SOLITAIRE MACHINE TOOLS LTD

July 13, 2018

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 31st March, 2018 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 31st March, 2018.

Kindly take it on your records.

Thanking You,

Yours Faithfully,
For Solitaire Machine Tools Ltd.

N. M. B. Khan
Compliance Officer

CIN: L28932MH1967PLCO13747
Regd. Office : B-3A, Arun Chambers, Tardeo Road, Mumbai - 400 034. Tel.: 022 - 666 02156 E-mail : sales@smtgrinders.com
Plant : 292, Dharamsinh Desai Marg., Chhani Road, Vadodara-390 002. India. Tel.: 0265-2772415 E-mail : sales@smtgrinders.com

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
PLANT II	A-24/25, KRISHNA INDUSTRIAL ESTATE, GORWA, VADODRA-390 016 Tel: 0265 658 0010 Email: sales@smtgrinders.com
WEBSITE	www.smtgrinders.com
AUDITORS	AJAY SHOBHA & CO CHARTERED ACCOUNTANTS MUMBAI
BANKER	YES BANK 2ND FLOOR, CORNER SQUARE BUILDING, NEAR INOX, RACE COURSE, BARODA - 390007
SHARE TRANSFER AGENT	LINK INTIME INDIA PRIVATE LIMITED, C-101, 247 PARK, LBS MARG, VIKHROLI (WEST), MUMBAI 400 083
SECRETARIAL CONSULTANT	OKE THAKKAR & ASSOCIATES PRACTICING COMPANY SECRETARIES MUMBAI

Directors Report

To the Members,

The Directors have pleasure in presenting before you the Twenty Sixth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS :

The Standalone performance during the period ended 31st March, 2018 has been as under:

(Rs. in Lacs)

Particulars	**Year Ended 31st March, 2018**	**Year Ended 31st March, 2017**	**Year Ended 31st March, 2016**	**Year Ended 31st March, 2015**	**Year Ended 31st March, 2014**
Sales (Net)	1652.56	1947.13	1565.50	1079.42	923.08
Other Income	41.56	31.51	26.80	15.44	20.66
(Increase)/ Decrease in stocks	(28.85)	(19.99)	179.04	(159.21)	84.90
Profit Before Taxation	248.45	305.95	169.54	104.63	58.52
Less:					
Taxation	82.00	100.00	66.50	56.00	25.00
Add/Less: Deferred Tax	(24.51)	14.40	6.43	26.08	3.70
Net Profit after Tax	190.97	191.54	108.87	62.94	37.21
Add: Profit brought Forward from Previous Year	742.12	617.83	549.83	513.46	515.83
Profit available for appropriation	933.09	809.37	658.70	576.40	553.04
Proposed Dividend	56.77	45.42	34.06	22.71	34.06
Corporate Tax on Proposed Dividend	11.56	9.08	6.81	3.86	5.52
Other Comprehensive Income	(1.64)	12.75	0.00	0.00	0.00
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00
Balance Carried to Balance Sheet	866.40	742.12	617.83	549.83	513.46

DIVIDEND:

Your Directors recommend dividend of Rs. 49,96,394/- which would be 11% on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2018 subject to members' approval.

OPERATIONS:

The operation for the year has shown decline in sales compared to previous year. The decline of 15 % was due to ready grinders not being picked up by our domestic customers for variety of reasons. Also the International sales reduced as there was quite a bit of uncertainty in USA and Europe due to political and economic reasons beyond the control of the Company.

On the Bright side, the Net profit after taxes increased from 1.78 Crore to 1.92 Crore. This was increase of nearly 8 %. Some of the major factors were improvement in efficiency of operation helping to reduce the cost of manufacturing. The savings of GST and Income tax were helpful to tide over increased cost due to Inflation, Employee cost and higher Depreciation. The EPS has gone up to 4.24 against 3.94 last year.

Your company has remained DEBT FREE and has been Debt Free since year 2011-2012. The Company invested Rs. 22 lacs in Capital Goods and Rs. 1.00 Crore in Mutual Funds investments during the year from its own internal accruals. The Company was able to manage funds requirements so that use of Cash Credit facility was maintained at minimum. Company has moved Banking operations to Yes Bank for better terms and interest rate.

EEPC has for Fourth year in row recognized the Export Achievement and awarded Star Performer for the year 2015-2016. The award was received by Ms. Shilpa Taneja on Company's behalf in Mumbai.

The maximum use of Solar Power has been helping keeping Energy cost down during the year by about 7 %. Further efforts are being made to reduce this cost in spite of higher cost levied by Electricity Board. In effort to make Green Company, all LCD lights are being replaced by LED lights for savings of Energy.

The year started with fairly healthy order book and several major orders are under negotiation. The Export orders are also being received. The Company is in process of development of another model of CNC Centerless grinder to fill up the range of grinders desired by the customers in India. This grinder Model 3-300 will be able to meet requirement of automotive ancillary industry like Shock Absorber, Engine Valves, Bearings etc. and would compete against imports from Europe and Taiwan. The grinder has been designed in-house and is now being manufactured for Launch in September. We have already seen good interest by User Industry Leaders in this grinder.

We would be participating in IMTEX 2019 in January 2019 at Bangalore. We would display several grinders and Automation systems. The AeroDef group of IMTMA has been working towards identifying machines required for this emerging industry of Aerospace and Defense. This would be the major development in Machine Tools Field in next 5 to 10 years.

Our US Associates has agreed to display photos and video movies of our entire range of grinders at IMTS 2018 during September in Chicago. This is the largest Machine Tool Exhibition in the world. We hope to gain some more customers in new territories. In last IMTS 2016, customers from 77 countries had visited. One of our representative would also be present at IMTS.

During the year, Company worked with a major Bearing manufacturer to Remanufacture and CNC Retrofit six grinders and project has been completed successfully (Photo on front cover). More orders are expected during current year. The Company is currently working with companies based in France, Germany, Japan and USA for their plants in India. Their faith in procuring machines from SMT brings sense of Pride as well as it shows that Your Company truly believes in Make In India.

The Company continues with Cultural and Social development of Employees and society. The Company had arranged Children Drawing Competition, Rangoli Competition, Dusserah Pooja, Children Education Fund, Employees Health Checkup and several other activities (Several photos on back inside cover page).The In – House training of Plant Employees and Up gradation of Engineering & designing skills have remained focus during the year and would continue. The Company's employees have worked in Harmony as a team and continue to work for better future.

The Company thanks all its Customers for continued support and faith in meeting their requirements. The Company has been able to add several new customers during the year and their support in coming years would be helpful. The Company thanks its Bankers, Vendors, and 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 2018-19 to BSE where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

88.63% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2018 and balance 11.37% is in physical form.

NUMBER OF BOARD MEETINGS HELD:

The Board of Directors duly met 8 times during the financial year from 1st April, 2017 to 31st March, 2018. The dates on which the meetings were held are as follows :

13th May, 2017, 8th June, 2017, 22nd June, 2017, 14th August, 2017, 12th September, 2017, 28th October, 2017, 3rd February, 2018 and 31st March, 2018.

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:

M/s. Ajay Shobha & Co. (Firm Registration No.: 317031E), Chartered Accountants, Mumbai were appointed as Statutory Auditors for financial year 2017-18 to 2021-22. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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 2017-2018 were Rs. 234.01 Lacs (Previous Year Rs. 667.10 Lacs) while outgoings were Nil (Previous Year Rs. 32.35 Lacs).

VIGIL MECHANISM:

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

RELATED PARTY TRANSACTIONS:

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

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

EXTRACT OF ANNUAL RETURN:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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

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

S. No.	Name	Designation	Remuneration paid FY 17-18	Remuneration paid FY 16-17	Increase in remuneration from previous year	Ratio/Times per Median of employee remuneration
1	Mr. Ashok Sheth	Chairman and Managing Director	Rs. 15,86,460/-	Rs. 13,24,014/-	Rs. 2,62,446/-	5.98
2	Mr. Hemendra Badani	Managing Director	Rs. 16,09,722/-	Rs. 13,77,097/-	Rs. 2,32,625/-	6.07
3	Mr. Harsh Badani	Whole Time Director	Rs. 13,46,573/-	Rs. 11,20,000/-	Rs. 2,26,573/-	5.07

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.1586460	B.S-Mechanical Engineering USA with 49 Years of experience	Chairman & MD	70	N.A	Himself
Hemendra Badani	10/09/1987	-	Rs.1609722	B Com Graduate with 44 years of	Vice Chairman and MD	65	N.A	Himself

				experience				
Harsh Badani	31/01/2015	-	Rs.1346573	B.E-Mechanical and MBA with 10 years of experience	WTD	33	N.A	Himself
N M B Khan	15/06/1992	-	Rs.716826	Commerce Graduate with 34 years of experience	Compliance Officer	55	KR Kanakiya & Co.	N.A.
M I Gohil	01/04/2001	-	Rs.536486	ITI with 27 years of experience	Assembly Manager	54	N.A.	N.A.
M.A Bidiwala	09/11/1991	-	Rs.533904	DME with 26 years of experience	QC and Development Manager	46	N.A.	N.A.
Atul Modi	01/11/1996	-	Rs.433219	M.Com with 21 years of experience	Purchase Officer	50	Geeta Valves	N.A.
V. S. Uttekar	01/09//1991	-	Rs.366494	ITI with 26 years of experience	Sr Assembly Operator	50	N.A.	N.A.
V. D Parmar	01/09/1991	-	Rs.401652	ITI with 26 years of experience	Sr Machine shop	50	N.A	N.A.
I. A. Patel	01/02/1996	-	Rs.387845	ITI with 21 years of experience	Sr Marking and Scheduler	50	N.A	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 2017-18.

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: Vadodara
Date: 19/05/2018

ANNEXURE 'A' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT
FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Solitaire Machine Tools Limited

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2018, 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.

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

(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; (Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investement)

(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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(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) The Management has identified and confirmed the following laws as specifically applicable to the Company:

a) Employees Provident Fund and Miscellaneous Provisions Act, 1952

b) Employees State Insurance Act, 1948

c) Factories Act, 1948

d) Central Excise & Customs

e) Equal Remuneration Act, 1976

f) Industrial Dispute Act, 1947

g) Minimum Wages Act, 1948

h) Payment of Bonus Act, 1965

i) Payment of Gratuity Act, 1972

j) Payment of Wages Act, 1936

We 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. 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 for the year 2016-17 and 2017-18, details with respect to unpaid dividend for the year 2014-15, 2015-16 and*

2016-17, Profile of Independent Directors and The results declared along with the scrutinizer's report on website of the Company.

3. *Non Filing of Annual Return on Foreign Liabilities and Assets*
4. *Forms with respect to Unpaid Dividend have not been filed*
5. *Company has not published notice of Board meeting to consider Accounts and Quarterly/ yearly Accounts in News Paper*

We 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.

We 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.

We further report that during the audit period:

(i) there were no instances of Public / Rights / Preferential issue of shares / debentures / sweat equity.

(ii) there were no instances of Redemption / buy-back of securities.

(iii) there were no instances of passing any resolution pursuance to Section 180 of the Companies Act, 2013.

(iv) Board of Directors have approved Scheme of Merger of Shruchi Manufacturing Limited (Wholly Owned Subsidiary) with Company.

(v) there were no instances of Foreign technical collaborations.

For Oke Thakkar & Associates,
Company Secretaries,

Date: 19th May, 2018
Place: Mumbai

Amruta Oke, Partner
C. P. No. 8652

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	Enterprises under significant influence of Key Management Personnel or their relatives
3.	Nature of contracts /arrangements /transaction	Transaction on Assignment basis
4.	Duration of the contracts/arrangements / transaction	N. A.
5.	Salient terms of the contracts or arrangements or transaction	Receiving services of advertisement printing work
6.	Justification for entering intosuch contracts or arrangementsor transactions	Approved by Board of Directors
7.	Date of approval by the Board	10th May, 2014
8.	Amount incurred during the year	Rs. 1,22,219/-

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. 15,86,460/-	Rs. 16,09,722/-

Sr. No.	Particulars	Details	
1.	Name (s) of the related party	Harsh Badani	Metal Perforation Private Limited
2.	Nature of Relation ship	Whole Time Director	Enterprises under significant influence of Key Management Personnel or their relatives
3.	Nature of contracts /arrangements /transaction	Remuneration	Sales
4.	Duration of the contracts/arrangements / transaction	5 years	N. A.
5.	Salient terms of the contracts or arrangements or transaction	Receipt of Remuneration to act as Whole Time Director	Sale of spare parts
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	28.10.2017
8.	Amount incurred during the year	Rs. 13,46,573/-	Rs. 5,83,038/-

For and on behalf of Board of Directors

ASHOK J SHETH
Chairman and Managing Director
DIN: 00174006

Place: Vadodara
Date: 19.05.2018

ANNEXURE 'C' TO BOARD'S REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018

[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	100

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)

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 - 2017				Shareholding at the end of the year - 2018				% 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	2026772	0	2026772	44.62	2026772	0	2026772	44.62	-
(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	0	0	0	0.00	0	0	0	0.00	-
	Sub Total (A)(1)	2026772	0	2026772	44.62	2026772	0	2026772	44.62	-
[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)	2026772	0	2026772	44.62	2026772	0	2026772	44.62	-
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Venture Capital	0	0	0	0.00	0	0	0	0.00	-

	Funds									
(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	-
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 2 lakh.	1176560	512191	1688751	37.18	1265219	498040	1763259	38.82	4.41
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	556483	0	556483	12.25	453883	0	453883	9.99	-18.44
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	-
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	-
(e)	Any Other (Specify)									
	Trusts	100	0	100	0.00	100	0	100	0.00	-
	Hindu Undivided Family	141385	0	141385	3.11	112438	0	112438	2.48	-20.47
	Non Resident Indians (Non Repat)	3447	0	3447	0.08	28988	0	28988	0.64	740.96
	Non Resident Indians (Repat)	18274	0	18274	0.40	34029	0	34029	0.75	86.21
	Independent Director	2900	0	2900	0.06	2900	0	2900	0.06	-
	Clearing Member	18084	0	18084	0.40	41592	0	41592	0.92	129.99

	Bodies Corporate	47611	18400	66011	1.45	55215	18400	73615	1.62	11.52
	Market Maker	19969	0	19969	0.44	4600	0	4600	0.10	
	Sub Total (B)(3)	1984813	530591	2515404	55.38					
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1984813	530591	2515404	55.38	1998964	516440	2515404	55.38	-
	Total (A)+(B)	4011585	530591	4542176	100.00	1998964	516440	2515404	55.38	-
(C)	Non Promoter - Non Public	0	0	0	0.00	0	0	0	0.00	-
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	-
	Total (A)+(B)+(C)	**4001485**	**540691**	**4542176**	**100.00**	**4025736**	**516440**	**4542176**	**100.00**	**-**

ii) *Shareholding of Promoters –*

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% 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	769793	16.9477	0.0000	769793	16.9477	0.0000	-
2	ASHOK JIVARAJBHAI SHETH	716975	15.7848	0.0000	716975	15.7848	0.0000	-
3	BHARATI ASHOK SHETH	400900	8.8262	0.0000	400900	8.8262	0.0000	-
4	SWATI HEMENDRA BADANI	56854	1.2517	0.0000	56854	1.2517	0.0000	-
5	SHILPA TANEJA	4700	0.1035	0.0000	4700	0.1035	0.0000	-
6	HEMENDRA JAYANT BADANI	2100	0.0462	0.0000	2100	0.0462	0.0000	-
7	VORA SHRADDHA SUNEEL	2000	0.0440	0.0000	2000	0.0440	0.0000	-
8	SANDIPBHAI MANUBHAI SHAH	11300	0.2488	0.0000	11300	0.2488	0.0000	-
9	JENI ISAK RANGWALA	950	0.0209	0.0000	950	0.0209	0.0000	-
10	GITA AMIN	500	0.0110	0.0000	500	0.0110	0.0000	-

11	SUDHIR RAMANLAL MEHTA	500	0.0110	0.0000	500	0.0110	0.0000	-
12	PRAFUL MAGANLAL VORA	200	0.0044	0.0000	200	0.0044	0.0000	-
13	SANJAY ASHOK SHETH	50000	1.1008	0.0000	50000	1.1008	0.0000	-
14	SUNITA MOHANLAL KALANI	10000	0.2202	0.0000	10000	0.2202	0.0000	-
	Total	**2026772**	**44.6212**	**0.0000**	**2026772**	**44.6212**	**0.0000**	**0.0000**

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

Sr No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	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**
1	Harsh Hemendra Badani	769793	16.9477	-	-	769793	16.9477
	At The End Of The Year	-	-	-	-	769793	16.9477
2	Ashok Jivarajbhai Sheth	716975	15.7848	-	-	716975	15.7848
	At The End Of The Year	-	-	-	-	716975	15.7848
3	Bharati Ashok Sheth	400900	8.8262			400900	8.8262
	At The End Of The Year	-	-	-	-	400900	8.8262
4	Swati Hemendra Badani	56854	1.2517	-	-	56854	1.2517
	At The End Of The Year	-	-	-	-	56854	1.2517
5	Sanjay Ashok Sheth	50000	1.1008	-	-	50000	1.1008
	At The End Of The Year	-	-	-	-	50000	1.1008
6	Sandipbhai Manubhai Shah	11300	0.2488	-	-	11300	0.2488
	At The End Of The Year	-	-	-	-	11300	0.2488
7	Sunita Mohanlal Kalani	10000	0.2202	-	-	10000	0.2202
	At The End Of The Year	-	-	-	-	10000	0.2202
8	Shilpa Taneja	4700	0.1035	-	-	4700	0.1035
	At The End Of The Year	-	-	-	-	4700	0.1035
9	Hemendra Jayant Badani	2100	0.0462	-	-	2100	0.0462
	At The End Of The Year	-	-	-	-	2100	0.0462
10	Vora Shraddha Suneel	2000	0.044	-	-	2000	0.044
	At The End Of The Year	-	-	-	-	2000	0.044
11	Jeni Isak Rangwala	950	0.0209	-	-	950	0.0209
	At The End Of The Year	-	-	-	-	950	0.0209
12	Gita Amin	500	0.011	-	-	500	0.011
	At The End Of The Year	-	-	-	-	500	0.011
13	Sudhir Ramanlal Mehta	500	0.011	-	-	500	0.011
	At The End Of The Year	-	-	-	-	500	0.011
14	Praful Maganlal Vora	200	0.0044	-	-	200	0.0044

	At The End Of The Year	-	-	-	-	200	0.0044

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

Sr. No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	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**
1	**Aditya Pankaj Shah**	**101809**	**2.2414**			**101809**	**2.2414**
	Market Purchase			25 Aug 2017	50	101859	2.2425
	Market Purchase			02 Feb 2018	822	102681	2.2606
	At The End Of The Year					102681	2.2606
2	**Jain Pal Jain**	**64666**	**1.4237**			**64666**	**1.4237**
	Market Sell			22 Dec 2017	-914	63752	1.4036
	Market Sell			29 Dec 2017	-2000	61752	1.3595
	At The End Of The Year					61752	1.3595
3	**Dipak Kanayalal Shah**	**0**	**0**			**0**	**0**
	Market Purchase			19 May 2017	50000	50000	1.1008
	Market Purchase			26 May 2017	1000	51000	1.1228
	Market Purchase			23 Jun 2017	1000	52000	1.1448
	Market Purchase			18 Aug 2017	1000	53000	1.1668
	Market Purchase			25 Aug 2017	200	53200	1.1712
	Market Purchase			20 Oct 2017	1000	54200	1.1933
	Market Purchase			10 Nov 2017	800	55000	1.2109
	Market Purchase			15 Dec 2017	501	55501	1.2219
	Market Purchase			23 Mar 2018	1499	57000	1.2549
	At The End Of The Year					57000	1.2549
4	**Ashok Maganlal Shah**	**45538**	**1.0026**			**45538**	**1.0026**
	Market Purchase			12 May 2017	4323	49861	1.0977

	At The End Of The Year					49861	1.0977
5	**Rajneesh Jhawar**	**0**	**0**			**0**	**0**
	Market Purchase			08 Sep 2017	40000	40000	0.8806
	Market Purchase			15 Sep 2017	5000	45000	0.9907
	Market Purchase			06 Oct 2017	300	45300	0.9973
	At The End Of The Year					45300	0.9973
6	**Parag Shamji Ved**	**39000**	**0.8586**			**39000**	**0.8586**
	Market Sell			23 Mar 2018	-948	38052	0.8377
	At The End Of The Year					38052	0.8377
7	**Sainath Vishwanath Rajadhyaksha**	**34600**	**0.7617**			**34600**	**0.7617**
	Market Purchase			12 May 2017	2000	36600	0.8058
	Market Sell			16 Feb 2018	-14100	22500	0.4954
	Market Sell			02 Mar 2018	-2000	20500	0.4513
	Market Purchase			23 Mar 2018	14100	34600	0.7617
	At The End Of The Year					34600	0.7617
8	**Sainath Vishwanath Rajadhyaksh**	**35000**	**0.7706**			**35000**	**0.7706**
	Market Purchase			07 Apr 2017	2000	37000	0.8146
	Market Purchase			14 Apr 2017	3000	40000	0.8806
	Market Sell			19 May 2017	-2000	38000	0.8366
	Market Purchase			13 Oct 2017	3340	41340	0.9101
	Market Purchase			20 Oct 2017	2000	43340	0.9542
	Market Sell			27 Oct 2017	-1200	42140	0.9277
	Market Sell			09 Feb 2018	-10000	32140	0.7076
	Market Sell			16 Feb 2018	-7000	25140	0.5535
	Market Purchase			23 Mar 2018	7000	32140	0.7076
	At The End Of The Year					32140	0.7076
9	**Jainam Uday Shah**	**0**	**0**			**0**	**0**
	Market Purchase			27 Oct 2017	4500	4500	0.0991
	Market Purchase			09 Feb	27000	31500	0.6935

				2018			
	At The End Of The Year					31500	0.6935
10	**Sakarben Maganlal Shah**	**24472**	**0.5388**			**24472**	**0.5388**
	Market Purchase			07 Apr 2017	982	25454	0.5604
	Market Purchase			14 Apr 2017	2128	27582	0.6072
	Market Purchase			16 Jun 2017	1150	28732	0.6326
	Market Purchase			23 Jun 2017	191	28923	0.6368
	Market Purchase			30 Jun 2017	265	29188	0.6426
	At The End Of The Year					29206	0.643
11	**Ajay Anantrai Patadia**	**118953**	**2.6189**			**118953**	**2.6189**
	Market Sell			07 Apr 2017	-13953	105000	2.3117
	Market Sell			14 Apr 2017	-5000	100000	2.2016
	Market Sell			14 Jul 2017	-2500	97500	2.1465
	Market Sell			21 Jul 2017	-2500	95000	2.0915
	Market Sell			28 Jul 2017	-6500	88500	1.9484
	Market Sell			08 Sep 2017	-9000	79500	1.7503
	Market Sell			15 Sep 2017	-1000	78500	1.7282
	Market Sell			13 Oct 2017	-2000	76500	1.6842
	Market Sell			27 Oct 2017	-2000	74500	1.6402
	Market Sell			03 Nov 2017	-2468	72032	1.5858
	Market Sell			10 Nov 2017	-2000	70032	1.5418
	Market Sell			15 Dec 2017	-2517	67515	1.4864
	Market Sell			22 Dec 2017	-8500	59015	1.2993
	Market Sell			29 Dec 2017	-1000	58015	1.2773
	Market Sell			05 Jan 2018	-1500	56515	1.2442
	Market Sell			26 Jan 2018	-647	55868	1.23
	Market Sell			02 Feb 2018	-7382	48486	1.0675
	Market Sell			09 Feb 2018	-16415	32071	0.7061

	Market Sell			23 Feb 2018	-1500	30571	0.673
	Market Sell			02 Mar 2018	-3867	26704	0.5879
	Market Sell			09 Mar 2018	-500	26204	0.5769
	At The End Of The Year					26204	0.5769
12	**Pratyush Mittal .**	**75501**	**1.6622**			**75501**	**1.6622**
	Market Sell			07 Apr 2017	-2291	73210	1.6118
	Market Sell			14 Apr 2017	-3649	69561	1.5314
	Market Sell			21 Apr 2017	-396	69165	1.5227
	Market Sell			05 May 2017	-110	69055	1.5203
	Market Sell			12 May 2017	-12705	56350	1.2406
	Market Sell			08 Sep 2017	-10303	46047	1.0138
	Market Sell			20 Oct 2017	-200	45847	1.0094
	Market Sell			27 Oct 2017	-350	45497	1.0017
	Market Sell			03 Nov 2017	-9088	36409	0.8016
	Market Sell			10 Nov 2017	-117	36292	0.799
	Market Sell			17 Nov 2017	-5803	30489	0.6712
	Market Sell			24 Nov 2017	-12722	17767	0.3912
	Market Sell			01 Dec 2017	-14170	3597	0.0792
	Market Sell			08 Dec 2017	-3597	0	0
	At The End Of The Year					0	0
13	**Sangita Nihir Thakkar**	**66027**	**1.4536**			**66027**	**1.4536**
	Market Sell			05 May 2017	-44027	22000	0.4843
	Market Sell			12 May 2017	-2000	20000	0.4403
	Market Sell			09 Jun 2017	-20000	0	0
	At The End Of The Year					0	0

v) Shareholding of Directors and Key Managerial Personnel:

Sr No.		Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
	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**
1	Harsh Hemendra Badani	769793	16.9477	-	-	769793	16.9477
	At The End Of The Year	-	-	-	-	769793	16.9477
2	Ashok Jivarajbhai Sheth	716975	15.7848	-	-	716975	15.7848
	At The End Of The Year	-	-	-	-	716975	15.7848
3	Shilpa Taneja	4700	0.1035	-	-	4700	0.1035
	At The End Of The Year	-	-	-	-	4700	0.1035
4	Hemendra Jayant Badani	2100	0.0462	-	-	2100	0.0462
	At The End Of The Year	-	-	-	-	2100	0.0462
5	Amita Sandip Shah	2900	0.0638	-	-	2900	0.0638
	At The End Of The Year	-	-	-	-	2900	0.0638

V. INDEBTEDNESS

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

Not Applicable

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	13,80,000/- 1,16,460/-	13,80,000/- 1,39,722/-	12,00,000/- 71,573/-	39,60,000/- 3,27,755/-
2.	Stock Option	-	-	-	-

3.	Sweat Equity	**-**	**-**	**-**	**-**
4.	Commission - as % of profit - others, specify…	**-**	**-**	**-**	**-**
5.	Others, please specify (Incentive & Bonus)	90,000/-	90,000/-	75,000/-	2,55,000/-
	Total (A)	15,86,460/-	16,09,722/-	13,46,573/-	45,42,755/-
	Ceiling as per the Act	**10% of Net Profit of the Company or as per Schedule V**			

B. Remuneration to other directors:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
	1. Independent Directors	**Mr. Anil Kothari**	**Mrs. Rashmi Desai**	**Mrs. Padmaja Mukundan**	
	☐ Fee for attending board / committee meetings ☐ Commission ☐ Others, please specify	20,000 - 10,050	10,000 - 5,036	15,000 - -	45,000 - 15,086
	Total (1)	30,050	15,036	15,000	60,086
	2. Other Non-Executive Directors	**Ms. Shipa Taneja**	**Mrs. Amita Shah**		
	☐ Fee for attending board/ committee meetings ☐ Commission ☐ Others, please specify	15,000 - -	15,000 - -		30,000 - -
	Total (2)	15,000	15,000	**-**	30,000
	Total (B)=(1+2)	-	-	-	90,086
	Total Managerial Remuneration	**-**	**-**	-	46,32,841
	Overall Ceiling as per the Act	**11% of Net Profit of the Company or as per Schedule V**			

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of Board of Directors

ASHOK J SHETH
Chairman and Managing Director
DIN: 00174006

Place: Vadodara
Date: 19/05/2018

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, Eight Board Meetings were held on 13th May, 2017, 8th June, 2017, 22nd June, 2017, 14th August, 2017, 12th September, 2017, 28th October, 2017, 3rd February, 2018 and 31st March, 2018.

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

Name of Directors	Category of Director-ship	No. of Board Meetings Attended	Attendance at last AGM held on 29.07.2017	No. of other Director-ship	Committee Membership/ Chairmanship	
					Member	Chairman
1. Mr. A. J. Sheth	Promoter, CMD and Executive	8	Yes	--	1	
2. Mr. H. J. Badani	Promoter, MD and Executive	7	Yes	2	1	
3. Ms. Shilpa Taneja	Promoter and Non - Executive	5	Yes	2	1	1
4. Mr. Harsh Badani	Promoter, WTD and Executive	3	No	2		
5. Dr. Amita S. Shah	Independent	2	Yes	--	1	
6. Mr. A. J. Kothari	Independent	7	Yes	--	2	
7. Ms. Rashmi S Desai	Independent	3	Yes	1	-	-
8. Mrs. Padmaja K. Mukundan	Independent	5	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:

Mr. Harsh Badani, Whole Time Director and Mr. Hemendra Badani, 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

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 13th May 2017, 14th August, 2017, 27th October, 2017 and 3rd February, 2018.

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:

Shruchi Manufacturing Limited is wholly owned subsidiary of the Company.

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 2017-18, 1 (One) meeting of Nomination and Remuneration Committee Meeting was held on 13th May, 2017.

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, 2018.

Managing /Executive/Whole-time Director	Salary (Rs.)	Annual Exgratia (performance linked incentive)	Bonus (Rs.)	Perqu-Isites (Rs.)	Retire-Ment Benefits (Rs.)	Stock Option
Mr Ashok J Sheth	13,80,000	-	90,000	1,16,460	-	-
Mr Hemendra Badani	13,80,000	-	90,000	1,39,722	-	-
Harsh Badani	12,00,000	-	75,000	71,573	-	-

G. **Stakeholders Relationship Committee:**

The Company has reconstituted Stakeholders Relationship Committee on 31st 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.

During the Financial Year ended 31st March, 2018, the committee met twice on 22nd June, 2017 and 3rd February, 2018.

During the Financial Year ended 31st March, 2018, 4 complaints were received from members. As on 31st March, 2018 there were no complaints / queries and pending replies.

H. **General Body Meetings:**

Location and time for the last three Annual General Meetings:

Year	Location	Date	Time
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.
2016 - 17	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai – 400 021	29.07.2017	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	Monday, the 9th July, 2018 at 10.00 a. m. at Gold Coins Restaurant, 6, Arun Chambers, Next to A.C. Market, Tardeo Road, Mumbai 400 034
ii. Financial Calendar 2018-19 First quarterly results Audited Yearly Results	**Probable Dates:** Before end of July, 2018 Before mid of May, 2019
iii. Book Closure Date	Tuesday, 3rd July, 2018 to Monday, 9th July, 2018 (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 during each month of the Financial Year 2017-18 at BSE.	Months	High (Rs.)	Low (Rs.)
	April, 2017	43.5	36.2
	May, 2017	58.3	34.1
	June, 2017	53.7	45.6
	July, 2017	57	50
	Aug, 2017	55	36
	Sept, 2017	59.9	43.9
	Oct, 2017	68.7	52.3
	Nov, 2017	66.95	53.1
	Dec, 2017	63.95	48.05
	Jan, 2018	65	52
	Feb, 2018	89	51.6
	March, 2018	91.95	67.1

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 31st March, 2018.

No. of equity shares held	No. of Folios / Shareholders	No. of Shares held	% of Shareholding
Upto 500	3775	689591	15.1820
501 to 1000	329	277015	6.0987
1001 to 2000	173	264755	5.8288
2001 to 3000	61	153437	3.3781
3001 to 4000	29	103109	2.2700
4001 to 5000	25	117635	2.5898
5001 to 10000	29	215829	4.7517
More than 10000	32	2720805	59.9009
Total	4453	4542176	100

M. Shareholding Pattern as on 31st March, 2018.

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	73615	1.62
Indian Public	2217142	48.81
N. R. I.	63017	1.39
G. D. R. / A. D. R.	0	0.00
Others	161630	3.56
Total	**4542176**	**100.00**

N. Other Information:

Dematerialization of shareholding and equity	Nearly 88.63% of total equity share capital (4025736) Shares are held in dematerialized form with NSDL and CDSL as on 31st March, 2018.
Registrars and Share Transfer Agents For Dematerialization Shares For Physical Shares: In House arrangement.	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 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	1. **Solitaire Machine Tools Limited,** 292, Dharamsinh Desai Marg, Chhani Road, Vadodara – 390 002 2. **Solitaire Machine Tools Limited,** A 24/ 25, Krishan Industrial Estate, Gorwa, Vadodara – 390 016
Address for correspondence	Solitaire Machine Tools Limited 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: 19/05/2018
Place: Vadodara

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 31st March, 2018 and Profit & Loss Account for the year ended as on that date along with all it's schedules, notes to the accounts and also the Cash Flow statements for the year ended 31st March, 2018 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	Hemendra J Badani
Managing Director	Managing Director and CFO
DIN: 00174006	DIN: 00143330

Date: 19/05/2018
Place: Vadodara

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 31st March, 2018.

Date: 19/05/2018
Place: Vadodara

Ashok J Sheth
Managing Director
DIN: 00174006

OKE THAKKAR & ASSOCIATES

Company Secretaries

48 & 61, Ultimate Business Centre, 111-A, M. G. Road,
Opp. Mumbai University, Fort, Mumbai: 400 023
Amruta Oke: amruta.otpcs@gmail.com, Cell: + 91 9820082886
Komal Thakkar: komal.otpcs@gmail.com, Cell: + 91 9619114291

CERTIFICATE FROM PRACTICING COMPANY SECREATARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Shareholders of Solitaire Machine Tools Limited

We have examined the compliance of conditions of Corporate Governance by Solitaire Machine Tools Limited, for the year ended on 31st March, 2018, 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. Our 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 our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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

For Oke Thakkar & Associates
Company Secretaries,

Date: 19/05/2018
Place: Mumbai

Amruta Oke, Partner
C. P. No. 8652

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SOLITAIRE MACHINE TOOLS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **SOLITAIRE MACHINE TOOLS LIMITED**, which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the 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 including other comprehensive income and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards referred under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 including other comprehensive income, Statement of changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to 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. 38 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.

For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Sd/-
Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 19-05-2018

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 31st March 2018, 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 31st March 2018 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the following dues of custom demands have not been deposited by the company on account of dispute:

Name of the Statute	**Nature of the Dues**	**Amount `. (Net of Payment)**	**Period to which the amount relates**	**Forum where dispute is pending**
Central Excise Act,1944	DGFT-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 Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Sd/-
Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 19-05-2018

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, 2018 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, 2018, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Sd/-
Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 19-05-2018

SOLITAIRE MACHINE TOOLS LIMITED
Balance Sheet As At 31st March, 2018

(Rs. in Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
ASSETS				
Non-Current assets				
Property, Plant and Equipment	3	647.208	715.439	592.844
Capital Work-in-Progress		19.572	-	109.905
Investments in subsidiaries	4	15.900	15.900	15.900
Financial Assets				
Loans	5	7.169	7.100	35.788
Other Non-Current Assets	6	3.590	3.590	3.590
Total Non Current Assets		**693.440**	**742.030**	**758.028**
Current Assets				
Inventories	7	495.795	365.342	339.496
Financial Assets				
Investments	8	100.911	0.032	0.024
Trade Receivables	9	271.522	311.622	204.240
Cash and Cash Equivalents	10	56.491	51.658	17.178
Bank Balances other than above	11	224.585	225.246	210.725
Other Financial Assets	12	13.184	8.725	5.569
Other Current Assets	13	16.938	28.237	32.824
Total Current Assets		**1,179.427**	**990.862**	**810.056**
TOTAL ASSETS		**1,872.867**	**1,732.892**	**1,568.083**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	14	454.218	454.218	454.218
Other Equity		900.832	776.552	652.228
Total Equity		**1,355.050**	**1,230.769**	**1,106.446**
Non-Current Liabilities				
Deferred Tax Liabilities (Net)	15	39.854	64.722	59.323
Total Non-Current Liabilities		**1,394.904**	**1,295.492**	**1,165.769**
Current Liabilities				
Financial Liabilities				
Borrowings	16	-	-	8.077
Trade Payables	17	212.612	174.870	111.384
Other Current Financial Liabilities	18	83.433	48.501	41.693
Other Current Liabilities	19	156.227	192.501	214.947
Provisions	20	17.791	21.528	2.671
Current Tax Liabilities (Net)	21	7.900	-	23.542
Total Current Liabilities		**477.963**	**437.400**	**402.314**
TOTAL EQUITY AND LIABILITIES		**1,872.867**	**1,732.892**	**1,568.083**

Significant Accounting Polices and Notes on Accounts 1 to 40

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

Sd/-

AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

PLACE : VADODARA
DATE : 19/05/2018

FOR AND ON BEHALF OF THE BOARD

Sd/-
(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

Sd/-
(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

SOLITAIRE MACHINE TOOLS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2018

(Rs. in Lakhs)

Particulars	Note No.	For Year Ended 31st March, 2018	For Year Ended 31st March, 2017
INCOME			
Revenue from Operations	22	1,652.559	1,947.133
Other Income	23	41.586	31.521
TOTAL INCOME		**1,694.145**	**1,978.654**
EXPENSES			
Cost of Materials Consumed	24	785.557	899.006
Changes in Inventories of Finished Goods, Stock-in -Trade and work-in-progress	25	(28.850)	(19.995)
Excise Duty		16.339	113.065
Employee Benefits Expense	26	280.764	243.419
Finance Costs	27	4.289	1.688
Depreciation and Amortization Expense	3	90.911	76.107
Other Expenses	28	296.678	359.413
Total Expenses		**1,445.688**	**1,672.703**
PROFIT BEFORE TAX		**248.457**	**305.951**
Tax expense:			
(1) Current Tax		82.000	100.000
(2) (Excess)/Short Provision of Tax relating to Earlier Years		-	2.730
(3) Deferred Tax		(24.513)	11.679
		57.487	**114.409**
PROFIT FOR THE YEAR		**190.970**	**191.542**
Other Comprehensive Income (net of tax)			
A (i) Items that will not be reclassified to profit or loss		(1.290)	18.995
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.356	6.280
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
TOTAL OTHER COMPREHENSIVE INCOME		(1.646)	12.715
TOTAL COMPRENSIVE INCOME FOR THE YEAR		**192.616**	**178.827**
(Comprising Profit and Other Comprehensive Income for the year)			
EARNING PER EQUITY SHARE IN (RS) (Face value per share Rs 10 each)			
(1) Basic	37	4.20	4.22
(2) Diluted		4.20	4.22

Significant Accounting Polices and Notes on Accounts 1 to 40

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DIN NO.00143330

SOLITAIRE MACHINE TOOLS LIMITED
Cash Flow for the year ended as on 31st March, 2018

(Rs. in Lakhs)

Particulars	Year Ended, 31st March, 2018	Year Ended, 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit & Loss Account	192.616	178.827
Adjustment for:		
Depreciation and Amortisation	90.911	76.107
Tax Provision for Taxation & Deferred Tax	57.131	108.129
Interest Income	(15.372)	(17.173)
Fair Value of investment through P&L	0.017	(0.003)
Interest Paid	3.143	0.683
Exceptional Items	-	(0.605)
Profit on sale of Current and Non Current Investments (Net)	(0.001)	-
Operating Profit Before Working Capital Changes	**328.446**	**345.965**
Adjustment for:		
Trade payable and other liability	32.622	66.701
Trade Receivables	39.309	(69.702)
Inventories	(130.452)	(25.847)
Financial and other Assets		
Cash Generated From Operations	269.925	317.118
Direct Taxes Paid (net of refunds)	(66.538)	(133.229)
Net Cash From Operating Activities (A)	**203.387**	**183.889**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(22.680)	(88.797)
Interest received	15.372	17.173
Capital WIP	(19.572)	
Purchase of Current Investments	(100.944)	
Sale of Investments	0.089	
Net Cash From Investing Activities (B)	(127.735)	(71.624)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-	(8.077)
Interest paid	(3.143)	(0.683)
Equity Dividends paid (including Dividend Distribution Tax)	(68.336)	(54.503)
Net Cash From Financing Activities (C)	**(71.479)**	**(63.264)**
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**4.173**	**49.001**
Closing Balance of Cash and Cash Equivalents	281.077	276.904
Opening Balance of Cash and Cash Equivalents	276.904	227.903
Notes:		
1. Figures in bracket indicate cash outflow.		
2. Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.		
3. Cash and Cash equivalents comprises of:		
On hand	0.028	0.045
With Banks		
In Current Accounts	56.463	51.614
In Deposit Accounts maturing within 3 months	-	-

Significant Accounting Polices and Notes on Accounts 1 to 40

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
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VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

NOTES TO THE FINANCIAL STATEMENTS

1 **Company Overview**

SOLITAIRE MACHINE TOOLS LIMITED (the Company) is a Public Limited Company incorporated in India.
The Company is engaged in the business of manufacturing and rebuilding Precision Centerless Grinders.

2 **Significant Accounting Policies**

(a) **Statement of Compliance**

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 (''the Act'') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS.

The financial statements are auhorised for issue by the Board of Directors of the Company at their meeting held on 19/05/2018

(b) **Basis of Preparation and Presentation:**

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
ii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees,which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
ii) It is held primarily for the purpose of trading; or
iii) It is expected to realise the asset within twelve months after the reporting period; or
iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

i) It is expected to be settled in the normal operating cycle; or
ii) It is held primarily for the purpose of trading; or
iii) It is due to be settled within twelve months after the reporting period; or
iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(c) **Property, Plant and Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

(d) **Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(e) **Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

(f) **Intangible Assets and Amortisation:**

- Internally generated Intangible Assets: (Research and Development expenditure)

  Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

- Intangible Assets acquired separately:

  Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

(g) **Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) **Inventories:**

Inventories are valued as follows:

- Raw materials, stores & spare parts, cutting tools and holding tools:

  Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

- Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

  Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on FIFO basis.

(i) **Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(j) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(k) **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Sale of goods: Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and outgoing taxes .

Other Income:

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

(l) **Employee benefits:**

Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plan

Employee's Family Pension

The Company has Defined Contribution Plan for Post Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit or Loss / Other Comprehensive Income in the year in which it arises.

Short-term and other long-term employee benefits

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

Compensated Absences

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(m) **Income Tax:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

(n) **Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and he weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

(o) **Foreign Currency transactions:**

in preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchangerate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for

■ exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

(p) **Financial Instruments:**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL: Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(q) **Financial liabilities and equity instruments:**

- Classification as debt or equity

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(r) **Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(s) **Useful Lives of Property, Plant & Equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(i) **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(ii) **Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) **Impairment of Assets:**

The Company has used certain judgments and estimations to estimate future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

3 PROPERTY, PLANT AND EQUIPMENT (PPE)

(Rs. in Lakhs)

Particulars	Land	Building	Plant and Machinary	Furniture and Fixtures	Office Premises	Office Equipments	Electrical Installations	Computer	Vehicles	Total
Deemed Cost										
As at 1 April 2016	53.022	227.710	247.152	19.612	8.168	2.201	3.420	0.372	31.186	592.844
Additions	-	-	186.495	2.880	-	0.760	-	-	8.567	198.702
Disposals										
As at 31 March 2017	**53.022**	**227.710**	**433.648**	**22.492**	**8.168**	**2.961**	**3.420**	**0.372**	**39.753**	**791.547**
Additions	-	-	6.317	-	-	1.550	-	0.730	14.083	22.680
Disposals										
As at 31 March 2018	**53.022**	**227.710**	**439.965**	**22.492**	**8.168**	**4.511**	**3.420**	**1.102**	**53.836**	**814.227**
Accumulated Depreciation and Impairment										
As at 1 April 2016	-									
Depreciation charge for the year	-	12.147	46.004	5.671	0.853	0.642	1.165	0.191	9.434	76.107
Disposals										
As at 31 March 2017	**-**	**12.147**	**46.004**	**5.671**	**0.853**	**0.642**	**1.165**	**0.191**	**9.434**	**76.107**
Depreciation charge for the year		12.227	59.389	4.381	0.853	1.552	1.017	0.327	11.165	90.911
Disposals										
As at 31 March 2018		**24.373**	**105.394**	**10.052**	**1.706**	**2.194**	**2.181**	**0.518**	**20.599**	**167.018**
<u>Net book value</u>										
As at 31 March 2018	**53.022**	**203.337**	**334.571**	**12.440**	**6.462**	**2.317**	**1.238**	**0.584**	**33.237**	**647.208**
As at 31 March 2017	**53.022**	**215.564**	**387.643**	**16.821**	**7.315**	**2.319**	**2.255**	**0.181**	**30.319**	**715.439**
As at 31 March 2016	**53.022**	**227.710**	**247.152**	**19.612**	**8.168**	**2.201**	**3.420**	**0.372**	**31.186**	**592.844**

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer Note below for the gross block value and the accumulated depreciation on 1st April, 2016 under the previous GAAP

Particulars	Gross Block Rs.	Accumalated Depreciation Rs	Net Block considered as deemed cost Rs.
Land	53.022	-	53.022
Building	356.980	129.270	227.710
Office Premises	14.008	5.840	8.168
Plant & Machinery	822.572	575.420	247.152
Electrical Installation	24.110	20.691	3.420
Furniture & Fixtures	121.258	101.646	19.612
Vehicle	101.856	70.670	31.186
Office Equipments	23.602	21.401	2.201
Computer	3.843	3.471	0.372
TOTAL	**1,521.253**	**928.408**	**592.844**

4 NON-CURRENT INVESTMENTS

(Rs. in Lakhs)

	Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
1)	**Unquoted Investments**					
	Investments in Equity instruments of Subsidiaries, carried at cost					
	Shruchi Manufacturing Limited	15,900	100	15.900	15.900	15.900
				15.900	**15.900**	**15.900**

Aggregate amount of Unquoted Investments	15.900	15.900	15.900

5 NON-CURRENT LOANS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Loan to Subsidiary Company	-	-	18.999
Loans & Advances to Employees	2.513	2.414	3.203
Security Deposits	4.656	4.686	4.693
Rental Deposits	-	-	8.893
TOTAL	**7.169**	**7.100**	**35.788**

6 OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Advances to Gratuity Trust	0.050	0.050	0.050
Duty Recoverable under Protest	3.540	3.540	3.540
TOTAL	**3.590**	**3.590**	**3.590**

7 INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Valued at lower of cost or NRV)			
(Semi Finished Goods valued on percentage of work executed on contracted price)			
Raw Materials - Components	260.421	161.295	158.133
Semi Finished Goods	166.727	132.370	111.239
Rebuilding in Process	2.111	0.393	1.348
Spares in Process	0.088	-	0.181
Cutting Tools	7.150	4.115	1.765
Holding Tools	0.798	1.357	1.016
Finished Grinders	58.500	65.813	65.813
TOTAL	**495.795**	**365.342**	**339.496**

Refer Note 2(h) for mode of valuation of Inventories

8 CURRENT INVESTMENTS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Investments in mutual funds			
Quoted			
Axis Liquid Fund - Growth (No. of Units - 30.365)	0.583	-	-
Axis Enhanced Arbitrage Fund (No. of Units : - 956791.947)	100.328	-	-
Investments in equity instruments:			
Quoted			
At fair value through profit & loss			
Batliboi Limited			
50 Shares (As at 31.03.2017 - 50 Shares, As at 01.04.2016 - 50 Shares) of Rs 5/- each, fully paid up	-	0.012	0.011
ABC Bearing Limited			
10 Shares (As at 31.03.2017 - 10 Shares, As at 01.04.2016 - 10 Shares) of Rs 10/- each	-	0.017	0.010
N.M. Bank			
3 Shares (As at 31.03.2017 - 3 Shares, As at 01.04.2016 - 3 Shares) of Rs 100/- each	-	0.003	0.003
TOTAL	**100.911**	**0.032**	**0.024**
Aggregate amount of Quoted investments and market value	**100.911**	**0.032**	**0.024**

9 TRADE RECEIVABLES (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Trade receivables from related parties	-	-	-
Receivables from other than related parties	271.522	311.622	204.240
TOTAL	**271.522**	**311.622**	**204.240**

10 CASH AND CASH EQUIVALENTS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Cash and Cash equivalents			
Cash on Hand	0.028	0.045	0.016
Bank Balances			
In Current Accounts	56.463	51.614	17.162
TOTAL	**56.491**	**51.658**	**17.178**

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Fixed Deposit With Bank	224.585	225.246	210.725
TOTAL	**224.585**	**225.246**	**210.725**

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2018.

12 OTHER FINANCIAL ASSETS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Interest accrued on FDR	13.184	8.725	5.569
TOTAL	**13.184**	**8.725**	**5.569**

13 OTHER CURRENT ASSETS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Advances to Suppliers	8.753	1.736	9.536
Others			
Prepaid Expense	1.506	1.599	1.216
Advance Tax and Tax at Source (Net of Provisions)	-	7.562	-
Statutory Receivables	6.679	17.341	22.072
TOTAL	**16.938**	**28.237**	**32.824**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2018		
Balance as at 1st April, 2017	Changes in equity shares capital during the year ended	Balance as at 31st March, 2018
454.218	-	454.218

For the year ended 31st March, 2017		
Balance as at 1st April, 2016	Changes in equity shares capital	Balance as at 31st March, 2017
454.218	-	454.218

(B) OTHER EQUITY

(Rs. in Lakhs)

For the year ended 31st March, 2018				
Particulars	**RESERVES & SURPLUS**			**TOTAL**
	Capital Reserve	**General Reserve**	**Retained Earnings**	
Balance at 1st April, 2017	**20.785**	**13.639**	**742.128**	**776.552**
Profit for the Year	-		190.970	**190.970**
Remeasurement of the net defined benefit liability/asset, net of tax effect			1.646	**-** **1.646**
Dividends Paid (including corporate dividend tax)			68.336	**68.336**
Transfer to General Reserves			-	**-**
Balance at 31st March 2018	**20.785**	**13.639**	**866.408**	**900.832**

For the year ended 31st March, 2017				
Particulars	**RESERVES & SURPLUS**			**TOTAL**
	Capital Reserve	**General Reserve**	**Retained Earnings**	
Balance at 1st April, 2016	**20.785**	**13.639**	**617.804**	**652.228**
Profit for the Year			191.542	**191.542**
Remeasurement of the net defined benefit liability/asset, net of tax effect			(12.715)	**(12.715)**
Dividends Paid (including corporate dividend tax)			54.503	**54.503** **-**
Transfer to General Reserves				**-**
Balance at 31st March 2017	**20.785**	**13.639**	**742.128**	**776.552**

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.

14 SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised:			
55,00,000 Equity Shares of Rs. 10.00 each (As at 31.03.2017 - 55,00,000 Shares, As at 01.04.2016 - 55,00,000 Shares)	550.000	550.000	550.000
Issued, Subscribed and Fully Paid - Up:			
45,42,176 Equity Shares of Rs. 10 each (Refer Notes below) (As at 31.03.2017 - 45,42,176 Shares, As at 01.04.2016 - 45,42,176 Shares)	454.218	454.218	454.218

a) Reconciliation of the Number of Shares and amount outstanding:

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	45.422	454.218	45.422	454.218	45.422	454.218

b) The details of Shareholders holding more than 5% Shares:

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	%	No. of Shares	%	No. of Shares	%	No. of Shares
Harsh H Badani	16.90	767,643	16.90	767,643	15.85	719,793
Ashok Jivarajbhai Sheth	15.78	716,975	15.78	716,975	15.45	701,975
Bharati Ashok Sheth	8.83	400,900	8.83	400,900	8.83	400,900

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

d) No bonus shares have been issued during five years immediately preceding 31st March, 2018.

e) Dividend Proposed, Declared and paid (Refer Note 33A)

f) 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.

15 DEFERRED TAX LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The balances is comprises of temporary differences attributable to: Property, Plant and Equipments	39.854	64.722	59.323
Financial Assets at Fair value through Profit or Loss			
Others			
Deferred Tax (Assets) / Liabilities	**39.854**	**64.722**	**59.323**

Movement in Deferred Tax Liabilities

Description	Property, Plant & Equipment	Financial Assets at FVPL	Others	Total
As on 1st April, 2016	59.323			59.323
Charged / (Credited)				
- To Profit and Loss	5.399			5.399
As on 31st March, 2017	**64.722**			**64.722**
Charged / (Credited)				
- To Profit and Loss	(24.869)			(24.869)
As on 31st March, 2018	**39.854**			**39.854**

16 BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
From Axis Bank Ltd. (Baroda)			
Cash Credit	-	-	8.077
(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)			
TOTAL	**-**	**-**	**8.077**

17 TRADE PAYABLE (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of Vendors	212.612	174.870	111.384
TOTAL	**212.612**	**174.870**	**111.384**

18 OTHER CURRENT FINANCIAL LIABILITIES (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest accrued but not due on borrowings			
Unpaid Dividend Accounts *	22.749	17.419	14.444
Provision for Expenses	60.684	31.082	27.249
TOTAL	**83.433**	**48.501**	**41.693**

* There is no amount required to be credited to Investors Education and Protection Fund.

19 OTHER CURRENT LIABILITIES (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from Customers	150.240	175.489	192.616
Others			
Withholding and other Tax Payables	5.987	9.699	15.018
Excise duty payable on Finished Goods	-	7.313	7.313
TOTAL	**156.227**	**192.501**	**214.947**

20 CURRENT PROVISIONS (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits - Gratuity	17.791	21.528	2.671
TOTAL	**17.791**	**21.528**	**2.671**

21 CURRENT TAX LIABILITIES (NET) (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Payable	7.900	-	23.542
TOTAL	**7.900**	**-**	**23.542**

22 REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sale of Products (Including Excise Duty)	1,277.523	1,899.084
Revenue from Sale of Service	372.990	46.573
Other Operating Revenue		
Scrap Sales	2.046	1.476
TOTAL	**1,652.559**	**1,947.133**

23 OTHER INCOME

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Income (on Bank Deposits)	15.372	17.173
Profit on Sale of Investments	0.001	-
Dividend	2.825	0.000
Foreign Exchange Fluctuation	9.176	11.304
Profit on Sale of Assets	3.700	-
Gain on Fair Valuation of Investments through Profit and Loss	0.024	0.007
Liabilities / Provisions no longer required written back	8.445	-
Miscellaneous Income	2.044	3.036
TOTAL	**41.586**	**31.521**

24 COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Opening Stock of Raw Materials	161.295	158.133
Add: Purchases	884.684	902.168
	1,045.979	1,060.301
Less: Closing Stock of Raw Materials	260.421	161.295
TOTAL	**785.557**	**899.006**

25 CHANGE IN INVENTORIES OF FINISHED GOODS,STOCK-IN-PROCESS AND STOCK-IN-TRADE

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Opening Stock		
Finished Goods	65.813	65.813
Semi-Finished Goods	132.370	111.239
Rebuilding in Process	0.393	1.348
Spares in Process	-	0.181
	198.576	178.581
Less: Closing Stock		
Finished Goods	58.500	65.813
Semi-Finished Goods	166.727	132.370
Rebuilding in Process	2.111	0.393
Spares in Process	0.088	-
	227.426	198.576
(Increase) / Decrease in Stocks	**(28.850)**	**(19.995)**

26 EMPLOYEE BENEFITS EXPENSE

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Salaries and Wages	250.414	242.119
Contribution to Provident Fund and Other Funds	24.595	(3.972)
Staff welfare expenses	5.755	5.272

TOTAL	**280.764**	**243.419**

27 FINANCE COSTS (Rs. in Lakhs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Interest Expense		
Interest to Bank	1.146	1.005
Other Borrowing Cost (Processing Fees)	3.143	0.683
TOTAL	**4.289**	**1.688**

28 OTHER EXPENSES (Rs. in Lakhs)

Particulars		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Consumption of Stores and spares		44.902	54.350
Power and fuel		18.769	20.209
Labour Contract Charges		36.589	32.740
Repair to Building		14.303	14.053
Repairs to Machinery		3.348	15.690
Insurance		2.115	2.191
Rent, Rates and Taxes		7.125	10.882
Bank Charges		3.066	3.515
Auditor's Remuneration:			
Statutory Audit Fee	1.000		
Tax Audit Fee	1.000	2.000	1.500
Labour Charges		31.071	32.064
Travelling Expenses		20.047	23.133
Postage and Courier		2.711	1.698
Printing and Stationery		3.715	1.465
Telephone & Mobile		1.460	2.307
Legal & Professional Charges		14.576	12.731
Vehicle Expenses		3.945	4.308
Annual General Meeting Expenses		0.369	3.135
Others Repairs		11.545	6.155
Security Charges		5.623	5.407
Advertisement		1.678	12.355
Export Expenses		1.652	5.085
Sundry Debit Balance W/off		13.712	
Sales Expenses		4.309	9.804
Sales Commission		7.874	41.798
Packing Expenses		11.188	8.997
Registrar's Fees		1.626	1.739
Donation		-	0.100
Miscellaneous Expenses		17.494	9.077
Listing Fees		2.875	2.298
Research & Developement Exp		-	4.000
Exhibition Exp		-	15.376
Computer Expenses		2.456	1.247
Foreign Exchange Fluctuation		4.535	-
TOTAL		**296.678**	**359.413**

29 RECENT ACCOUTING PRONOUNCEMENT

Amendment to Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

30 DISCLOSURES AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF IND AS"

These Financial statements, for the year ended 31st March, 2018 are the first, the Company has prepared in accordance with Ind AS. For the period upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2018 together with comparative date as at end for the year ended 31st March, 2017 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016. The Company's date of transition to Ind AS. This note explains the principles adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2016 and the financial statement as at and for the year ended 31st March, 2017.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions and exceptions:

A. Deemed cost for property, plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

B. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimate were in error.

Ind AS estimate as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimate for following items in accordance with Ind AS as the date of transition as these were not required under previous GAAP.

- Investment in equity instruments and mutual funds carried at FVPL

2. Notes to the Reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and Total Comprehensive Income for the year ended 31st March, 2017

A. Fair valuation of Investments

Under the previous GAAP, investment in equity instruments and mutual funds were classified as long- term investments or current investments based on the intended holding period and realisability. Long- term investments were carried at cost less provision for dimunition other than temporary, in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss for the year ending 31st March, 2017. This has resulted an increase in the retained earnings.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognized in FVOCI – Equity investments reserve as at the date of transition and subsequently in the comprehensive income for the year ended 31st March, 2016.

B. Deferred Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In Addition, deferred tax adjustments is also done for transistional adjustments wherever they results in timing differences by corresponding adjustments to retained earnings or profit and loss account.

C. Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the equity increased by an equivalent amount.

D. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts including in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 has decreased. There is no impact on the total equity as at 31st March, 2017.

E. Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes re-measurement of defined benefits plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

(i) Reconciliation of Balance sheet as at April 01, 2016 (transition date) (Rs. in Lakhs)

Particulars No.	Note No.	1st April, 2016	1st April, 2016	1st April, 2016
		IGAAP	Adjustments	Ind AS
ASSETS				
Non-Current assets				
Property, Plant and Equipment		592.844	-	592.844
Capital Work-in-Progress		109.905	-	109.905
Investments in subsidiaries		53.755	(37.855)	15.900
Financial Assets				
Loans		35.788	-	35.788
Other Non-Current Assets		3.590	-	3.590
Total Non Current Assets		**795.883**	**(37.855)**	**758.028**
Current Assets				
Inventories		339.496		339.496
Financial Assets				
Investments	A, E	0.088	(6,368.000)	0.024
Trade Receivables		204.240		204.240
Cash and Cash Equivalents		17.178		17.178
Bank Balances other than above		210.725		210.725
Other Financial Assets		5.569		5.569
Other Current Assets		32.824		32.824
Total Current Assets		**810.119**	**(6,368.000)**	**810.056**
TOTAL ASSETS		**1,606.002**	**(6,405.855)**	**1,568.083**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		454.218		454.218
Other Equity	A, E	636.249	15.979	652.228
Total Equity		**1,090.467**	**15.979**	**1,106.446**
Non-Current Liabilities				
Financial Liabilities				
Deferred Tax Liabilities (Net)		59.323	-	59.323
Total Non-Current Liabilities		**1,149.790**	**15.979**	**1,165.769**
Current Liabilities				
Financial Liabilities				
Borrowings		8.077		8.077
Trade Payables		111.384		111.384
Other Current Financial Liabilities		41.693		41.693
Other Current Liabilities		214.947		214.947
Provisions		56.569	(53.898)	2.671
Current tax liabilities		23.542		23.542
Total Current Liabilities		**456.212**	**(53.898)**	**402.314**
TOTAL EQUITY AND LIABILITIES		**1,607.002**	**(37.919)**	**1,568.083**

(ii) Reconciliation of Balance sheet as at March 31, 2017 (Rs. in Lakhs)

Particulars No.	Note No.	1st April, 2017	1st April, 2017	1st April, 2017
		IGAAP	Adjustments	Ind AS
ASSETS				
Non-Current assets				
Property, Plant and Equipment		715.439	-	715.439
Financial Assets				
Investments		15.900	-	15.900
Loans		7.100	-	7.100
Other Non-Current Assets		3.590	-	3.590
Total Non Current Assets		**742.030**	**-**	**742.030**
Current Assets				
Inventories		365.342	-	365.342
Financial Assets				
Investments	A, E	0.088	(0.056)	0.032
Trade Receivables		311.622	-	311.622
Cash and Cash Equivalents		51.658	-	51.658
Bank Balances other than above		225.246	-	225.246
Other Financial Assets		8.725	-	8.725
Other Current Assets		28.237	-	28.237
Total Current Assets		**990.918**	**(0.056)**	**990.862**
TOTAL ASSETS		**1,732.948**	**(0.056)**	**1,732.892**

EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		454.218	-	454.218
Other Equity	A, E, C	708.272	68.279	776.552
Total Equity		**1,162.490**	**68.279**	1,230.769
Non-Current Liabilities				
Financial Liabilities				
Deferred Tax Liabilities (Net)		64.722	-	64.722
Total Non-Current Liabilities		**1,227.213**	**68.279**	**1,295.492**
Current Liabilities				
Financial Liabilities				
Borrowings		-	-	-
Trade Payables		174.870	-	174.870
Other Current Financial Liabilities		48.501	-	48.501
Other Current Liabilities		192.501	-	192.501
Provisions	C	89.864	(68.336)	21.528
Total Current Liabilities		**505.736**	**(68.336)**	**437.400**
TOTAL EQUITY AND LIABILITIES		**1,736.948**	**(0.056)**	**1,732.892**

(iii) Reconciliation of profit & loss for the year ended March 31, 2017 (Rs. in Lakhs)

Particulars	**Note No.**	**For the year ended March 31, 2017**		**For the year ended March 31, 2017**
		IGAAP	**Adjustments**	**Ind AS**
Revenue from Operations		1,834.069	113.065	1,947.133
Other Income	A	31.513	0.007	31.521
TOTAL INCOME		**1,865.582**	**113.072**	**1,978.654**
EXPENSES				
Cost of Materials Consumed		899.006		899.006
Changes in Inventories of Finished Goods, Stock-in -Trade and work-in-progress		(19.995)		(19.995)
Excise Duty		-	113.065	113.065
Employee Benefits Expense	E	262.413	(18.995)	243.419
Finance Costs		1.688		1.688
Depreciation and Amortization Expense		76.107		76.107
Other Expenses		359.413		359.413
Total Expenses		**1,578.633**	**94.070**	**1,672.703**
Profit before Exceptional items and Tax		**286.948**	**19.002**	**305.951**
Exceptional Items		**38.461**	(38.461)	**-**
PROFIT BEFORE TAX		**248.488**	**57.463**	**305.951**
Tax expense:				
(1) Current Tax		100.000		100.000
(2) (Excess)/Short Provision of Tax relating to Earlier Years		2.730		2.730
(3) Deferred Tax	B	5.399	6.280	11.679
		108.129	**6.280**	**114.409**
PROFIT FOR THE YEAR		**140.359**	**51.183**	**191.542**
Other Comprehensive Income (net of tax)				
A (i) Items that will not be reclassified to profit or loss	E	-	18.995	18.995
(ii) Income tax relating to items that will not be reclassified to profit or loss	E	-	6.280	6.280
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-

TOTAL OTHER COMPREHENSIVE INCOME		**-**	**12.715**	**12.715**
TOTAL COMPRENSIVE INCOME FOR THE YEAR		**140.359**	**38.468**	**178.827**

(iv) Equity Reconciliations (Rs. in Lakhs)

Particulars	Note No.	Equity as at April 01, 2016	Equity as at March 31, 2017
Equity as per Previous GAAP		**1,090.467**	**1,162.490**
Add: Reversal of Proposed dividend		54.503	68.336
Less: Reinstatement of Prior period expenses		(38.461)	-
Add: Fair valaution of Financial assets - Investments		(0.064)	(0.056)
Equity as per Ind AS		**1,106.446**	**1,230.769**

31 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The sources of risks which the company is exposed to and their management are given below:

Credit Risk:

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Risk	Exposure Arising From	Measurement	Management
Liquidity Risks	Borrowings and Other Liabilities and Liquid investments	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Foreign Exchange Risk	Committed commercial transaction Financial asset and Liabilities denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to imports and exports of goods .

The Company evaluates that it is not significantly exposed to the exchange rate exposure arising from foreign currency transactions.

(Foreign Currency in Lakhs)

Outstanding unhedged foreign currency exposure as at	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Trade receivables			
USD	-	1.470	1.132
EURO	-	0.435	-
GBP	-	0.001	-
Trade Payables			
USD	0.068	1.153	-

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost

The Company is not siginificantly exposed to the interest rate risk as there are no borrowings and other financial assets which are linked to the fluctuation to the interest rate risks.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury deparment is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial arrangements:
The company doens not have any borrowing facilities as on the Balance sheet dates.

Maturity patterns of other Financial Liabilities - As at March 31, 2018

	0-12 Months	**beyond 12 months**	**Total**
Trade Payable	212.612	-	212.612
Other Financial liability (Current and Non Current)	83.433	-	83.433
Total	**296.045**	**-**	**296.045**

Maturity patterns of other Financial Liabilities - As at March 31, 2017

	0-12 Months	**beyond 12 months**	**Total**
Trade Payable	174.870	-	174.870
Other Financial liability (Current and Non Current)	48.501	-	48.501
Total	**223.371**	**-**	**223.371**

Maturity patterns of other Financial Liabilities - As at April 01, 2016

	0-12 Months	**beyond 12 months**	**Total**
Trade Payable	111.384	-	111.384
Other Financial liability (Current and Non Current)	41.693	-	41.693
Total	**153.077**	**-**	**153.077**

Credit rate risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.
To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

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

Ageing of accounts receivables	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Not due	-	-	-
0-3 months	156.825	226.210	186.681
3-6 months	-	24.771	6.719
6 months to 12 months	78.715	49.098	8.280
more than 12 months	35.982	11.543	2.561
Total	**271.522**	**311.622**	**204.240**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

31(A) CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
Financial Assets at amortised cost			
Trade Receivables	271.522	311.622	204.240
Loans	7.169	7.100	35.788
Cash and Cash Equivalents	56.491	51.658	17.178
Bank balances othet than above	224.585	225.246	210.725
Other Financial Assets	13.184	8.725	5.569
Financial Assets at fair value through profit or loss			
Investments	100.911	0.032	0.024
Financial Assets at fair value through other comprehensive income	-	-	-
Total	**673.864**	**604.382**	**473.524**
Financial Liabilities at amortised cost			
Cash Credits/Working Capital Borrowing	-	-	8.077
Trade payables	212.612	174.870	111.384
Other financial liabilities	83.433	48.501	41.693
Total	**296.045**	**223.371**	**161.154**

31(B) FAIR VALUE MEASUREMENTS (IND AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.
Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	Fair Value		
	As at 31st March, 2018	**As at 31st March, 2017**	**As at 31st March, 2016**
Financial Assets at fair value through profit or loss			
Investments –Level 1	100.911	0.032	0.024

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

(a) The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.

(b) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

(c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

32 **SEGMENT REPORTING (IND AS 108):**

The Company is exclusively engaged in the business of manufacturing and selling Precision Centerless Grinders. As per Ind AS 108 “Operating Segments”, specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

33(A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash Dividends on Equity Shares declared and paid:		
Final dividend for the year ended on 31st March, 2017: Rs. 1 per share (March 31, 2016: Rs. 1 per share)	56.777	45.322
Dividend Distribution Tax on final dividend	11.559	9.082
Total Dividend paid	**68.336**	**54.403**
Proposed Dividends on Equity Shares:		
Final dividend for the year ended on 31st March , 2018: Rs. 1.1 per share. (31st March, 2017: Rs. 1.25 per share)	49.964	56.777

DDT on proposed dividend	10.171	11.559
Total Dividend proposed	**60.135**	**68.336**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax thereon) as at 31st March 2018.

33(B) CAPITAL MANAGEMENT (IND AS 1):

The Company's objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.
For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt Consistent with others in the industry.

34 INCOME TAXES (IND AS 12):

(i) Income Tax Reconciliation

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Profit before Tax	248.457	305.951
Enacted Tax Rates in India	27.55%	33.06%
Computed expected Tax Expense	68.450	101.147
Tax Effect of amounts which are not deductible in calculating taxable Income	13.550	3.808
Tax Effect of amounts which are deductible in calculating taxable Income	-	(4.955)
Income Tax Expense	**82.000**	**100.000**

35 DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON "EMPLOYEE BENEFITS"

a) Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Rs. in Lakhs)

Particulars	**2017-18**	**2016-17**
Employer's Contribution to Provident Fund	14.241	13.048
Employer's Contribution to Employee's State Insurance	4.243	1.783
TOTAL	**18.484**	**14.831**

b) Defined Benefit Plans - Gratuity and Provident Fund

Gratuity:
Inherent Risk - The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.
The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees. Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. However, certain employees are entitled to benefit higher than the benefit prescribed under Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier or death in service.

i) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

(Rs. in Lakhs)

Particulars	**2017-18**	**2016-17**
Opening DBO	51.923	28.783
Current Service Cost	4.176	2.416
Interest on DBO	3.595	2.172
Past service cost	0.430	
Employees Contribution		
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	(1.501)	2.178
Actuarial loss/ (gain) arising on account of experience change	0.176	16.649
Benefits Paid	-	(0.274)
Closing DBO	58.799	51.923

ii) A reconciliation of the opening and closing balances of the fair value of plan assets:

Particulars	2017-18	2016-17
Opening Fair Value of Plan Assets	30.396	26.112
Interest on Plan Assets	2.205	2.058
Remeasurement due to:	-	-
Actuarial loss/ (gain) arising on account of experience change	(0.034)	(0.168)
Employees Contribution	8.442	2.668
Benefits Paid	-	(0.274)
Closing Fair Value of Plan Assets	41.008	30.396

* Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b(i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present value of Defined Benefit Obligation	58.799	51.923
Fair value of Plan Assets	41.008	30.396
Net Liability recognised in the Balance Sheet	**17.791**	**21.528**
Long Term Provisions	17.791	21.528

iv) The total expense recognised in the Statement of Profit and Loss:

Particulars	2016-17	2015-16
Current Service Cost	4.176	2.416
Past Service Cost	0.430	-
Interest Cost on defined benefit liability / (assets)	1.390	0.114
Total	**5.996**	**2.530**

v) Amount recorded in other Comprehensive Income

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening amount recognised in OCI outside P&L Account		
Remeasurement due to:		
Changes in financial assumptions	(1.501)	2.178
Experience Adjustments	0.176	16.649
Actual return on plan assets less interest on plan assets	0.034	0.168
Closing amount recognised in OCI outside profit and loss account	(1.290)	18.995

vi) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the plan assets:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Amount	**Rate**	**Amount**	**% Rate**
	(in Lacs)	%	(in Lacs)	%
Government of India Securities	0	0%	0	0%
Corporate Bonds	0	0%	0	0%
Special Deposit Scheme	0	0%	0	0%
Equity Shares of Listed Companies	0	0%	0	0%
Property	0	0%	0	0%
Insurer Managed Funds	100%	100%	100%	100%
Others	0	0%	0	0%
Total				

vii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

viii) The Actual Return on Plan Assets is as follows:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Actual Return on Plan Assets (Incl. remeasurement effect)	2.170	1.890

ix) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	2017-18	2016-17
	Rate %	Rate %
Discount Rate	7.55%	7.15%
Salary Escalation Rate	5%	5%
Attrition Rate		

xi) Expected Contribution to the Funds in the next year:

Particulars	2017-18
Gratuity	4.42

xii) Sensitivity Analysis:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
	Rate %	Rate %
Impact of increase in 50 bps on discounting rate on DBO	57.008	49.870
Impact of decrease in 50 bps on discounting rate on DBO	60.685	53.334
Impact of increase in 50 bps on salary escalation rate on DBO	60.660	53.271
Impact of decrease in 50 bps on salary escalation rate on DBO	57.004	49.854

xiii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

36 RELATED PARTY DISCLOSURES (IND AS 24):

Related Parties with whom there were transactions during the year:

Parties	Relationship
Shruchi Manufacturing Limited	Subsidiaries
Adventure Advertising Private Limited Metal Perforation Private Limited	Enterprises under significant influence of Key Management Personnel or their relatives
Mr. A.J. Sheth	Chairman & Managing Director
Mr. H.J. Badani	Vice Chairman & Managing Director
Mr. Harsh Badani	Whole Time Director

b) Disclosure of Transactions with Related Parties as required by Ind AS 24:

(Rs. in Lakhs)

Sr. No.	Nature of Transaction	Subsidiaries	Enterprise	Key Management Personnel	Relatives	Total
1	Receiving of Services	-	1.222	-	-	1.222
		-	(1.769)	-	-	(1.769)
2	Managerial Remuneration & Perquesites	-	-	45.428		45.428
		-	-	- 38.211	-	(38.211)
3	Sales	-	5.830	-	-	5.830
		-	-	-	-	-
4	Loans Received Back	-	-	-	-	-
		(18.999)	-	-	-	(18.999)
5	Office Deposit Recd back	-	-	-	-	-
		-	-	-	(9.344)	(9.344)
6	Office Deposit Given	-	-	-	-	-
		-	-	-	(0.451)	(0.451)
	Outstanding balances as					-
	At 31.03.2018 :					-
1	Investments	15.900	-	-	-	15.900
		(15.900)	-	-	-	(15.900)
2	Security Deposit	-	-	-	-	-
		-	-	-	-	-
3	Other Liabilities	-	-	6.030	-	6.030
		-	-	(7.500)	-	(7.500)
4	Trade Receivable	-	-	-	-	-

		-	(0.032)	-	-	(0.032)
5	Trade Payable	-	0.066	-	-	0.066
		-	-	-	-	-

* Figures in Brackets are of previous year.

Sr. No.	Nature of Transaction	Name of the Related Party	Current Year	Previous Year
1	**Receiving of Services**			
	Enterprises under significant influence of Key Management Personnel or their relatives	Adventure Advertising Private Limited	1.222	1.769
		Metal Perforation Private Limited.	5.830	-
2	**Managerial Remuneration**			
	Key Management Personnel	A.J. Sheth	15.865	13.240
		H.J. Badani	16.097	13.771
		Harash Badani	13.466	11.200
2	**Loans Received Back**			
	Subsidiaries	Shruchi Manufacturing Limited	-	18.999
3	**Office Deposit Recd back**			
	Relatives	Jyoti P Sheth	-	9.344
	<u>Outstanding balances as at 31.03.2018 :</u>			
1	**Investments**			
	Subsidiaries	Shruchi Manufacturing Limited	15.900	15.900
2	**Trade Receivable**			
	Enterprise under significant influence of Key Management Personnel	Adventure Advertising Private Limited	-	0.032
3	**Trade Payable**			
	Enterprise under significant influence of Key Management Personnel	Adventure Advertising Private Limited	0.066	-
4	**Other Liabilities**			
	Key Management Personnel	A.J. Sheth	2.000	2.500
		H.J. Badani	1.770	2.500
		Harash Badani	2.260	2.500
			6.030	7.500

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

37 <u>EARNINGS PER SHARE (EPS) (IND AS 33):</u>

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders	190.970	191.542
(ii) Weighted average number of Equity Shares outstanding (Nos.)[For Basic & Diluted EPS]	45.422	45.422
Basic/ Diluted EPS (Face Value ` 10 per share) (Per Share) (i)/(ii)	4.204	4.217

38 <u>CONTINGENT LIABILITIES :</u>

Claims against the Company not acknowledged as debt:

a) Penalty Levied by DGFT of Rs.23 Lacs (Net of advance) (31st March, 2017 - Rs. 23 Lac, 1st April 2016 - Rs. 23 Lac/-) and contested in appeal, vide WP No.1957 of 2000 pending at Delhi High Court.

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b) Bank Guarantees Rs. 1,32,10,000/- (31st March, 2017 - Rs. 1,15,64,554/-, 1st April 2016 - Rs. 82,92,000/-)

c) There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of Rs. 3,54,036/- (31st March, 2017 - Rs. 3,54,036/-, 1st April 2016 - Rs. 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.

39 AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) AND EXPENSES:

(Rs. in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Statutory Auditors:		
Audit fees (including quarterly Limited Review)	1.000	1.000
Tax audit fees	1.000	0.500
TOTAL	**2.000**	**1.500**

40 Previous Year's figures have been regrouped / rearranged, wherever necessary.

Significant Accounting Polices and Notes on Accounts 1 to 40

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

Sd/-

AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

PLACE : VADODARA
DATE : 19/05/2018

FOR AND ON BEHALF OF THE BOARD

Sd/-
(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

Sd/-
(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
SOLITAIRE MACHINE TOOLS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SOLITAIRE MACHINE TOOLS LIMITED (hereinafter referred to as "the Holding Company")and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity, 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 including other comprehensive income, consolidated statement of changes in Equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended. 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of one subsidiary included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 41.41 lacs as at 31st March 2018 as well as total revenue of Rs. NIL for the year ended 31 March 2018. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated annual financial results, to the extent have been derived from such annual financial statements is based solely on the report of such other auditor. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 (including other comprehensive income), consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e. On the basis of the written representations received from the directors of the Holding Company, its subsidiary Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, its Subsidiary Company incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting of the 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. 38 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.

For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Sd/-
Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 19/05/2018

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, 2018, 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 company, 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 company, 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 auditor 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of subsidiary company which is incorporated in India, 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.

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial controls over financial reporting in so far as it relates to subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For Ajay Shobha & Co.
Chartered Accountants
Firm Registration No. 317031E

Sd/-
Ajay Gupta
Partner
Membership No. 053071

Place: Vadodara
Dated: 19/05/2018

SOLITAIRE MACHINE TOOLS LIMITED
Consolidated Balance Sheet As At 31st March, 2018

(Rs. in Lakhs)

Particulars	Notes No	As at 31st March, 2018	As at 31st March, 2017	As at 01st April, 2016
ASSETS				
Non-Current assets				
Property, Plant and Equipment	3(a)	673.610	744.586	624.735
Capital Work-in-Progress		19.572	-	109.905
Other Intangible assets	3(b)	2.474	2.474	2.474
Financial Assets				
Investments	4	0.090	0.090	0.090
Loans	5	7.169	7.100	16.789
Income tax assets (net)		0.840	-	0.675
Other Non-Current Assets	6	3.590	3.590	3.590
Total Non Current Assets		**707.345**	**757.840**	**758.259**
Current Assets				
Inventories	7	495.795	365.342	339.496
Financial Assets				
Investments	8	100.911	0.032	0.024
Trade Receivables	9	271.522	311.622	204.240
Cash and Cash Equivalents	10	70.570	72.457	17.708
Bank Balances other than above	11	224.585	225.246	210.725
Other Financial Assets	12	13.184	8.725	5.569
Other Current Assets	13	16.938	25.037	32.824
Total Current Assets		**1,193.506**	**1,008.461**	**810.585**
TOTAL ASSETS		**1,900.851**	**1,766.301**	**1,568.844**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	14	454.218	454.218	440.718
Other Equity		**906.904**	**788.134**	**644.909**
Total Equity		**1,361.122**	**1,242.351**	**1,085.627**
Non-Current Liabilities				
Deferred Tax Liabilities (Net)	15	42.748	67.535	61.889
Total Non-Current Liabilities		**1,403.870**	**1,309.887**	**1,147.516**
Current Liabilities				
Financial Liabilities				
Borrowings	16	-	-	8.077
Trade Payables	17	231.512	193.770	130.284
Other Current Financial Liabilities	18	83.551	48.616	41.807
Other Current Liabilities	19	156.227	192.501	214.947
Provisions	20	17.791	21.528	2.671
Current Tax Liabilities (Net)	21	7.900	-	23.542
Total Current Liabilities		**496.981**	**456.414**	**421.328**
TOTAL EQUITY AND LIABILITIES		**1,900.851**	**1,766.301**	**1,568.844**

Significant Accounting Polices and Notes on Accounts 1 to 40

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

Sd/-
AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

PLACE : VADODARA
DATE : 19/05/2018

FOR AND ON BEHALF OF THE BOARD

Sd/-
(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

Sd/-
(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

SOLITAIRE MACHINE TOOLS LIMITED

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

(Rs. in Lakhs)

Particulars	Notes No	For Year Ended 31st March, 2018	For Year Ended 31st March, 2017
INCOME			
Revenue from Operations	22	1,652.559	1,947.133
Other Income	23	41.585	50.110
TOTAL INCOME		**1,694.145**	**1,997.243**
EXPENSES			
Cost of Materials Consumed	24	785.557	899.006
Changes in Inventories of Finished Goods, Stock-in -Trade and work-in-progress	25	(28.850)	(19.995)
Excise Duty		16.339	113.065
Employee Benefits Expense	26	283.014	243.419
Finance Costs	27	4.289	1.688
Depreciation and Amortization Expense	3	93.656	78.852
Other Expenses	28	297.112	359.659
Total Expenses		**1,451.117**	**1,675.694**
PROFIT BEFORE TAX		**243.028**	**321.549**
Tax expense:			
(1) Current Tax		82.000	103.200
(2) (Excess)/Short Provision of Tax relating to Earlier Years		-	2.730
(3) Deferred Tax		(24.433)	11.926
		57.567	**117.855**
PROFIT FOR THE YEAR		**185.460**	**203.693**
Other Comprehensive Income (net of tax)			
A (i) Items that will not be reclassified to profit or loss		(1.290)	18.995
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.356	6.280
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
TOTAL OTHER COMPREHENSIVE INCOME		(1.646)	12.715
TOTAL COMPRENSIVE INCOME FOR THE YEAR		**187.106**	**190.978**
(Comprising Profit and Other Comprehensive Income for the year)			
Profit attributable to:			
- Owners		185.460	203.693
- Non controlling Interest		-	-
Other Comprehensive income attributable to:			
- Owners		(1.646)	12.715
- Non controlling Interest		-	-
Total comprehensive income attributable to:			
- Owners		187.106	190.978
- Non controlling Interest		-	-
EARNING PER EQUITY SHARE IN (RS) (Face value per share Rs 10 each)			
(1) Basic	37	4.083	4.484
(2) Diluted		4.083	4.484

Significant Accounting Polices and Notes on Accounts 1 to 40

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

Sd/-
AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

PLACE : VADODARA
DATE : 19/05/2018

FOR AND ON BEHALF OF THE BOARD

Sd/-
(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

Sd/-
(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

SOLITAIRE MACHINE TOOLS LIMITED
Consolidated Cash Flow for the year ended as on 31st March, 2018

(Rs. in Lakhs)

Particulars	Year Ended, 31st March, 2018	Year Ended, 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit & Loss Account	187.106	190.978
Adjustment for:		
Depreciation and Amortisation	93.656	78.852
Dividend Received	(2.825)	(0.000)
Tax Provision for Taxation & Deferred Tax	57.189	111.576
Interest Income	(15.372)	(17.173)
Interest Paid	4.289	1.688
Exceptional Items	-	(0.608)
Profit on sale of Current and Non Current Investments (Net)	(0.001)	(18.563)
Operating Profit Before Working Capital Changes	**324.042**	**346.751**
Adjustment for:		
Trade payable and other liability	32.663	66.706
Trade Receivables	39.312	(88.700)
Inventories	(130.452)	(25.847)
Cash Generated From Operations	**265.565**	**298.910**
Direct Taxes Paid (net of refunds)	(70.578)	(132.554)
Net Cash From Operating Activities (A)	**194.987**	**166.356**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(22.680)	(88.797)
Interest received	15.372	17.173
Dividend Received	2.825	0.000
Capital WIP	(19.572)	-
Purchase of Current Investments	(100.944)	-
Sale of Investments	0.089	37.463
Net Cash From Investing Activities (B)	**(124.910)**	**(34.162)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	-	(8.077)
Interest paid	(4.289)	(1.688)
Equity Dividends paid (including Dividend Distribution Tax)	(68.336)	(53.153)
Net Cash From Financing Activities (C)	**(72.625)**	**(62.919)**
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(2.548)	69.275
Closing Balance of Cash and Cash Equivalents	295.155	297.703
Opening Balance of Cash and Cash Equivalents	297.703	228.428
Notes:		
1. Figures in bracket indicate cash outflow.		
2. Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.		
3. Cash and Cash equivalents comprises of:		
On hand	0.028	0.045
With Banks		
In Current Accounts	70.541	72.413
In Deposit Accounts maturing within 3 months	-	-

Significant Accounting Polices and Notes on Accounts 1 to 40

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

Sd/-
AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

PLACE : VADODARA
DATE : 19/05/2018

FOR AND ON BEHALF OF THE BOARD

Sd/-
(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

Sd/-
(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 **Company Overview**

SOLITAIRE MACHINE TOOLS LIMITED (the Company) is a Public Limited Company incorporated in India.
The Company is engaged in the business of manufacturing and rebuilding Precision Centerless Grinders.

2 **Significant Accounting Policies**

(a) **Statement of Compliance**

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 (''the Act'') and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS.

The financial statements are auhorised for issue by the Board of Directors of the Company at their meeting held on 19/05/2018

(b) **(i) Basis of Preparation and Presentation:**

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
ii) Employee's Defined Benefit Plan as per actuarial valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees,which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Classification of Assets and Liabilities into Current/Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

For the purpose of Balance Sheet, an asset is classified as current if:

i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
ii) It is held primarily for the purpose of trading; or
iii) It is expected to realise the asset within twelve months after the reporting period; or
iv) The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

i) It is expected to be settled in the normal operating cycle; or
ii) It is held primarily for the purpose of trading; or
iii) It is due to be settled within twelve months after the reporting period; or
iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(b) **(ii) Principles of consolidation:**

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(c) **Property, Plant and Equipment (PPE):**

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

(d) **Expenditure during construction period:**

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(e) **Depreciation:**

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the month of deduction/disposal.

(f) **Intangible Assets and Amortisation:**

- Internally generated Intangible Assets: (Research and Development expenditure)

  Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

- Intangible Assets acquired separately:

  Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

(g) **Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) **Inventories:**

Inventories are valued as follows:

- Raw materials, stores & spare parts, cutting tools and holding tools:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on FIFO basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

- Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

  Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion. Cost of inventories is computed on FIFO basis.

(i) **Borrowing Costs:**

General and specific borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of such asset till such time the asset is ready for its intended use and borrowing costs are being incurred. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing cost includes interest expense, amortization of discounts, hedge related cost incurred in connection with foreign currency borrowings, ancillary costs incurred in connection with borrowing of funds and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the Interest cost.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(j) **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(k) **Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Sale of goods: Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates and outgoing taxes .

Other Income:

- Dividend Income is accounted for when the right to receive the income is established.
- Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

(l) **Employee benefits:**

Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plan

Employee's Family Pension

The Company has Defined Contribution Plan for Post Employment benefits in the form of family pension for eligible employees, which is administered by the Regional Provident Fund Commissioner. Company has no further obligation beyond its contributions.

Provident Fund

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

In respect of certain employees, Provident Fund contributions are made to the Trust set up and administered by the Company. If the board of trustees are unable to pay interest at the rate declared by the government under Para 60 of the Employees provident fund scheme, 1972 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company making interest shortfall a defined benefit plan. Accordingly, the Company obtains actuarial valuation and having regard to the assets of the fund and the return on investments, the Company does not expect any deficiency as at the year end. If there is a deficiency as at any Balance Sheet date, then, the same will be recognized in the Statement of Profit or Loss / Other Comprehensive Income in the year in which it arises.

Short-term and other long-term employee benefits

Liabilities for wages, salaries and bonus (as per the payment of bonus Act, 1965) including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees and workmen render the related service are recognized in respect of employee's services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

Compensated Absences

The Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(m) **Income Tax:**

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable

(n) **Earnings Per Share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and he weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

(o) **Foreign Currency transactions:**

in preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchangerate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for

■ exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

(p) **Financial Instruments:**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Fair Value through OCI:

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets:

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(q) **Financial liabilities and equity instruments:**

- Classification as debt or equity

  Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(r) **Cash and cash equivalents:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Critical accounting judgments and key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(s) **Useful Lives of Property, Plant & Equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(i) **Fair value measurement of financial instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(ii) **Defined benefit plans:**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) **Impairment of Assets:**

The Company has used certain judgments and estimations to estimate future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

3 (a) PROPERTY, PLANT AND EQUIPMENT (PPE)

(Rs. in Lakhs)

Particulars	Land	Building	Plant and Machinary	Furniture and Fixtures	Office Premises	Office Equipments	Electrical Installations	Computer	Vehicles	Drawings & Patters	Total
Deemed Cost											
As at 1 April 2016	53.022	227.710	247.152	19.612	8.168	2.201	3.420	0.372	31.186	31.891	**624.735**
Additions	-	-	186.495	2.880	-	0.760	-	-	8.567	-	**198.702**
Disposals	-	-	-	-	-	-	-	-	-	-	
As at 31 March 2017	**53.022**	**227.710**	**433.648**	**22.492**	**8.168**	**2.961**	**3.420**	**0.372**	**39.753**	**31.891**	**823.437**
Additions	-	-	6.317	-	-	1.550	-	0.730	14.083	-	**22.680**
Disposals											
As at 31 March 2018	**53.022**	**227.710**	**439.965**	**22.492**	**8.168**	**4.511**	**3.420**	**1.102**	**53.836**	**31.891**	**846.118**
Accumulated Depreciation and Impairment											
As at 1 April 2016	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	12.147	46.004	5.671	0.853	0.642	1.165	0.191	9.434	2.745	78.852
Disposals											
As at 31 March 2017	**-**	**12.147**	**46.004**	**5.671**	**0.853**	**0.642**	**1.165**	**0.191**	**9.434**	**2.745**	**78.852**
Depreciation charge for the year		12.227	59.389	4.381	0.853	1.552	1.017	0.327	11.165	2.745	93.656
Disposals											
As at 31 March 2018		**24.373**	**105.394**	**10.052**	**1.706**	**2.194**	**2.181**	**0.518**	**20.599**	**5.489**	**172.508**
Net book value											
As at 31 March 2018	**53.022**	**203.337**	**334.571**	**12.440**	**6.462**	**2.317**	**1.238**	**0.584**	**33.237**	**26.402**	**673.610**
As at 31 March 2017	**53.022**	**215.564**	**387.643**	**16.821**	**7.315**	**2.319**	**2.255**	**0.181**	**30.319**	**29.146**	**744.586**
As at 31 March 2016	**53.022**	**227.710**	**247.152**	**19.612**	**8.168**	**2.201**	**3.420**	**0.372**	**31.186**	**31.891**	**624.735**

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer Note below for the gross block value and the accumulated depreciation on 1st April, 2016 under the previous GAAP

Particulars	Gross Block	Accumalated Depreciation	Net Block considered as deemed cost
	Rs.	Rs	Rs.
Land	53.022	-	53.022
Building	356.980	129.270	227.710
Office Premises	14.008	5.840	8.168
Plant & Machinery	822.572	575.420	247.152
Electrical Installation	24.110	20.691	3.420
Furniture & Fixtures	121.258	101.646	19.612

Vehicle	101.856	70.670	31.186
Office Equipments	23.602	21.401	2.201
Computer	4.122	3.750	0.372
Drawings and Pattern	38.974	7.083	31.891
	1,560.505	**935.770**	**624.735**

3 (b) Intangible Assets

Particulars	Technical Know How	Goodwill	Total
Demed Cost			
As at 1 April 2016	-	2.474	2.474
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2017	**-**	**2.474**	**2.474**
Additions	-	-	-
Disposals			-
As at 31 March 2018	**-**	**2.474**	**2.474**
Accumulated Depreciation and Impairment			
As at 1 April 2016	-	-	-
Depreciation charge for the year	-	-	-
Disposals			
As at 31 March 2017	**-**	**-**	**-**
Depreciation charge for the year		-	-
Disposals			
As at 31 March 2018		**-**	**-**
<u>Net book value</u>			
As at 31 March 2018	**-**	**2.474**	**2.474**
As at 31 March 2017	**-**	**2.474**	**2.474**
As at 31 March 2016	**-**	**2.474**	**2.474**

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

4 NON-CURRENT INVESTMENTS

(Rs. in Lakhs)

	Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
1)	**Quoted Investments**					
	Investments in Equity instruments					
	100 Equity Shares of Kirloskar Ferrous Ltd of Rs. 10/- each fully paid up.	100	10	0.090	0.090	0.090
				0.090	**0.090**	**0.090**

Aggregate amount of Quoted Investments and market value thereof

5 NON-CURRENT LOANS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Loans & Advances to Employees	2.513	2.414	3.203
Security Deposits	4.656	4.686	4.693
Rental Deposits	-	-	8.893
TOTAL	**7.169**	**7.100**	**16.789**

6 OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Advances to Gratuity Trust	0.050	0.050	0.050
Duty Recoverable under Protest	3.540	3.540	3.540
TOTAL	**3.590**	**3.590**	**3.590**

7 INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Valued at lower of cost or NRV)			
(Semi Finished Goods valued on percentage of work executed on contracted price)			
Raw Materials - Components	260.421	161.295	158.133
Semi Finished Goods	166.727	132.370	111.239
Rebuilding in Process	2.111	0.393	1.348
Spares in Process	0.088	-	0.181
Cutting Tools	7.150	4.115	1.765
Holding Tools	0.798	1.357	1.016
Finished Grinders	58.500	65.813	65.813
TOTAL	**495.795**	**365.342**	**339.496**

Refer Note 2(h) for mode of valuation of Inventories

8 CURRENT INVESTMENTS

(Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Investments in mutual funds			
Quoted			
Axis Liquid Fund - Growth (No. of Units - 30.365)	0.583	-	-
Axis Enhanced Arbitrage Fund (No. of Units : - 956791.947)	100.328		

Investments in equity instruments:			
Quoted			
At fair value through profit & loss			
Batliboi Limited			
50 Shares (As at 31.03.2017 - 50 Shares, As at 01.04.2016 - 50 Shares) of Rs 5/- each, fully paid up	-	0.012	0.011
ABC Bearing Limited			
10 Shares (As at 31.03.2017 - 10 Shares, As at 01.04.2016 - 10 Shares) of Rs 10/- each	-	0.017	0.010
N.M. Bank			
3 Shares (As at 31.03.2017 - 3 Shares, As at 01.04.2016 - 3 Shares) of Rs 100/- each	-	0.003	0.003
TOTAL	**100.911**	**0.032**	**0.024**

Aggregate amount of Unquoted Investments	**100.911**	**0.032**	**0.024**

9 TRADE RECEIVABLES (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Trade receivables from related parties	-	-	-
Receivables from other than related parties	271.522	311.622	204.240
TOTAL	**271.522**	**311.622**	**204.240**

10 CASH AND CASH EQUIVALENTS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Cash and Cash equivalents			
Cash on Hand	0.028	0.045	0.016
Bank Balances			
In Current Accounts	70.541	72.413	17.692
TOTAL	**70.570**	**72.457**	**17.708**

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Fixed Deposit With Bank	224.585	225.246	210.725
TOTAL	**224.585**	**225.246**	**210.725**

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2018.

12 OTHER FINANCIAL ASSETS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Interest accrued on FDR	13.184	8.725	5.569
TOTAL	**13.184**	**8.725**	**5.569**

13 OTHER CURRENT ASSETS (Rs. in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
(Unsecured, Considered Good)			
Advances to Suppliers	8.753	1.736	9.536
Others			
Prepaid Expense	1.506	1.599	1.216
Advance Tax and Tax at Source (Net of Provisions)	-	4.362	-
Statutory Receivables	6.679	17.341	22.072
TOTAL	**16.938**	**25.037**	**32.824**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(A) **EQUITY SHARE CAPITAL** (Rs. in Lakhs)

For the year ended 31st March, 2018		
Balance as at 1st April, 2017	Changes in equity shares capital during the year ended	Balance as at 31st March, 2018
454.218	-	454.218

For the year ended 31st March, 2017		
Balance as at 1st April, 2016	Changes in equity shares capital	Balance as at 31st March, 2017
454.218	-	454.218

(B) **OTHER EQUITY** (Rs. in Lakhs)

For the year ended 31st March, 2018					
Particulars	**RESERVES & SURPLUS**				**TOTAL**
	Capital Reserve	**General Reserve**	**Retained Earnings**	**Exchange translation reserve**	
Balance at 1st April, 2017	**26.228**	**13.639**	**748.266**	**-**	**788.134**
Profit for the Year	-		185.460		**185.460**
Remeasurement of the net defined benefit liability/asset, net of tax effect			1.646		**-** **1.646**
Dividends Paid (including corporate dividend tax)			68.336 -		**68.336** **-**
Transfer to General Reserves			-		**-**
Balance at 31st March 2018	**26.228**	**13.639**	**867.036**	**-**	**906.904**

For the year ended 31st March, 2017					
Particulars	**RESERVES & SURPLUS**				**TOTAL**
	Capital Reserve	**General Reserve**	**Retained Earnings**	**Exchange translation reserve**	
Balance at 1st April, 2016	**26.228**	**13.639**	**605.041**	**-**	**644.909**
Profit for the Year			203.693		**203.693**
Adjustment on cessation of foreign subsidiary			5.400		
Remeasurement of the net defined benefit liability/asset, net of tax effect			(12.715)		**(12.715)**
Dividends Paid (including corporate dividend tax)			53.153		**53.153** **-**
Transfer to General Reserves					**-**
Balance at 31st March 2017	**26.228**	**13.639**	**748.266**	**-**	**788.134**

The accompanying notes are an integral part of these financial statements

This is the Other Equity Statement referred to in our report of even date.

14 SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised:			
55,00,000 Equity Shares of Rs. 10.00 each (As at 31.03.2017 - 55,00,000 Shares, As at 01.04.2016 - 55,00,000 Shares)	550.000	550.000	550.000
Issued, Subscribed and Fully Paid - Up:			
45,42,176 Equity Shares of Rs. 10 each (Refer Notes below) (As at 31.03.2017 - 45,42,176 Shares, As at 01.04.2016 - 44,07,176 Shares)	454.218	454.218	440.718

a) Reconciliation of the Number of Shares and amount outstanding:

(Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	45.422	454.218	45.422	454.218	45.422	454.218

b) The details of Shareholders holding more than 5% Shares:

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	%	No. of Shares	%	No. of Shares	%	No. of Shares
Harsh H Badani	16.90	767,643	16.90	767,643	15.85	719,793
Ashok Jivarajbhai Sheth	15.78	716,975	15.78	716,975	15.45	701,975
Bharati Ashok Sheth	8.83	400,900	8.83	400,900	8.83	400,900

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

d) No bonus shares have been issued during five years immediately preceding 31st March, 2018.

e) Dividend Proposed, Declared and paid (Refer Note 33A)

f) 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.

15 DEFERRED TAX LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The balances is comprises of temporary differences attributable to: Property, Plant and Equipments	49.748	67.535	61.889
Financial Assets at Fair value through Profit or Loss			
Others			
Deferred Tax (Assets) / Liabilities	**49.748**	**67.535**	**61.889**

16 BORROWINGS (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
From Axis Bank Ltd. (Baroda)			
Cash Credit	-	-	8.077
(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)			
TOTAL	**-**	**-**	**8.077**

17 TRADE PAYABLE (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Total outstanding dues of Vendors	231.512	193.770	130.284
TOTAL	**231.512**	**193.770**	**130.284**

18 OTHER CURRENT FINANCIAL LIABILITIES (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Interest accrued but not due on borrowings			
Unpaid Dividend Accounts *	22.749	17.419	14.444
Provision for Expenses	60.802	31.197	27.363
TOTAL	**83.551**	**48.616**	**41.807**

* There is no amount required to be credited to Investors Education and Protection Fund.

19 OTHER CURRENT LIABILITIES (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from Customers	150.240	175.489	192.616
Others			
Withholding and other Tax Payables	5.987	9.699	15.018
Excise duty payable on Finished Goods	-	7.313	7.313
TOTAL	**156.227**	**192.501**	**214.947**

20 CURRENT PROVISIONS (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits - Gratuity	17.791	21.528	2.671
TOTAL	**17.791**	**21.528**	**2.671**

21 CURRENT TAX LIABILITIES (NET) (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Payable	7.900	-	23.542
TOTAL	**7.900**	**-**	**23.542**

22 REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products	1,277.523	1,899.084
Revenue from Sale of Services	372.990	46.573
Other Operating Revenue		
Scrap Sales	2.046	1.476
Total	**1,652.559**	**1,947.133**

23 OTHER INCOME

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest received on Deposits	15.372	17.173
Dividend	2.825	0.000
Miscellaneaus Income	2.044	3.036
Sundry Credit balance W/Back	8.445	-
Income Tax Refund	-	0.027
Foreign Exchange Fluctuation	9.176	11.304
Profit on Sale of Fixed Assets	3.700	18.563
Gain on Fair Valuation of Investments through Profit and Loss	0.024	0.007
Total	**41.585**	**50.110**

24 COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	161.295	158.133
Add : Purchases	884.684	902.168
	1,045.979	1,060.301
Less: Closing Stock of Raw Materials	260.421	161.295
Total	**785.557**	**899.006**

25 CHANGE IN INVENTORIES OF FINISHED GOODS,STOCK-IN-PROCESS AND STOCK-IN-TRADE

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Closing Stock		
Finished Goods	58.500	65.813
Semi-Finished Goods	166.727	132.370
Rebuilding in process	2.111	0.393
Spares in process	0.243	-
	227.426	198.576
Less : Opening Stock		
Finished Goods	65.813	65.813
Semi-Finished Goods	132.370	111.239
Rebuilding in process	0.393	1.348
Spares in process	-	0.181
	198.576	178.581
Total	**28.850**	**19.995**

26 EMPLOYEE BENEFITS EXPENSE (Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages	252.664	242.119
Contribution to Provident Fund and Other Funds	24.595	(3.972)
Staff welfare expenses	5.755	5.272
Total	**283.014**	**243.419**

27 FINANCE COSTS (Rs. in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense		
Interest to Bank	1.146	1.005
Other Borrowing Cost (Processing Fees)	3.143	0.683
Total	**4.289**	**1.688**

28 OTHER EXPENSES (Rs. in Lakhs)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of Stores and spares		44.902	54.350
Power and fuel		18.769	20.209
Labour Contract Charges		36.589	32.740
Repair to Building		14.303	14.053
Repairs to Machinery		3.348	15.690
Insurance		2.115	2.191
Rent, Rates and Taxes		7.125	10.882
Bank Charges		3.076	3.526
Auditor's Remuneration:			
Statutory Audit Fee	1.118	-	-
Tax Audit Fee	1.000	2.118	1.615
Labour Charges		31.071	32.064
Travelling Expenses		20.047	23.133
Postage and Courier		2.711	1.698
Printing and Stationery		3.715	1.481
Telephone & Mobile		1.460	2.307
Legal & Professional Charges		14.676	12.831
Vehicle Expenses		3.945	4.308
Annual General Meeting Expenses		0.369	3.135
Others Repairs		11.545	6.155
Security Charges		5.623	5.407
Advertisement		1.678	12.355
Export Expenses		1.652	5.085
Sundry balance w/off		13.712	-
Sales Expenses		4.309	9.804
Sales Commission		7.874	41.798
Packing Expenses		11.188	8.997
Registrar's Fees		1.626	1.739
Donation		-	0.100
Miscellaneous Expenses		17.700	9.082
Listing Fees		2.875	2.298
Research & Development Expense		-	4.000
Exhibition Expense		-	15.376
Computer Expenses		2.456	1.247
Foreign Exchange Fluctuation		4.535	-
Excise Duty on Finished Goods		-	-
Loss on sale of Investment		-	-
Total		**297.112**	**359.659**

29 RECENT ACCOUTING PRONOUNCEMENT

Amendment to Ind AS 115

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

30 DISCLOSURES AS REQUIRED BY IND AS 101 "FIRST TIME ADOPTION OF IND AS"

These Financial statements, for the year ended 31st March, 2018 are the first, the Company has prepared in accordance with Ind AS. For the period upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with para 7 of the Companies (Accounts) rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31st March, 2018 together with comparative date as at end for the year ended 31st March, 2017 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2016. The Company's date of transition to Ind AS. This note explains the principles adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2016 and the financial statement as at and for the year ended 31st March, 2017.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions and exceptions:

A. Deemed cost for property, plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

B. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimate were in error.

Ind AS estimate as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimate for following items in accordance with Ind AS as the date of transition as these were not required under previous GAAP.

- Investment in equity instruments and mutual funds carried at FVPL

2. Notes to the Reconciliation of equity as at 1st April, 2016 and 31st March, 2017 and Total Comprehensive Income for the year ended 31st March, 2017

A. Fair valuation of Investments

Under the previous GAAP, investment in equity instruments and mutual funds were classified as long- term investments or current investments based on the intended holding period and realisability. Long- term investments were carried at cost less provision for dimunition other than temporary, in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss for the year ending 31st March, 2017. This has resulted an increase in the retained earnings.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognized in FVOCI – Equity investments reserve as at the date of transition and subsequently in the comprehensive income for the year ended 31st March, 2016.

B. Deferred Tax

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP.

In Addition, deferred tax adjustments is also done for transistional adjustments wherever they results in timing differences by corresponding adjustments to retained earnings or profit and loss account.

C. Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the equity increased by an equivalent amount.

D. Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts including in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these re measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31st March, 2017 has decreased. There is no impact on the total equity as at 31st March, 2017.

E. Other Comprehensive Income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes re-measurement of defined benefits plans and fair value gains or losses on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

(i) Reconciliation of Balance sheet as at April 01, 2016 (transition date) (Rs. in Lakhs)

Particulars No.	Note No.	1st April, 2016	1st April, 2016	1st April, 2016
		IGAAP	**Adjustments**	**Ind AS**
ASSETS				
Non-Current assets				
Property, Plant and Equipment		624.735	-	624.735
Capital Work-in-Progress		109.905	-	109.905
Other intangible assets		45.186	(42.713)	2.474
Financial Assets				
Investments		0.090		0.090
Loans		16.789	-	16.789
Income tax assets		0.675		0.675
Other Non-Current Assets		3.590	-	3.590
Total Non Current Assets		**800.972**	**(42.713)**	**758.259**
Current Assets				
Inventories		339.496		339.496
Financial Assets				
Investments	A, E	0.088	(0.064)	0.024
Trade Receivables		204.240		204.240
Cash and Cash Equivalents		17.708		17.708
Bank Balances other than above		210.725		210.725
Other Financial Assets		5.569		5.569
Other Current Assets		32.824		32.824
Total Current Assets		**810.649**	**(0.064)**	**810.585**
TOTAL ASSETS		**1,612.621**	**(42.777)**	**1,568.844**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		440.718	-	440.718
Other Equity	A, E	635.137	9.772	644.909
Total Equity		**1,075.855**	**9.772**	**1,085.627**
Non-Current Liabilities				
Financial Liabilities				
Deferred Tax Liabilities (Net)		61.889	-	61.889
Total Non-Current Liabilities		**1,137.744**	**9.772**	**1,147.516**
Current Liabilities				
Financial Liabilities				
Borrowings		8.077		8.077
Trade Payables		130.284		130.284

Other Current Financial Liabilities		41.807		41.807
Other Current Liabilities		214.947		214.947
Provisions		55.219	(52.548)	2.671
Current tax liabilities		23.542		23.542
Total Current Liabilities		**473.877**	**(52.548)**	**421.328**
TOTAL EQUITY AND LIABILITIES		**1,611.621**	**(42.776)**	**1,568.844**

(ii) Reconciliation of Balance sheet as at March 31, 2017 (Rs. in Lakhs)

Particulars No.	Note No.	31st April, 2017	31st April, 2017	31st April, 2017
		IGAAP	**Adjustments**	**Ind AS**
ASSETS				
Non-Current assets				
Property, Plant and Equipment		744.586	-	744.586
Capital Work-in-Progress		-		-
Other Intangible assets		2.474	-	2.474
Financial Assets				
Investments		0.090	-	0.090
Loans		7.100	-	7.100
Income tax assets		-		
Other Non-Current Assets		3.590	-	3.590
Total Non Current Assets		**757.840**	**-**	**757.840**
Current Assets				
Inventories		365.342	-	365.342
Financial Assets				
Investments	A, E	0.088	(0.056)	0.032
Trade Receivables		311.622	-	311.622
Cash and Cash Equivalents		72.457	-	72.457
Bank Balances other than above		225.246	-	225.246
Other Financial Assets		8.725	-	8.725
Other Current Assets		25.037	-	25.037
Total Current Assets		**1,008.517**	**(0.056)**	**1,008.461**
TOTAL ASSETS		**1,766.357**	**(0.056)**	**1,766.301**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		454.218	-	454.218
Other Equity	A, E, C	719.854	68.279	788.134
Total Equity		**1,174.072**	**68.279**	**1,242.351**
Non-Current Liabilities				
Financial Liabilities				
Deferred Tax Liabilities (Net)		67.535	-	67.535
Total Non-Current Liabilities		**1,241.607**	**68.279**	**1,309.887**
Current Liabilities				
Financial Liabilities				
Trade Payables		193.770	-	193.770
Other Current Financial Liabilities		48.616	-	48.616
Other Current Liabilities		192.501	-	192.501
Provisions	C	89.864	(68.336)	21.528
Total Current Liabilities		**524.750**	**(68.336)**	**456.414**
TOTAL EQUITY AND LIABILITIES		**1,766.357**	**(0.056)**	**1,766.301**

(iii) Reconciliation of profit & loss for the year ended March 31, 2017 (Rs. in Lakhs)

Particulars	Note No.	For the year ended March 31, 2017		For the year ended March 31, 2017
		IGAAP	**Adjustments**	**Ind AS**
Revenue from Operations		1,834.069	113.065	1,947.133
Other Income	A	50.102	0.007	50.110
TOTAL INCOME		**1,884.171**	**113.072**	**1,997.243**
EXPENSES				
Cost of Materials Consumed		899.006		899.006
Changes in Inventories of Finished Goods, Stock-in -Trade and work-in-progress		(19.995)		(19.995)
Excise Duty		-	113.065	113.065
Employee Benefits Expense	E	262.413	(18.995)	243.419
Finance Costs		1.688		1.688
Depreciation and Amortization Expense		78.852		78.852
Other Expenses		359.659		359.659
Total Expenses		**1,581.624**	**94.070**	**1,675.694**
Profit before Exceptional items and Tax		**302.547**	**19.002**	**321.549**
Exceptional Items		**38.461**	**(38.461)**	**-**
PROFIT BEFORE TAX		**264.086**	**57.463**	**321.549**
Tax expense:				
(1) Current Tax		103.200		103.200
		2.730		2.730
(2) (Excess)/Short Provision of Tax relating to Earlier Years				
(3) Deferred Tax	B	5.646	6.280	11.926
		111.576	**6.280**	**117.855**
PROFIT FOR THE YEAR		**152.510**	**51.183**	**203.693**
Other Comprehensive Income (net of tax)				
A (i) Items that will not be reclassified to profit or loss	E	-	18.995	18.995
(ii) Income tax relating to items that will not be reclassified to profit or loss	E	-	6.280	6.280
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
TOTAL OTHER COMPREHENSIVE INCOME		**-**	**12.715**	**12.715**
TOTAL COMPRENSIVE INCOME FOR THE YEAR		**152.510**	**38.468**	**190.978**

(iv) Equity Reconciliations (Rs. in Lakhs)

Particulars	Note No.	Equity as at April 01, 2016	Equity as at March 31, 2017
Equity as per Previous GAAP		**1,075.855**	**1,174.072**
Add: Reversal of Proposed dividend		53.153	68.336
Less: Reinstatement of Prior period expenses		(43.318)	-
Add: Fair valaution of Financial assets - Investments		(0.064)	(0.056)
Equity as per Ind AS		**1,085.627**	**1,242.351**

31 FINANCIAL RISK MANAGEMENT OBJECTIVES (IND AS 107)

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

The sources of risks which the company is exposed to and their management are given below:

Credit Risk:

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Risk	Exposure Arising From	Measurement	Management
Liquidity Risks	Borrowings and Other Liabilities and Liquid investments	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Foreign Exchange Risk	Committed commercial transaction Financial asset and Liabilities denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

Compliances of these policies and principles are reviewed by internal auditors on periodical basis

The Corporate Treasury team updates the Audit Committee on a quarterly basis to about the implementation of the above policies. It also updates to the Internal Risk Management Committee of the Company on periodical basis about the various risk to the business and status of various activities planned to mitigate the risk.

Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Foreign Currency Risk:

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to imports and exports of goods .

The Company evaluates that it is not significantly exposed to the exchange rate exposure arising from foreign currency transactions.

(Foreign Currency in Lakhs)

Outstanding unhedged foreign currency exposure as at	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Trade receivables			
USD	-	1.470	1.132
EURO	-	0.435	-
GBP	-	0.001	-
Trade Payables			
USD	0.068	1.153	-

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost

The Company is not siginificantly exposed to the interest rate risk as there are no borrowings and other financial assets which are linked to the fluctuation to the interest rate risks.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury deparment is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financial arrangements:
The company doens not have any borrowing facilities as on the Balance sheet dates.

Maturity patterns of other Financial Liabilities - As at March 31, 2018 (Rs. in Lakhs)

	0-12 Months	**beyond 12 months**	**Total**
Trade Payable	231.512	-	231.512
Other Financial liability (Current and Non Current)	83.551	-	83.551
Total	**315.063**	**-**	**315.063**

Maturity patterns of other Financial Liabilities - As at March 31, 2017

	0-12 Months	**beyond 12 months**	**Total**
Trade Payable	193.770	-	193.770
Other Financial liability (Current and Non Current)	48.616	-	48.616
Total	**242.386**	**-**	**242.386**

Maturity patterns of other Financial Liabilities - As at April 01, 2016

	0-12 Months	**beyond 12 months**	**Total**
Borrowings	8.077		8.077
Trade Payable	130.284	-	130.284
Other Financial liability (Current and Non Current)	41.807	-	41.807
Total	**172.091**	**-**	**172.091**

Credit rate risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.
To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and
supportive forward looking information such as:

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

(Rs. in Lakhs)

Ageing of accounts receivables	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Not due	-	-	-
0-3 months	156.825	226.210	186.681
3-6 months	-	24.771	6.719
6 months to 12 months	78.715	49.098	8.280
more than 12 months	35.982	11.543	2.561
Total	**271.522**	**311.622**	**204.240**

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

31(A) CLASSIFICATIONS OF FINANCIAL ASSETS AND LIABILITIES (IND AS 107):

(Rs. in Lakhs)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 01st April, 2016**
Financial Assets at amortised cost			
Trade Receivables	271.522	311.622	204.240
Loans	7.169	7.100	16.789
Cash and Cash Equivalents	70.570	72.457	17.708
Bank balances othet than above	224.585	225.246	210.725
Other Financial Assets	13.184	8.725	5.569
Financial Assets at fair value through profit or loss			
Investments	101.002	0.122	0.115
Financial Assets at fair value through other comprehensive income	-	-	-

Total	**688.033**	**625.272**	**455.145**
Financial Liabilities at amortised cost			
Cash Credits/Working Capital Borrowing	-	-	8.077
Trade payables	231.512	193.770	130.284
Other financial liabilities	83.551	48.616	41.807
Total	**315.063**	**242.386**	**180.169**

31(B) FAIR VALUE MEASUREMENTS (IND AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.
Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Particulars	Fair Value		
	As at 31st March, 2018	**As at 31st March, 2017**	**As at 31st March, 2016**
Financial Assets at fair value through profit or loss			
Investments –Level 1	101.002	0.122	0.115

The management assessed that fair value of cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

(a) The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.

(b) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

(c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis or based on the contractual terms. The discount rates used is based on management estimates.

32 **SEGMENT REPORTING (IND AS 108):**

The Company is exclusively engaged in the business of manufacturing and selling Precision Centerless Grinders. As per Ind AS 108 “Operating Segments”, specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company.

33(A) DISTRIBUTION MADE AND PROPOSED (IND AS 1): (Rs. in Lakhs)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Cash Dividends on Equity Shares declared and paid:		
Final dividend for the year ended on 31st March, 2017: Rs. 1 per share (March 31, 2016: Rs. 1 per share)	56.777	45.322
Dividend Distribution Tax on final dividend	11.559	9.082
Total Dividend paid	**68.336**	**54.403**
Proposed Dividends on Equity Shares:		
Final dividend for the year ended on 31st March , 2018: Rs. 1.1 per share. (31st March, 2017: Rs. 1.25 per share)	49.964	56.777
DDT on proposed dividend	10.171	11.559
Total Dividend proposed	**60.135**	**68.336**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend Distribution Tax thereon) as at 31st March 2018.

33(B) CAPITAL MANAGEMENT (IND AS 1):

The Company’s objectives when managing capital are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.
For the purposes of the Company’s capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt Consistent with others in the industry.

34 **INCOME TAXES (IND AS 12):**

(i) Income Tax Reconciliation

(Rs. in Lakhs)

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Profit before Tax	243.028	321.549
Enacted Tax Rates in India	27.55%	33.06%
Computed expected Tax Expense	66.954	106.304
Tax Effect of amounts which are not deductible in calculating taxable Income	15.046	(0.013)
Tax Effect of amounts which are deductible in calculating taxable Income	-	(3.091)
Income Tax Expense	**82.000**	**103.200**

35 DISCLOSURES IN ACCORDANCE WITH IND AS-19 ON "EMPLOYEE BENEFITS"

a) Defined Contribution Plans - The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

(Rs. in Lakhs)

Particulars	**2017-18**	**2016-17**
Employer's Contribution to Provident Fund	14.241	13.048
Employer's Contribution to Employee's State Insurance	4.243	1.783
TOTAL	**18.484**	**14.831**

b) Defined Benefit Plans - Gratuity and Provident Fund

Gratuity:
Inherent Risk - The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.
The Company operates a gratuity plan which is administered through Life Insurance Corporation and a trust which is administered through trustees. Every employee is entitled to a minimum benefit equivalent to 15 days salary last drawn for each completed year of service in line with Payment of Gratuity Act, 1972. However, certain employees are entitled to benefit higher than the benefit prescribed under Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier or death in service.

i) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

(Rs. in Lakhs)

Particulars	**2017-18**	**2016-17**
Opening DBO	51.923	28.783
Current Service Cost	4.176	2.416
Interest on DBO	3.595	2.172
Past service cost	0.430	
Employees Contribution		
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	(1.501)	2.178
Actuarial loss/ (gain) arising on account of experience change	0.176	16.649
Benefits Paid	-	(0.274)
Closing DBO	58.799	51.923

ii) A reconciliation of the opening and closing balances of the fair value of plan assets:

Particulars	**2017-18**	**2016-17**
Opening Fair Value of Plan Assets	30.396	26.112
Interest on Plan Assets	2.205	2.058
Remeasurement due to:	-	-
Actuarial loss/ (gain) arising on account of experience change	(0.034)	(0.168)
Employees Contribution	8.442	2.668
Benefits Paid	-	(0.274)
Closing Fair Value of Plan Assets	41.008	30.396

* Fair value of Plan Assets for gratuity represents the amount as confirmed by the Insurer Managed Funds.

iii) Amount recognised in Balance Sheet including a reconciliation of the present value of the defined benefit obligation in b(i) and the fair value of the plan assets in b (ii) to the assets and liabilities recognised in the balance sheet:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present value of Defined Benefit Obligation	58.799	51.923
Fair value of Plan Assets	41.008	30.396
Net Liability recognised in the Balance Sheet	**17.791**	**21.528**
Long Term Provisions	17.791	21.528

iv) The total expense recognised in the Statement of Profit and Loss:

Particulars	2016-17	2015-16
Current Service Cost	4.176	2.416
Past Service Cost	0.430	-
Interest Cost on defined benefit liability / (assets)	1.390	0.114
Total	**5.996**	**2.530**

v) Amount recorded in other Comprehensive Income

Particulars	As at 31st March, 2018	As at 31st March, 2017
Opening amount recognised in OCI outside P&L Account		
Remeasurement due to:		
Changes in financial assumptions	(1.501)	2.178
Experience Adjustments	0.176	16.649
Actual return on plan assets less interest on plan assets	0.034	0.168
Closing amount recognised in OCI outside profit and loss account	(1.290)	18.995

vi) For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the plan assets:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Amount	Rate	Amount	% Rate
	(in Lacs)	%	(in Lacs)	%
Government of India Securities	0	0%	0	0%
Corporate Bonds	0	0%	0	0%
Special Deposit Scheme	0	0%	0	0%
Equity Shares of Listed Companies	0	0%	0	0%
Property	0	0%	0	0%
Insurer Managed Funds	100%	100%	100%	100%
Others	0	0%	0	0%
Total				

vii) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

viii) The Actual Return on Plan Assets is as follows:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Actual Return on Plan Assets (Incl. remeasurement effect)	2.170	1.890

ix) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Particulars	2017-18	2016-17
	Rate %	Rate %
Discount Rate	7.55%	7.15%
Salary Escalation Rate	5%	5%
Attrition Rate		

xi) Expected Contribution to the Funds in the next year:

Particulars	2017-18
Gratuity	4.42

xii) Sensitivity Analysis:

Particulars	2017-18	2016-17
	Rate %	Rate %
Impact of increase in 50 bps on discounting rate on DBO	57.008	49.870
Impact of decrease in 50 bps on discounting rate on DBO	60.685	53.334
Impact of increase in 50 bps on salary escalation rate on DBO	60.660	53.271
Impact of decrease in 50 bps on salary escalation rate on DBO	57.004	49.854

xiii) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

36 RELATED PARTY DISCLOSURES (IND AS 24):

Related Parties with whom there were transactions during the year:

Parties	Relationship
Adventure Advertising Private Limited Metal Perforation Private Limited	Enterprises under significant influence of Key Management Personnel or their relatives
Mr. A.J. Sheth	Chairman & Managing Director
Mr. H.J. Badani	Vice Chairman & Managing Director
Mr. Harsh Badani	Whole Time Director

b) Disclosure of Transactions with Related Parties as required by Ind AS 24:

(Rs. in Lakhs)

Sr. No.	Nature of Transaction	Enterprise	Key Management Personnel	Relatives	Total
1	Receiving of Services	1.222	-	-	1.222
		(1.769)	-	-	(1.769)
2	Managerial Remuneration & Perquesites	-	45.428		45.428
		-	(38.211)	-	(38.211)
3	Sales	5.830	-	-	5.830
		-	-	-	-
4	Office Deposit Recd back	-	-	-	-
		-	-	(9.344)	(9.344)
5	Office Deposit Given	-	-	-	-
		-	-	(0.451)	(0.451)
	Outstanding balances as				-
	At 31.03.2018 :				-
1	Security Deposit	-	-	-	-
		-	-	-	-
2	Other Liabilities	-	6.030	-	6.030
		-	(7.500)	-	(7.500)
3	Trade Receivable	-	-	-	-
		(0.032)	-	-	(0.032)
4	Trade Payable	0.066	-	-	0.066
		-	-	-	-

* Figures in Brackets are of previous year.

Sr. No.	Nature of Transaction	Name of the Related Party	Current Year	Previous Year
1	**Receiving of Services**			
	Enterprises under significant influence of Key Management Personnel or their relatives	Adventure Advertising Private Limited	1.222	1.769
		Metal Perforation Private Limited.	5.830	-
2	**Managerial Remuneration**			
	Key Management	A.J. Sheth	15.865	13.240
	Personnel	H.J. Badani	16.097	13.771
		Harash Badani	13.466	11.200
3	**Office Deposit Recd back**			
	Relatives	Jyoti P Sheth	-	9.344

	Outstanding balances as at 31.03.2018 :			
1	**Trade Receivable**			
	Enterprise under significant influence of Key Management Personnel	Adventure Advertising Private Limited	-	0.032
2	**Trade Payable**			
	Enterprise under significant influence of Key Management Personnel	Adventure Advertising Private Limited	0.066	-
3	**Other Liabilities**			
	Key Management Personnel	A.J. Sheth	2.000	2.500
		H.J. Badani	1.770	2.500
		Harash Badani	2.260	2.500
			6.030	7.500

Based on the recommendation of the Nomination, Remuneration and Compensation Committee, all decisions relating to the remuneration of the Directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

37 EARNINGS PER SHARE (EPS) (IND AS 33):

(Rs. in Lakhs)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Basic/Diluted EPS:		
(i) Net Profit attributable to Equity Shareholders	185.460	203.693
(ii) Weighted average number of Equity Shares outstanding (Nos.)[For Basic & Diluted EPS]	45.422	45.422
Basic/ Diluted EPS (Face Value ` 10 per share) (Per Share) (i)/(ii)	4.083	4.484

38 CONTINGENT LIABILITIES :

Claims against the Company not acknowledged as debt:

a) Penalty Levied by DGFT of Rs.23 Lacs (Net of advance) (31st March, 2017 - Rs. 23 Lac, 1st April 2016 - Rs. 23 Lac/-) and contested in appeal, vide WP No.1957 of 2000 pending at Delhi High Court.

b) Bank Guarantees Rs. 1,32,10,000/- (31st March, 2017 - Rs. 1,15,64,554/-, 1st April 2016 - Rs. 82,92,000/-)

c) There is a dispute regarding demand raised by Excise and Custom Department (CEGAT) of Rs. 3,54,036/- (31st March, 2017 - Rs. 3,54,036/-, 1st April 2016 - Rs. 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.

39 AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) AND EXPENSES:

(Rs. in Lakhs)

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Statutory Auditors:		
Audit fees (including quarterly Limited Review)	1.118	1.115
Tax audit fees	1.000	0.500
TOTAL	**2.118**	**1.615**

40 Previous Year's figures have been regrouped / rearranged, wherever necessary.

Significant Accounting Polices and Notes on Accounts 1 to 40

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR AJAY SHOBHA & CO.
FIRM REGISTRATION NO. 317031E
CHARTERED ACCOUNTANTS

Sd/-
AJAY GUPTA
PARTNER
MEMBERSHIP NO. : 053071

PLACE : VADODARA
DATE : 19/05/2018

FOR AND ON BEHALF OF THE BOARD

Sd/-
(ASHOK JIVRABHAI SHETH)
CHAIRMAN & MANAGING DIRECTOR
DIN NO.00174006

Sd/-
(HEMANDRA JAYANTILAL BADANI)
VICE CHAIRMAN & MANAGING DIRECTOR
DIN NO.00143330