTOR
DIN NO.00174006

(HEMANDRA JAYANTILAL BADANI)
MANAGING DIRECTOR
DIN NO.00143330

PLACE : MUMBAI
DATE : 09-05-2015

SOLITAIRE MACHINE TOOLS LIMITED

Consolidated Statement of Profit and Loss for the period ended 31st March, 2015

(Amount in ₹)

Particulars	Notes No	For the period ended 31st March, 2015	For the period ended 31st March, 2014
I. Revenue from Operations	19	107,942,430	92,307,521
II. Other Income	20	1,615,153	2,129,173
III. Total Revenue (I +II)		109,557,583	94,436,694
IV. Expenses:			
Cost of Materials Consumed	21	58,058,343	50,940,824
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(15,921,520)	(8,490,195)
Employee benefit expense	23	17,514,403	15,889,771
Financial Costs	24	1,151,160	623,218
Depreciation and Amortization	10	10,580,453	6,985,973
Other Expenses	25	27,279,895	22,516,360
Total Expenses		98,662,733	88,465,951
V. Profit before extraordinary items and tax (III-IV)		10,894,850	5,970,743
VI. Extraordinary Items	26	761,264	366,685
VII .Profit before tax (V- VI)		10,133,586	5,604,058
VIII. Tax expense:			
(1) Current Tax		5,600,000	2,503,000
(2) Short provision of Income Tax relating to earlier years		1,088,499	240
(3) Deferred Tax		(2,547,321)	(262,546)
		4,141,178	2,240,694
IX. Profit/(Loss) for the period (VII- VIII)		5,992,408	3,363,364
X. Earning per equity share:			
Equity share of par value of ₹. 10/- each			
Before Extra Ordinary Item			
(1) Basic		1.53	0.85
(2) Diluted		1.53	0.85
After Extra Ordinary Item			
(1) Basic		1.36	0.76
(2) Diluted		1.36	0.76
Significant Accounting Polices 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		
K.N. AJMERA PARTNER MEMBERSHIP NO. : 010805	(ASHOK JIVRAJBHAI SHETH) MANAGING DIRECTOR DIN NO.00174006		
	(HEMANDRA JAYANTILAL BADANI) MANAGING DIRECTOR DIN NO.00143330		
PLACE : MUMBAI DATE : 09-05-2015			

SOLITAIRE MACHINE TOOLS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(Amount in ₹)	
	2014-2015	2013-2014
	Rs.	Rs.
A CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit as per Profit & Loss Account	6,059,908	3,464,610
Adjustment for Depreciation	10,512,181	6,923,008
Dividend Received	(67,500)	(101,250)
Tax Provision for Taxation & Deferred Tax	4,141,178	2,240,694
Interest Received	(1,587,514)	(1,677,094)
Interest and financial Charges	977,679	539,029
Loss/(Profit) on Sale of Assets	-	(6,796)
Operating Profit Before Working capital Changes	20,035,932	11,382,201
Adjustment For:		
Trade & other Receivable	(1,799,867)	(4,016,751)
Inventories	(16,663,427)	(12,985,171)
Direct Taxes paid (Net of Refund)	(4,001,777)	(1,685,827)
Trade Payables	195,108	19,698,235
Net Cash Flow From Operating Activities	(2,234,032)	12,392,687
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Including WIP)	(1,359,303)	(3,192,443)
Capital Work in progress	-	(4,391,082)
Sale of Fixed Assets	-	75,000
Movement of Loans	7,000	10,000
Interest Received	1,587,514	1,677,094
Dividend Received	67,500	101,250
Net Cash used in Investing Activities	302,711	(5,720,181)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Borrowing (Net of Repayment)	(1,576,806)	8,227,656
Dividend Paid	(2,271,088)	(3,406,632)
Dividend Tax	(385,972)	(552,641)
Interest and Financial Charges paid	(977,679)	(539,029)
Net Cash used in Financing Activities	(5,211,545)	3,729,354
Net Increase in Cash & cash Equivalents	(7,142,864)	10,401,861
Opening Balance of Cash & Cash Equivalents	24,059,392	13,657,531
Closing Balance of Cash & Cash Equivalents	16,916,527	24,059,391

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

(K.N. AJMERA)
PARTNER
MEMBERSHIP NO.010805

(ASHOK JIVRAJBHAI SHETH)
MANAGING DIRECTOR
DIN NO.00174006

(HEMANDRA JAYANTILAL BADANI)
MANAGING DIRECTOR
DIN NO.00143330

PLACE : MUMBAI
DATED : 09-05-2015

SOLITAIRE MACHINE TOOLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1 Principles of Consolidation

The consolidated financial statements relate to Solitaire Machine Tools Limited and its subsidiaries, which together constitute the Group. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2015.
 - ii) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS- 21) "Consolidated Financial Statements".
 - iii) The difference between the cost of investment in the subsidiaries and the share of net assets at the time of acquisition of shares in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- 2 The list of the subsidiaries of the Company which are included in the consolidation and the Group's holding therein are as under:

	Name of Subsidiaries	Country of Incorporation	Percentage Holding Share
1	Shruchi Manufacturing Limited	India	100.00%
2	JBS Machinery Corporation	USA	100.00%

1 SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS:

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 II of the Companies Act, 2013.
- iii). Intangible Assets:
Technical Know Fee:
Intangible Assets are stated at cost of acquisition less accumulated amortization.

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) Gross sales is inclusive of sales tax, excise duty and service income and are net of incentives discounts and rebates.
- 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 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

2. SHARE HOLDERS FUND - SHARE CAPITAL

(Amount in ₹)

Sr. No	Particulars	As at 31.03.2015	As at 31.03.2014
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 48,80,750 (48,80,750) equity Shares	48,807,500	48,807,500
		48,807,500	48,807,500
3	SUBSCRIBED & PAID UP CAPITAL Equity shares, 10/- par value 44,07,176 (44,07,176) Equity Shares fully paid-up	44,071,760	44,071,760
	Total	44,071,760	44,071,760

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 09-05-2015 proposed a dividend of ₹. 0.75 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, 2015 amounted to ₹.40,87,757/-including corporate dividend tax of ₹.6,81,125/-

During the year ended March,31,2014 the amount per share dividend recognised as distributions to equity share holders was ₹.0.50.The total dividend appropriation for the year ended March,31,2014 amounted to ₹.26,57,060/- including corporate dividend tax of ₹.3,85,972/-.

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 2015 and 31st March 2014 is set out below:

Sr. No	Particulars	Equity Shares		Equity Shares	
		Number	₹	Number	₹
		31/03/2015		31/03/2014	
1	Shares outstanding at the beginning of the year	4,407,176	44,071,760	4,407,176	44,071,760
2	Shares Issued during the year				
3	Shares bought back during the year				
4	Shares outstanding at the end of the year	4,407,176	44,071,760	4,407,176	44,071,760

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

Sr. No	Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Harsh H Badani	717658.80	15.80	-	-
2	Jyoti Prafull Sheth	-	-	997083.95	21.95
3	Ashok Jivarajbhai Sheth	606138.34	13.34	356667.85	7.85
4	Bharati Ashok Sheth	400408.82	8.82	397528.75	8.75
	TOTAL	1,724,168.00	37.96	1,751,242.00	38.55

3. SHAREHOLDER FUNDS-RESERVE & SURPLUS

Sr. No	Particulars	As at 31.03.2015		As at 31.03.2014	
1	Capital reserve - Opening balance				
	Opening Balance		3,480,267		3,480,267
2	Exchange Fluctuation Reserve		1,297,166		1,196,343
3	General Reserve				
	Opening Balance	4,541,050		4,541,050	
	Less: Difference of reassessment of Useful Life of Fixed Assets as per Schedule II.	3,177,107	1,363,943		4,541,050
4	Surplus				
	Opening Balance	50,245,523		49,437,973	
	Add: Net profit after tax transferred	5,992,408	56,237,931	3,363,364	52,801,336
	Amount available for appropriation				
	Appropriations:				
	Dividend		3,339,132		2,169,838
	Dividend Tax		681,125		385,972
	Surplus- Closing Balance		52,217,674		50,245,526
	Total		58,359,050		59,463,184

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

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Opening	9,335,311		9,597,857	
2	For the year (Difference between book & I.T Depreciation)	(2,547,321)	6,787,990	(262,546)	9,335,311
	Total		6,787,990		9,335,311

5. NON-OTHER CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Other payables		1,890,000		1,890,000
	Total		1,890,000		1,890,000

6. CURRENT LIABILITIES -SHORT TERM BORROWINGS

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
	Secured				
1	From Axis Bank Ltd. Baroda Cash Credit AXIS BANK LTD.(C.C A/C.01301030009447) (The above loans are Secured against Immovable and movable properties of the Company including Plant & Machineries, stocks of all kinds, shares, Book debts and further by personal guarantee of some Directors)		10,846,257		12,613,063
	Total		10,846,257		12,613,063

7. CURRENT LIABILITIES -TRADES PAYABLE

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Trade Payables		10,604,686		13,718,742
	Total		10,604,686		13,718,742

8. CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Advances from Customers		23,014,095		20,319,197
2	Un-paid Dividends		1,418,542		1,455,291
3	Provision for Expenses		3,359,711		2,977,019
4	Withholding and other Taxes payable		11,695		284,622
5	Excise duty payable on Finished goods		731,250		-
	Total		28,535,293		25,036,129

9. CURRENT LIABILITIES -SHORT TERM PROVISIONS

Sr. No	Particulars		As at 31.03.2015		As at 31.03.2014
1	Provision for Employee Benefits Gratuity		846,272		-
2	Provision for Taxation		3,205,625		474,241
3	Proposed Dividend		3,406,632		2,271,088
4	Provision for tax on Dividend		681,125		385,972
	Total		8,139,654		3,131,301

SOLITAIRE MACHINE TOOLS LIMITED

10. FIXED ASSETS

(Amount in ₹)

S.R No	Particulars	ORIGINAL COST					DEPRECIATION AND AMORTIZATION					NET BLOCK VALUE	
		As at 31.03.2014	Additions/ Adjustments during the period	Deductions Retirement during the period	Currency Translation Adjustments	As at 31.03.2015	As at 01.04.2014	For the Period	Deductions/ Adjustments during the period (refer note below)	Currency Translation Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
I	TANGIBLE ASSETS												
1	Land	6,699,783	-	-	-	6,699,783	-	-	-	-	-	6,699,783	6,699,783
2	Building	35,550,666	16,252,00	-	-	35,566,918	10,418,185	1,209,889	84,886	-	11,712,960	23,853,958	25,132,481
3	Office Premises	1,400,833	-	-	-	1,400,833	413,381	85,303	(3)	-	498,681	902,152	987,452
4	Plant & Machinery	75,663,018	5,669,747	-	-	81,332,765	46,734,541	5,695,226	974,313	-	53,404,079	27,928,686	28,928,477
5	Electric Installation	2,411,025	-	-	-	2,411,025	936,273	706,833	180,252	-	1,823,358	587,667	1,474,752
6	Furniture & Fixtures	11,792,015	34,829	-	-	11,826,844	7,233,491	1,311,759	988,511	-	9,533,762	2,293,082	4,558,524
7	Vehicles	8,907,539	-	-	-	8,907,539	4,965,322	955,388	186,583	-	6,107,293	2,800,246	3,942,217
8	Office Equipments	2,126,573	-	-	-	2,126,573	1,358,823	19,778	710,793	-	2,089,393	37,180	767,750
9	Computer	354,287	29,557	-	-	383,844	198,073	99,519	51,772	-	349,365	34,479	156,214
10	Drawings and Pattern	3,897,377	-	-	-	3,897,377	159,334	274,473	-	-	433,807	3,463,570	3,738,043
	Total I	148,803,117	5,750,385	-	-	154,553,502	72,417,423	10,358,168	3,177,106	-	85,952,697	68,600,804	76,385,694
II	INTANGIBLE ASSETS												
1	Technical Knowhow	17,982,000	-	-	711,000	18,693,000	13,705,398	222,285	-	541,905	14,469,588	4,223,412	4,276,602
2	Goodwill	247,359	-	-	-	247,359	-	-	-	-	-	247,359	247,359
	TOTAL II	18,229,359	-	-	711,000	18,940,359	13,705,398	222,285	-	541,905	14,469,588	4,470,770	4,523,960
	TOTAL I + II	167,032,476	5,750,385	-	711,000	173,493,861	86,122,822	10,580,453	3,177,106	541,905	100,422,286	73,071,575	80,909,654
	PREVIOUS YEAR	162,241,245	3,192,443	96,213	1,695,000	167,032,476	77,957,157	6,923,007	28,009	1,270,667	86,122,822	80,909,655	

Note : Includes ₹.31,77,107/- (P.Y.Nil) on account of adjustment due to transitional provision of Schedule II of the Companies Act, 2013 as on 01-04-2014

11. NON CURRENT ASSETS -NON-CURRENT INVESTMENTS

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	LONG TERM INVESTMENT- AT COST TRADE (UN-QUOTED)		
1	<u>NON-TRADE - QUOTED</u> 100 Equity Shares of Kirloskar Ferrous Ltd of ₹. 10/- each fully paid up. Market Value ₹.2,645 /-	9,040	9,040
2	<u>UNQUOTED</u> 50,000 Equity Shares of ₹. 10/- each fully paid up of Spanol Chemical Private Limited	500,000	500,000
	Total	509,040	509,040
	Un-quoted Investments	500,000	500,000

12. NON CURRENT ASSETS -LONG TERM LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	Unsecured, Considered Good : Capital Advances, Other Loans and advances:		
1	Loan to Body Corporate	-	7,000
2	Advance Income Taxes	60,000	15,340
3	Loans and advances to Employees	385,413	512,357
4	Electricity and other Deposits	539,314	682,114
5	Rental Deposits	1,078,328	1,370,000
	Total	2,063,055	2,586,811

13. NON CURRENT ASSETS - OTHER NON CURRENT ASSETS

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	(Unsecured Considered good)		
1	Advances to Gratuity Trust	5,000	5,000
2	Duty recoverable under protest	354,036	354,036
	Total	359,036	359,036

14. CURRENT ASSETS - CURRENT INVESTMENTS

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	VALUED AT LOWER OF THE COST AND FAIR VALUE NON TRADE -QUOTED		
1	50 Equity Shares of Batliboi Ltd.of ₹. 5/- each fully paid-up.	1,465	1,465
2	10 Equity Shares ABC Bearing Ltd.of ₹. 10/- each fully paid-up	7,040	7,040
3	Shares of N.M. Bank of ₹.100/- each	300	300
	Total	8,805	8,805

Quoted Investments (At Cost)	8,805	8,805
Market Value of Quoted Investments	2,301	1,283

15. CURRENT ASSETS -INVENTORIES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	(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	21,072,084	19,605,410
2	Semi Finished Goods	29,154,511	19,661,716
3	Rebuilding in Process	9,392	7,933
4	Spares in Process	16,427	170,410
5	Cutting Tools	756,377	632,642
6	Holding Tools	104,472	106,703
7	Finished Grinders	6,581,250	-
	Total	57,694,513	40,184,814

16. CURRENT ASSETS-TRADE RECEIVABLES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	Un-Secured -considered good		
1	Debts outstanding for a period exceeding six months	2,463,545	2,466,625
2	Other Debts-Un-secured	12,611,916	9,534,047
	Total	15,075,462	12,000,672

17. CURRENT ASSETS -CASH & CASH EQUIVALENT

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Cash-in-Hand Cash Balance	3,445	2,777
	Sub Total (A)	3,445	2,777
2	Bank Balance on current accounts	16,69,833	18,13,364
	Sub Total (B)	16,69,833	18,13,364
3	Other Bank Balances: Fixed Deposit With Bank	1,52,43,250	2,22,43,250
	Sub Total (C)	1,52,43,250	2,22,43,250
Total [A + B + C]		16,916,527	24,059,391

18. CURRENT ASSETS -SHORT TERMS LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Unsecured, Considered Good :			
1	Interest accrued on FDR	715,574	1,372,685
2	Balances with Excise, Sales Tax & Service Tax	2,325,337	2,712,692
3	For Supply of Goods and Rendering Services	317,890	66,410
4	Prepaid Expenses	177,876	98,397
Total		3,536,677	4,250,184

19. REVENUE FROM OPERATIONS

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Sale of Products	110,109,820	92,586,082
	Less: Excise duty	5,998,524	5,779,827
		104,111,296	86,806,255
2	Revenue from Sale of Services	3,639,398	5,288,926
3	Other Operating Revenue-Scrap Sales	191,736	212,340
	Total	107,942,430	92,307,521

20. OTHER INCOME

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Interest received on Deposits with Bank (TDS ₹.1,58,752/- P.Y. ₹.1,67,711/-)	1,587,584	1,677,094
2	Miscellaneous Income	3,020	342,197
3	Sundry credit balance W/Back	-	40,119
4	Foreign Exchange Fluctuation	24,549	62,967
5	Profit on Sale of Fixed Assets	-	6,796
	Total	1,615,153	2,129,173

21. COST OF MATERIAL CONSUMED

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	COMPONENTS:		
1	Opening Stock	19,605,410	15,347,216
2	Add : Purchases	59,525,017	55,199,018
		79,130,427	70,546,234
3	Less Closing Stock	21,072,084	19,605,410
	Total	58,058,343	50,940,824

22. CHANGE IN INVENTORIES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Closing Stock		
	Finished Goods	6,581,250	-
	Semi-Finished Goods	29,154,511	19,661,716
	Rebuilding in process	9,392	7,933
	Spares in process	16,427	170,410
		35,761,579	19,840,059
2	Less : Opening 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
	Total	15,921,520	8,490,195

23. EMPLOYMENT BENEFIT EXPENSES

Sr. No	Particulars		AS AT 31.03.2015	AS AT 31.03.2014
1	Salaries and Wages & Bonus		14,913,704	14,215,695
2	Contribution to Provident Fund and Other Funds		2,148,812	1,346,440
3	Staff welfare expenses		451,887	327,636
	Total		17,514,403	15,889,771

Note:

(Salaries and wages included Director's remuneration ₹.28,23,077/- P.Y. ₹.31,30,192/- Contribution to P.F. ₹. 59,400/- P.Y. ₹.50,400/-

24. FINANCIAL COST

Sr. No	Particulars		AS AT 31.03.2015	AS AT 31.03.2014
A	INTEREST EXPENSES:			
1	Interest to Bank		977,679	539,029
B.	OTHER BORROWING COST:			
1	Processing Fee		173,481	84,189
	Total		1,151,160	623,218

25. OTHER EXPENSES

Sr. No	Particulars	AS AT 31.03.2015	AS AT 31.03.2014
1	Consumption of Stores and spares	3,878,083	2,448,464
2	Power and fuel	1,990,649	1,857,746
3	Labour Contract Charges	4,411,737	3,794,318
4	Rent	600,000	689,000
5	Repair to Building	253,780	141,632
6	Repairs to Machinery	783,881	397,838
7	Insurance	301,032	384,505
8	Rent, Rates and Taxes	595,176	551,412
9	Bank Charges	102,972	122,719
10	Auditor's Remuneration:		
	Statutory Audit Fee	125,400	117,978
	Tax Audit Fee	57,000	56,180
11	Labour Charges	2,392,963	1,680,290
12	Travelling Expenses	1,470,166	1,542,814
13	Postage and Courier	140,183	203,508
14	Printing and Stationery	163,849	170,359
15	Telephone & Mobile	225,005	222,381
16	Legal & Professional Charges	940,735	966,264
17	Vehicle Expenses	478,722	573,841
18	Annual General Meeting Expenses	233,416	188,111
19	Others Repairs	315,141	228,854
20	Security Charges	452,042	437,481
21	Advertisement	2,102,552	1,928,291
22	Export Expenses	186,394	294,341
23	Sales Expenses	1,758,159	339,369
24	Sales Commission	926,446	1,632,881
25	Packing Expenses	605,903	384,243
26	Registrar's Fees	137,920	142,627
27	Donation	-	500
28	Miscellaneous Expenses	832,426	867,680
29	Computer Expenses	53,678	103,607
30	Foreign Exchange Fluctuation	-	(8,725)
31	Excise Duty on finished goods	731,250	-
32	Filing Fees	22,000	6,000
33	Membership & Subscription	11,236	11,236
34	Prior Period Exp	-	38,615
	Total (A+B)	27,279,895	22,516,360

Note:

Excise Duty shown under expenditure represents aggregate of excise duty borne by the company and difference between excise duty on opening and closing stock of Finished goods.

26. EXTRAORDINARY ITEMS

Extra Ordinary item includes prior year expenses amounting to ₹.761,264/- (₹.366,685/-)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

27 Company is contingently liable in respect of:

- a). Penalty Levied by DGFT of ₹.23 Lacs (Net of advance) (Previous year- ₹.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 ₹.Nil /- (Previous year ₹.8,00,000/-)
- c) Bank Guarantees Current year ₹.Nil/- (P.Y ₹.15,32,000/-)
- d) There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of ₹. 3,54,036.00 (Previous year ₹. 3,54,036/-) which is being contested on Order No. D/827/97 of ₹.3,54,036.00 dt. 14.08.1997. Amount has been paid against thereof as advance under protest and reflected under Non-Current Assets.

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

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

S.N	Nature of Transaction	Associates	Key Management Personnel	Relatives	Total
1).	Receiving of Services	89,235 (142,548)	-	-	89,235 (142,548)
2)	Managerial Remuneration & Perques	-	2,823,077 (3,130,192)	140,967 (350,487)	2,964,044 (3,480,679)
3).	Rent paid	-	-	600,000 (600,000)	600,000 (600,000)
4).	Office Deposit Recd back	-	-	291,672 (220,246)	291,672 (220,246)
5).	Outstanding balances as at 31.03.2015 :				
	i) Security Deposit	-	-	1,078,328 (1,370,000)	1,078,328 (1,370,000)
	ii) Other Liabilities	135,490 (185,036)	481,500 (390,000)	-	616,990 (575,036)

* Figures in Brackets are of previous year.

S.N	Nature of Transaction	Name of the Related Party	Current Year ₹	Previous Year ₹
1)	Receiving of Services Associates	Adventure Advertising Private Limited	89,235	1,42,548
2)	Managerial Remuneration Key Management Personnel	A.J. Sheth H.J. Badani P.J.Sheth Harash Badani	10,58,502 10,54,310 - 7,10,265	1094807 1011767 4,04,764 6,18,854
	Relatives	Jyoti P Sheth Shyamal Badani	1,20,967 20,000	3,50,487 1,20,000
3)	Rent Paid Relatives	Jyoti P Sheth	600,000	600,000
4)	Office Deposit Recd back Relatives	Jyoti P Sheth	2,91,672	2,20,246
5)	Outstanding balances as at 31.03.2015 :			
	i) Security Deposit Relatives	Jyoti P Sheth	10,78,328	13,70,000
	iv) Other Liabilities Associates	Adventure Advertising Private Limited	1,35,490	1,85,036
	Key Management Personnel	A.J. Sheth H.J. Badani Harash Badani	1,65,000 1,65,000 1,51,500	1,25,000 1,30,000 1,35,000
			4,81,500	3,90,000

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 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 are not applicable.

31 Earning per share:

		2014-2015	2013-2014
(i).	Net Profit after tax available for Equity Shareholders (in ₹.)	5,992,408	3,363,364
(ii).	Weighted average of number of equity shares outstanding during the year	4,407,176	4,407,176
(iii).	Basic and Diluted Earnings per equity share of ₹. 10 each (in ₹.)	1.36	0.76

32 Deferred Tax Liability

AS ON 31.03.2015 AS ON 31.03.2014

Opening Balance	9,335,311	9,597,857
Difference between book and Tax Depreciation	(2,547,321)	(262,546)
Deferred Tax Liability	6,787,990	9,335,311

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

34 The Company has no information as to whether any of its suppliers constitute small-scale industrial undertakings and therefore, the amount due to such suppliers has not been identified.

35 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,2015 together with interest paid and payable are required under the said Act have not been given.

36 A. Gratuity

The company's obligations towards the gratuity Fund is a Defined Benefit Plan. Every employee who has completed a continuous period of five years or more of services gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in form of a qualifying insurance policy.

The Following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the fund status and amounts recognised in the Balance sheet.

PARTICULARS	2014-2015	2013-2014
Statement of Profit & Loss		
Net employee benefit expense recognised in the employee cost		
Current Service cost	212,836	195,083
Interest cost on benefit obligation	235,072	140,212
Expected return on plan assets	(144,859)	(130,967)
Net actuarial (gain) /loss recognized in the year	(498,730)	922,479
Past service cost	-	-
Net Benefit expense	(195,681)	1,126,807
Balance sheet		
Benefit Asset/(Liability)		
Present value of defined benefit obligation	2,496,607	2,679,840
Fair Value of Plan Assets	1,909,134	1,694,437
Plan Asset/Liability :	(587,473)	(985,403)
Net Asset/Liability		
Non Current	(375,349)	(772,567)
Current	(212,484)	212,836

Changes In the present value of the defined benefit obligation are as follows :

PARTICULARS	2014-2015	2013-2014
Opening Defined benefit obligation	2,679,840	1,540,787
Current service cost	212,836	195,083
Interest Cost	235,072	140,212
Prior Year Charge	-	-
Benefits paid	(144,411)	(124,077)
Actuarial (gain) / Losses on obligations	(486,730)	927,835
Closing Defined benefit obligation :	2,496,607	2,679,840
Changes in the fair value of Plan assets are as follows :		
Opening fair value of plan assets	1,694,437	1,540,787
Contributions by employer	201,890	141,404
Expected return	144,859	130,967
Benefits paid	(144,411)	(124,077)
Actuarial gains / (losses)	12,359	5,356
Closing Fair value of Plan Assets	1,909,134	1,694,437

The Principal Assumptions used in determining gratuity and for the Company's plans are shown below :

PARTICULARS	2014-15	2013-2014
Discount rate	7.70%	9.10%
Future salary Increase	5%	5%
Expected rate of return on assets	8.50%	8.50%
Employer Turn over		

The estimates of future salary increases , considered in actuarial variation , take account of inflation, seniority promotion and other relevant factors ,such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year are as follows :

PARTICULARS	2014-15	2013-14
Defined benefit Obligations	2,496,607	2,679,840
Plan assets	1,909,134	1,694,437
Surplus / (Deficits)	(587,473)	(985,403)
Prior Year Charge	-	-
Experience adjustments on plan Liabilities	-754101.00	927,835.00
Experience adjustments on plan Assets	-12359.00	-5356.00

B. Compensated Absences

The key assumptions used in computation of provision for long term compensated absences are as given below :

Discount rate (% p.a)	7.70%	9.10%
Future Salary Increase (% p.a)	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality/Indian Assured Lives Mortality (2006-08)	
Attrition (% p.a)	2% to 8%	2% to 8%

Additional information, as required under Schedule III to the Companies Act,2013, of enterprises consolidated as subsidiary :

37 Name of the Enterprise	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount in Rupees	As % of consolidated profit or loss	Amount in Rupees
Parent Solitaire Machine Tools Ltd.	92.57	94,816,359	112.48	6,740,425
Subsidiaries				
Indian Shruchi Manufacturing Ltd	3.31	3,391,039	(12.48)	(748,017)
Foreign JBS Machinery Corporation	4.12	4,223,413	-	-

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

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

(K.N. AJMERA)
PARTNER
MEMBERSHIP NO.010805

(ASHOK JIVRAJBHAI SHETH)
MANAGING DIRECTOR
DIN NO.00174006

(HEMANDRA JAYANTILAL BADANI)
MANAGING DIRECTOR
DIN NO.00143330

PLACE : MUMBAI
DATED : 09- 05-2015