

August 4, 2017

Mr. A. Y. Robert  
Dy. Manager – DCS  
The Stock Exchange, Mumbai  
P. J. Towers, Dalal Street,  
Fort, Mumbai-400001.

Dear Sir,

Subject: Submission of soft copy of Annual Report for the year ended 31<sup>st</sup> March, 2017 in PDF Form.


This has reference to the captioned subject.

Please find enclosed herewith soft copy of Annual Report in PDF form for the year ended 31<sup>st</sup> March, 2017.

Kindly take it on your records.

Thanking You,

Yours Faithfully,  
For Solitaire Machine Tools Ltd.

  
N. M. B. Khan  
Compliance Officer

**SOLITAIRE MACHINE TOOLS LIMITED**  
**REPORT**  
**AND**  
**STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31ST MARCH, 2017**

**CONTENTS**

The Board of Directors	1
Directors' Report	2-8
Secretarial Audit Report	8-11
Annexures' To Board Report	12-24
Management Discussion and Analysis	25-26
Report on Corporate Governance	27-33
Business Responsibility Report	34-35
Company Secretary Certificate on Corporate Governance	36
Auditors' Report	37-45
Balance Sheet	46
Statement of Profit & Loss Account	47
Cash Flow Statement	48
Significant Accounting Policies	49-57
Notes on Financial Statements	58-63
Auditors' Report for Consolidated Financial Results	64-69
Consolidated Balance Sheet	70
Consolidated Statement of Profit & Loss Account	71
Consolidated Cash Flow Statement	72
Significant Accounting Policies for Consolidation	73-82

Notes on Financial Statements for Consolidation	83-87
Route Map - AGM	88

## **BOARD OF DIRECTORS**

Mr. A. J. Sheth	Chairman & Managing Director
Mr. H. J. Badani	Vice Chairman & Managing Director
Mr. Harsh Badani	Whole Time Director
Ms. Shilpa Taneja	Director
Mr. A. J. Kothari	Director
Dr. Amita Shah	Director
Mrs. Rashmi Desai	Director
Mrs. Padmaja K. Mukundan	Director

## **CORPORATE MANAGEMENT**

Mr. A. J. Sheth	Chairman & Managing Director
Mr. H. J. Badani	Vice Chairman & Managing Director
Mr. Harsh Badani	Whole Time Director
Mr. N. M. B. Khan	Dy. General Manger (Finance & Corporate Affairs)

**REGISTERED & CORPORATE OFFICE** Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber,  
Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai -  
400034. 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](mailto:sales@smtgrinders.com)

**PLANT II** A-24/25, KRISHNA INDUSTRIAL ESTATE,  
GORWA, VADODRA-390 016  
Tel: 0265 658 0010  
Email: [sales@smtgrinders.com](mailto:sales@smtgrinders.com)

**WEBSITE** [www.smtgrinders.com](http://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-101, 247 PARK, LBS MARG, VIKHROLI (WEST),  
MUMBAI 400 083

**SECRETARIAL CONSULTANT** SACHIN CHHADAWA  
PRACTICING COMPANY SECRETARY  
MUMBAI



## **Solitaire Machine Tools Limited**

(CIN : L28932MH1967PLC013747)

Registered Office: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

E-mail: sales@smtgrinders.com, Website: www.smtgrinders.com, Phone: 022-66602156

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Solitaire Machine Tools Limited will be held on Saturday, the 29<sup>th</sup> July, 2017 at 10.00 a. m. at Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai – 400 021, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as on March 31, 2017 and Profit and Loss Account for the year ended on that date and Directors' report and Auditors Report thereon.
2. To declare dividend for the financial year 2016-17.
3. To appoint a director in place of Ms. Shilpa Taneja, who retires by rotation, and being eligible, offers herself for reappointment.
4. To appoint a director in place of Mr. Ashok Sheth, who retires by rotation, and being eligible, offers herself for reappointment.
5. To appoint M/s. Ajay Shobha & Co. (Firm Registration No. 317031E), Chartered Accountants, as Statutory Auditors of the Company in place of M/s. Ajmera Ajmera & Associates, the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2018.

For SOLITARE MACHINE TOOLS LIMITED

Ashok J Sheth  
Chairman and Managing Director  
DIN: 00174006

### **Regd. Office:**

Shop 3-A, Floor- Bas, Plot 731,  
Part 3, Arun Chamber,  
Pandit Madan Mohan Malviya Marg,  
Tardeo, Mumbai - 400034

Place: Mumbai

Date: 13<sup>th</sup> May, 2017

## Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered office of the company not less than 48 hours before the commencement of the meeting.
2. Members are requested to advise immediately any change in their address to the Company's Registered Office or M/s Link Intime India Private Limited, Mumbai, quoting their registered folio number. Shareholders holding shares in dematerialized form shall address their communication to their respective depository participant only.
3. All communication in respect to the shares be addressed to share transfer agent "Link Intime India Private Limited" at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
4. The Register of Members and Share transfer Books will remain closed from Sunday, the 23<sup>rd</sup> July, 2017 to Saturday, the 29<sup>th</sup> July, 2017 (both days inclusive).
5. Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of Annual General meeting.
6. The Company's shares are listed at Mumbai and Vadodara Stock Exchanges.
7. Electronic copy of the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

## 8 Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open email and open PDF file viz; "solitaireevoting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Solitaire Machine Tools Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sachin@sachinfc.com](mailto:sachin@sachinfc.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
------------------------------	---------	--------------

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 26<sup>th</sup> July, 2017 (9:00 am) and ends on 28<sup>th</sup> July, 2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> July, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22<sup>nd</sup> July, 2017.

VII. Mr. Sachin Chhadawa, Practicing Company Secretary (Membership No. FCS 5619) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.smtgrinders.com](http://www.smtgrinders.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and Vadodara Stock Exchange.

## Directors Report

### To the Members,

The Directors have pleasure in presenting before you the Twenty Fifth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

### FINANCIAL RESULTS:

The performance during the period ended 31st March, 2017 has been as under:

(Rs. in Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
Sales (Net)	1834.07	1565.5	1079.42	923.08	1036.45
Other Income	31.51	26.80	15.44	20.66	14.71
Increase/ (Decrease) in stocks	(19.99)	179.04	(159.21)	84.90	57.00
Profit Before Taxation	248.49	169.54	104.63	58.52	141.85
Less: Taxation	100.00	66.50	56.00	25.00	50.00
Add/Less: Deferred Tax	5.39	6.43	26.08	3.70	1.11
Net Profit after Tax	140.36	108.87	62.94	37.21	88.17
Add: Profit brought Forward from Previous Year	601.82	547.45	525.39	514.75	466.16
Profit available for appropriation	742.18	656.32	588.33	551.96	554.34
Proposed Dividend	56.77	45.42	34.06	22.71	34.07
Corporate Tax on Proposed Dividend	11.56	9.08	6.81	3.86	5.53
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00
Balance Carried to Balance Sheet	673.85	601.82	547.45	525.39	514.75

### DIVIDEND:

Your Directors recommend dividend of Rs. 56,77,720/- which would be 12.5% on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2017 subject to members' approval.

## OPERATIONS:

The operation for the year has shown moderate growth and the momentum to get bigger share of market has sustained. New customers have been added during the year especially in International market. The company increased sales by 17 % and Export share was almost 40 %. During the year Machines / Spares were sold in Australia, New Zealand, Turkey, Italy, UK and USA. The single order from Turkey was for over 2 Crores from a new customer. This shows the faith and trust entrusted by our overseas customers in SMT. The sales would have been bit higher if the machines ready would have been collected by the customers. This is one of the reason for increase in inventory.

Once again, the Company recorded highest ever revenue of Rs.1834.06 Lacs. The net profit of Rs. 140 Lacs, was up by 29 % from previous year. The EPS went to Rs. 3.09 against previous year of Rs. 2.40.

Your company has remained DEBT FREE and has been DEBT FREE since 2011-2012. The Company invested Rs. 80 Lacs in Capital Goods and Rs. 50 Lacs in Bank Deposits during the year from its own internal accruals. The Company was able to manage funds requirement so that even use of cash Credit facility of Bank was used to minimum.

EEPC has for Third consecutive time recognized the Export Achievements of the Company and awarded Star Performer for the year 2014-2015. The award was handed over by Central Renewable Energy Minister Shri Piyush Goyal to Ms. Shilpa Taneja in Mumbai.

During the year, Company went a step further to extend use of Renewable Energy by installing Solar Power system at Chhani plant. The plant capacity is 45 KW, about 50 % of allowed sanctioned load as per the norms of Gujarat Government. During the six-month period from October to March, average monthly saving was 5,500 units of Power, equivalent of Rs. 49,500 / month. This is also equivalent of saving close to 250 trees / year. Besides, the rent collected by allowing use of Gorwa plant roof for solar power generation was Rs. 2.69 Lacs.

The year started with healthy order book and more orders are under negotiation. The good monsoon could mean boom in Vehicle production and expected growth in Machine Tools production. The new Thrust on Aerospace and Defense manufacturing would call for Precision grinders. Your Company has already become part of AeroDef group of our Association, IMTMA. All new inquiries from these group of industries would be passed on to this group. These industries have large potential and we should see benefit in next 3 to 5 years.

During the year, Company worked with a German group to design grinder to their specifications. With joint effort, the grinder was perfected to European standards and was delivered to their plant in India. The group has presence in over 60 countries and are targeting to use our grinders for their worldwide requirements in years to come. In similar scenario, the Company has taken an order for Rebuilding and CNC retrofitting of six grinders for an American company under their guidance and standards. The work is progressing well on this project. The grinders have been received from USA.

The Company continued its social responsibility with its own resources for its own employees and their families.

As you are aware, this is **Silver Jubilee** year for Company since it became a Public Limited Company. We have shown graphs on inside cover page of Company's growth in Sales, Profit and Value of shares as

traded on March 31 of each year on BSE. The Milestone depiction also shows Progress of Company and its achievements since the inception. We have many more Miles to go and with continued support of all we hope to climb greater heights in years to come.

The Company thanks all its Customers for continuous support and faith in meeting their requirements. The Company's personnel have worked as a team and continues to work for better tomorrow. The Company thanks its Bankers, Vendors, Government agencies for their continued support.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 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 2017-18 to BSE where the Company's Shares are listed.

#### **DEMATERIALISATION OF SHARES:**

88.32% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2017 and balance 11.68% is in physical form.

#### **NUMBER OF BOARD MEETINGS HELD:**

The Board of Directors duly met 4 times during the financial year from 1st April, 2016 to 31st March, 2017. The dates on which the meetings were held are as follows :

21st May, 2016, 30th July, 2016, 28th October, 2016 and 4th February, 2017.

#### **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, 2017, 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:**

As per Section 139 (2) of the Companies Act, 2013, M/s. Ajmera Ajmera & Associates, Chartered Accountants, Mumbai are not eligible to be re-appointed as an Auditors of the Company since they have completed their term as an Auditors of the Company. Board of Directors have recommended appointment of M/s. Ajay Shobha & Co. (Firm Registration No. 317031E), Chartered Accountants, Mumbai who are required to be appointed at this Annual General Meeting.

##### **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 2016-2017 were Rs. 667.10 Lacs (Previous Year Rs. 608.05 Lacs) while outgoings were Rs. 32.35 Lacs (Previous Year Rs. 2.82 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](http://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](http://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 16-17	Remuneration paid FY 15-16	Increase in remuneration from previous year	Ratio/Times per Median of employee remuneration
1	Mr. Ashok Sheth	Chairman and Managing Director	Rs. 13,24,014/-	Rs. 10,63,223/-	Rs. 2,60,791/-	5.61

2	Mr. Hemendra Badani	Managing Director	Rs. 13,77,097/-	Rs. 10,88,535/-	Rs. 2,88,562/-	5.84
3	Mr. Harsh Badani	Whole Time Director	Rs. 11,20,000/-	Rs. 8,64,101/-	Rs. 2,55,899/-	4.75

#### 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.

#### PARTICULARS OF EMPLOYEES

Details of employees which are covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

##### A. Top ten employees in terms of remuneration:

Name of Employee	Date of Commencement	Date of resignation	Total Remuneration paid	Qualification and experience	Designation / nature of Duties	Age	Last employment held by employee	Relation with Director
Ashok Sheth	10/09/1987	-	Rs. 13,24,014/-	B.S.- Mechanical Engineering USA with 48 years of experience	Chairman and MD	69	N. A.	himself
Hemendra Badani	10/09/1987	-	Rs. 13,77,097/-	B.Com Graduate with 43 years of experience	Vice Chairman and MD	64	N. A.	himself
Harsh Badani	31/01/2015	-	Rs. 11,20,000/-	B.E.- Mechanical and MBA with 10 years of experience	WTD	32	N. A.	himself
N M B Khan	15/06/1992	-	Rs. 6,79,279/-	Commerce Graduate with 33 years of experience	Compliance Officer	54	K R Kanakiya & Co .	N. A.
M. I. Gohil	01/04/2001	-	Rs. 5,05,185/-	ITI with 27 years of experience	Assembly Manager	53	N. A.	N. A.
M. A. Bidiwala	09/11/1991	-	Rs. 5,02,110/-	DME with 26 years of experience	QC and Development Manager	45	N. A.	N. A.
Atul Modi	01/11/1996	-	Rs. 4,09,868/-	M.Com with 21 years of experience	Purchase Officer	49	Geeta valves	N. A.
V. S. Uttekar	01/09/1991	-	Rs. 3,48,474/-	ITI with 26 years of experience	Sr. Assembly operator	49	N. A.	N. A.

V. D. Parmar	01/09/1991	-	Rs. 3,44,865/-	ITI with 26 years of experience	Sr. Machine shop operator	50	N. A.	N. A.
I. A. Patel	01/02/1996	-	Rs. 3,43,973/-	ITI with 21 years of experience	Sr. Marking and Scheduler	50	Plastic Pulverising Mill	N. A.

B. Employed throughout the year under review & were in receipt of remuneration in aggregate of not less than Rs. 1,02,00,000/- p. a. or Rs. 8,50,000/- per month if employed for part of the year: N. A.

C. Person who are getting more remuneration than MD, WTD or manager and hold 2% or more equity shares together with spouse and dependent children: N. A.

### **INTERNAL FINANCIAL CONTROLS**

Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace, and has adopted a policy against sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaint of sexual harassment during the financial year 2016-17.

### **DETAILS OF FRAUDS REPORTED BY THE AUDITORS**

No frauds have been reported by the auditors under sub-section 12 of section 143 of the companies Act, 2013.

### **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: 13/05/2017

## **ANNEXURE 'A' TO BOARD'S REPORT**

### **SECRETARIAL AUDIT REPORT FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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, 2017, 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, 2017 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 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 for the year 2014-15 and 2015-16 and Profile of Independent Directors.*
3. *Non Filing of Annual Return on Foreign Liabilities and Assets*

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.

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: : 13.05.2017

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	Adventure Advertising Private Limited
2.	Nature of Relation ship	Associate Company
3.	Nature of contracts /arrangements /transaction	Transaction on Assignment basis
4.	Duration of the contracts/arrangements / transaction	N. A.
5.	Salient terms of the contractor arrangements or transaction	Receiving services of advertisement printing work
6.	Justification for entering into such contracts or arrangements or transactions	Approved by Board of Directors
7.	Date of approval by the Board	10th May, 2014
8.	Amount incurred during the year	Rs. 1,76,941/-

Sr. No.	Particulars	Details	
1.	Name (s) of the related party	Ashok Sheth	Hemendra Badani
2.	Nature of Relation ship	Chairman and Managing Director	Vice Chairman and Managing Director
3.	Nature of contracts / arrangements /transaction	Remuneration	Remuneration
4.	Duration of the contracts/ arrangements / transaction	5 years	5 years
5.	Salient terms of the contracts or arrangements or transaction	Receipt of Remuneration to act as Chairman and Managing Director	Receipt of Remuneration to act as Chairman and Managing Director
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	31.01.2015	31.01.2015
8.	Amount incurred during the year	Rs. 13,24,014/-	Rs. 13,77,097/-

Sr. No.	Particulars	Details	
1.	Name (s) of the related party	Harsh Badani	
2.	Nature of Relation ship	Whole Time Director	
3.	Nature of contracts /arrangements /transaction	Remuneration	
4.	Duration of the contracts/arrangements / transaction	5 years	
5.	Salient terms of the contracts or arrangements or transaction	Receipt of Remuneration to act as Whole Time Director	
6.	Justification for entering into such contracts or arrangements or transactions	Approved by Board of Directors	
7.	Date of approval by the Board	31.01.2015	
8.	Amount incurred during the year	Rs. 11,20,000/-	

For and on behalf of Board of Directors

ASHOK J SHETH  
Chairman and Managing Director  
DIN: 00174006

Place: Mumbai  
Date: 13/05/2017

## ANNEXURE 'C' TO BOARD'S REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[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: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034, 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, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083

#### 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	98.31

#### 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 Shop 3-A, Floor-Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034	U29253MH1991PLC060001	Subsidiary	100	2 (87)
2.	JBS Machinery Corporation 2508, Dunham Woods Ct., St.	-	Subsidiary	100	2 (87)

	Charles IL 60174, USA				
--	--------------------------	--	--	--	--

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) –**

*i) Category-wise Share Holding –*

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	1892272	0	1892272	41.66	2026772	0	2026772	44.62	7.1
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	-
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(d)	Any Other (Specify)									
	Bodies Corporate	135000	0	135000	2.97	0	0	0	0.00	0
	Sub Total (A)(1)	2027272	0	2027272	44.63	2026772	0	2026772	44.62	-0.02
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	-
(b)	Government	0	0	0	0.00	0	0	0	0.00	-
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	-
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	2027272	0	2027272	44.63	2026772	0	2026772	44.62	-0.02
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	-
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	-
(f)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.00	0	0	0	0.00	-

ii) *Shareholding of Promoters –*

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	HARSH HEMENDRA BADANI	719793	15.8469	0.0000	769793	16.9477	0.0000	1.1008
2	ASHOK JIVARAJBHAI SHETH	701975	15.4546	0.0000	716975	15.7848	0.0000	0.3302
3	BHARATI ASHOK SHETH	400900	8.8262	0.0000	400900	8.8262	0.0000	0.0000
4	SHRUCHI MANUFACTURING LIMITED	135000	2.9721	0.0000	0	0.0000	0.0000	-2.9721
5	SWATI HEMENDRA BADANI	56854	1.2517	0.0000	56854	1.2517	0.0000	0.0000
6	SHILPA TANEJA	4700	0.1035	0.0000	4700	0.1035	0.0000	0.0000
7	HEMENDRA JAYANT BADANI	2100	0.0462	0.0000	2100	0.0462	0.0000	0.0000
8	VORA SHRADDHA SUNEEL	2000	0.0440	0.0000	2000	0.0440	0.0000	0.0000
9	SANDIPBHAI MANUBHAI SHAH	1300	0.0286	0.0000	11300	0.2488	0.0000	0.2202
10	JENI ISAK RANGWALA	950	0.0209	0.0000	950	0.0209	0.0000	0.0000
11	GITA AMIN	500	0.0110	0.0000	500	0.0110	0.0000	0.0000
12	SUDHIR RAMANLAL MEHTA	500	0.0110	0.0000	500	0.0110	0.0000	0.0000
13	PRAFUL MAGANLAL VORA	200	0.0044	0.0000	200	0.0044	0.0000	0.0000
14	SANJAY ASHOK SHETH	0	0.0000	0.0000	50000	1.1008	0.0000	1.1008
15	SUNITA MOHANLAL KALANI	0	0.0000	0.0000	10000	0.2202	0.0000	0.2202
	<b>Total</b>	<b>2026772</b>	<b>44.6212</b>	<b>0.0000</b>	<b>2026772</b>	<b>44.6212</b>	<b>0.0000</b>	<b>0.0000</b>

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

Sr No.	Shareholding at the beginning of the year - 2016	Transactions during the year	Cumulative Shareholding at the end of the year - 2017
--------	--	------------------------------	---

	Name & Type of Transaction	NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
<b>1</b>	<b>HARSH HEMENDRA BADANI</b>	<b>719793</b>	<b>15.8469</b>			<b>719793</b>	<b>15.8469</b>
	Market Purchase			03 Mar 2017	50000	769793	16.9477
	AT THE END OF THE YEAR					769793	16.9477
<b>2</b>	<b>ASHOK JIVARAJBHAI SHETH</b>	<b>701975</b>	<b>15.4546</b>			<b>701975</b>	<b>15.4546</b>
	Market Purchase			03 Mar 2017	15000	716975	15.7848
	AT THE END OF THE YEAR					716975	15.7848
<b>3</b>	<b>BHARATI ASHOK SHETH</b>	<b>400900</b>	<b>8.8262</b>			<b>400900</b>	<b>8.8262</b>
	AT THE END OF THE YEAR					400900	8.8262
<b>4</b>	<b>SWATI HEMENDRA BADANI</b>	<b>56854</b>	<b>1.2517</b>			<b>56854</b>	<b>1.2517</b>
	AT THE END OF THE YEAR					56854	1.2517
<b>5</b>	<b>SANJAY ASHOK SHETH</b>	<b>100</b>	<b>0.0022</b>			<b>100</b>	<b>0.0022</b>
	Market Purchase			15 Apr 2016	500	600	0.0132
	Market Purchase			17 Jun 2016	1000	1600	0.0352
	Market Purchase			14 Oct 2016	2326	3926	0.0864
	Market Purchase			21 Oct 2016	1	3927	0.0865
	Market Purchase			03 Mar 2017	46073	50000	1.1008
	AT THE END OF THE YEAR					50000	1.1008
<b>6</b>	<b>SANDIPBHAI MANUBHAI SHAH</b>	<b>1300</b>	<b>0.0286</b>			<b>1300</b>	<b>0.0286</b>
	Market Purchase			03 Mar 2017	10000	11300	0.2488
	AT THE END OF THE YEAR					11300	0.2488
<b>7</b>	<b>SUNITA MOHANLAL KALANI</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
	Market Purchase			15 Jul 2016	1000	1000	0.022
	Market Purchase			05 Aug 2016	3000	4000	0.0881
	market Sell			12 Aug 2016	-2000	2000	0.044
	Market Purchase			13 Jan 2017	1000	3000	0.066
	Market Purchase			03 Mar 2017	7000	10000	0.2202
	AT THE END OF THE YEAR					10000	0.2202
<b>8</b>	<b>SHILPA TANEJA</b>	<b>4700</b>	<b>0.1035</b>			<b>4700</b>	<b>0.1035</b>
	AT THE END OF THE YEAR					4700	0.1035
<b>9</b>	<b>HEMENDRA JAYANT BADANI</b>	<b>2100</b>	<b>0.0462</b>			<b>2100</b>	<b>0.0462</b>
	AT THE END OF THE YEAR					2100	0.0462
<b>10</b>	<b>VORA SHRADDHA SUNEEL</b>	<b>2000</b>	<b>0.044</b>			<b>2000</b>	<b>0.044</b>
	AT THE END OF THE YEAR					2000	0.044
<b>11</b>	<b>JENI ISAK RANGWALA</b>	<b>950</b>	<b>0.0209</b>			<b>950</b>	<b>0.0209</b>
	AT THE END OF THE YEAR					950	0.0209
<b>12</b>	<b>SUDHIR RAMANLAL</b>	<b>500</b>	<b>0.011</b>			<b>500</b>	<b>0.011</b>

	<b>MEHTA</b>						
	AT THE END OF THE YEAR					500	0.011
<b>13</b>	<b>GITA AMIN</b>	<b>500</b>	<b>0.011</b>			<b>500</b>	<b>0.011</b>
	AT THE END OF THE YEAR					500	0.011
<b>14</b>	<b>PRAFUL MAGANLAL VORA</b>	<b>200</b>	<b>0.0044</b>			<b>200</b>	<b>0.0044</b>
	AT THE END OF THE YEAR					200	0.0044
<b>16</b>	<b>SHRUCHI MANUFACTURING LIMITED</b>	<b>135000</b>	<b>2.9721</b>			<b>135000</b>	<b>2.9721</b>
	Market Sell			24 Feb 2017	-135000	0	0
	AT THE END OF THE YEAR					0	0

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	<b>AJAY ANANTRAI PATADIA</b>	87491	1.9262			87491	1.9262
	Market Purchase			29 Jul 2016	77237	164728	3.6266
	Market Sell			16 Sep 2016	-2035	162693	3.5818
	Market Sell			23 Sep 2016	-8983	153710	3.3841
	Market Sell			30 Sep 2016	-1276	152434	3.356
	Market Sell			07 Oct 2016	-5001	147433	3.2459
	Market Sell			28 Oct 2016	-4385	143048	3.1493
	Market Sell			18 Nov 2016	-499	142549	3.1383
	Market Sell			25 Nov 2016	-4500	138049	3.0393
	Market Sell			02 Dec 2016	-245	137804	3.0339
	Market Sell			09 Dec 2016	-1097	136707	3.0097
	Market Sell			06 Jan 2017	-5000	131707	2.8996
	Market Sell			13 Jan 2017	-4253	127454	2.806
	Market Sell			27 Jan 2017	-2500	124954	2.751
	Market Sell			17 Feb 2017	-5000	119954	2.6409
	Market Sell			24 Mar 2017	-1001	118953	2.6189
	AT THE END OF THE YEAR					118953	2.6189
2	<b>ADITYA PANKAJ SHAH</b>	90664	1.996			90664	1.996
	Market Sell			08 Jul 2016	-7	90657	1.9959
	Market Purchase			29 Jul 2016	652	91309	2.0102
	Market Purchase			12 Aug 2016	9491	100800	2.2192

	Market Purchase			19 Aug 2016	1000	101800	2.2412
	Market Purchase			30 Dec 2016	9	101809	2.2414
	AT THE END OF THE YEAR					101809	2.2414
3	<b>PRATYUSH MITTAL .</b>	0	0			0	0
	Market Purchase			24 Feb 2017	14931	14931	0.3287
	Market Purchase			03 Mar 2017	60570	75501	1.6622
	AT THE END OF THE YEAR					75501	1.6622
4	<b>SANGITA NIHIR THAKKAR</b>	51867	1.1419			51867	1.1419
	Market Purchase			10 Jun 2016	4470	56337	1.2403
	Market Purchase			17 Jun 2016	363	56700	1.2483
	Market Purchase			24 Jun 2016	3366	60066	1.3224
	Market Purchase			06 Jan 2017	4961	65027	1.4316
	Market Purchase			13 Jan 2017	1000	66027	1.4536
	AT THE END OF THE YEAR					66027	1.4536
5	<b>JAIN PAL JAIN</b>	0	0			0	0
	Market Purchase			29 Apr 2016	2787	2787	0.0614
	Market Purchase			06 May 2016	5000	7787	0.1714
	Market Purchase			13 May 2016	6736	14523	0.3197
	Market Purchase			20 May 2016	1598	16121	0.3549
	Market Purchase			27 May 2016	2700	18821	0.4144
	Market Purchase			10 Jun 2016	2700	21521	0.4738
	Market Purchase			01 Jul 2016	21378	42899	0.9445
	Market Purchase			15 Jul 2016	1	42900	0.9445
	Market Sell			19 Aug 2016	-42800	100	0.0022
	Market Purchase			26 Aug 2016	2516	2616	0.0576
	Market Purchase			07 Oct 2016	2390	5006	0.1102
	Market Purchase			14 Oct 2016	10000	15006	0.3304
	Market Purchase			21 Oct 2016	501	15507	0.3414
	Market Purchase			06 Jan 2017	49159	64666	1.4237
	AT THE END OF THE YEAR					64666	1.4237
6	<b>ASHOK MAGANLAL SHAH</b>	43898	0.9665			43898	0.9665
	Market Purchase			27 Jan 2017	1000	44898	0.9885
	Market Purchase			24 Mar 2017	640	45538	1.0026
	AT THE END OF THE YEAR					45538	1.0026
7	<b>PARAG SHAMJI VED</b>	42469	0.935			42469	0.935
	Market Sell			10 Jun 2016	-3469	39000	0.8586
	AT THE END OF THE YEAR					39000	0.8586
8	<b>SAINATH VISHWANATH RAJADHYAKSH</b>	15777	0.3473			15777	0.3473
	Market Purchase			27 May 2016	2100	17877	0.3936
	Market Purchase			03 Jun 2016	1000	18877	0.4156
	Market Sell			17 Jun 2016	-500	18377	0.4046
	Market Sell			24 Jun 2016	-1000	17377	0.3826
	Market Purchase			08 Jul 2016	5253	22630	0.4982
	Market Purchase			09 Sep 2016	15334	37964	0.8358

	Market Sell			04 Nov 2016	-2532	35432	0.7801
	Market Sell			23 Dec 2016	-432	35000	0.7706
	AT THE END OF THE YEAR					35000	0.7706
9	<b>SAINATH VISHWANATH RAJADHYAKSHA</b>	21100	0.4645			21100	0.4645
	Market Purchase			03 Jun 2016	9500	30600	0.6737
	Market Purchase			24 Jun 2016	4000	34600	0.7617
	AT THE END OF THE YEAR					34600	0.7617
10	<b>SAKARBEN MAGANLAL SHAH</b>	21744	0.4791			21762	0.4791
	Market Sell			04 Nov 2016	-4560	17184	0.3783
	Market Purchase			13 Jan 2017	400	17584	0.3871
	Market Purchase			20 Jan 2017	1896	19480	0.4289
	Market Purchase			27 Jan 2017	1500	20980	0.4619
	Market Purchase			03 Feb 2017	452	21432	0.4718
	Market Purchase			10 Feb 2017	345	21777	0.4794
	Market Purchase			17 Feb 2017	1114	22891	0.504
	Market Purchase			24 Feb 2017	100	22991	0.5062
	Market Purchase			03 Mar 2017	34	23025	0.5069
	Market Sell			10 Mar 2017	-674	22351	0.4921
	Market Purchase			17 Mar 2017	2103	24454	0.5384
	AT THE END OF THE YEAR					24472	0.5388
11	<b>VIMAL GORDHANDAS MODI</b>	47373	1.043			47373	1.043
	Market Sell			04 Nov 2016	-41973	5400	0.1189
	Market Purchase			10 Feb 2017	2199	7599	0.1673
	Market Purchase			17 Feb 2017	2580	10179	0.2241
	Market Purchase			03 Mar 2017	144	10323	0.2273
	AT THE END OF THE YEAR					10323	0.2273
12	<b>SNEHALATHA SINGHI</b>	60365	1.329			60365	1.329
	Market Sell			07 Oct 2016	-37701	22664	0.499
	Market Sell			14 Oct 2016	-135	22529	0.496
	Market Sell			21 Oct 2016	-2400	20129	0.4432
	Market Sell			28 Oct 2016	-17623	2506	0.0552
	AT THE END OF THE YEAR					2506	0.0552
13	<b>HANSA ANANTRAI PATADIA</b>	87661	1.9299			87661	1.9299
	Market Sell			05 Aug 2016	-8800	78861	1.7362
	Market Sell			12 Aug 2016	-20002	58859	1.2958
	Market Sell			19 Aug 2016	-10190	48669	1.0715
	Market Sell			26 Aug 2016	-13274	35395	0.7793
	Market Sell			09 Sep 2016	-15319	20076	0.442
	Market Sell			16 Sep 2016	-1154	18922	0.4166
	Market Sell			30 Sep 2016	-11108	7814	0.172
	Market Sell			07 Oct 2016	-7314	500	0.011
	AT THE END OF THE YEAR					500	0.011
14	<b>MANISH ANANTRAI</b>	77237	1.7004			77237	1.7004

	<b>PATADIA</b>						
	Market Sell			29 Jul 2016	-77237	0	0
	AT THE END OF THE YEAR					0	0

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
<b>1</b>	<b>HARSH HEMENDRA BADANI</b>	<b>719793</b>	<b>15.8469</b>			<b>719793</b>	<b>15.8469</b>
	Market Purchase			03 Mar 2017	50000	769793	16.9477
	AT THE END OF THE YEAR					769793	16.9477
<b>2</b>	<b>ASHOK JIVARAJBHAI SHETH</b>	<b>701975</b>	<b>15.4546</b>			<b>701975</b>	<b>15.4546</b>
	Market Purchase			03 Mar 2017	15000	716975	15.7848
	AT THE END OF THE YEAR					716975	15.7848
<b>3</b>	<b>SHILPA TANEJA</b>	<b>4700</b>	<b>0.1035</b>			<b>4700</b>	<b>0.1035</b>
	AT THE END OF THE YEAR					4700	0.1035
<b>4</b>	<b>HEMENDRA JAYANT BADANI</b>	<b>2100</b>	<b>0.0462</b>	-	-	<b>2100</b>	<b>0.0462</b>
	AT THE END OF THE YEAR	-	-	-	-	2100	0.0462
<b>5</b>	<b>AMITA SANDIP SHAH</b>	<b>2900</b>	<b>0.0638</b>	-	-	<b>2900</b>	<b>0.0638</b>
	AT THE END OF THE YEAR	-	-	-	-	2900	0.0638

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
iv) Cash Credit A/c	8.07	-	-	8.07
<b>Total (i+ii+iii+iv)</b>	<b>8.07</b>	<b>-</b>	<b>-</b>	<b>8.07</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	8.07	-	-	8.07

<b>Net Change</b>	8.07	-	-	8.07
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
iv) Cash Credit A/c	0	-	-	0
<b>Total (i+ii+iii+iv)</b>	0	-	-	0

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL –

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

(In Rs.)

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	1200000/-	1200000/-	1050000/-	3450000/-
		40014/-	93097/-	0.00	133111/-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify (Incentive & Bonus)	84000/-	84000/-	70000/-	238000/-
	Total (A)	1324014/-	1377097/-	1120000/-	3821111/-
	Ceiling as per the Act	<b>10% of Net Profit of the Company or as per Schedule V</b>			

### B. Remuneration to other directors:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
---------	-----------------------------	-------------------	--------------

	<b>1. Independent Directors</b>	<b>Mr. Anil Kothari</b>	<b>Mrs. Rashmi Desai</b>	<b>Mrs. Padmaja Mukundan</b>	
	• Fee for attending board / committee meetings	4000/-	12000/-	2000/-	18000/-
	• Commission				
	• Others, please specify	7320/-		345/-	7665/-
	Total (1)	11320/-	12000/-	2345/-	25665/-
	<b>2. Other Non-Executive Directors</b>				
	• Fee for attending board/ committee meetings	7000/-	7000/-		14000/-
	• Commission				
	• Others, please specify				
	Total (2)	7000/-	7000/-		14000/-
	Total (B)=(1+2)	18320/-	19000/-	2345/-	39665/-
	Total Managerial Remuneration				3860776/-
	Overall Ceiling as per the Act	<b>11% of Net Profit of the Company or as per Schedule V</b>			

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

For and on behalf of Board of Directors

Place: Mumbai  
Date: 13/05/2017

ASHOK J SHETH  
Chairman and Managing Director  
DIN: 00174006

## **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 21st May, 2016, 30th July, 2016, 28th October, 2016 and 4th February, 2017.

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

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 04.07.2016	No. of other Directorship	Committee Membership/ Chairmanship	
					Member	Chairman
1. Mr. A. J. Sheth	Promoter, CMD and Executive	4	Yes	--	1	-
2. Mr. H. J. Badani	Promoter, MD and Executive	4	Yes	1	1	-
3. Ms. Shilpa Taneja	Promoter and Non - Executive	2	Yes	2	1	1
4. Mr. Harsh Badani	Promoter, WTD and Executive	4	No	2	-	-
5. Dr. Amita S. Shah	Independent	2	No	--	1	-
6. Mr. A. J. Kothari	Independent	2	No	--	2	-
7. Ms. Rashmi S Desai	Independent	3	No	--	-	-

	nt					
8. Mrs. Padmaja K. Mukundan	Independent	2	No	--	-	2

**CMD** - Chairman & Managing Director, **ED** - Executive Director, **WTD** - Whole Time 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:

Ms. Shilpa Taneja, Director and Mr. Ashok Sheth, Managing 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](http://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 21st May 2016, 30th July, 2016, 27th October, 2016 and 3rd February, 2017.

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:

- a. Overseeing the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. To recommend the appointment of statutory auditors and fixation of their fees.
- c. Review of Accounting and financial policies and practices.
- d. Review of Internal Control Systems.
- e. 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. Nomination and Remuneration Committee:**

During the financial year 2016-17, 1 (One) meeting of Nomination and Remuneration Committee Meeting was held on 30th July, 2016.

The Nomination and 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, 2017.**

Managing /Executive/Whole-time Director	Salary (Rs.)	Annual Exgratia(performance linked incentive)	Bonus (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Stock Option
Mr Ashok J Sheth	12 Lacs	0.84 Lacs	-	0.40 Lacs	-	-
Mr Hemendra Badani	12 Lacs	0.84 Lacs	-	0.93 Lacs	-	-
Harsh Badani	10.50 Lacs	0.70 Lacs	-	-	-	-

**G. Stakeholders Relationship Committee:**

The Company has reconstituted Stakeholders Relationship Committee on 31<sup>st</sup> January 2015 under the Chairmanship of Ms. Shilpa Taneja.

This Committee comprises of:

1. Ms. Shilpa Taneja
2. Mr. Ashok J Sheth
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 Stakeholders Relationship Committee was held during the year.

As on 31<sup>st</sup> March, 2017 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
2013 - 14	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	30.06.2014	9.30 a. m.
2014 - 15	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	20.07.2015	10.00 a. m.
2015 - 16	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	04.07.2016	10.00 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	Saturday, the 29nd July, 2017 at 10.00 a. m. at Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai - 400 021		
ii. Financial Calendar 2017-18	<b>Probable Dates:</b>		
First quarterly results	Before end of July, 2017		
Audited Yearly Results	Before mid of May, 2018		
iii. Book Closure Date	Saturday, the 22nd July, 2017 to Saturday, the 29th July, 2017 (both days inclusive)		
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	<b>Months</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
during each month of the Financial Year 2016-17 at BSE.	April, 2016	22.30	17.50
	May, 2016	28.50	20.85
	June, 2016	34.75	25.20
	July, 2016	36.00	29.15
	Aug, 2016	35.90	26.00
	Sept, 2016	34.20	25.50
	Oct, 2016	41.25	25.35
	Nov, 2016	49.50	33.80
	Dec, 2016	41.85	31.00

Jan, 2017	42.00	36.65
Feb, 2017	42.45	33.00
March, 2017	39.00	33.25

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

**L. Distribution of Shareholding as on 31<sup>st</sup> March, 2017.**

No. of equity shares held	No. of Folios / Shareholders	No. of Shares held	% of Shareholding
Upto 500	3601	677087	14.91
501 to 1000	321	270681	5.96
1001 to 2000	152	233657	5.14
2001 to 3000	63	159972	3.52
3001 to 4000	17	59368	1.31
4001 to 5000	25	117469	2.59
5001 to 10000	22	162045	3.57
More than 10000	34	2861897	63.01
<b>Total</b>	<b>4235</b>	<b>4542176</b>	<b>100</b>

**M. Shareholding Pattern as on 31<sup>st</sup> March, 2017.**

Category	No. of Share held	% of Share holding
Promoters	2026772	44.62
Banks, Financial Institutions, Insurance Companies, Mutual Funds	0	0.00

Foreign Financial Institutions	0	0.00
Private /Other Corporate Bodies	66011	1.45
Indian Public	2245234	49.43
N. R. I.	21721	0.48
G. D. R. / A. D. R.	0	0.00
Others	182438	4.02
<b>Total</b>	<b>4542176</b>	<b>100.00</b>

**N. Other Information:**

Dematerialization of shareholding and equity	Nearly 88.32% of total equity share capital (4011585) Shares are held in dematerialized form with NSDL and CDSL as on 31 <sup>st</sup> March, 2017.
Registrars and Share Transfer Agents	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
<u>For Dematerialization Shares</u>	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083
<u>For Physical Shares:</u> In House arrangement.	Solitaire Machine Tools Ltd Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034
Plant Locations	<b>1. Solitaire Machine Tools Limited,</b> 292, Dharamsinh Desai Marg, Chhani Road, Vadodara - 390 002  <b>1. 2. Solitaire Machine Tools Limited,</b> A 24/ 25, Krishan Industrial Estate, Gorwa, Vadodara - 390 016
Address for correspondence	Solitaire Machine Tools Limited Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

Ashok J Sheth  
Managing Director  
DIN: 00174006

Hemendra J Badani  
Managing Director  
DIN: 00143330

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

Date: 13/05/2017  
Place: Mumbai

**V. CEO/ CFO Certificate:**

**To the Board of Directors of Solitaire Machine Tools Limited,**

We, A J Sheth, Managing Director and Hemendra Badani, Chief Financial Officer (CFO) 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 31<sup>st</sup> March, 2017 and Profit & Loss Account for the year ended as on that date along with all it's schedules, notes to the accounts and also the Cash Flow statements for the year ended 31<sup>st</sup> March, 2017 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

Hemendra J Badani  
Managing Director and CFO  
DIN: 00143330

Date: 13/05/2017  
Place: Mumbai

**DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT**

To,

M/s 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 Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31<sup>st</sup> March, 2017.

Date: 13/05/2017  
Place: Mumbai  
Managing Director

Ashok J Sheth

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](mailto: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 31<sup>st</sup> March, 2017, as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

n Chhadawa  
Place: Mumbai  
Company Secretary  
Date: 13.05.2017  
No 4617

Sachi  
Practicing  
FCS 5619 C P

## **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 31<sup>st</sup> March 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of the 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 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 audit opinion on the stand alone 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, 2017
- 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of audit, we give in the Annexure 'A' 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 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to over separate report in ' Annexure B'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to 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.25 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. The company was not required to transfer any amount to the Investor Education and Protection Fund during the year and accordingly, the question of delay does not arise.
- iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on the audit procedure performed and the representation provided to us by the management we report that disclosures are in accordance with the books of account maintained by the company and as produced to us by the management.

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

K.N. AJMERA  
PARTNER  
MEMBERSHIP NO. 010805

PLACE: MUMBAI  
DATED: 13-05-2017

### **Annexure 'A' 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 31<sup>st</sup> March 2017, 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) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and there is no material discrepancies were noticed.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the act in respect of investments, guarantees & securities provided by it. Further the company has not granted any loans to those who are covered by the provisions of section 185 & 186 of the act.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of provisions of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under.

6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-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 31<sup>st</sup> March 2017 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:

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

8. 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 Government, financial institutions. Further the company has not issued any debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year.
- 10 Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

- 11 Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12 In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order is not applicable to the Company.
- 13 In our opinion and according to the information and explanations given to us and on the basis of examination of books and records of the company carried out by us, all the transactions with the related parties are in compliance with provisions of section 177 and 188 of the act, where applicable. The details there on has been disclosed in the financial statements as required under Accounting Standards (AS-18- Related Party Disclosures)
- 14 According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15 According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- 16 In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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

K.N. AJMERA  
PARTNER  
MEMBERSHIP NO. 010805

PLACE: MUMBAI  
DATED: 13-05-2017

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLITAIRE MACHINE TOOLS LIMITED**

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

We have audited the internal financial controls over financial reporting of Solitaire Machine Tools Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AJMERA AJMERA AND ASSOCIATES

FIRM REGISTRATION NO.123989W

CHARTERED ACCOUNTANTS

K.N. AJMERA

PARTNER

MEMBERSHIP NO. 010805

PLACE: MUMBAI

DATED: 13-05-2017



(Amounts in Rs.)

Particulars	Notes No	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	2	45,421,760	45,421,760
(b) Reserves and Surplus	3	70,827,244	63,624,920
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	6,472,247	5,932,335
(3) Current Liabilities			
(a) Short-Term Borrowings	5	-	807,743
(b) Trade Payables	6	17,486,961	11,138,381
(c) Other Current Liabilities	7	24,100,239	25,663,931
(d) Short-Term Provisions	8	8,986,354	8,011,151
Total		173,294,807	160,600,221
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed Assets	9		
(i) Tangible Assets		71,543,930	59,284,425
(ii) Capital Work-in-Progress		-	10,990,526
(b) Non-current Investments	10	71,543,930	70,274,951
(c) Long term Loans and Advances	11	1,590,000	5,375,542
(d) Other non-current assets	12	710,021	3,578,764
(d) Other non-current assets	12	359,036	359,036
(2) Current assets			
(a) Current Investments	13	8,805	8,805
(b) Inventories	14	36,534,232	33,949,577
(c) Trade Receivables	15	31,162,186	20,423,968
(d) Cash and Cash Equivalents	16	27,690,385	22,790,269
(e) Short-term Loans and Advances	17	3,696,212	3,839,309
Total		173,294,807	160,600,221
Significant Accounting Polices and Notes on Accounts	1 to 40	-	
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  (HEMANDRA JAYANTILAL BADANI) MANAGING DIRECTOR DIN NO.00143330
K.N. AJMERA PARTNER MEMBERSHIP NO. : 010805			(PADMAJA MUKUNDAN) DIRECTOR DIN NO.02282949
PLACE : Mumbai DATE : 13/05/2017			

SOLITAIRE MACHINE TOOLS LIMITED  
Statement of Profit and Loss for the period ended 31st March, 2017

(Amounts in Rs.)

Particulars	Notes No	For the period ended 31st March, 2017	For the period ended 31st March, 2016
I. Revenue from Operations	18	183,406,874	156,549,721
II. Other Income	19	3,151,317	2,679,817
III. Total Revenue (I +II)		186,558,191	159,229,538
IV. Expenses:			
Cost of Materials Consumed	20	89,900,640	69,570,223
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(1,999,480)	17,903,482
Employee benefit expense	22	26,241,340	19,011,849
Financial Costs	23	168,838	669,008
Depreciation	9	7,610,719	7,349,540
Other Expenses	24	35,941,286	27,706,787
Total Expenses		157,863,343	142,210,889
V. Profit before exceptional items and tax (III-IV)		28,694,848	17,018,649
VI. Exceptional Items Prior period items-Refer Note No. 36 of Notes.		3,846,070	64,155
VII .Profit before tax (V- VI)		24,848,778	16,954,494
VI. Tax expense:			
(1) Current Tax		10,000,000	6,650,000
(2) Prior year Taxation		272,971	60,265
(3) Deferred Tax		539,912	(643,307)
		10,812,883	6,066,958
VII. Profit/(Loss) for the period (V - VI)		14,035,895	10,887,536
VIII. Earning per equity share: Equity share of par value of Rs. 10/- each			
Before Extra Ordinary Item			
(1) Basic		3.94	2.41
(2) Diluted		3.94	2.41
After Extra Ordinary Item			
(1) Basic		3.09	2.40
(2) Diluted		3.09	2.40

Significant Accounting Polices and Notes on Accounts

1 to 40

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

(HEMANDRA JAYANTILAL BADANI)  
MANAGING DIRECTOR  
DIN NO.00143330

K. N. AJMERA  
PARTNER  
MEMBERSHIP NO. : 010805

(PADMAJA MUKUNDAN)  
DIRECTOR  
DIN NO.02282949

PLACE : Mumbai  
DATE : 13/05/2017

**SOLITAIRE MACHINE TOOLS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	(Amount in ₹) 2016-2017	(Amount in ₹) 2015-2016
<b>A CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit as per Profit & Loss Account	14,035,895	10,886,786
Adjustment for Depreciation	7,610,719	7,349,540
Tax Provision for Taxation & Deferred Tax	10,812,883	6,066,958
Interest Received	(1,717,257)	(1,427,300)
Interest and financial Charges	68,291	168,834
Adjustment for Investment Written-off	3,785,542	-
Loss/(Profit) on Sale of Assets	-	(200,000)
<b>Operating Profit Before Working capital Changes</b>	<b>34,596,073</b>	<b>22,844,818</b>
Adjustment For:		
Trade & other Receivable	(6,970,176)	(3,297,400)
Inventories	(2,584,654)	23,745,686
Direct Taxes paid (Net of Refund)	(13,322,871)	(7,622,192)
Trade Payables	6,670,565	(3,169,731)
<b>Net Cash Flow From Operating Activities</b>	<b>18,388,937</b>	<b>32,501,181</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,879,700)	(2,894,599)
Sale of Fixed Assets	-	200,000
Capital Work in progress	-	(10,990,526)
Interest Received	1,717,257	1,427,300
<b>Net Cash used in Investing Activities</b>	<b>(7,162,443)</b>	<b>(12,257,825)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Borrowing (Net of Repayment)	(807,743)	(10,038,514)
Dividend Paid	(4,542,176)	(3,406,632)
Dividend Tax	(908,168)	(681,125)
Interest and Financial Charges paid	(68,291)	(168,834)
<b>Net Cash used in Financing Activities</b>	<b>(6,326,378)</b>	<b>(14,295,105)</b>
Net Increase in Cash & cash Equivalents	4,900,116	5,948,251
Opening Balance of Cash & Cash Equivalents	22,790,269	16,842,018
Closing Balance of Cash & Cash Equivalents	27,690,385	22,790,269

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

PLACE : MUMBAI  
DATED : 13-05-2017

For and on behalf of the board

(HEMANDRA JAYANTILAL BADANI)  
MANAGING DIRECTOR  
DIN NO.00143330

(PADMAJA MUKUNDAN)  
DIRECTOR  
DIN NO.02282949

SOLITAIRE MACHINE TOOLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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). In respect of fixed assets acquired during the year, depreciation is charged on a straight line basis as to write off the cost of the asset over the useful lives. Useful life is considered as prescribed in Part 'C' of Schedule II to the Companies Act, 2013 after considering residual value of 1% as mentioned therein.
- iii). Intangible Assets:  
Technical Know How fee:  
Intangible Assets are stated at cost of acquisition less accumulated amortization.  
Technical Know How is amortized over a period of Five years in equal instalments.

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 exclusive 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.

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

## 2. SHARE HOLDERS FUND - SHARE CAPITAL

(Amounts in Rs.)

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
1	AUTHORIZED Equity shares, 10/- par value 55,00,000 (55,00,000) equity shares	55,000,000	55,000,000
		55,000,000	55,000,000
2	ISSUED Equity shares, 10/- par value 50,39,750 (50,39,750) equity Shares	50,397,500	50,397,500
		50,397,500	50,397,500
3	SUBSCRIBED & PAID UP CAPITAL Equity shares, 10/- par value 45,42,176 (45,42,176) Equity Shares fully paid-up	45,421,760	45,421,760
	Total	45,421,760	45,421,760

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

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

The Board of Directors, in their meeting on 13.05.2017 proposed a dividend of Rs.1.25 per equity share. The proposal is subject to the approval of share holders at their Annual General Meeting to be held on 22.07.2017. The total dividend appropriation for the year ended 31.03.2017 amounted to Rs.6,833,570/- including corporate dividend tax of Rs.1,155,850/-

During the year ended 31/03/2016 the amount per share dividend recognised as distributions to equity share holders was Rs.1/-. The total dividend appropriation for the year ended 31/03/2016 amounted to Rs.54,50,344/- including corporate dividend tax of Rs 9,08,168/-.

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 2017 and 31st March 2016 is set out below:

Sr. No	Particulars	Equity Shares		Equity Shares	
		Number	Rs.	Number	Rs.
		31/03/2017		31/03/2016	
1	Shares outstanding at the beginning of the year	4,542,176	45,421,760	4,542,176	45,421,760
2	Shares Issued during the year	-	-	-	-
3	Shares bought back during the year	-	-	-	-
4	Shares outstanding at the end of the year	4,542,176	45,421,760	4,542,176	45,421,760

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

Sr. No	Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Harsh H Badani	767,643	16.90	719,793	15.85
2	Ashok Jivarajbhai Sheth	716,975	15.78	701,975	15.45
3	Bharati Ashok Sheth	400,900	8.83	400,900	8.83
	TOTAL	1,885,518	41.51	1,822,668	40.13

3. SHAREHOLDER FUNDS-RESERVE & SURPLUS

Sr. No	Particulars	As at 31st March 2017		As at 31st March 2016
1	Capital reserve - Opening balance Opening Balance		2,078,470	2,078,470
2	General Reserve Opening Balance		1,363,943	1,363,943
3	Surplus Opening Balance	60,182,506		54,745,316
	Add: Net profit after tax transferred	14,035,895		10,887,536
	Amount available for appropriation		74,218,402	65,632,852
	Appropriations:			
	Dividend		5,677,720	4,542,176
	Dividend Tax		1,155,850	908,168
	Amount transferred to general reserve		6,833,570	5,450,344.00
	Surplus- Closing Balance		67,384,831	60,182,508
	Total		70,827,244	63,624,921

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

Sr. No	Particulars	As at 31st March 2017		As at 31st March 2016
1	Opening	5,932,335		6,575,642
2	For the year	539,912	6,472,247	-643,307
	Total		6,472,247	5,932,335

5. CURRENT LIABILITIES -SHORT TERM BORROWINGS

Sr. No	Particulars	As at 31st March 2017		As at 31st March 2016
1	Secured From Axis Bank Ltd. Baroda Cash Credit Packing Credit Loan (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)		-	807,743
	Total		-	807,743

6. CURRENT LIABILITIES -TRADES PAYABLE

Sr. No	Particulars	As at 31st March 2017		As at 31st March 2016
1	Trade Payables		17,486,961	11,138,381
	Total		17,486,961	11,138,381

7. CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

Sr. No	Particulars	As at 31st March 2017	As at 31st March 2016
3	Advances from Customers	17,548,949	19,261,619
4	Un-paid Dividends	1,741,911	1,444,425
5	Provision for Expenses	3,108,234	2,724,855
6	Withholding and other Taxes payable	969,896	1,501,783
7	Excise duty payable on Finished goods	731,250.00	731,250
	Total	24,100,239	25,663,932

8. CURRENT LIABILITIES -SHORT TERM PROVISIONS

Sr. No	Particulars	As at 31st March 2017	As at 31st March 2016
1	Provision for Employee Benefits- Gratuity	2,152,784	267,108
2	Provision for Taxation	-	2,293,699
3	Proposed Dividend	5,677,720	4,542,176
4	Provision for tax on Dividend	1,155,850	908,168
	Total	8,986,354	8,011,151

**9. FIXED ASSETS**

Particulars	ORIGINAL COST				DEPRECIATION AND AMORTIZATION				NET BLOCK VALUE	
	As at 01.04.2016	Additions/ Adjustments during the period	Deductions Retirement during the period	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions/ Adjustments during the period	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b><u>Tangible Assets:</u></b>										
Land	5,302,195	-	-	5,302,195	-	-	-	-	5,302,195	5,302,195
Building	35,698,013	-	-	35,698,013	12,926,990	1,214,666	-	14,141,656	21,556,357	22,771,023
Office Premises	1,400,833	-	-	1,400,833	583,984	85,303	-	669,287	731,546	816,849
Plant & Machinery	82,257,225	18,649,530	-	100,906,755	57,542,004	4,600,449	-	62,142,453	38,764,302	24,715,221
Electric Installation	2,411,025	-	-	2,411,025	2,069,071	116,454	-	2,185,525	225,500	341,954
Furniture & Fixtures	12,125,838	287,966	-	12,413,804	10,164,607	567,121	-	10,731,728	1,682,076	1,961,231
Vehicles	10,185,599	856,730	-	11,042,329	7,067,014	943,376	-	8,010,390	3,031,939	3,118,585
Office Equipments	2,360,213	76,000	-	2,436,213	2,140,066	64,241	-	2,204,307	231,906	220,147
Computer	384,314	-	-	384,314	347,094	19,109	-	366,203	18,111	37,220
<b>Total</b>	<b>152,125,255</b>	<b>19,870,226</b>	<b>-</b>	<b>171,995,481</b>	<b>92,840,830</b>	<b>7,610,719</b>	<b>-</b>	<b>100,451,549</b>	<b>71,543,932</b>	<b>59,284,425</b>
<b>Previous Year Rupees</b>	<b>149,230,656</b>	<b>2,894,599</b>	<b>-</b>	<b>152,125,255</b>	<b>85,491,290</b>	<b>7,349,540</b>	<b>-</b>	<b>92,840,830</b>	<b>59,284,425</b>	<b>-</b>

10. NON CURRENT ASSETS -NON-CURRENT INVESTMENTS (Amounts in Rs.)

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Long Term Investment- at cost Trade ( un-quoted) INVESTMENTS IN SUBSIDIARY COMPANIES : SHRUCHI MANUFACTURING LTD. 15900 Equity Shares of Rs. 100/- each fully paid up.	1,590,000	1,590,000
2	JBS MACHINERY CORPORATION NIL - (Previous year 1000, Equity shares of \$ 1 each, fully paid up )	-	3,785,542
	<b>Total</b>	<b>1,590,000</b>	<b>5,375,542</b>
	Un-quoted Investments	1,590,000	5,375,542

11. NON CURRENT ASSETS -LONG TERM LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Unsecured, Considered Good : <b>CAPITAL ADVACNCES , OTHER LOANS AND ADVANCES:</b>		
1	Loan to Subsidiary Company	-	1,899,859
2	Loans and advances to Employees	241,407	320,310
3	Deposits	468,614	469,314
4	Rental Deposits	-	889,281
	<b>Total</b>	<b>710,021</b>	<b>3,578,764</b>

12. NON CURRENT ASSETS - OTHER NON CURRENT ASSETS

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	( Unsecured Considered good )		
1	Advances to Gratuity Trust	5,000	5,000
2	Duty recoverable under protest	354,036	354,036
	<b>Total</b>	<b>359,036</b>	<b>359,036</b>

13. CURRENT ASSETS - CURRENT INVESTMENTS

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Valued at lower of the cost and fair value Non Trade -Quoted		
1	50 Equity Shares of Batliboi Ltd.of Rs. 5/- each fully paid-up.	1,465	1,465
2	10 Equity Shares ABC Bearing Ltd.of Rs. 10/- each fully paid-up	7,040	7,040
3	Shares of N.M. Bank of Rs.100/- each	300	300
	<b>Total</b>	<b>8,805</b>	<b>8,805</b>

Quoted Investments (At Cost)	8,805	8,805
Market Value of Quoted Investments	2,972	2,025

## 14. CURRENT ASSETS -INVENTORIES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	(Valued at Lower of the cost or net realisable value and Semi Finished Goods valued on percentage of work		
1	Raw Materials - Components	16,129,490	15,813,327
2	Semi Finished Goods	13,236,992	11,123,927
3	Rebuilding in Process	39,336	134,779
4	Spares in Process	-	18,142
5	Cutting Tools	411,469	176,544
6	Holding Tools	135,695	101,609
7	Finished Grinders	6,581,250	6,581,250
	Total	36,534,232	33,949,578

## 15. CURRENT ASSETS-TRADE RECEIVABLES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Un-Secured -considered good Debts outstanding for a period exceeding six months	6,064,080	1,098,989
2	Other Debts-Un-secured	25,098,106	19,324,979
	Total	31,162,186	20,423,968

## 16. CURRENT ASSETS -CASH &amp; CASH EQUIVALENT

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Cash-in-Hand Cash Balance	4,457	1,607
	Sub Total (A)	4,457	1,607
2	Bank Balance on current accounts	5,161,378	1,716,213
	Sub Total (B)	5,161,378	1,716,213
3	Other Bank Balances: Fixed Deposit With Bank	22,524,550	21,072,450
	Sub Total (C)	22,524,550	21,072,450
	Total [ A + B + C ]	27,690,385	22,790,269

## 17. CURRENT ASSETS -SHORT TERMS LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Unsecured, Considered Good :		
1	Interest accrued on FDR	872,480	556,922
2	Balances with Excise, Sales Tax & Service Tax	1,734,075	2,207,159
3	Advance Tax and Tax at Source ( Net of Provisions)	756,202	-
4	For Supply of Goods and Rendering Services	173,551	953,585
5	Prepaid Expenses	159,904	121,643
	Total	3,696,212	3,839,309

## 18. REVENUE FROM OPERATIONS

(Amounts in Rs.)

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Sale of Products	189,908,401	157,222,496
	Less: Excise duty	11,306,458	11,029,501
		178,601,943	146,192,995
2	Revenue from Sale of Services	4,657,331	10,200,197
3	Other Operating Revenue-Scrap Sales	147,600	156,529
	Total	183,406,874	156,549,721

## 19. OTHER INCOME

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Interest received on Deposits	1,717,257	1,427,300
2	Dividend	20	20
3	Rent received	-	168,017
4	Miscellaneous Income	303,645	134,000
5	Sundry credit balance W/Back	-	750,480
6	Foreign Exchange Fluctuation	1,130,396	-
7	Profit on Sale of Fixed Assets	-	200,000
	Total	3,151,317	2,679,817

## 20. COST OF MATERIAL CONSUMED

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Components:		
1	Opening Stock	15,813,327	21,072,084
2	Add : Purchases	90,216,803	64,311,466
		106,030,130	85,383,550
3	Less Closing Stock	16,129,490	15,813,327
	Total	89,900,640	69,570,223

## 21. CHANGE IN INVENTORIES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Closing Stock		
	Finished Goods	6,581,250	6,581,250
	Semi-Finished Goods	13,236,992	11,123,927
	Rebuilding in process	39,336	134,779
	Spares in process	-	18,142
		19,857,578	17,858,098
2	Less : Opening Stock		
	Finished Goods	6,581,250	6,581,250
	Semi-Finished Goods	11,123,927	29,154,511
	Rebuilding in process	134,779	9,392
	Spares in process	18,142	16,427
		17,858,098	35,761,580
	Total	1,999,480	-17,903,482

**22. EMPLOYMENT BENEFIT EXPENSES**

Sr. No	Particulars		AS AT 31.03.2017	AS AT 31.03.2016
1	Salaries and Wages		24,211,872	17,023,530
2	Contribution to Provident Fund and Other Funds		1,502,269	1,564,251
3	Staff welfare expenses		527,199	424,068
	<b>Total</b>		<b>26,241,340</b>	<b>19,011,849</b>

Note:

(Salaries and wages included Director's Remuneration ₹ 3,583,111/- P.Y. ₹ 2,845,859/-  
Contribution to P.F. Rs. 90,000/- P.Y. Rs. 72,000/-)

**23. FINANCIAL COST**

Sr. No	Particulars		AS AT 31.03.2017	AS AT 31.03.2016
A	INTEREST EXPENSES:			
1	Interest to Bank		100,547	500,174
B.	OTHER BORROWING COST:			
1	Processing Fee		68,291	168,834
	<b>Total</b>		<b>168,838</b>	<b>669,008</b>

**24. OTHER EXPENSES**

Sr. No	Particulars		AS AT 31.03.2017	AS AT 31.03.2016
1	Consumption of Stores and spares		5,435,007	4,310,970
2	Power and fuel		2,020,901	2,138,892
3	Labour Contract Charges		3,274,041	3,502,954
4	Rent		-	290,775
5	Repair to Building		1,405,324	67,500
6	Repairs to Machinery		1,569,018	1,472,071
7	Insurance		219,145	331,074
8	Rent, Rates and Taxes		1,088,204	534,159
9	Bank Charges		351,495	237,517
10	Auditor's Remuneration:			
	Statutory Audit Fee	100000		
	Tax Audit Fee	50,000	150,000	150,000
11	Labour Charges		3,206,442	2,718,937
12	Travelling Expenses		2,313,331	1,859,127
13	Postage and Courier		169,767	148,889
14	Printing and Stationery		146,534	164,894
15	Telephone & Mobile		230,724	243,370
16	Legal & Professional Charges		1,273,115	1,308,565
17	Vehicle Expenses		430,795	445,740
18	Annual General Meeting Expenses		313,534	336,611
19	Others Repairs		615,488	354,835
20	Security Charges		540,746	469,240
21	Advertisement		1,235,482	1,498,881
22	Export Expenses		508,486	178,136
23	Late Delivery Charges		-	664,000
24	Sales Expenses		980,404	387,385
25	Sales Commission		4,179,807	1,369,872
26	Packing Expenses		899,734	623,063
27	Registrar's Fees		173,851	143,431
28	Donation		10,000	6,101
29	Miscellaneous Expenses		907,719	959,332
30	Listing Fees		229,836	224,720
31	Research & Development Exp		400,000	-
32	Exhibition Exp		1,537,619	-
33	Computer Expenses		124,738	50,551
34	Foreign Exchange Fluctuation		-	515,196
	<b>Total (A+B)</b>		<b>35,941,286</b>	<b>27,706,787</b>

Note:

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

25 Company is contingently liable in respect of:

- a). Penalty Levied by DGFT of Rs.23 Lacs (Net of advance) (Previous year- Rs.23 Lacs) and contested in appeal, vide WP No.1957 of 2000 pending at Delhi High Court.
- b). Bank Guarantees Rs. 1,15,64,554/- (P.Y Rs. 82,92,000/-)
- c). There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of Rs. 3,54,036/- (Previous year ₹.3,54,036/-) which is being contested on Order No. D/827/97 of Rs.3,54,036/- dt. 14.08.1997. Amount has been paid against thereof as advance under protest and reflected under Non-Current Assets.

26 a). Break-up for Imported and Indigenous Raw Materials Consumed (Amounts in Rs.)

	31.03.2017 Amount Rs.	% of total Consumption	31.03.2016 Amount Rs.	% of total Consumption
Imported	16,468,913	18.402	9,070,321	13.04
Indigenous	73,025,908	81.60	60,499,902	86.96
	<b>89,494,821</b>	<b>100.00</b>	<b>69,570,223</b>	<b>100.00</b>

b). C.I.F. Value of Imports	31.03.2017	31.03.2016
Components & Others	14,567,946	7,934,329
Capital Goods	1,553,458	6,281,597
c). Earning in Foreign Exchange		
F.O.B Value of Exports	66,710,434	60,805,181
d). Expenditure in Foreign Currency :		
Travelling Expenses	-	281,758
Sales Commission	2,918,406.00	-
Service Charges	317,086.00	-

27 Related Party Disclosures have been set out as below. The related parties as defined by Accounting Standard 18 'Related Party Disclosures prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, in respect of which the disclosures have been made, are 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). Enterprises under significant influence of Key Management Personnel or their relatives:  
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 : Jyoti P. Sheth

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

(Amounts in Rs.)

S.N	Nature of Transaction	Subsidiaries	Enterprise under significant influence referred to in 27(a)(2) above	Key Management Personnel	Relatives	Total
1).	Receiving of Services	- (75,000)	176,941 (45,069)	- -	- -	176,941 (120,069)
2)	Managerial Remuneration & Perques	-	-	3,821,111 (2,845,859)	-	3,821,111 (2,845,859)
3).	Rent paid	-	-	-	(250,000)	(250,000)
4).	Investment Written-off	3,785,542	-	-	-	3,785,542
5).	Loan Given	- (7,500)	- -	- -	- -	- (7,500)
6).	Loans Received Back	1,899,859 (2,037,088)	- -	- -	- -	1,899,859 (2,037,088)
7).	Office Deposit Recd back	-	-	-	934,404 (225,000)	934,404 (225,000)
8).	Office Deposit Given	-	-	-	45,123 (35,953)	45,123 (35,953)
9).	Outstanding balances as At 31.03.2017 :					
	i) Loan Out Standing	- (1,899,859)	- -	- -	- -	- (1,899,859)
	ii) Investments	1,590,000 (5,375,542)	- -	- -	- -	1,590,000 (5,375,542)
	iii) Security Deposit	-	-	-	(889,281)	(889,281)
	iv) Other Liabilities	-	-	750,000 (581,500)	-	750,000 (581,500)
	iv) trade Receivable	-	3,226	-	-	3,226 -

\* Figures in Brackets are of previous year.

S.N	Nature of Transaction	Name of the Related Party	Current Year	Previous Year
1)	<b>Receiving of Services</b>			
	Subsidiaries	Shruchi Manufacturing Limited	-	75,000
	Enterprise under significant influence of <u>Key Management Personnel</u>	Adventure Advertising Private Lim	176,941	45,069
2)	<b>Managerial Remuneration</b>			
	Key Management Personnel	A.J. Sheth H.J. Badani Harash Badani	1,324,014 1,377,097 1,120,000	1,003,223 1,028,535 814,101
	Relatives	Jyoti P Sheth	3,821,111 -	2,845,859 120,967
3)	<b>Rent Paid</b>			
	Relatives	Jyoti P Sheth	-	250,000
4)	<b>Loan Given</b>			
	Subsidiaries	Shruchi Manufacturing Limited	-	7,500
5)	<b>Investments Written-off</b>			
	Subsidiaries	JBS Machinery Corporation	3,785,542	-
6)	<b>Loans Received Back</b>			
	Subsidiaries	Shruchi Manufacturing Limited	1,899,859	2,037,088.00

7)	<b>Office Deposit Recd back</b> Relatives	Jyoti P Sheth	934,404	225,000
8)	<b>Outstanding balances as at 31.03.2017 :</b> <b>i) Loan Out Standing</b> Subsidiaries	Shruchi Manufacturing Limited	-	1,899,859
	<b>ii) Investments</b> Subsidiaries	Shruchi Manufacturing Limited	1,590,000	5,375,542
	<b>iii) Security Deposit</b> Relatives	Jyoti P Sheth	-	889,281
	<b>iv) Trade Receivable</b> Enterprise under significant influence of <u>Key Management Personnel</u>	Adventure Advertising Private Lim	3,226.00 -	-
	<b>v) Other Liabilities</b> Key Management Personnel	A.J. Sheth H.J. Badani Harash Badani	250,000 250,000 250,000 <b>750,000</b>	215,000 215,000 201,500 <b>631,500</b>

## 28 SEGMENT INFORMATION:

The Company is exclusively engaged in a single business segment of manufacture and sale of Grinding Machines and accordingly this is the only primarily reportable segment.

### Geographical Segments:

Secondary segmental reporting is based on the geographical location of customers. The geographical segment have been disclosed on revenue within India ( Sales to customers within India) and revenues outside india ( Slaes to customers located out-side India). Secondary segment assets and liabilities are based on the location of such assets/liability.

Segment Information	year ended 31st March,2017			year ended 31st March,2016			( in Rs.)
	India	outside India	Total	India	outside India	Total	
Revenue ( Gross)	128,002,888	66,710,434	194,713,322	97,068,615	60,153,881	157,222,496	
Carrying amount of segment assets	161,475,874	11,818,933	173,294,807	153,092,435	7,507,786	160,600,221	
Carrying amount of segment Liabilities	59,342,668	1,803,276	61,145,944	47,516,514	4,037,027	51,553,541	
Additions of fixed assets	19,870,226	-	19,870,226	2,894,599	-	2,894,599	

## 29 Earning per share:

		2016-2017	2015-2016
(i).	Net Profit after tax available for Equity Shareholders (in ` ) Before Extraordinary Items After Extraordinary Items	17,881,965 14,035,895	10,951,691 10,887,536
(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 ` ) Before Extraordinary Items After Extraordinary Items	3.94 3.09	2.41 2.40

**30 Deferred Tax Liability****AS ON 31.03.2017 AS ON 31.03.2016**

Opening Balance	5,932,335	6,575,642
Difference between book and Tax Depreciation	539,912	(643,307)
Deferred Tax Liability	<b>6,472,247</b>	<b>5,932,335</b>

**31 Balance due from Subsidiary Company.**

Name	Balance As on 1.4.2017 ₹	Balance As on 1.4.2016 ₹	Maximum balance during the year ₹
Shruchi Manufacturing Limited	-	1,899,859	1,899,859

32 Sundry Creditors, Sundry Debtors, Loans and Advances are subject to confirmation

33 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.

34 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, 2017 together with interest paid and payable are required under the said Act have not been given.

**35 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.

(Amounts in Rs.)

PARTICULARS	2016-2017	2015-2016
<b>Statement of Profit &amp; Loss</b>		
<b>Net employee benefit expense recognised in the employee cost</b>		
Current Service cost	241,594	220,607
Interest cost on benefit obligation	217,204	186,159
Expected return on plan assets	(205,792)	(164,565)
Net actuarial (gain) /loss recognized in the year	1,899,489	(4,234)
Expenses Deducted from the fund	-	28,109
<b>Net Benefit expense</b>	<b>2,152,495</b>	<b>266,076</b>
<b>Balance sheet</b>		
<b>Benefit Asset/( Liability )</b>		
Present value of defined benefit obligation	5,192,342	2,878,262
Fair Value of Plan Assets	3,039,558	2,611,154
<b>Plan Asset/Liability :</b>	<b>(2,152,784)</b>	<b>(267,108)</b>
<b>Net Asset/Liability</b>		
Non Current	(1,735,210)	(25,514)
Current	(417,574)	(241,594)

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

PARTICULARS	2016-2017	2015-2016
Opening Defined benefit obligation	2,878,262	2,496,966
Current service cost	241,594	220,607
Interest Cost	217,204	186,159
Prior Year Charge	-	-
Benefits paid	(27,418)	(33,663)
Actuarial (gain) / Losses on obligations	1,882,700	8,193
Closing Defined benefit obligation :	<b>5,192,342</b>	<b>2,878,262</b>
<b>Changes in the fair value of Plan assets are as follows :</b>		
Opening fair value of plan assets	2,611,154	1,909,134
Contributions by employer	266,819	586,800
Expected return	205,792	164,565
Benefits paid	(27,418)	(33,663)
Actuarial gains /(losses)	(16,789)	12,427
Expenses Deducted from the fund	-	(28,109)
Closing Fair value of Plan Assets	<b>3,039,558</b>	<b>2,611,154</b>

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

PARTICULARS	2016-2017	2015-2016
Discount rate	7.15%	7.80%
Future salary Increase	5%	5%
Expected rate of return on assets	7.15%	7.80%
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	2016-17	2015-16
Defined benefit Obligations	5,192,342	2,878,262
Plan assets	3,039,558	2,611,154
Surplus / (Deficits)	(2,152,784)	(267,108)
Prior Year Charge	-	-
Experience adjustments on plan Liabilities	1,664,857	30,401
Experience adjustments on plan Assets	16,789	(12,427)

## B. Compensated Absences

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

Discount rate (% p.a)	7.80%	7.80%
Future Salary Increase (% p.a)	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	
Attrition (% p.a)	2% to 8%	2% to 8%

**36 Prior Period Items:**

Exceptional Items include prior period items as follows

- a) Relating to administrative expenses Rs. 60,528/-  
 b) Relating to Investments in foreign subsidiary company Rs. 3,785,542/-

Relating to writeoff of investment in foreign subsidiary company M/s JBS Machinery Corp in USA which was involuntary dissolved as per the order dated 9-8-13 of the Secretary of state ILLINOIS. As the dissolution was effected in earlier years and noticed by management during year the same is treated as prior period item in current year.

As per management the subsidiary is non operational and technology it owns is fully exhausted and obsolete and accordingly management having no intention to revive the company, the investment are written off.

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

**38 Corporate Social Responsibility (CSR)**

The provisions of Section 135 of the Companies Act,2013 regarding Corporate Social Responsibility activity is not applicable to the company.

39 Statement showing details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, as required by notification issued by MCA on 30th March, 2017.

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	-	25,265	25,265
(+) Permitted receipts	-	295,715	295,715
(-) Permitted payments	-	312,212	312,212
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30/12/2016	-	8,768	8,768

40 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

STATEMENT OF ACCOUNTS

1 to 40

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

(N. AJMERA)  
 PARTNER  
 MEMBERSHIP NO.010805

(HEMANDRA JAYANTILAL BADANI)  
 MANAGING DIRECTOR  
 DIN NO.00143330

OFFICE : MUMBAI  
 DATED : 13/05/2017

(PADMAJA MUKUNDAN)  
 DIRECTOR  
 DIN NO.02282949

## 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 31<sup>st</sup> March, 2017, 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 Group in 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 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 31<sup>st</sup> March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to over separate report in ' Annexure A'; and
- g. 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.26 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 was no amount, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company, incorporated in India during the year and accordingly, the question of delay does not arise.
  
- iv. The Company has provided requisite disclosures in the consolidated financial statements as regards its holding and dealings in Specified Bank Notes as defined in Notification S.O. 3407 (E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on the audit procedure performed and the representation provided to us by the management we report that disclosures are in accordance with the books of account maintained by those entities for the purpose of preparation of the consolidated financial statement and as produced to us by the management of the respective Group entities.

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

K.N. AJMERA  
PARTNER  
MEMBERSHIP NO. 010805

PLACE: MUMBAI  
DATED: 13.05.2017

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SOLITAIRE MACHINE TOOLS LIMITED**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of *Solitaire Machine Tools* Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AJMERA AJMERA AND ASSOCIATES

FIRM REGISTRATION NO.123989W

CHARTERED ACCOUNTANTS

K.N. AJMERA

PARTNER

MEMBERSHIP NO. 010805

PLACE: MUMBAI

DATED: 13-05-2017

**SOLITAIRE MACHINE TOOLS LIMITED**  
**Consolidated Balance Sheet As At 31st March, 2017**

(Amount in ₹)

Particulars	Notes No	As at 31st March, 2017	As at 31st March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	2	45,421,760	44,071,760
(b) Reserves and Surplus	3	71,985,441	63,513,731
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	6,753,517	6,188,916
(b) Non-Other Current Liabilities	5	1,890,000	1,890,000
(3) Current Liabilities			
(a) Short-Term Borrowings	6	-	807,743
(b) Trade Payables	7	<b>17,486,961</b>	<b>11,138,381</b>
(c) Other Current Liabilities	8	<b>24,111,690</b>	<b>25,675,381</b>
(d) Short-Term Provisions	9	8,986,354	7,876,151
Total		176,635,723	161,162,062
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed Assets	10		
(i) Tangible Assets		74,458,557	62,473,523
(ii) Intangible Assets		247,359	4,518,641
(ii) Capital Work-in-Progress		-	10,990,526
		74,705,916	77,982,690
(b) Non-current Investments	11	9,040	9,040
(c) Long term Loans and Advances	12	<b>710,021</b>	<b>1,746,405</b>
(d) Other non-current assets	13	359,036	359,036
(2) Current assets			
(a) Current Investments	14	8,805	8,805
(b) Inventories	15	<b>36,534,232</b>	<b>33,949,577</b>
(c) Trade Receivables	16	<b>31,162,186</b>	<b>20,423,968</b>
(d) Cash and Cash Equivalents	17	29,770,275	22,843,231
(e) Short-term Loans and Advances	18	<b>3,376,212</b>	3,839,309
Total		176,635,723	161,162,062

Significant Accounting Policies and Notes on 1 to 40 -

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR AJMERA AJMERA & ASSOCIATES FOR AND ON BEHALF OF THE BOARD  
FIRM REGISTRATION NO.123989W  
CHARTERED ACCOUNTANTS.

(HEMANDRA JAYANTILAL BADANI)  
MANAGING DIRECTOR  
DIN NO.00143330

K.N. AJMERA  
PARTNER  
MEMBERSHIP NO. : 010805

(PADMAJA MUKUNDAN)  
DIRECTOR

PLACE : Mumbai  
DATE : 13/05/2017

DIN NO.02282949

Particulars	Notes No	For the period ended 31st March, 2017	For the period ended 31st March, 2016
I. Revenue from Operations	19	183,406,874	156,549,721
II. Other Income	20	5,010,228	2,680,087
III. Total Revenue (I +II)		188,417,102	159,229,808
IV. Expenses:			
Cost of Materials Consumed	21	89,900,640	69,570,223
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	-1,999,480	17,903,482
Employee benefit expense	23	26,241,340	19,050,194
Financial Costs	24	168,838	669,008
Depreciation	10	7,885,192	7,849,096
Other Expenses	25	35,965,910	27,916,359
Total Expenses		158,162,440	142,958,362
V. Profit before extraordinary items and tax (III-IV)		30,254,662	16,271,446
VI. Extraordinary Items	35	3,846,070	64,155
VII .Profit before tax (V- VI)		26,408,592	16,207,291
VIII. Tax expense:			
(1) Current Tax		10,320,000	6,650,000
(2) Excess provision of Income Tax relating to earlier years W/B		272,971	60,265
(3) Deferred Tax		564,601	-599,074
		11,157,572	6,111,191
IX. Profit/(Loss) for the period (V - VI)		15,251,020	10,096,100
X. Earning per equity share:			
Equity share of par value of Rs. 10/- each			
Before Extra Ordinary Item			
(1) Basic		4.20	2.31
(2) Diluted		4.20	2.31
After Extra Ordinary Item			
(1) Basic		3.36	2.29
(2) Diluted		3.36	2.29

Significant Accounting Polices and Notes on Accounts

1 to 40

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  
  
(HEMANDRA JAYANTILAL BADANI)  
MANAGING DIRECTOR  
DIN NO.00143330

K.N. AJMERA  
PARTNER  
MEMBERSHIP NO. : 010805

(PADMAJA MUKUNDAN)  
DIRECTOR  
DIN NO.02282949

PLACE : Mumbai  
DATE : 13/05/2017

**SOLITAIRE MACHINE TOOLS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	(Amount in ₹) 2016-2017	(Amount in ₹) 2015-2016
<b>A CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit as per Profit & Loss Account	15,251,020	10,096,100
Adjustment for Depreciation	7,885,192	7,849,096
Dividend Received	-	-
Tax Provision for Taxation & Deferred Tax	11,157,572	6,111,191
Adjustment for Investment Written-off	3,785,542	
Interest Received	(1,717,257)	(1,427,570)
Interest and financial Charges	168,838	669,008
Loss/ (Profit) on Sale of Investment	(1,856,250)	250,000
Loss/ (Profit) on Sale of Assets		(200,000)
<b>Operating Profit Before Working capital Changes</b>	<b>34,674,657</b>	<b>23,347,825</b>
Adjustment For:		
Trade & other Receivable	(8,870,035)	(5,326,988)
Inventories	(2,584,655)	23,744,936
Direct Taxes paid (Net of Refund)	(13,255,370)	(7,629,693)
Trade Payables	6,670,565	(2,905,381)
<b>Net Cash Flow From Operating Activities</b>	<b>16,635,162</b>	<b>31,230,700</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,879,700)	(2,894,599)
Sale of Fixed Assets		1,597,588
Sale of Investment	3,746,250	250,000
Capital Work in progress		(10,990,526)
Movement of Loans	-	-
Interest Received	1,717,257	1,427,570
Dividend Received		-
<b>Net Cash used in Investing Activities</b>	<b>(3,416,193)</b>	<b>(10,609,967)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Borrowing (Net of Repayment)	(807,743)	(10,038,514)
Dividend Paid	(4,407,176)	(3,305,382)
Dividend Tax	(908,168)	(681,125)
Interest and Financial Charges paid	(168,838)	(669,008)
<b>Net Cash used in Financing Activities</b>	<b>(6,291,925)</b>	<b>(14,694,029)</b>
Net Increase in Cash & cash Equivalents	6,927,044	5,926,704
Opening Balance of Cash & Cash Equivalents	22,843,231	16,916,527
Closing Balance of Cash & Cash Equivalents	29,770,275	22,843,231

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

(HEMANDRA JAYANTILAL BADANI)  
MANAGING DIRECTOR  
DIN NO.00143330

PLACE : MUMBAI  
DATED : 13-05-2017

(PADMAJA MUKUNDAN)  
DIRECTOR  
DIN NO.02282949

# SOLITAIRE MACHINE TOOLS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

### 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, 2017.
- 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%

Note: M/s JBS Machinery Corp 100% foreign subsidiary in USA is not consolidated during the year as it was involuntary dissolved in USA as per order dated 9-9-13 of Secretary of State of Illinois. The Management does not intend to revive the company and it is not operational and technology it owns is obsolete and of no value.

### 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.

## NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

## 2. SHARE HOLDERS FUND - SHARE CAPITAL

(Amounts in Rs.)

Sr. No	Particulars	As at 31.03.2017	As at 31.03.2016
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 49,04,750 (49,04,750) equity Shares	49,047,500	49,047,500
		49,047,500	49,047,500
3	SUBSCRIBED & PAID UP CAPITAL Equity shares, 10/- par value 45,42,176 (44,07,176) Equity Shares fully paid-up	45,421,760	44,071,760
	Total	45,421,760	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 13.05.2017 proposed a dividend of Rs.1.25 per equity share. The proposal is subject to the approval of share holders at their Annual General Meeting to be held on 22nd July, 2017. The total dividend appropriation for the year ended 31st March 2017 amounted to Rs.6,833,570 /including corporate dividend tax of Rs.1,155,850/-

During the year ended 31/03/2016 the amount per share dividend recognised as distributions to equity share holders was Rs.1/- . The total dividend appropriation for the year ended 31/03/2016 amounted to Rs.54,50,344/-including corporate dividend tax of Rs.9,08,168/-.

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 2017 and 31st March 2016 is set out below:

Sr. No	Particulars	Equity Shares		Equity Shares	
		Number	Rs.	Number	Rs.
		31/03/2017		31/03/2016	
1	Shares outstanding at the beginning of the year	4,542,176	45,421,760	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	4,542,176	45,421,760	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 Rs.10/- each)

Sr. No	Name of Shareholder	As at 31st March 2017		As at 31st March, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Harsh H Badani	767,643	16.90	719,793	15.85
2	Ashok Jivarajbhai Sheth	716,975	15.78	701,975	15.45
3	Bharati Ashok Sheth	400,900	8.83	400,900	8.83
	<b>TOTAL</b>	<b>1,885,518</b>	<b>41.51</b>	<b>1,822,668</b>	<b>40.13</b>

### 3. SHAREHOLDER FUNDS-RESERVE & SURPLUS

Sr. No	Particulars	As at 31st March 2017 Rs.		As at 31st March 2016	
1	<b>Capital reserve</b>				
	Opening Balance	3,480,267			
	Less Adjustment on cessation of foreign subsidiary	857,456	2,622,811		3,480,267
2	<b>Exchange Fluctuation Reserve</b>				
	Opening Balance	1,491,349			
	Less: Adjustment on cessation of foreign susidiary	1,491,349	-		1,491,349
2	<b>General Reserve</b>				
	Opening Balance	1,363,943		1,363,943	
	LESS: Depreciation Transferred from Surplus	-	1,363,943	0	1,363,943
3	<b>Surplus</b>				
	Opening Balance	57,178,173		52,318,924	
	Add: Net profit after tax transferred	15,251,020			
	Add: Adjustment of dividend recd from holding company	135,000			
	Add: Adjustment on cessation of foreign subsidiary	2268064	74,832,257	10,174,592	
	Amount available for appropriation				62,493,516
	Appropriations:				
	Dividend	5,677,720		4,407,176	-
	Dividend Tax	1,155,850	6,833,570	908,168	5,315,344
	Surplus- Closing Balance		67,998,687		57,178,172
	<b>Total</b>		<b>71,985,441</b>		<b>63,513,731</b>
	Total				-

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

Sr. No	Particulars	As at 31st March 2017 Rs.		As at 31st March 2016	
1					
2	Opening	6,188,916		6,787,990	
	For the year	564,601	6,753,517	-599,074	6,188,916
	(Difference between book & I.T Depreciation)				
	<b>Total</b>		<b>6,753,517</b>		<b>6,188,916</b>

5. NON CURRENT LIABILITIES - OTHER CURRENT LIABILITY

Sr. No	Particulars	As at 31st March 2017 Rs.		As at 31st March 2016
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 31st March 2017 Rs.		As at 31st March 2016
1	Secured From Axis Bank Ltd. Baroda Cash Credit (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)		-	807,743
	Total		-	807,743

7. CURRENT LIABILITIES -TRADES PAYABLE

Sr. No	Particulars	As at 31st March 2017 Rs.		As at 31st March 2016
1	Trade Payables		17,486,961	11,138,381
	Total		17,486,961	11,138,381

8. CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

Sr. No	Particulars	As at 31st March 2017 Rs.		As at 31st March 2016
3	Advances from Customers		17,548,949	19,261,619
4	Un-paid Dividends		1,741,911	1,444,425
5	Provision for Expenses		3,119,684	2,736,305
6	Withholding and other Taxes payable		969,896	1,501,783
7	Excise duty payable on Finished goods		731,250	731,250
	Total		24,111,690	25,675,382

9. CURRENT LIABILITIES -SHORT TERM PROVISIONS

Sr. No	Particulars	As at 31st March 2017 Rs.		As at 31st March 2016
1	Provision for Employee Benefits- Gratuity		2,152,784	267,108
2	Provision for Taxation		-	2,293,699
3	Proposed Dividend		5,677,720	4,407,176
4	Provision for tax on Dividend		1,155,850	908,168
5	Total		8,986,354	7,876,151

SOLITAIRE MACHINE TOOLS LIMITED

**10. FIXED ASSETS**

S.R No	Particulars	ORIGINAL COST					DEPRECIATION AND AMORTIZATION					NET BLOCK VALUE	
		As at 01.04.2016	Additions/ Adjustments during the period	Deductions Retirement during the period	Currency Translation Adjustments	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions/ Adjustments during the period	Currency Translation Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>I</b>	<b><u>Tangible Assets:</u></b>												
1	Land	5,302,195	-	-	-	5,302,195	-	-	-	-	5,302,195	5,302,195	5,302,195
2	Building	35,698,013	-	-	-	35,698,013	12,926,990	1,214,666	-	14,141,656	21,556,357	22,771,023	22,771,023
3	Office Premises	1,400,833	-	-	-	1,400,833	583,984	85,303	-	669,287	731,546	816,849	816,849
4	Plant & Machinery	82,257,225	18,649,530	-	-	100,906,755	57,542,004	4,600,449	-	62,142,453	38,764,302	24,715,221	24,715,221
5	Electric Installation	2,411,025	-	-	-	2,411,025	2,069,071	116,454	-	2,185,525	225,500	341,954	341,954
6	Furniture & Fixtures	12,125,838	287,966	-	-	12,413,804	10,164,607	567,121	-	10,731,728	1,682,076	1,961,231	1,961,231
7	Vehicles	10,185,599	856,730	-	-	11,042,329	7,067,014	943,376	-	8,010,390	3,031,939	3,118,585	3,118,585
8	Office Equipments	2,360,213	76,000	-	-	2,436,213	2,140,066	64,241	-	2,204,307	231,906	220,147	220,147
9	Computer	412,194	-	-	-	412,194	374,974	19,109	-	394,083	18,111	37,220	37,220
10	Drawings and Pattern	3,897,377	-	-	-	3,897,377	708,280	274,473	-	982,753	2,914,625	3,189,097	3,189,097
	<b>Total I</b>	<b>156,050,513</b>	<b>19,870,226</b>	<b>-</b>	<b>-</b>	<b>175,920,739</b>	<b>93,576,990</b>	<b>7,885,192</b>	<b>-</b>	<b>-</b>	<b>101,462,182</b>	<b>74,458,557</b>	<b>62,473,523</b>
<b>II</b>	<b><u>INTANGIBLE ASSETS</u></b>												
1	Technical Know	19,899,870	-	19,899,870.00	-	-	15,628,588	-	15,628,588.00	-	-	-	4,271,282
2	Goodwill	247,359	-	-	-	247,359	0	-	-	-	247,359	247,359	247,359
	<b>TOTAL II</b>	<b>20,147,229</b>	<b>-</b>	<b>19,899,870</b>	<b>-</b>	<b>247,359</b>	<b>15,628,588</b>	<b>-</b>	<b>15,628,588</b>	<b>-</b>	<b>-</b>	<b>247,359</b>	<b>4,518,641</b>
	<b>TOTAL I + II</b>	<b>176,197,742</b>	<b>19,870,226</b>	<b>19,899,870</b>	<b>0</b>	<b>176,168,098</b>	<b>109,205,578</b>	<b>7,885,192</b>	<b>15,628,588</b>	<b>-</b>	<b>101,462,182</b>	<b>74,705,916</b>	<b>66,992,164</b>
	<b>PREVIOUS YEAR</b>	<b>173,493,861</b>	<b>2,894,599</b>	<b>1,397,588</b>	<b>1,206,870</b>	<b>176,197,742</b>	<b>100,422,286</b>	<b>7,849,096</b>	<b>-</b>	<b>934,195</b>	<b>109,205,578</b>	<b>66,992,164</b>	<b>73,071,574</b>

Note : Deduction under Technical Knowhow represents assets not considered in consolidation on cessation/dissolution of foreign subsidiary.

(Amounts in Rs.)

## 11. NON CURRENT ASSETS -NON-CURRENT INVESTMENTS

Sr. No	Particulars	total	total
		AS AT 31.03.2017	AS AT 31.03.2016
1	LONG TERM INVESTMENT- AT COST TRADE ( UN-QUOTED) <b>NON-TRADE - QUOTED</b> 100 Equity Shares of Kirloskar Ferrous Ltd of ₹. 10/- each fully paid up. Market Value ₹. 4,500/- ( Previous Year: ₹.2,645 /-)	9,040	9,040
	Total	9,040	9,040

Un-quoted Investments

## 12. NON CURRENT ASSETS -LONG TERM LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Unsecured, Considered Good :		
1	Advance Income Tax/TDS (Net of Provision)	-	67,500
2	Loans and advances to Employees	241,407	320,310
3	Deposits	468,614	469,314
4	Rental Deposits	-	889,281
	Total	710,021	1,746,405

## 13. NON CURRENT ASSETS - OTHER NON CURRENT ASSETS

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	( 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 31.03.2017	AS AT 31.03.2016
	Valued at lower of the cost and fair value Non Trade -Quoted		
1	50 Equity Shares of Batliboi Ltd.of Rs. 5/- each fully paid-up.	1,465	1,465
2	10 Equity Shares ABC Bearing Ltd.of Rs. 10/- each fully paid-up	7,040	7,040
3	Shares of N.M. Bank of Rs.100/- each	300	300
	Total	8,805	8,805

Quoted Investments (At Cost)

8,805

8,805

Market Value of Quoted Investments

2,972

2,025

15. CURRENT ASSETS -INVENTORIES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	(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	16,129,490	15,813,327
2	Semi Finished Goods	13,236,992	11,123,927
3	Rebuilding in Process	39,336	134,779
4	Spares in Process	-	18,142
5	Cutting Tools	411,469	176,544
6	Holding Tools	135,695	101,609
7	Finished Grinders	6,581,250	6,581,250
	<b>Total</b>	<b>36,534,232</b>	<b>33,949,578</b>

16. CURRENT ASSETS-TRADE RECEIVABLES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Un-Secured -considered good Debts outstanding for a period exceeding six months	6,064,080	1,098,989
2	Other Debts-Un-secured	25,098,106	19,324,979
	<b>Total</b>	<b>31,162,186</b>	<b>20,423,969</b>

17. CURRENT ASSETS -CASH & CASH EQUIVALENT

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	<b>Cash-in-Hand</b> Cash Balance	4,457	1,607
	Sub Total (A)	4,457	1,607
2	<b>Bank Balance</b> on current accounts	7,241,268	1,769,175
	Sub Total (B)	7,241,268	1,769,175
3	Other Bank Balances: Fixed Deposit With Bank	22,524,550	21,072,450
	Sub Total (C)	22,524,550	21,072,450
	<b>Total [ A + B + C ]</b>	<b>29,770,275</b>	<b>22,843,231</b>

18. CURRENT ASSETS -SHORT TERMS LOANS AND ADVANCES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Unsecured, Considered Good : Interest accrued on FDR	872,480	556,922
2	Balances with Excise, Sales Tax & Service Tax	1,734,075	2,207,159
3	Advance Tax and TDS ( Net of Provisions)	436,202	
3	For Supply of Goods and Rendering Services	173,551	953,585
4	Prepaid Expenses	159,904	121,643
	<b>Total</b>	<b>3,376,212</b>	<b>3,839,309</b>

## 19. REVENUE FROM OPERATIONS

(Amounts in Rs.)

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Sale of Products	189,908,401	157222496
	Less: Excise duty	11,306,458	11029501
		178,601,943	146192995
2	Revenue from Sale of Services	4,657,331	10200197
3	Other Operating Revenue-Scrap Sales	147,600	156,529
	Total	183,406,874	156,549,721

## 20. OTHER INCOME

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Interest received on Deposits	1,717,257	1,427,570
2	Dividend	20	20
3	Rent received	-	168,017
4	Miscellaneous Income	303,645	134,000
5	Sundry credit balance W/Back	-	750,480
6	Income Tax Refund	2,660	-
7	Foreign Exchange Fluctuation	-	-
8	Profit on Sale of Fixed Assets	1,856,250	200,000
	Total	5,010,228	2,680,087

## 21. COST OF MATERIAL CONSUMED

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Components:		
1	Opening Stock	15,813,327	21072084
2	Add : Purchases	90,216,803	64311466
		106,030,130	85383550
3	Less Closing Stock	16,129,490	15813327
		-	-
	Total	89,900,640	69570223

## 22. CHANGE IN INVENTORIES

Sr. No	Particulars	AS AT 31.03.2017	AS AT 31.03.2016
1	Closing Stock		
	Finished Goods	6,581,250	6581250
	Semi-Finished Goods	13,236,992	11123927
	Rebuilding in process	39,336	134779
	Spares in process	-	18142
		19,857,578	17858098
2	Less : Opening Stock		
	Finished Goods	6,581,250	6581250
	Semi-Finished Goods	11,123,927	29154511
	Rebuilding in process	134,779	9392
	Spares in process	18,142	16427
		17,858,098	35761580
	Total	1,999,480	-17903482

## 23. EMPLOYMENT BENEFIT EXPENSES

Sr. No	Particulars		AS AT 31.03.2017	AS AT 31.03.2016
1	Salaries and Wages		24,211,872	17061875
2	Cost of Technical Contracts			
3	Contribution to Provident Fund and Other Funds		1,502,269	1564251
4	Staff welfare expenses		527,199	424068
	Total		26,241,340	19050194

Note:

## 24. FINANCIAL COST

Sr. No	Particulars		AS AT 31.03.2017	AS AT 31.03.2016
A	INTEREST EXPENSES:			
1	Interest to Bank		100,547	500174
B.	OTHER BORROWING COST:			
1	Processing Fee		68,291	168834
	Total		168,838	669008

## 25. OTHER EXPENSES

Sr. No	Particulars		AS AT 31.03.2017	AS AT 31.03.2016
1	Consumption of Stores and spares		5,435,007	4310970
2	Power and fuel		2,020,901	2138892
3	Labour Contract Charges		3,274,041	3502954
4	Rent		-	290775
5	Repair to Building		1,405,324	67500
6	Repairs to Machinery		1,569,018	1472071
7	Insurance		219,145	331074
8	Rent, Rates and Taxes		1,088,204	534159
9	Bank Charges		352,585	238478
10	Auditor's Remuneration:			
	Statutory Audit Fee	100000	-	100000
	Tax Audit Fee	61450	161,450	61450
11	Labour Charges		3,206,442	2718937
12	Travelling Expenses		2,313,331	1859127
13	Postage and Courier		169,767	148889
14	Printing and Stationery		148,117	164894
15	Telephone & Mobile		230,724	243370
16	Legal & Professional Charges		1,283,115	1318565
17	Vehicle Expenses		430,795	445740
18	Annual General Meeting Expenses		313,534	336611
19	Others Repairs		615,488	354835
20	Security Charges		540,746	469240
21	Advertisement		1,235,482	1498881
22	Export Expenses		508,486	178136
23	Late Delivery Charges		-	664,000
24	Sales Expenses		980,404	387385
25	Sales Commission		4,179,807	1294872
26	Packing Expenses		899,734	623063
27	Registrar's Fees		173,851	143431
28	Donation		10,000	6,101
29	Miscellaneous Expenses		908,219	971493
30	Listing Fees		229,836	224720
31	Research & Development Expense		400,000	-
32	Exhibition Expense		1,537,619	-
33	Computer Expenses		124,738	50551
34	Foreign Exchange Fluctuation		-	515,196
35	Excise Duty on Finished Goods		-	-
36	Loss on sale of Investment		-	250,000
	Total (A+B)		35,965,910	27916360

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). Bank Guarantees Current year Rs.11504554/- (P.Y Rs.8292000)
- c). 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 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). Enterprise under significant influence of Key Management Personnel or their relatives : 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

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

S.N	Nature of Transaction	Subsidiaries	Enterprise under significant influence as referred in 27(a) (2) above	Key Management Personnel	Relatives	Total
1).	Receiving of Services		176,941 (45,069)	- -	- -	176,941 (45,069)
2)	Managerial Remuneration & Perques		-	3,821,111 (2,845,859)	-	3,821,111 (2,845,859)
3).	Rent paid		-	-	(250,000)	(250,000)
4).	Office Deposit Recd back		-	-	934,404	934,404
5).	Office Deposit Given		-	-	(225,000)	(225,000)
5).	Office Deposit Given		-	-	45,123 (35,953)	45,123 (35,953)
6).	Investment written off	3,785,542.00	-	-	-	3,785,542 -
7).	Outstanding balances as At 31.03.2016 :					
	i) Loan Out Standing		-	-	-	-
	ii) Security Deposit		-	-	-	-
	iii) Security Deposit		-	-	(889,281)	(889,281)
	iv) Other Liabilities		3,226	750,000 (581,500)	-	753,226 (581,500)

\* Figures in Brackets are of previous year.

S.N	Nature of Transaction	Name of the Related Party	Current Year ₹	Previous Year ₹
1)	<b>Receiving of Services</b> Enterprise under significant influence of <u>Key Management Personnel</u>	Adventure Advertising Private Limited	- 176,941	- 45,069
2)	<b>Managerial Remuneration</b> Key Management Personnel  Relatives	A.J. Sheth H.J. Badani P.J.Sheth Harash Badani  Jyoti P Sheth	13,24,014 13,77,097 - 11,20,000 <b>38,21,111</b>  -	1003223 1028535 0 814101 <b>28,45,859</b>  1,20,967
3)	<b>Rent Paid</b> Relatives	Jyoti P Sheth	-	250,000
4)	<b>Office Deposit Recd back</b> Relatives	Jyoti P Sheth	9,34,404	2,25,000
5)	<b>Outstanding balances as at 31.03.2017 :</b>			
	<b>iii) Security Deposit</b> Relatives	Jyoti P Sheth	-	8,89,281
	<b>iv) Other Liabilities</b> Enterprise under significant influence of <u>Key Management Personnel</u> Key Management Personnel	Adventure Advertising Private Limited  A.J. Sheth H.J. Badani Harash Badani	3,226  2,50,000 2,50,000 2,50,000 <b>7,50,000</b>	-  2,15,000 2,15,000 2,01,500 <b>6,31,500</b>

**28 SEGMENT INFORMATION:**

The Company is exclusively engaged in a single business segment of manufacture and sale of Grinding Machines and accordingly this is the only primarily reportable segment.

**Geographical Segments:**

Secondary segmental reporting is based on the geographical location of customers. The geographical segment have been disclosed on revenue within India ( Sales to customers within India) and revenues outside india ( Slaes to customers located outside India). Secondary segment assets and liabilities are based on the location of such assets/liability.

Segment Information	Year ended 31st March,2017			Year ended 31st March,2016			( in Rs.)
	India	outside India	Total	India	outside India	Total	
Revenue ( Gross)	128,002,888	66,710,434	194,713,322	97,068,615	60,153,881	157,222,496	
Carrying amount of segment assets	161,475,874	11,818,933	173,294,807	153,092,435	7,507,786	160,600,221	
Carrying amount of segment Liabilities	59,342,668	1,803,276	61,145,944	47,516,514	4,037,027	51,553,541	
Additions of fixed assets	19,870,226	-	19,870,226	2,894,599	-	2,894,599	

**29 Earning per share:**

		2016-2017	2015-2016
(i).	Net Profit after tax available for Equity Shareholders (in ₹.)	19,097,090	10,160,255
(ii).	Weighted average of number of equity shares outstanding during the year	4,542,176	4,407,176
(iii).	Basic and Diluted Earnings per equity share of ₹. 10 each (in ₹.)	4.20	2.31
	Before Extraordinary Items	3.36	2.29
	After Extraordinary Items		

**30 Deferred Tax Liability**

	AS ON 31.03.2017	AS ON 31.03.2016
Opening Balance	6,188,916	6,787,990
Difference between book and Tax Depreciation	564,601	(599,074)
Deferred Tax Liability	<b>6,753,517</b>	<b>6,188,916</b>

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

32 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.

33 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.

**34 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.

<b>PARTICULARS</b>	<b>2016-2017</b>	<b>2015-2016</b>
<b>Statement of Profit &amp; Loss</b>		
<b>Net employee benefit expense recognised in the employee cost</b>		
Current Service cost	241,594	220,607
Interest cost on benefit obligation	217,204	186,159
Expected return on plan assets	(205,792)	(164,565)
Net actuarial (gain) /loss recognized in the year	1,899,489	(4,234)
Expenses Deducted from the fund	-	28,109
<b>Net Benefit expense</b>	<b>2,152,495</b>	<b>266,076</b>
<b>Balance sheet</b>		
<b>Benefit Asset/( Liability )</b>		
Present value of defined benefit obligation	5,192,342	2,878,262
Fair Value of Plan Assets	3,039,558	2,611,154
<b>Plan Asset/Liability :</b>	<b>(2,152,784)</b>	<b>(267,108)</b>
<b>Net Asset/Liability</b>		
Non Current	(1,735,210)	(25,514)
Current	(417,574)	(241,594)

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

<b>PARTICULARS</b>	<b>2016-2017</b>	<b>2015-2016</b>
Opening Defined benefit obligation	2,878,262	2,496,966
Current service cost	241,594	220,607
Interest Cost	217,204	186,159
Prior Year Charge	-	-
Benefits paid	(27,418)	(33,663)
Actuarial (gain) / Losses on obligations	1,882,700	8,193
<b>Closing Defined benefit obligation :</b>	<b>5,192,342</b>	<b>2,878,262</b>
<b>Changes in the fair value of Plan assets are as follows :</b>		
Opening fair value of plan assets	2,611,154	1,909,134
Contributions by employer	266,819	586,800
Expected return	205,792	164,565
Benefits paid	(27,418)	(33,663)
Actuarial gains / (losses)	(16,789)	12,427
Expenses Deducted from the fund	-	(28,109)
<b>Closing Fair value of Plan Assets</b>	<b>3,039,558</b>	<b>2,611,154</b>

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

<b>PARTICULARS</b>	<b>2016-17</b>	<b>2015-16</b>
Discount rate	7.15%	7.80%
Future salary Increase	5%	5%
Expected rate of return on assets	7.15%	7.80%
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	2016-17	2015-16
Defined benefit Obligations	5,192,342	2,878,262
Plan assets	3,039,558	2,611,154
Surplus / (Deficits)	(2,152,784)	(267,108)
Prior Year Charge	-	-
Experience adjustments on plan Liabilities	1,664,857	30,401
Experience adjustments on plan Assets	16,789	(12,427)

#### B. Compensated Absences

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

Discount rate (% p.a)	7.80%	7.80%
Future Salary Increase (% p.a)	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08)	
Attrition (% p.a)	2% to 8%	2% to 8%

#### 35 Prior Period Items

Exceptional items include prior period items as follows

a) Relating to administrative expenses

60528

64155/-

b) Relating to investment in foreign subsidiary company

3785542

Relating to writeoff of investment in foreign subsidiary company M/s JBS Machinery Corp in USA which was involuntary dissolved as per the order dated 9-8-13 of the Secretary of state ILLINOIS. As the dissolution was effected in earlier years and noticed by management during year the same is treated as prior period item in current year. As per management the subsidiary is non operational and technology it owns is fully exhausted and obsolete and accordingly management having no intention to revive the company, the investment are written off.

C.Y ( Rupees)

P.Y ( Rupees)

36 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
<b>Parent</b>				
Solitaire Machine Tools Ltd.	100.00	112,148,862	100.00	14,035,895
<b>Subsidiaries</b>				
<b>Indian</b>				
Shruchi Manufacturing Ltd	2.23	2,500,835	9.60	1,350,125
<b>Total</b>	102.23	114,649,697	109.60	15,386,020
<b>Less: Adjustment arising out of consolidation</b>	(2.41)	(2,757,504)	0.88	135,000
Consolidated Net Asset / Profit after tax	100.00	117,407,200.82	100.00	15251020

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

38 Corporate Social Responsibility (CSR)  
The provisions of Section 135 of the Companies Act,2013 regarding Corporate Social Responsibility activity is not applicable to the company.

39 Statement showing details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, as required by notification issued by MCA on 30th March, 2017.

Particulars	SBN	Other Denomination Notes	Total
Closing cash in hand as on 08/11/2016	-	25,265	25,265
(+) Permitted receipts	-	295,715	295,715
(-) Permitted payments	-	312,212	312,212
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30/12/2016	-	8,768	8,768

40 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.

1 to 40

FOR AND ON BEHALF OF THE BOARD

SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
ON ACCOUNTS

IN TERMS OF OUR ATTACHED  
REPORT OF EVEN DATE

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

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

(HEMANDRA JAYANTIL BADANI)  
MANAGING DIRECTOR  
DIN NO.00143330

(PADMAJA MUKUNDAN)  
DIRECTOR  
DIN NO.2282949

PLACE : MUMBAI  
DATED : 13/05/2017



# Solitaire Machine Tools Limited

(CIN: L28932MH1967PLC013747)

Regd. Office: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

Email: sales@smtgrinders.com, Website: http://www.smtgrinders.com, Phone: 022- 66602156.

## ATTENDANCE SLIP

### 25<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>th</sup> July, 2017

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1 Joint Holder 2	

I/We hereby record my/our presence at the 25<sup>th</sup> Annual General Meeting of the Company at Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai – 400 021 on Saturday, 29<sup>th</sup> July, 2017 at 10.00 a.m.

Member's Folio/DP ID/Client ID No.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note:  
1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Even Number (EVEN)	User ID	Password

Note: Please read the instructions printed under the Note No.8 to the Notice of 25<sup>th</sup> Annual General Meeting dated 29<sup>th</sup> July, 2017. The Voting period starts from 9.00 a.m. on Wednesday, 26<sup>th</sup> July, 2017 and ends at 5.00 p.m. on Friday, 28<sup>th</sup> July, 2017. The voting module shall disabled by NSDL for voting thereafter.

Note : PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

# Solitaire Machine Tools Limited

(CIN: L28932MH1967PLC013747)

Regd. Office: Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034

Email: sales@smtgrinders.com, Website: http://www.smtgrinders.com, Phone: 022- 66602156.

## PROXY FORM ( MGT – 11 )

### 25<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>th</sup> July, 2017

I/We being a member(s) of ..... Shares of the above named Company hereby appoint:

- (1) Name ..... Address.....  
 Email Id:..... Signature..... or failing him;
- (2) Name ..... Address.....  
 Email Id:..... Signature..... or failing him;
- (3) Name ..... Address.....  
 Email Id:..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> July, 2017 and at any adjournment thereof in respect of such resolutions:

Ordinary Business:
1. Adoption of Financial Statements for the year ended March 31, 2017.
2. Approval of Dividend the financial year 2016-17.
3. Re-appointment of Ms. Shilpa Taneja, who retires by rotation.
4. Re-appointment of Mr. Ashok Sheth, who retires by rotation.
5. Appointment of Auditors and fixing their remuneration.

Signed this ..... day of ....., 2017

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp  
Re.1/-

Note:  
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.  
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25<sup>th</sup> Annual General Meeting.

