

Date: 14<sup>th</sup> August, 2020

To,  
The Manager,  
BSE Limited,  
Corporate Relationship Department  
Floor 25, Pheroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

**Sub: - Annual Report and Notice of AGM for the Financial Year 2019-20**

**Ref: Scrip Code- 522152**

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Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that 28<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 07<sup>th</sup> September, 2020 at 11 A.M. through Video conferencing ('VC') / Other Audio-Visual means ("OAVM") in accordance with the relevant circulars issued by ministry of Corporate Affairs and the Securities and Exchange Board of India. We hereby submit the Annual Report of the Company along with the notice of AGM for the Financial Year 2019-20.

The Company has commenced dispatch of the Notice of 28<sup>th</sup> AGM and the Annual Report for FY 2019-20 to the shareholders electronically from Friday, 14<sup>th</sup> August, 2020.

Kindly take the above into records.

Thanking you

Yours faithfully,

**For Solitaire Machine Tools limited**

  
Barkha Arora  
Company Secretary & Compliance Officer



CIN No. L28932MH1967PLC013747

Office : 3/A, Arun Chambers, Tardeo Rd., Mumbai-400 034. INDIA. Tel.: 022-66602156

Reply to : Plant I : 292, Dharamsinh Desai Marg, Chhani Road, Vadodara-390 024. INDIA Mob. : 99044 08538 E-mail: sales@smtgrinders.com  
Plant II : A-24/25, Krishna Industrial Estate, Near B.I.D.C., Gorwa, Vadodara - 390 016. E-mail: smtigorwa@gmail.com

Website : www.smtgrinders.com



# SOLITAIRE MACHINE TOOLS LIMITED

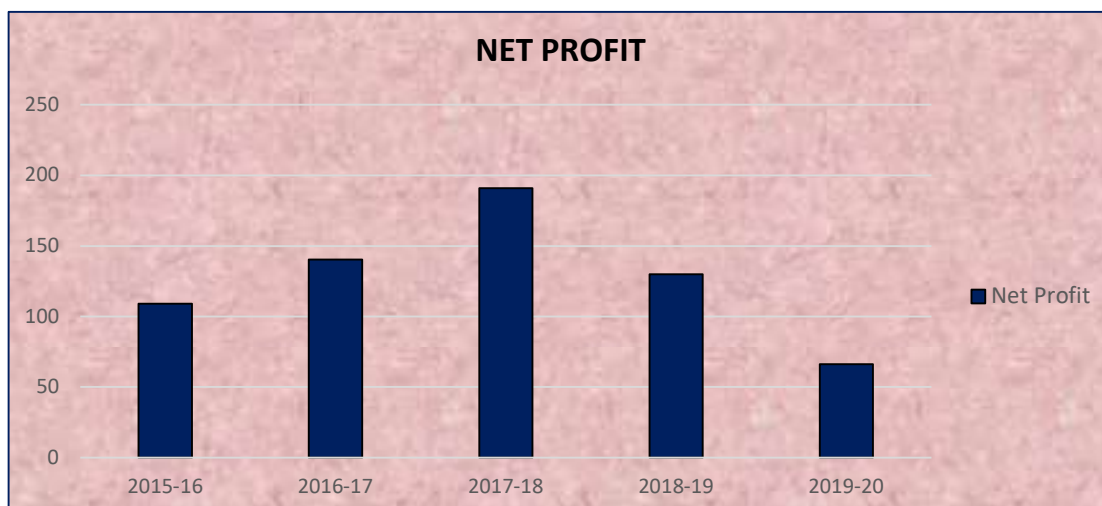
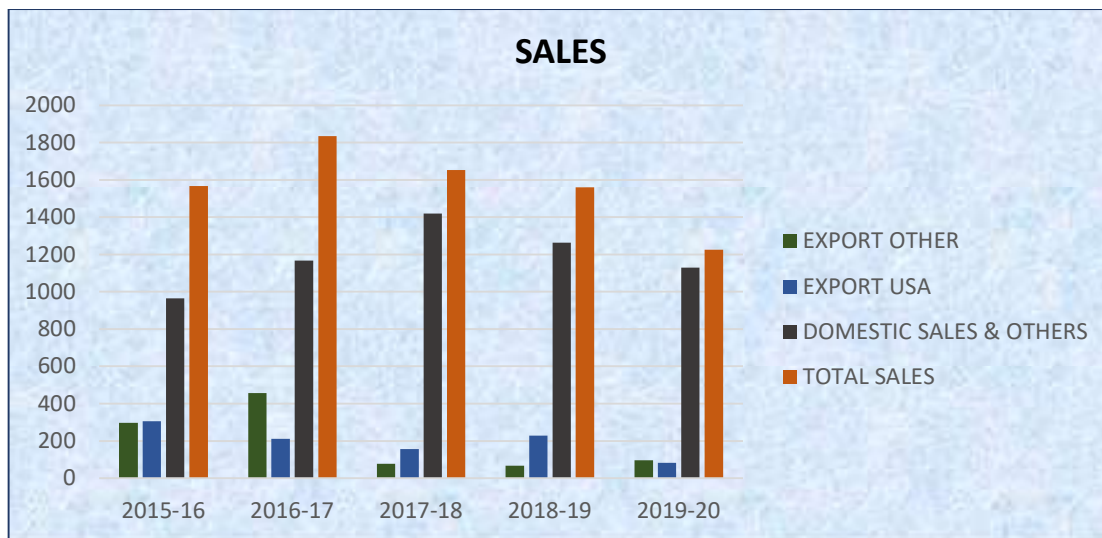
28<sup>TH</sup> ANNUAL REPORT 2019-20

**SOLITAIRE MACHINE TOOLS LIMITED**

**KEY FINANCIAL INDICATORS FOR LAST FIVE YEARS**

(Rs In Lacs)

YEAR	2015-16	2016-17	2017-18	2018-19	2019-20
Sales	1564.49	1834.06	1652.55	1559.64	1226.07
Raw Material Cost	695.70	899.00	785.55	901.88	818.16
Payment to Employees & Directors	190.11	262.41	280.76	304.11	300.21
Manufacturing & Other Expense	277.06	359.41	296.68	292.99	265.75
Depreciation	73.49	76.10	90.91	98.37	119.38
<b>Net Profit</b>	<b>108.86</b>	<b>140.35</b>	<b>190.92</b>	<b>129.79</b>	<b>66.07</b>



# SOLITAIRE MACHINE TOOLS LIMITED

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

### CONTENTS

The Board of Directors	1
Notice to Members	2-17
Director's Report	18-26
Secretarial Audit Report	27-30
Annexures to Board report	31-44
Management Discussion and Analysis	45-46
Report on Corporate Governance	47-52
Business Responsibility Report	53-54
Auditor's Report	55-63
Balance Sheet	64
Statement of Profit & Loss Account	65
Cash Flow Statement	66-67
Notes to the Financial Statements	68-90

## **BOARD OF DIRECTORS**

Mr. A.J. Sheth  
Mr. H.J. Badani  
Mr. Harsh Badani  
Ms. Shilpa Taneja  
Mr. Bharat V Shah  
Mr. Nilam M Patel  
Ms. Kesha K Thakkar  
Ms. Nishita G Rajput

Managing Director  
Managing Director  
Whole Time Director  
Non-Executive Director  
Independent Director  
Independent Director  
Independent Director  
Independent Director

## **CORPORATE MANAGEMENT**

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

Managing Director  
Managing Director  
Whole Time Director  
Dy. General Manager (Finance & Corporate Affairs)  
Company Secretary and Compliance Officer

## **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- 390002  
Tel: 9904408538  
Email: [sales@smtgrinders.com](mailto:sales@smtgrinders.com)

### **PLANT II**

A-24/25, Krishna Industrial Estate, Gorwa,  
Vadodara-390016 Tel: 0265 6580010  
Email: [sales@smtgrinders.com](mailto:sales@smtgrinders.com)

## **WEBSITE**

[www.smtgrinders.com](http://www.smtgrinders.com)

## **AUDITORS**

Ajay Shobha & Co  
Chartered Accountants, Mumbai

## **BANKER**

Yes Bank, 2<sup>nd</sup> Floor, Corner Square Building,  
Near Inox, Race Course, Baroda-390007

## **SHARE TRANSFER AGENT**

Link Intime India Pvt Ltd  
C-101, 247 Park, LBS Marg, Vikhroli (West),  
Mumbai 400083

## **SECRETARIAL CONSULTANT**

Kiri and Associates  
Practicing Company Secretaries, Vadodara

## NOTICE TO MEMBERS

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Solitaire Machine Tools Limited will be held through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) on Monday, 07<sup>th</sup> September, 2020 at 11:00 a.m.

### **ORDINARY BUSINESS**

#### **Item No. 1- Adoption of Financial Statements**

To consider and adopt the Audited Standalone Financial Statements for the year ended March 31, 2020 and Report of the Directors and Auditors thereon.

To consider and pass the following as Ordinary resolution:

“**RESOLVED THAT** Financial Statements for the financial year ended 31<sup>st</sup> March, 2019 together with the report of Directors and Auditors thereon, be and are hereby approved and adopted.”

#### **Item No. 2- Declaration of dividend**

To approve and declare dividend recommended by the Board for the Financial Year ended March 31, 2020.

To consider and pass the following as Ordinary resolution:

“**RESOLVED THAT** the recommendation of the Board of Directors for the payment of 7.5% dividend viz. Rs. 0.75 Per share on paid up equity capital of the company be and is hereby approved and the dividend so declared.

#### **Item No. 3- Appointment of director in place of those retiring by rotation**

To appoint Mr. Hemandra Badani (DIN: 00143330), who retires by rotation and being eligible offers himself for re-appointment as a director.

To consider and pass the following as Ordinary resolution:

“**RESOLVED THAT** Mr. Hemandra Badani (DIN: 00143330), Director of the company, who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement by rotation.”

#### **Item No. 4- Appointment of director in place of those retiring by rotation**

To appoint Mr. Harsh Badani (DIN: 02282965), who retires by rotation and being eligible offers herself for re-appointment as a director.

To consider and pass the following as Ordinary resolution:

“**RESOLVED THAT** Mr. Harsh Badani (DIN: 02282965), Director of the company, who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company whose period of office shall be liable to determination by retirement by rotation.”

### **SPECIAL BUSINESS**

#### **Item No. 5- Re-appointment of Mr. Ashok J Sheth (DIN: 00174006) as Managing Director and Chairman**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 196, 197, 198 and 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard consent of members of the Company be and is hereby accorded for the re-appointment of Mr. Ashok J Sheth (DIN: 00174006) as Managing Director and Chairman of the Company for a period of 5 years from 07.09.2020 to 07.09.2025.

**RESOLVED FURTHER THAT** Mr. Ashok J Sheth (DIN: 00174006) shall receive a remuneration of Rs. 90,000/- per month with Performance Bonus and additional perquisites like use of Company’s Car, Provident fund, Gratuity, Reimbursement of one Telephone line at residence, Reimbursement of Electricity bill at residence and of any other expenses incurred in the due course of performing his duties as Chairman and Managing Director.

**RESOLVED FURTHER THAT** the remuneration for the above period may be reviewed from time to time and such remuneration should be within the limits of Schedule V and other applicable provisions of Companies Act 2013.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

**Item No. 6- Re-appointment of Mr. Hemandra Jayantilal Badani (DIN- 00143330) as Managing Director and Vice Chairman**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 196, 197, 198 and 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard consent of Members of the Company be and is hereby accorded for the re-appointment of Mr. Hemandra Jayantilal Badani (DIN- 00143330) as Managing Director and Vice Chairman of the Company for a period of 5 years from 08.02.2020 to 08.02.2025.

**RESOLVED FURTHER THAT** Mr. Hemandra Jayantilal Badani (DIN- 00143330) shall receive a remuneration of Rs. 90,000/- per month with Performance Bonus and additional perquisites like use of Company’s Car, Provident fund, Gratuity, Reimbursement of one Telephone line at residence, Reimbursement of Electricity bill at residence and of any other expenses incurred in the due course of performing his duties as Vice Chairman and Managing Director.

**RESOLVED FURTHER THAT** the remuneration for the above period may be reviewed from time to time and such remuneration should be within the limits of Schedule V and other applicable provisions of Companies Act 2013.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

**Item No. 7- Re-appointment of Mr. Harsh Badani (DIN- 02282965) as Whole Time Director**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 196, 197, 198 and 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 (‘Act’) and pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard, consent of Members of the Company be and is hereby accorded for the re-appointment of Mr. Harsh Badani (DIN- 02282965), as Whole Time Director of the Company for a period of 5 years from 08.02.2020 to 08.02.2025.

**RESOLVED FURTHER THAT** Mr. Harsh Badani (DIN- 02282965) shall receive a remuneration of Rs. 75,000/- per month with Performance Bonus and additional perquisites like use of Company’s Car, Provident fund, Gratuity, Reimbursement of one Telephone line at residence, Reimbursement of Electricity bill at residence and of any other expenses incurred in the due course of performing his duties as Whole Time Director.

**RESOLVED FURTHER THAT** the remuneration for the above period may be reviewed from time to time and such remuneration should be within the limits of Schedule V and other applicable provisions of Companies Act 2013.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

**ITEM No. 8- Adoption of Memorandum of Association as per the provisions of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to Section 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, and Rules made thereunder and subject to necessary statutory approvals and modifications if any, consent of the members be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association with no change in existing Clause III A containing the Main Objects sub-clause no. 1 to 5.

**RESOLVED FURTHER THAT** the existing Clause III B containing the “Objects Incidental or Ancillary to the attainment of Main Objects” sub-clause no. 6 to 25 be and is hereby stands deleted and replaced by New Clause III (B) “Matters which are necessary for furtherance of the Objects specified in Clause III(A) containing the sub-clause no. 1 to 99.

**RESOLVED FURTHER THAT** the existing Clause III C containing the “Other Objects” be and is hereby also stands deleted in full.

**RESOLVED FURTHER THAT** consent of shareholders of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Memorandum of Association of the Company and that any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”



**Item No. 9- Adoption of Articles of Association as per the provisions of the Companies Act, 2013:**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 14, 15 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to adopt the new set of Articles of Association containing, inter-alia, Article no. 1 to Article no. 142 in place of existing Articles of Association containing Article No. 1 to Article no. 222 as available for inspection in the meeting and at the registered office of the company during working hours.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby jointly and/or severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

By the order of Board of Directors

For **SOLITARE MACHINE TOOLS LIMITED**

**Sd/-**

Barkha Arora

Company Secretary and Compliance Officer

Date-29/07/2020

Place- Vadodara

**Notes:**

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The Company has engaged Link Intime India Private Limited for facilitating voting through electronic means i.e., remote e-voting and voting on the date of the AGM.
2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning special business to be transacted at the AGM is annexed and forms part of this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Corporate members intending to represent through their authorised representatives in the AGM through VC/ OAVM and to vote through remote e-voting or voting at the AGM are requested to send to the Company a certified copy of the board resolution authorising their representative to the designated email address of the Registrar and Transfer Agents at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
5. The cut-off date for the purpose of determining eligibility of members for voting in connection with the Twenty Eighth AGM has been fixed as Monday 31<sup>st</sup> August, 2020.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 1, 2020 to Monday, September 7, 2020 (Both Days Inclusive)
7. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/Link Intime (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
  - A. Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H or Lower Withholding Certificate (if obtained from the Tax department), to avail the benefit of non-deduction/ lower deduction of tax at source by writing an email to [solitairedivtax@linkintime.co.in](mailto:solitairedivtax@linkintime.co.in) on or before 11:59 p.m. IST on August 28, 2020. The shareholders are requested to note that in case their PAN is not registered/ updated, the tax will be deducted at a higher rate of 20% (plus Surcharge and Cess as applicable).

- B. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment (PE) and Beneficial Ownership Declaration, Tax Residency Certificate (TRC), Form 10F, any other document which may be required to avail the tax treaty benefits by sending an [solitairedivtax@linkintime.co.in](mailto:solitairedivtax@linkintime.co.in). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on August 28, 2020. The formats of No PE Declaration (including beneficial ownership) and Form 10F are available on Link Intime's website at <https://www.linkintime.co.in/client-downloads.html>. TRC needs to be obtained by the shareholder from the Tax Department of their country of residence. Non-resident shareholders shall also furnish the lower/nil withholding certificate, if obtained from the Tax Department.
8. Change of particulars including address, bank mandate & nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened his demat account. The Company or its Share Transfer Agent will not be able to act on any direct request from these Members for change of such details. However, for any change in particulars in respect of shares held in physical form should be sent to the Registrar & Share Transfer Agents of the Company i.e., Link Intime India Private Limited at following address:
- Link Intime India Private Limited  
C 101, 247 Park, L. B. S. Marg, Vikhroli (West),  
Mumbai, Maharashtra, 400 083
9. **SEBI has decided that securities of listed companies can be transferred only in dematerialized form from 01<sup>st</sup> April 2019. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form. Members can contact the Company or the Company's Registrar and Transfer Agents, M/s. Link Intime India Private Limited, for assistance in this regard.**
10. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query to [sales@smtgrinders.com](mailto:sales@smtgrinders.com) on or before September 1, 2020.
11. Members are requested to register their E-mail address with the Company/Registrar & Transfer Agents so as to receive Annual Report and other communication electronically
12. Information pursuant to regulations 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment/ re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
13. In compliance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020, Notice of the Annual General Meeting along with the Annual Report for the Financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of Annual General Meeting and Annual Report for the Financial year 2019-20 will also be available in the Investors Section on the Company's website [www.smtgrinders.com](http://www.smtgrinders.com) and on the website of Bombay Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

14. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
15. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
16. In terms of Section 152 of the Act, Mr. Hemandra badani (DIN: 00143330) and Mr. Harsh Badani (DIN: 02282965) Directors, retire by rotation at the Meeting and being eligible, offer themselves for reappointment. Nomination and Remuneration Committee and the Board of Directors of the Company recommend their respective re-appointments.
17. Mr. Hemandra badani (DIN: 00143330), Mr. Harsh Badani (DIN: 02282965) are interested in the Ordinary resolutions set out at Item No. 3, 4, 6 and 7 respectively, and Mr. Ashok J Sheth (DIN: 00174006) is interested in the Special Resolution set out at Item No. 5 of the Notice regarding their re-appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary and Special Business of the Notice.
18. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the Annual General Meeting held on 29<sup>th</sup> July, 2017.
19. The Company's shares are listed at Mumbai and Vadodara Stock Exchanges.
20. Instructions for e-voting and joining the AGM are as follows;

**A. VOTING THROUGH ELECTRONIC MEANS**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members to exercise their right to vote at 28<sup>th</sup> Annual General Meeting of the Company by electronic means through remote e-voting facility provided by Link Intime India Private Limited ('Link Intime'). Members who are holding shares in physical or dematerialized form as on August 31, 2020 shall exercise their vote by electronic means.
2. The voting period begins on Friday, September 4, 2020 (09:00 a.m.) to Sunday, September 6, 2020 (05:00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) August 31, 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.
3. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., August 31, 2020 may obtain the login ID and password by sending an email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) by mentioning their Folio No./DP ID and Client ID.

4. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
5. The details of the process and manner for remote e-voting are explained herein below:

- i. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

**Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

- Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

**A. User ID:** Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
- Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

- Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

- ii. Click on 'Login' under 'SHARE HOLDER' tab.
- iii. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
- iv. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
- v. E-voting page will appear.
- vi. Refer the Resolution description and cast your vote by selecting your desired option 'Favour Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- vii. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on '**No**' and accordingly modify your vote.
- viii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**If you have forgotten the password:**

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password**'
  - Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**B. INSTRUCTIONS FOR MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH INSTAMEET (VC/OAVM) ARE AS UNDER:**

- i. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

Select the “**Company**” and ‘**Event Date**’ and register with your following details: -

**B. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

**C. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request from Tuesday, September 1, 2020 to Thursday, September 3, 2020 with the RTA on the e-mail ID [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**D. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

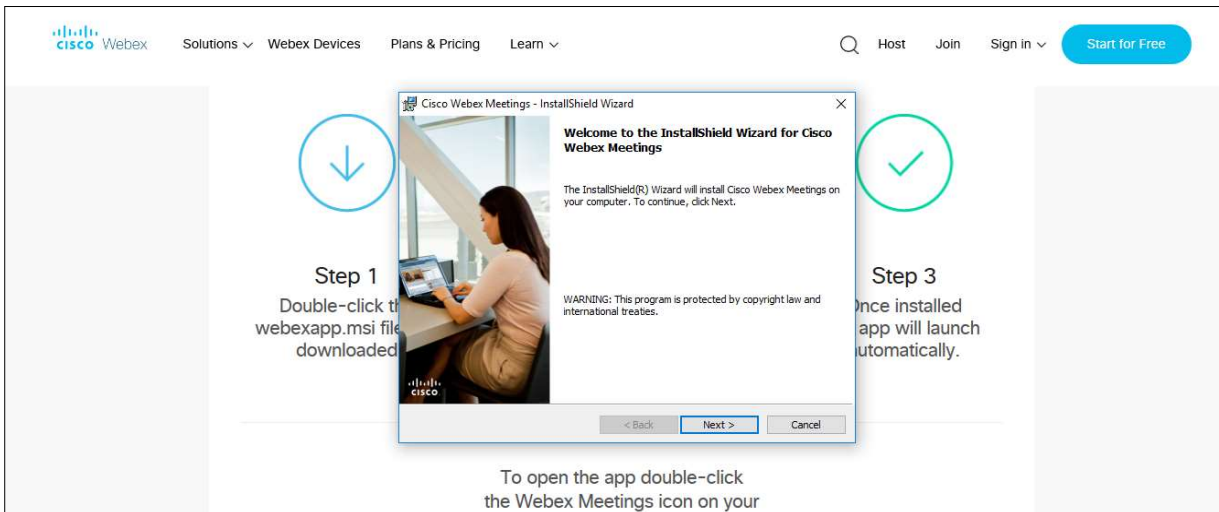
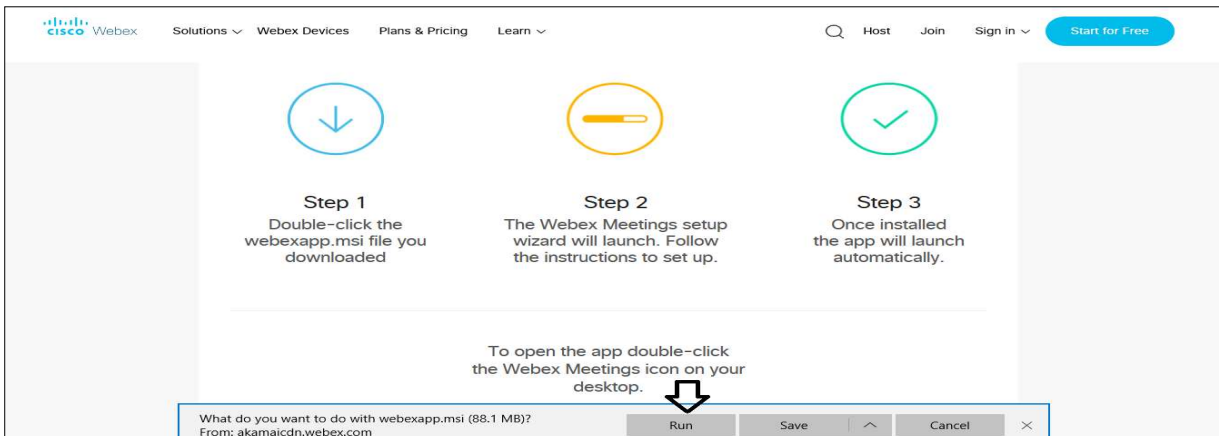
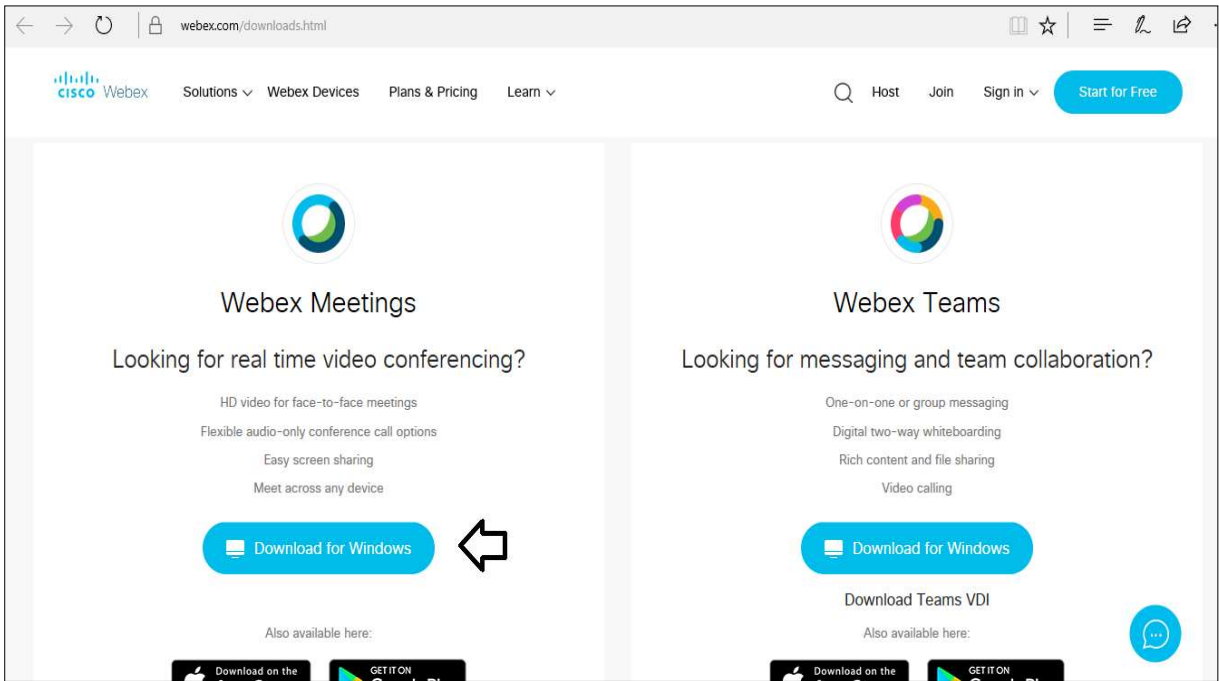
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

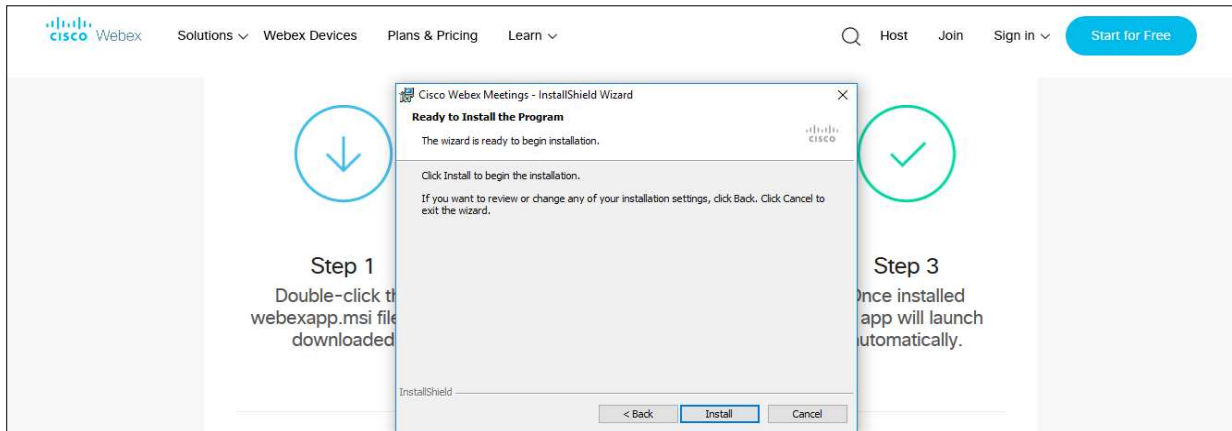
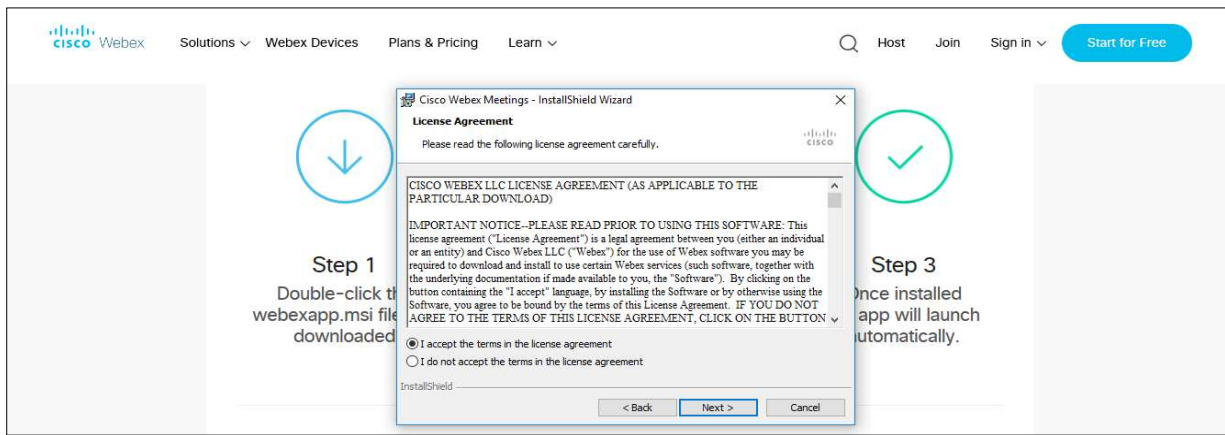
#### **E. Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>







or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <a href="#">Run a temporary application</a> .  Click on <a href="#">Run a temporary application</a> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

Event Information:

Event status:

Date and time:

Duration:

Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

Join Event Now

You cannot join the event now because it has not started.

First name:

Last name:

Email address:

Event password:

Mention your First name, Last name and email address

Join Now

Join by browser **NEW!**

If you are the host, [start your event](#).

## 21. General Instructions:

- a. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. August 31, 2020. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. August 31, 2020 only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM.
- b. CS Reshma Sahil Kiri, Proprietor, Kiri & Associates, Practicing Company Secretaries (Membership No. ACS 54902) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c. The Scrutinizer shall within 48 hours of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.
- d. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.smtgrinders.com](http://www.smtgrinders.com) and communicated to the BSE Limited and Vadodara Stock Exchange.

### **Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.**

As required by section 102 (1) of The Companies Act, 2013 the following statement sets out all material facts relating to the Special Business under item No. 6 to 8 mentioned in the accompanying Notice and should be taken as forming part of it.

#### **Item No. 5**

In accordance with the provisions of Schedule V of the Companies Act, 2013, appointment of Mr. Ashok Sheth as Chairman and Managing Director requires shareholders' approval by passing Special Resolution at the ensuing Annual General Meeting as he has attained the age of 70 years.

Mr. Ashok Sheth is qualified Mechanical Engineer with more than 40 years of experience in the Machine Tool Industry with international exposure. His experience in the industry will be helpful to the Company.

The terms of appointment and remuneration payable to Mr. Ashok Sheth as Chairman and Managing Director are as follows:

**Remuneration:** Rs. 90,000/- per month with performance bonus with authority to the Board to review it from time to time in accordance with the provisions of Schedule V of the Companies Act, 2013.

**Perquisites and allowances:** Use of Company's car, provident fund, gratuity, reimbursement of one telephone line at residence, reimbursement of electricity bill at the residence and reimbursement of expenses incurred in course of performing his duty as a Chairman and Managing Director.

If at any time the appointee ceases to be a director of the Company for any reason whatsoever, he shall cease to be the Chairman and Managing Director of the Company.

The Board places the above resolution before the Members for their approval as being the Special Resolution.

#### **Item No. 8**

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging and retaining the Objects under Clause III (C) – "The Other Objects are" with Clause III (B) – "The Objects Incidental or Ancillary to the attainment of the Main Objects are" to the extent possible and also to rename and renumber the Clause III (A) and III (B) of the Object Clause.

The Board at its meeting held on 29<sup>th</sup> July 2019 has approved alteration of the MOA of the Company and recommends the Special Resolution set forth in Item No. 8 of the Notice for approval of the Members. Further, a copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office of the Company. None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

#### **Item No. 9**

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

On 12 September, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on 26 March, 2014, MCA notified most of the remaining Sections (barring

those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal"). With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to replace wholly the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA are based on "Table-F" of the Act which sets out the model articles of association for a company limited by shares.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company. The Board recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members.

The copy of the proposed set of new AOA of the Company would be available for inspection for the Members at the Registered Office. None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

By the order of Board of Directors

For **SOLITARE MACHINE TOOLS LIMITED**

Sd/-

Barkha Arora

Company Secretary and Compliance Officer

Date- 29/07/2020

Place- Vadodara

**Regd. Office:**

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

## Directors Report

### To the Members,

The Directors have pleasure in presenting before you the Twenty Eighth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS:

The Standalone performance during the period ended 31<sup>st</sup> March, 2020 has been as under:

(Rs. in Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2020	Year Ended 31 <sup>st</sup> March, 2019	Year Ended 31 <sup>st</sup> March, 2018	Year Ended 31 <sup>st</sup> March, 2017	Year Ended 31 <sup>st</sup> March, 2016
Sales (Net)	1226.07	1559.64	1652.56	1834.07	1565.5
Other Income	32.93	29.03	41.56	31.51	26.8
(Increase)/ Decrease in stocks	(351.59)	(222.83)	(28.85)	(19.99)	179.04
Profit Before Taxation	103.09	207.95	248.45	305.95	169.54
<b>Less:</b>					
Taxation	50.00	73.00	82.00	100.00	66.50
Excess/Short provision of tax relating to earlier years	2.18	7.32			
Deferred Tax	(15.16)	(2.16)	(24.51)	14.40	6.43
Net Profit after Tax	66.07	129.79	190.97	191.54	108.87
Add: Profit brought forward from Previous Year	968.66	900.83	776.54	652.25	584.25
Profit available for appropriation	1034.73	1030.62	967.51	843.79	693.32
<b>Less:</b>					
Proposed Dividend Including Corporate tax	61.52	61.52	68.33	54.50	40.87
<b>Less:</b>					
Other Comprehensive Income	0.87	0.44	(1.64)	12.75	0.00
Less: Loss of Shruchi Manufacturing Limited*	4.16				
Balance Carried to Balance Sheet	968.18	968.66	900.83	776.54	652.25

\*Shruchi Manufacturing Limited, our wholly owned subsidiary now stands merged with the Company after NCLT Mumbai Bench Order.

**DIVIDEND:**

Your Directors recommend dividend of Rs. 34,06,632/- which would be 7.5% on 4542176 equity shares of Rs. 10/- each for the year ended March 31, 2020 subject to members' approval.

**OPERATIONS:**

The operation of the year has shown decline in sales and net profit. The year began with recession in industry and especially in auto industry. Auto industry is back bone of machine tool industry and month after month we saw decline. Customers were not ready to forecast expansion and those who had ordered machines, could not lift them due to liquidity shortages. The inventory went up by 3.51 crores.

The export market, especially in USA was hit hard by low volume in aerospace industry. The recession was increased worldwide by scare of Covid 19 from January 2020. Customers slowed down and stopped visiting for conducting trials on their ordered machines as well as new orders trickled in slowly. By early March Covid had practically total control of economy and then came lockdown. This was unprecedented, unexpected and hard to foresee the outcome.

Inspite all these negative factors, your company has remained profitable and continued to be debt free for ninth year in a row. The company managed all the resources to maximize profit as best as possible in the current scenario. Sporadic working loan was taken from bank, results show that our finance cost is only 0.2 % of our sales.

Company invested Rs. 11.5 lacs in balancing and upgrading of equipment and processes. Your company has been working long for additional land for future expansion. Finally, we were allotted close to 90,000 sq. Ft. of land in Halol GIDC at reasonable price. The land value is Rs. 1.35 crore. the first instalment was paid for Rs. 42.56 lacs. All new investments are made with cash accrued from operation and no loan was taken or the investments made in past were utilized.

The thrust for exports is continuing around the industrial world. During the year, we booked orders from Australia, Mexico and UK. New sales representatives have been finalized in Germany and UK. The grinders are now being upgraded to meet European standards for sales in Germany and neighbouring countries. The efforts would show results in coming years. We had participated in exhibition in Thailand. Initial progress has been made.

The Indian Machine Tool Exhibition, IMTEX 2021 has been postponed from January to June 2021 in view of Covid crisis. Similarly, international exhibition are being postponed.

During the year, we saw upsurge in orders for rebuilding and CNC retrofitting as major percentage of orders. Few projects were completed and rest were carried forward to new year.

New year also shows that rebuilding activity would continue and would help increase sales inspite of slow down.

Our PM, Modiji's Atmanirbhar declaration would have good impact in future. Many tenders lost due to imported equipment procurement by gov't organisations would have to be replaced with indigenous manufacturers. We can see shift from China to India for procurement of parts by international customers. This would benefit in long run. Majority of our exporting customers are upbeat about this opportunity.

Company had a 100 % owned subsidiary, Shruchi Manufacturing Limited for past several years. It was decided to merge Shruchi in to Solitaire to simplify accounting as well as reduce paperwork and cost. Shruchi Manufacturing Limited was merged in to Solitaire Machine Tools Limited by NCLT order no. CP(CAA) NO.277/MB-II/2019.

The company continues with its own social responsibility program for our own employees and their families. We had arranged rangoli competition, drawing competition, entertainment program on children's day and distribution of education related items during the year.

The company continues to train the employees for better skill. The equipment and process in plant are slowly being upgraded to reduce cost of manufacturing as well as improve quality norms. The employees have worked well and understood the difficult times company was passing through during the year. Company thanks them for continued support.

The company thanks all its customers for continued support and faith in meeting their requirements. The company has added sales associates in south and north India to support customers and better understand their requirements.

The company thanks its bankers, vendors and various government bodies 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 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 2020-21 to BSE where the Company's Shares are listed.

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

89.28 % of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2020 and balance 10.72 % is in physical form.

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

The Board of Directors duly met 5 times from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020. The dates on which meetings were held are as follows:

<b>S. No.</b>	<b>Date</b>
01	20 <sup>th</sup> April 2019
02	18 <sup>th</sup> May 2019
03	30 <sup>th</sup> July 2019
04	09 <sup>th</sup> November 2019
05	08 <sup>th</sup> February 2020



**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 31<sup>st</sup> March, 2020, 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:**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

**DISCLOSURE ON NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS**

The maintenance of Cost records as specified by the Central government under sub section (1) of Section 148 of the Companies Act, 2013 is not applicable on the Company.

**COMMENTS ON SECRETARIAL AUDITOR'S OBSERVATIONS:**

There is no malafide intention on the part of company and delay if any, in the matter is inadvertent 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 at the Annual General Meeting held on 29<sup>th</sup> July, 2017. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

### **Secretarial Audit:**

For ease of managing business operations we have appointed Vadodara based Practicing Company Secretary, M/s Kiri & Associates as the Secretarial Auditor for the Company with effect from 09<sup>th</sup> November, 2019. 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 2019-2020 were Rs. 97.06 Lacs (Previous Year Rs. 296.69 Lacs) while outgoings were Rs. 82.17 (Previous Year Rs. 98.59 Lacs).

## **VIGIL MECHANISM/ WHISTLE BLOWER:**

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

## **RELATED PARTY TRANSACTIONS:**

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

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

**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:**

- i. 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 19-20	Remuneration paid FY 18-19	Percentage Increase in remuneration from previous year	Ratio/Times per Median of employee remuneration
1	Mr. Ashok Sheth	Chairman & Managing Director	Rs. 12,74,509	Rs. 12,80,920	NIL	4.51
2	Mr. Hemandra Badani	Managing Director	Rs. 12,91,790	Rs. 12,94,935	NIL	4.57
3	Mr. Harsh Badani	Whole Time Director	Rs. 11,45,944	Rs. 11,55,108	NIL	4.06

- ii. Percentage Increase in Median Remuneration of Employees in the Previous Year:

Total Employees in FY 2018-19	Median Remuneration of Employees in FY 2018-19	Total Employees in FY 2019-20	Median Remuneration of Employees in FY 2019-20	Percentage Increase
81	278883	80	282395	1.26%

- iii. Average percentage increase in Employee remuneration- 0.66%
- iv. Average percentage increase in Managerial Remuneration- 0.00%

**PARTICULARS OF EMPLOYEES**

The total number of on roll employees in Company as on 31<sup>st</sup> March, 2020- 76

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 & Experience	Designation	Age	Last employment	Relation with Director
Ashok Sheth	10/09/1987	-	Rs. 12,74,509	B.S-Mechanical Engineering USA with 50 Years of experience	Chairman & MD	72	N.A	Himself
Hemandra Badani	10/09/1987	-	Rs. 12,91,790	B Com Graduate with 45 years of experience	Vice Chairman and MD	67	N.A	Himself
Harsh Badani	31/01/2006	-	Rs. 11,45,944	B.E-Mechanical and MBA with 12 years of experience	WTD	35	N.A	Himself
N M B Khan	15/06/1992	-	Rs. 6,67,800	Commerce Graduate with 35 years of experience	Dy. General Manager- Finance & Corporate affairs	57	KR Kanakiy a & Co.	N.A.
M I Gohil	01/04/2001	-	Rs.6,15,707	ITI with 29 years of experience	Assembly Manager	56	N.A.	N.A.
M.A Bidiwala	09/11/1991	-	Rs.6,06,069	DME with 27 years of experience	QC and Development Manager	48	N.A.	N.A.
Atul Modi	01/11/1996	-	Rs.5,05,968	M.Com with 22 years of experience	Purchase Officer	52	Geeta Valves	N.A.
Girish D Goswami	01/10/1995	-	Rs. 4,84,423	ITI with 25 years of experience	Supervisor	47	N.A.	N.A.
Indravadan A Patel	01/02/1996	-	Rs 4,47,982	ITI with 24 years of experience	Sr. Marking & Scheduler	53	N.A	N.A.
Ranjit D.Soni	01/06/1991	-	Rs.4,47,043	ITI with 29 years of experience	Sr. Machinist	51	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.**

**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.

**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.

**DISCLOSURE REGARDING MSME SUPPLIERS**

The Company has as on 31<sup>st</sup> March, 2020 a total amount of Rs. 7,21,180/- as pending for more than 45 days towards the payment of Micro and Small enterprise registered under Micro, Small and Medium Enterprise Act, 2006. The delay in payment was because of Nationwide lockdown due to Corona Virus Pandemic.

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

The Company has zero tolerance for sexual harassment at workplace, and has constituted an Internal Complaints Committee 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 Committee 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 2019-20.

**PERFORMANCE EVALUATION**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-executive Directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy. The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairperson. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

**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 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

Sd/-  
Hemandra J Badani  
Managing Director  
DIN: 00143330

Place: Vadodara  
Date: 29/07/2020



**KIRI AND ASSOCIATES  
PRACTISING COMPANY  
SECRETARIES**

**CS RESHMA KIRI**

☎ **Mobile:** 9033026573/ 8238057787  
✉ **Email id:** [kiriandassociates@gmail.com](mailto:kiriandassociates@gmail.com)  
[csreshmamadhu2015@gmail.com](mailto:csreshmamadhu2015@gmail.com)

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, 2020, 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, 2020 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment)
- (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, 2018;
  - (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, 2018;
- (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) Labour Laws, Rules and Regulations applicable to the employees of the Company, including Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - d) GST Act

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

- (i) Secretarial Standards SS-1 and SS-2 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. with delay in filing some intimations and forms with various Authorities and subject to the following observation:

1. *Non Submission of Closure of Trading Window for Second and Third Quarter under SEBI (Prohibition of Insider Trading) Regulations, 2015.*
2. *Delay in submission of Book Closure Notice before Annual General Meeting, Dividend Recommended by Board of Directors and Voting results with Stock Exchange*
3. *Non publication of Book closure, Notice of Board Meeting, Notice of AGM in News Paper.*
4. *Information with respect to the Independent Directors Appointment has not been submitted with the Stock Exchange under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*



5. *Delay in submitting Intimation with respect to Appointment of Compliance officer with the Stock Exchange.*
6. *Non-Filing of Annual Return on Foreign Liabilities and Assets*
7. *Non-Transfer of shares to IEPF Authority in respect of dividends not paid or claimed for seven consecutive years but the process has been initiated by the Company in this regard.*

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.

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, there are no specific event / action having a major bearing on the Companies affairs except National Company Law Tribunal has approved Scheme of Merger of Shruchi Manufacturing Limited (Wholly Owned Subsidiary) with Company on 30.04.2020.

For KIRI & Associates,  
Company Secretaries,

Date: 29<sup>th</sup> July 2020  
Place: Vadodara

Sd/-  
Reshma Kiri  
Proprietor  
COP No. 20459

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To  
The Members,  
Solitaire Machine Tools Limited

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, KIRI & Associates,  
Company Secretaries,

Date: 29<sup>th</sup> July, 2020  
Place: Vadodara

Sd/-  
Reshma Kiri,  
Proprietor  
COP. No. 20459

## 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:

##### A.

Sr. No.	Particulars	Details	Details
1.	Name (s) of the related party	Adventure Advertising Private Limited	Metal Perforation Private Limited
2.	Nature of Relationship	Enterprises under significant influence of Key Management Personnel or their relatives	Enterprises under significant influence of Key Management Personnel or their relatives
3.	Nature of contracts /arrangements /transaction	Transaction on Assignment basis	Spares Purchase
4.	Duration of the contracts/arrangements / transaction	N. A.	N. A.
5.	Salient terms of the contracts or arrangements or transaction	Receiving services of advertisement printing work	Purchase 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	10 <sup>th</sup> May, 2014	28 <sup>th</sup> October, 2017
8.	Amount incurred during the year	Rs. 65743/-	Rs. 31340/-

**B.**

Sr. No.	Particulars	Details		
1.	Name (s) of the related party	Ashok Sheth	Hemandra Badani	Harsh Badani
2.	Nature of Relation ship	Managing Director	Managing Director	Whole Time Director
3.	Nature of contracts / arrangements /transaction	Remuneration	Remuneration	Remuneration
4.	Duration of the contracts/ arrangements / transaction	5 years	5 years	5 years
5.	Salient terms of the contracts or arrangements or transaction	Receipt of Remuneration to act as Managing Director	Receipt of Remuneration to act as Managing Director	Receipt of Remuneration to act as Whole Time Director
6.	Justification for entering into such contracts or arrangements or transactions	Approved by Board of Directors	Approved by Board of Directors	Approved by Board of Directors
7.	Date of approval by the Board	31.01.2015	30.01.2020	30.01.2020
8.	Amount incurred during the yea	Rs. 12,74,509/-	Rs. 12,91,790/-	Rs. 11,45,944/-

For and on behalf of Board of Directors

Sd/-

Place: Vadodara

Hemandra Badani

Date: 29/07/2020

Managing Director

DIN: 00143330

**ANNEXURE 'C' TO BOARD'S REPORT**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2020**

[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**

Our Wholly Owned Subsidiary Shruchi Manufacturing Limited now stands merged with Solitaire Machine Tools limited. Order was passed by National Company law Board, Mumbai bench as on 29<sup>th</sup> April, 2020 effective from 01<sup>st</sup> April 2017.

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

**i) Category-wise Share Holding –**

Sr No	Category of Shareholder	Shareholding at the beginning of the year – 2019				Shareholding at the end of the year - 2020				% of Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	1980460	0	1980460	43.60	1995709	0	1995709	43.94	0.34
(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)	1980460	0	1980460	43.60	1995709	0	1995709	43.94	0.34
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	53250	0	53250	1.17	59450	0	59450	1.31	0.14
(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)	53250	0	53250	1.17	59450	0	59450	1.31	0.14
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	2033710	0	2033710	44.77	2055159	0	2055159	45.25	0.48

<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	-
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	-
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	-
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	-
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	-
(f)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	-
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	-
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	-
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.00	0	0	0	0.00	-
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	-
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1182641	464940	1647581	36.27	1130021	457040	1587061	'34.94	(1.33)
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	604546	12800	617346	13.59	675865	12800	688665	'15.16	1.57
(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	0	0	0	0	-
	Hindu Undivided Family	129556	0	129556	2.85	132060	0	132060	2.91	0.06
	Non Resident Indians (Non Repat)	3999	0	3999	0.08	3449	0	3449	0.07	(0.01)
	Non Resident Indians (Repat)	22973	0	22973	0.51	19877	0	19877	0.44	(0.07)
	Independent Director	4900	0	4900	0.11	0	0	0	0	(0.11)
	Clearing Member	22797	0	22797	0.50	1661	0	1661	0.04	(0.46)
	Bodies Corporate	38664	18400	57064	1.26	36844	17400	54244	1.19	(0.07)
	Market Maker	2150	0	2150	0.05	0	0	0	0	(0.05)
	Sub Total (B)(3)	2012326	496140	2508466	55.23	1999777	487240	2487017	54.75	(0.48)
	Total Public Shareholding(B) = (B)(1)+(B)(2)+(B)(3)	2012326	496140	2508466	55.23	1999777	487240	2487017	54.75	(0.48)
	Total (A)+(B)	4046036	496140	4542176	100	4054936	487240	4542176	100	0.00
(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	-
	<b>Total (A)+(B)+(C)</b>	<b>4046036</b>	<b>496140</b>	<b>4542176</b>	<b>100</b>	<b>4054936</b>	<b>487240</b>	<b>4542176</b>	<b>100</b>	<b>-</b>



ii) *Shareholding of Promoters –*

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 2019			Shareholding at the end of the year - 2020			% 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	770708	16.97	0.0000	778008	17.13	0.0000	0.16
2	ASHOK JIVARAJBHAI SHETH	719944	15.85	0.0000	721269	15.87	0.0000	0.02
3	BHARATI ASHOK SHETH	401055	8.83	0.0000	401780	8.85	0.0000	0.02
4	SWATI HEMENDRA BADANI	56854	1.25	0.0000	56854	1.25	0.0000	0.00
5	SANJAY ASHOK SHETH	53250	1.17	0.0000	59450	1.31	0.0000	0.14
6	SANDIPBHAI MANUBHAI SHAH	11300	0.25	0.0000	13167	0.29	0.0000	0.04
7	SUNITA MOHANLAL KALANI	10000	0.22	0.0000	13081	0.29	0.0000	0.07
8	SHILPA TANEJA	4700	0.10	0.0000	4700	0.10	0.0000	0.00
9	HEMENDRA JAYANT BADANI	2100	0.05	0.0000	2100	0.05	0.0000	0.00
10	VORA SHRADDHA SUNEEL	2000	0.04	0.0000	2000	0.04	0.0000	0.00
11	JENI ISAK RANGWALA	950	0.02	0.0000	950	0.02	0.0000	0.00
12	GITA AMIN	500	0.02	0.0000	500	0.01	0.0000	0.00
13	SUDHIR RAMANLAL MEHTA	500	0.01	0.0000	500	0.01	0.0000	0.00
14	PRAFUL MAGANLAL VORA	800	0.01	0.0000	800	0.02	0.0000	0.00
	<b>Total</b>	<b>2033710</b>	<b>44.79</b>	<b>0.0000</b>	<b>2055159</b>	<b>45.25</b>	<b>0.0000</b>	<b>0.45</b>

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year – 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	<b>HARSH HEMANDRA BADANI</b>	<b>770708</b>	<b>16.9678</b>	-	-	770708	16.9678
	Transfer			03 May 2019	100	770808	16.97
	Transfer			31 May 2019	100	770908	16.9722
	Transfer			29 Jun 2019	100	771008	16.9744
	Transfer			02 Aug 2019	100	771108	16.9766
	Transfer			23 Aug 2019	-2114	768994	16.9301
	Transfer			30 Aug 2019	100	769094	16.9323
	Transfer			04 Oct 2019	100	769194	16.9345
	Transfer			18 Oct 2019	2114	771308	16.981
	Transfer			01 Nov 2019	100	771408	16.9832
	Transfer			29 Nov 2019	100	771508	16.9854
	Transfer			13 Dec 2019	1500	773008	17.0185
	Transfer			20 Dec 2019	2500	775508	17.0735
	Transfer			27 Mar 2020	1000	776508	17.0955
	Transfer			31 Mar 2020	1500	778008	17.1285
	<b>At the end of the year</b>					<b>778008</b>	<b>17.1285</b>
2	<b>ASHOK JIVARAJBHAI SHETH</b>	<b>719944</b>	<b>15.8502</b>	-	-	<b>719944</b>	<b>15.8502</b>
	Transfer			24 May 2019	100	720044	15.8524
	Transfer			07 Jun 2019	50	720094	15.8535
	Transfer			14 Jun 2019	100	720194	15.8557
	Transfer			21 Jun 2019	150	720344	15.859
	Transfer			29 Jun 2019	100	720444	15.8612
	Transfer			23 Aug 2019	-3469	716975	15.7848
	Transfer			18 Oct 2019	3519	720494	15.8623
	Transfer			22 Nov 2019	150	720644	15.8656
	Transfer			29 Nov 2019	50	720694	15.8667
	Transfer			06 Dec 2019	100	720794	15.8689
	Transfer			13 Dec 2019	200	720994	15.8733
	Transfer			21 Feb 2020	100	721094	15.8755
	Transfer			28 Feb 2020	50	721144	15.8766
	Transfer			06 Mar 2020	25	721169	15.8772
	Transfer			27 Mar 2020	100	721269	15.8794
	<b>At the end of the year</b>					<b>721269</b>	<b>15.8794</b>

<b>3</b>	<b>BHARATI ASHOK SHETH</b>	<b>401055</b>	<b>8.8296</b>			<b>401055</b>	<b>8.8296</b>
	Transfer			24 May 2019	50	401105	8.8307
	Transfer			31 May 2019	75	401180	8.8323
	Transfer			04 Oct 2019	100	401280	8.8345
	Transfer			22 Nov 2019	100	401380	8.8367
	Transfer			20 Dec 2019	100	401480	8.8389
	Transfer			27 Dec 2019	50	401530	8.84
	Transfer			31 Dec 2019	50	401580	8.8411
	Transfer			03 Jan 2020	100	401680	8.8433
	Transfer			14 Feb 2020	50	401730	8.8444
	Transfer			27 Mar 2020	50	401780	8.8455
	<b>At the end of the year</b>					<b>401780</b>	<b>8.8455</b>
<b>4</b>	<b>SWATI HEMANDRA BADANI</b>	<b>56854</b>	<b>1.2517</b>	-	-	<b>56854</b>	<b>1.2517</b>
	<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56854</b>	<b>1.2517</b>
<b>5</b>	<b>SANJAY ASHOK SHETH</b>	<b>53250</b>	<b>1.1723</b>			<b>53250</b>	<b>1.1723</b>
	Transfer			24 May 2019	250	53500	1.1778
	Transfer			29 Jun 2019	750	54250	1.1944
	Transfer			18 Oct 2019	950	55200	1.2153
	Transfer			15 Nov 2019	200	55400	1.2197
	Transfer			22 Nov 2019	200	55600	1.2241
	Transfer			29 Nov 2019	200	55800	1.2285
	Transfer			03 Jan 2020	750	56550	1.245
	Transfer			14 Feb 2020	250	56800	1.2505
	Transfer			21 Feb 2020	200	57000	1.2549
	Transfer			06 Mar 2020	450	57450	1.2648
	Transfer			20 Mar 2020	500	57950	1.2758
	Transfer			27 Mar 2020	500	58450	1.2868
	Transfer			31 Mar 2020	1000	59450	1.3088
	<b>At the end of the year</b>					<b>59450</b>	<b>1.3088</b>
<b>6</b>	<b>SANDIP MANUBHAI SHAH</b>	<b>11300</b>	<b>0.2488</b>			<b>11300</b>	<b>0.2488</b>
	Transfer			31 Dec 2019	1855	13155	0.2896
	Transfer			10 Jan 2020	12	13167	0.2899
	<b>At the end of the year</b>					<b>13167</b>	<b>0.2899</b>
<b>7</b>	<b>SUNITA MOHANLAL KALANI</b>	<b>10000</b>	<b>0.2202</b>			<b>10000</b>	<b>0.2202</b>
	Transfer			18 Oct 2019	2000	12000	0.2642
	Transfer			01 Nov 2019	-2000	10000	0.2202
	Transfer			06 Dec 2019	1125	11125	0.2449
	Transfer			13 Dec 2019	1800	12925	0.2846
	Transfer			20 Dec 2019	500	13425	0.2956

	Transfer			14 Feb 2020	-344	13081	0.288
	<b>At the end of the year</b>					<b>13081</b>	<b>0.288</b>
<b>8</b>	<b>SHILPA TANEJA</b>	<b>4700</b>	<b>0.1035</b>	-	-	<b>4700</b>	<b>0.1035</b>
	<b>At the end of the year</b>	-	-	-	-	<b>4700</b>	<b>0.1035</b>
<b>9</b>	<b>HEMANDRA JAYANT BADANI</b>	<b>2100</b>	<b>0.0462</b>	-	-	<b>2100</b>	<b>0.0462</b>
	<b>At the end of the year</b>	-	-	-	-	<b>2100</b>	<b>0.0462</b>
<b>10</b>	<b>VORA SHRADDHA SUNEEL</b>	<b>2000</b>	<b>0.044</b>	-	-	<b>2000</b>	<b>0.044</b>
	<b>At the end of the year</b>	-	-	-	-	<b>2000</b>	<b>0.044</b>
<b>11</b>	<b>JENI ISAK RANGWALA</b>	<b>950</b>	<b>0.0209</b>	-	-	<b>950</b>	<b>0.0209</b>
	<b>At the end of the year</b>	-	-	-	-	<b>950</b>	<b>0.0209</b>
<b>12</b>	<b>PRAFUL MAGANLAL VORA</b>	<b>800</b>	<b>0.0176</b>			<b>800</b>	<b>0.0176</b>
	<b>At the end of the year</b>					<b>800</b>	<b>0.0176</b>
<b>13</b>	<b>GITA AMIN</b>	<b>500</b>	<b>0.011</b>	-	-	<b>500</b>	<b>0.011</b>
	<b>At the end of the year</b>	-	-	-	-	<b>500</b>	<b>0.011</b>
<b>14</b>	<b>SUDHIR RAMANLAL MEHTA</b>	<b>500</b>	<b>0.011</b>	-	-	<b>500</b>	<b>0.011</b>
	<b>At the end of the year</b>	-	-	-	-	<b>500</b>	<b>0.011</b>

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
<b>1</b>	<b>ADITYA PANKAJ SHAH</b>	<b>120826</b>	<b>2.6601</b>			<b>120826</b>	<b>2.6601</b>
	Transfer			10 May 2019	1080	121906	2.6839
	Transfer			17 May 2019	2000	123906	2.7279
	Transfer			24 May 2019	340	124246	2.7354
	Transfer			27 Sep 2019	4042	128288	2.8244
	Transfer			01 Nov 2019	1726	130014	2.8624
	Transfer			08 Nov 2019	6000	136014	2.9945
	Transfer			22 Nov 2019	5000	141014	3.1045

	Transfer			13 Mar 2020	2056	143070	3.1498
	Transfer			20 Mar 2020	1498	144568	3.1828
	Transfer			27 Mar 2020	1195	145763	3.2091
	<b>At the end of the year</b>					<b>145763</b>	<b>3.2091</b>
<b>2</b>	<b>DIPAK KANAYALAL SHAH</b>	<b>61000</b>	<b>1.343</b>			<b>61000</b>	<b>1.343</b>
	Transfer			23 Aug 2019	9830	70830	1.5594
	Transfer			08 Nov 2019	3170	74000	1.6292
	Transfer			22 Nov 2019	1000	75000	1.6512
	<b>At the end of the year</b>					<b>75000</b>	<b>1.6512</b>
<b>3</b>	<b>JAIN PAL JAIN</b>	<b>61752</b>	<b>1.3595</b>			<b>61752</b>	<b>1.3595</b>
	<b>At the end of the year</b>					<b>61752</b>	<b>1.3595</b>
<b>4</b>	<b>ASHOK MAGANLAL SHAH</b>	<b>51682</b>	<b>1.1378</b>			<b>51682</b>	<b>1.1378</b>
	<b>At the end of the year</b>					<b>51682</b>	<b>1.1378</b>
<b>5</b>	<b>SAINATH VISHWANATH RAJADHYAKSH</b>	<b>36140</b>	<b>0.7957</b>			<b>36140</b>	<b>0.7957</b>
	Transfer			14 Jun 2019	2490	38630	0.8505
	Transfer			23 Aug 2019	-29140	9490	0.2089
	Transfer			11 Oct 2019	29140	38630	0.8505
	Transfer			25 Oct 2019	4046	42676	0.9395
	<b>At the end of the year</b>					<b>42676</b>	<b>0.9395</b>
<b>6</b>	<b>SAINATH VISHWANATH RAJADHYAKSHA</b>	<b>39677</b>	<b>0.8735</b>			<b>39677</b>	<b>0.8735</b>
	Transfer			23 Aug 2019	-25577	14100	0.3104
	Transfer			18 Oct 2019	25577	39677	0.8735
	<b>At the end of the year</b>					<b>39677</b>	<b>0.8735</b>
<b>7</b>	<b>PARAG SHAMJI VED</b>	<b>38052</b>	<b>0.8377</b>			<b>38052</b>	<b>0.8377</b>
	<b>At the end of the year</b>					<b>38052</b>	<b>0.8377</b>
<b>8</b>	<b>UDAY R SHAH (HUF)</b>	<b>31900</b>	<b>0.7023</b>			<b>31900</b>	<b>0.7023</b>
	Transfer			29 Nov 2019	-900	31000	0.6825
	<b>At the end of the year</b>					<b>31000</b>	<b>0.6825</b>
<b>9</b>	<b>SAKARBEN MAGANLAL SHAH</b>	<b>29206</b>	<b>0.643</b>			<b>29206</b>	<b>0.643</b>
	Transfer			05 Apr 2019	-18	29188	0.6426
	Transfer			05 Jul 2019	6	29194	0.6427
	<b>At the end of the year</b>					<b>29212</b>	<b>0.6431</b>
<b>10</b>	<b>REENA VERMA</b>	<b>25487</b>				<b>25487</b>	<b>0.5611</b>
	Transfer			23 Aug 2019	-25487	0	0.0000
	Transfer			10 Oct 2019	25487	25487	0.5611

	<b>At the end of the year</b>					<b>25487</b>	<b>0.5611</b>
<b>11</b>	<b>JAINAM UDAY SHAH</b>	<b>31500</b>	<b>0.6935</b>			<b>31500</b>	<b>0.6935</b>
	Transfer			03 May 2019	-9000	22500	0.4954
	Transfer			15 Nov 2019	-2069	20431	0.4498
	<b>At the end of the year</b>					<b>20431</b>	<b>0.4498</b>

Notes :

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 4542176 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid-up capital of the Company at the end of the Year.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year – 2020	
		NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
<b>1</b>	<b>Harsh Hemandra Badani</b>	<b>770708</b>	<b>16.9678</b>	-	-	770708	16.9678
	Transfer			03 May 2019	100	770808	16.97
	Transfer			31 May 2019	100	770908	16.9722
	Transfer			29 Jun 2019	100	771008	16.9744
	Transfer			02 Aug 2019	100	771108	16.9766
	Transfer			23 Aug 2019	-2114	768994	16.9301
	Transfer			30 Aug 2019	100	769094	16.9323
	Transfer			04 Oct 2019	100	769194	16.9345
	Transfer			18 Oct 2019	2114	771308	16.981
	Transfer			01 Nov 2019	100	771408	16.9832
	Transfer			29 Nov 2019	100	771508	16.9854
	Transfer			13 Dec 2019	1500	773008	17.0185
	Transfer			20 Dec 2019	2500	775508	17.0735
	Transfer			27 Mar 2020	1000	776508	17.0955
	Transfer			31 Mar 2020	1500	778008	17.1285
	<b>At the end of the year</b>					<b>778008</b>	<b>17.1285</b>
<b>2</b>	<b>Ashok Jivarajbhai Sheth</b>	<b>719944</b>	<b>15.8502</b>	-	-	<b>719944</b>	<b>15.8502</b>
	Transfer			24 May 2019	100	720044	15.8524
	Transfer			07 Jun 2019	50	720094	15.8535
	Transfer			14 Jun 2019	100	720194	15.8557
	Transfer			21 Jun 2019	150	720344	15.859
	Transfer			29 Jun 2019	100	720444	15.8612
	Transfer			23 Aug 2019	-3469	716975	15.7848

	Transfer			18 Oct 2019	3519	720494	15.8623
	Transfer			22 Nov 2019	150	720644	15.8656
	Transfer			29 Nov 2019	50	720694	15.8667
	Transfer			06 Dec 2019	100	720794	15.8689
	Transfer			13 Dec 2019	200	720994	15.8733
	Transfer			21 Feb 2020	100	721094	15.8755
	Transfer			28 Feb 2020	50	721144	15.8766
	Transfer			06 Mar 2020	25	721169	15.8772
	Transfer			27 Mar 2020	100	721269	15.8794
	<b>At the end of the year</b>					<b>721269</b>	<b>15.8794</b>
<b>3</b>	<b>Hemendra Jayant Badani</b>	<b>2100</b>	<b>0.0462</b>			<b>2100</b>	<b>0.0462</b>
	<b>At the end of the year</b>					<b>2100</b>	<b>0.0462</b>
<b>4</b>	<b>Shilpa Taneja</b>	<b>4700</b>	<b>0.1035</b>			<b>4700</b>	<b>0.1035</b>
	<b>At the end of the year</b>					<b>4700</b>	<b>0.1035</b>

#### 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.)

S No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ashok Sheth	Hemendra Badani	Harsh Badani	
1.	Gross salary	10,80,000/-	10,80,000/-	9,00,000/-	30,60,000/-
	(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	1,04,509/-	1,21,790/-	62,944/-	2,89,243/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as percentage of profit	-	-	-	-
	-others, specify	-	-	-	-
5.	Others, please specify (Incentive & Bonus)	90,000/-	90,000/-	75,000/-	2,55,000/-
6.	Retirement Benefits			1,08,000/-	1,08,000/-
	Total (A)				37,12,243/-
	Ceiling as per the Act	<b>10% of Net Profit of the Company or as per Schedule V</b>			

B. Remuneration to other directors:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	<b>1. Independent Directors</b>	<b>Mr. Nilam Patel</b>	<b>Mr. Bharat Shah</b>	<b>Ms. Keshu Thakkar</b>	<b>Ms. Nishita Rajput</b>	
	<input type="checkbox"/> Fee for attending board / committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, (Domestic Air Ticket)	20000	20000	20000 9573	20000	80000
	Total (1)	20000	20000	29573	20000	<b>89573</b>
	<b>2. Other Non-Executive Directors</b>	<b>Ms. Shilpa Taneja</b>				
	<input type="checkbox"/> Fee for attending board/ committee meetings <input type="checkbox"/> Commission <input type="checkbox"/> Others, (Domestic Air Ticket)	15000 9974				
	Total (2)	24974				<b>24974</b>
	Total (B)=(1+2)					114547
	Total Managerial Remuneration	-		-		
	Overall Ceiling as per the Act		<b>11% of Net Profit of the Company or as per Schedule V</b>			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Name	Designation	Amount (p.a.)
01	Ms. Barkha Arora	Company Secretary	240000/-

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

For and on behalf of Board of Directors  
Hemandra J Badani

Sd/-  
Managing Director  
DIN: 00143330

Place: Vadodara  
Date: 29/07/2020



## 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 Auto Ancillary industry, General Engineering industry, Aerospace and Defence Industry, Steel and Textile Industry. 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., Europe, etc. will sustain and an additional avenue is opened for exports to Australia, 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, Five Board Meetings were held on 20/04/2019; 18/05/2019; 30/07/2019; 09/11/2019 and 08/02/2020.

- B.** The Composition of the Board of Directors for the year ended 31<sup>st</sup> March, 2020 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 are as follows:

S.No.	Name of Directors	Category of Director-ship	No. of Board Meetings Attended	Attendance at last AGM held on 30.07.2019	No. of other Director-ship	Committee Membership/ Chairmanship	
						Member	Chairperson
1.	Mr. A. J. Sheth	Promoter, CMD and Executive	5	Yes	--	1	
2.	Mr. H. J. Badani	Promoter, MD and Executive	5	Yes	1	-	1
3.	Ms. Shilpa Taneja	Promoter and Non - Executive	3	Yes	2	2	1
4.	Mr. Harsh Badani	Promoter, WTD and Executive	5	Yes	2	1	-
5.	Mr. Nilam Patel	Independent	4	Yes	--	1	1
6.	Mr. Bharat Shah	Independent	4	Yes	--	2	1
7.	Ms. Nishita Rajput	Independent	4	Yes	1	2	-
8.	Ms. Kesha Thakkar	Independent	4	Yes	--	-	-

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. Hemandra J Badani (00143330) and Mr. Harsh Badani (02282965), Director of the Company retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting.

**D. Code of Conduct:**

The Company has laid down a code of conduct for all Board Members and senior management personnel of the company. The code of conduct is available on the website of the company at [www.smtgrinders.com](http://www.smtgrinders.com)

**II. Audit Committee:**

**Terms of Reference:**

The Audit Committee comprises of three Non-Executive Directors under the Chairmanship of Ms. Shilpa Taneja, the other members in the Committee being Mr. Bharat Shah and Mr. Nilam Patel. All the members of the Audit Committee are financially literate.

During the year four Audit Committee Meetings were held on 17<sup>th</sup> May 2019, 30<sup>th</sup> July, 2019, 8<sup>th</sup> November, 2019 and 8<sup>th</sup> February, 2020.

The attendance record of Audit Committee members is given below:

Name of the Directors	No. of Meetings	
	Held	Attended
1. Ms. Shilpa Taneja	4	4
2. Mr. Bharat Shah	4	4
3. Mr. Nilam Patel	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:**

Company's wholly owned subsidiary M/s Shruchi Manufacturing Limited stands merged with the Company. The order of NCLT was received as on 29<sup>th</sup> April, 2020 being effective from 01<sup>st</sup> April, 2017.

#### 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 2019-20, 2 (Two) meetings of Nomination and Remuneration Committee Meeting was held on 20<sup>th</sup> June, 2019 and 30<sup>th</sup> January, 2020.

The Nomination and Remuneration Committee comprises of three Independent Directors under the Chairmanship of Mr. Nilam Patel, the other members in the Committee being Mr. Bharat Shah and Ms. Nishita Rajput.

##### F. Remuneration paid / payable to Managing Director for the year ended 31<sup>st</sup> March, 2020.

Managing /Executive/Whole-time Director	Salary (Rs.)	Annual Exgratia (performance linked incentive)	Bonus (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Stock Option
Mr Ashok J Sheth	10,80,000		90,000	104509	-	-
Mr Hemendra Badani	10,80,000		90,000	121790	-	-
Harsh Badani	9,00,000		75,000	62944	1,08,000	

##### G. Stakeholders Relationship Committee:

The Company has reconstituted Stakeholders Relationship Committee on 18<sup>th</sup> May 2019 under the Chairmanship of Mr. Hemendra Badani.

This Committee comprises of:

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

**Terms of Reference:**

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

Ms. Barkha Arora, Company Secretary has been designated as Compliance Officer for the Financial Year ended 31<sup>st</sup> March 2020.

During the Financial Year ended 31<sup>st</sup> March, 2020, the committee met twice on 12<sup>th</sup> June 2019 and 16<sup>th</sup> February, 2020.

During the Financial Year ended 31<sup>st</sup> March, 2020, 1 complaint was received from members. As on 31<sup>st</sup> March, 2020 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
2016 - 17	Senate Room, Status Restaurant, 208, Regent Chambers, Nariman Point, Mumbai – 400 021	29.07.2017	10.00 a. m.
2017-18	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	09.07.2018	10.00 a.m.
2018-19	Gold Coins, 6, Arun Chambers, Next to A. C. Market, Tardeo Road, Mumbai 400 034	30.07.2019	03.00 p.m.

**I. Means of Communication:**

Company is publishing quarterly un-audited financial results 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 and Time	Monday, the 07 <sup>th</sup> September, 2020 at 11.00 a. m. through Video Conferencing		
ii. Financial Calendar 2020-21	<b>Probable Dates:</b>		
First quarterly results	Before mid of September, 2020 (delay due to Covid-19 situation)		
Audited Yearly Results	Before end of May, 2021		
iii. Book Closure Date	Tuesday, 01 <sup>st</sup> September, 2020 to Monday, 07 <sup>th</sup> September, 2020 (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 2019-20 at BSE.	<b>Months</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
	April, 2019	36.8	28
	May, 2019	38.4	27.85

June, 2019	38.2	26.5
July, 2019	31	25.1
Aug, 2019	32.9	23.1
Sept, 2019	32	23.4
Oct, 2019	31	24
Nov, 2019	30.9	23.45
Dec, 2019	28	23.35
Jan, 2020	31.3	24.5
Feb, 2020	32	24.65
March, 2020	27.35	17.5

**K. Share Transfer System:**

Board of Directors has delegated the power to approve the share transfers to Registrar and Share transfer agent M/s. Link Intime India Private Limited having its office at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

**L. Distribution of Shareholding as on 31<sup>st</sup> March, 2020.**

No. of equity shares held	No. of Shareholders	No. of Shares held	% of Shareholding
Upto 500	3623	650686	84.31
501 to 1000	331	274133	7.70
1001 to 2000	175	265654	4.07
2001 to 3000	56	136855	1.30
3001 to 4000	23	80206	0.53
4001 to 5000	22	104686	0.51
5001 to 10000	34	241664	0.79
More than 10000	33	2788292	0.77
<b>Total</b>	<b>4297</b>	<b>4542176</b>	<b>100.00</b>

**M. Shareholding Pattern as on 31<sup>st</sup> March, 2020**

Category	No. of Share held	% of Share holding
Promoters	2055159	45.25
Banks, Financial Institutions, Insurance Companies, Mutual Funds	0	0.00
Foreign Financial Institutions	0	0.00
Private /Other Corporate Bodies	54244	1.19
Indian Public	2275726	50.10
N. R. I.	23326	0.51
G. D. R. / A. D. R.	0	0.00
Others	133721	2.95
<b>Total</b>	<b>4542176</b>	<b>100.00</b>

**N. Other Information**

Dematerialization of shareholding and equity	Nearly 89.28% of total equity share capital (4054936) Shares are held in dematerialized form with NSDL and CDSL as on 31 <sup>st</sup> March, 2020.
<p>Registrars and Share Transfer Agents</p> <p><u>For Dematerialization Shares</u></p> <p><u>For Physical Shares:</u> In House arrangement.</p>	<p>Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.</p> <p>Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083</p> <p>Solitaire Machine Tools Ltd Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber, Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai - 400034</p>
Plant Locations	<p><b>1. Solitaire Machine Tools Limited,</b> 292, Dharamsinh Desai Marg, Chhani Road, Vadodara – 390 002</p> <p><b>2. Solitaire Machine Tools Limited,</b> A 24/ 25, Krishan Industrial Estate, Gorwa, Vadodara – 390 016</p>
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

Sd/-  
Harsh Badani  
Whole time Director  
DIN: 02282965

Sd/-  
Hemendra J Badani  
Managing Director  
DIN: 00143330

Sd/-  
Barkha Arora  
Company Secretary

Date: 29/07/2020  
Place: Vadodara



**V. CEO/ CFO Certificate:**

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

We, Hemendra Badani, Chief Financial Officer (CFO) and Harsh Badani, Whole Time Director of Solitaire Machine Tools Limited, to the best of our knowledge and belief, hereby certify that:

- A. We have reviewed the Balance sheet as at 31<sup>st</sup> March, 2020 and Profit & Loss Account for the year ended as on that date along with all its schedules, notes to the accounts and also the Cash Flow statements for the year ended 31<sup>st</sup> March, 2020 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.

Sd/-  
Harsh Badani  
Whole time Director  
DIN: 02282965

Sd/-  
Hemendra J Badani  
Managing Director  
DIN: 00143330

Date: 29/07/2020  
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 noncompliance thereof during the year ended 31<sup>st</sup> March, 2020.

Date: 29/07/2020  
Place: Vadodara

Sd/-  
Barkha Arora  
Compliance Officer

## INDEPENDENT AUDITOR'S REPORT

the Members of **SOLITAIRE MACHINE TOOLS LIMITED**

### Report on the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **SOLITAIRE MACHINE TOOLS LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the standalone financial statements"]

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndAS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters;

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No.	Key Audit Matters	Auditors' Response
1	<p>Valuation of inventories</p> <p>We refer to financial statements' accounting principles on inventories Note No. 2(h) and related disclosure in the note No. 8</p> <p>At the balance sheet date, the value of inventory amounted to Rs. 947.96 lacs representing 68.93 % of total current assets and 66.65 % of total equity. Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management judgment. According to the financial</p>	<p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <ul style="list-style-type: none"><li>• assessing the compliance of company's accounting policies over inventory with applicable accounting standards.</li><li>• assessing the inventory valuation processes and practices. We tested the effectiveness of the key controls.</li><li>• assessing the analyses and assessment made by management with respect to slow moving and obsolete stock.</li></ul> <p>We assessed the adequacy of the company's disclosures related to inventories.</p>

	<p>statements' accounting principles inventories are measured at the lower of cost or net realizable value. The company has specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value.</p>	
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**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the *Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information*, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with governance for the Ind AS financial statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company’s financial reporting process.

**Auditor’s Responsibilities for the Audit of Ind AS Financial Statement**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

#### **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 Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  
2. As required by Section 143(3) of the Act, we report 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 Control with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"
  - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act.
  - h) 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 the 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 Ind AS financial statements – Refer Note 38 to the Ind AS 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's Registration No. 317031E

Dated: The day of 29<sup>th</sup> July, 2020  
Place: Mumbai

Sd/-  
**Ajay Gupta**  
*Partner*  
Membership No.053071

## Annexure A

### Responsibilities for Audit of Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Sd/-  
**Ajay Gupta**  
*Partner*  
Membership No.053071

Dated: The day of 29<sup>th</sup> July, 2020

Place: Mumbai

#### **Annexure 'B' to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, 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, Goods and service tax, customs duty, cess and other statutory dues wherever applicable.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, Goods and service tax, customs duty, cess and other statutory dues were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, the following dues of custom demands have not been deposited by the company on account of dispute:

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Amount (Net of Payment) Rs.</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Central Excise Act, 1944	DGFT-penalty	2,300,000	1999-2000	Writ No. 1957 of 2000 before Delhi High Court
Income Tax Act, 1961	Demand raised u/s 220(2)	344,562	2007-2008	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act, 1961	Demand raised u/s 220(2)	301,300	2008-2009	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act, 1961	Demand raised u/s 143(1a)	407,674	2011-2012	Rectification filed u/s 154 of Income Tax Act, 1961.



Income Tax Act,1961	Demand raised u/s 143(1a)	943,150	2012-2013	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 143(1a)	28,900	2018-2019	Rectification filed u/s 154 of Income Tax Act, 1961.
Income Tax Act,1961	Demand raised u/s 220(2)	215	2016-2017	Rectification filed u/s 154 of Income Tax Act, 1961.

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 because 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 of such transactions have been disclosed in the Ind AS financial statements as required by applicable Accounting Standards.
- 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 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's Registration No. 317031E

Sd/-  
**Ajay Gupta**  
*Partner*  
Membership No.053071

Dated: The day of 29<sup>th</sup> July, 2020

Place: Mumbai

**ANNEXURE "C" 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, 2020 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, 2020, 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- Mumbai  
Date- 29/07/2020

**SOLITAIRE MACHINE TOOLS LIMITED****Balance Sheet As At 31st March, 2020**

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant and Equipment	3	6,49,44,904	5,93,02,066
Capital Work-in-Progress		-	-
Investments in subsidiaries	4	-	15,90,000
Other non current Investment	5	9,040	
Financial Assets			
Loans	6	6,53,305	15,51,808
Other Non-Current Assets	7	3,59,036	3,59,036
<b>Total Non Current Assets</b>		<b>6,59,66,286</b>	<b>6,28,02,911</b>
<b>Current Assets</b>			
Inventories	8	9,47,95,608	6,39,32,760
Financial Assets			
Investments	9	2,25,74,418	2,25,99,727
Trade Receivables	10	56,20,382	2,28,99,291
Cash and Cash Equivalents	11	80,37,844	87,73,837
Bank Balances other than above	12	21,23,827	1,07,34,834
Other Financial Assets	13	1,09,622	13,01,576
Other Current Assets	14	42,45,149	27,79,100
<b>Total Current Assets</b>		<b>13,75,06,850</b>	<b>13,30,21,125</b>
<b>TOTAL ASSETS</b>		<b>20,34,73,136</b>	<b>19,58,24,036</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	15	4,54,21,760	4,54,21,760
Other Equity		9,68,17,528	9,68,66,149
<b>Total Equity</b>		<b>14,22,39,288</b>	<b>14,22,87,909</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	16	24,58,312	37,69,169
<b>Non-Current Liabilities</b>			
Other Non Current Liabilities	17	1,12,07,448	
<b>Non Current Provisions</b>			
Gratuity	18	16,09,812	15,01,912
<b>Total Non-Current Liabilities</b>		<b>15,75,14,860</b>	<b>14,75,58,990</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	19	-	-
Trade Payables	20	1,12,41,770	1,79,22,543
Other Current Financial Liabilities	21	72,41,866	73,39,723
Other Current Liabilities	22	2,45,31,688	1,97,27,789
Provisions	23	5,39,276	4,98,044
Current Tax Liabilities (Net)	24	24,03,676	27,76,948
<b>Total Current Liabilities</b>		<b>4,59,58,276</b>	<b>4,82,65,046</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,34,73,136</b>	<b>19,58,24,036</b>
Significant Accounting Policies and Notes on Accounts	1 to 43		
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AJAY SHOBHA & CO. FIRM REGISTRATION NO. 317031E CHARTERED ACCOUNTANTS	FOR AND ON BEHALF OF THE BOARD		
	(HEMANDRA JAYANTILAL BADANI) VICE CHAIRMAN & MANAGING DIRECTOR DIN NO.00143330		
AJAY GUPTA PARTNER MEMBERSHIP NO. : 053071	(HARSH BADANI) WHOLE TIME DIRECTOR DIN NO.02282965		
PLACE : VADODARA DATE : 29/07/2020	BARKHA ARORA COMPANY SECRETARY MEM. NO.- 37206		

**SOLITAIRE MACHINE TOOLS LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2020**

(Amounts in Rs.)

Particulars	Note No.	For Year Ended 31st March, 2020	For Year Ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	25	12,26,06,612	15,59,64,159
Other Income	26	32,93,404	29,03,337
<b>TOTAL INCOME</b>		<b>12,59,00,016</b>	<b>15,88,67,496</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	27	8,18,15,966	9,01,87,764
Changes in Inventories of Finished Goods, Stock-in -Trade and work-in-progress	28	(3,51,58,801)	(2,22,83,106)
Employee Benefits Expense	29	3,00,20,764	3,04,11,192
Finance Costs	30	3,99,742	6,20,012
Depreciation and Amortization Expense	3	1,19,38,278	98,36,842
Other Expenses	31	2,65,74,664	2,92,99,749
<b>Total Expenses</b>		<b>11,55,90,613</b>	<b>13,80,72,452</b>
<b>PROFIT BEFORE TAX</b>		<b>1,03,09,403</b>	<b>2,07,95,043</b>
Tax expense:			
(1) Current Tax		50,00,000	73,00,000
(2) (Excess)/Short Provision of Tax relating to Earlier Years		2,17,847	7,31,815
(3) Deferred Tax		(15,15,911)	(2,16,196)
		<b>37,01,935</b>	<b>78,15,619</b>
<b>PROFIT FOR THE YEAR</b>		<b>66,07,468</b>	<b>1,29,79,424</b>
Other Comprehensive Income (net of tax)			
A (i) Items that will not be reclassified to profit or loss		(1,20,600)	(61,348)
(ii) Income tax relating to items that will not be reclassified to profit or loss		33,551	17,067
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			
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>(87,049) -</b>	<b>44,281</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> (Comprising Profit and Other Comprehensive Income for the year)		<b>65,20,419</b>	<b>1,29,35,143</b>
<b>EARNING PER EQUITY SHARE IN (RS)</b> (Face value per share Rs 10 each)			
(1) Basic	37	1.45	2.86
(2) Diluted		1.45	2.86
Significant Accounting Policies and Notes on Accounts	1 to 43		
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AJAY SHOBHA & CO. FIRM REGISTRATION NO. 317031E CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD  (HEMANDRA JAYANTILAL BADANI) VICE CHAIRMAN & MANAGING DIRECTOR DIN NO.00143330	
AJAY GUPTA PARTNER MEMBERSHIP NO. : 053071		(HARSH BADANI) WHOLE TIME DIRECTOR DIN NO.02282965	
PLACE : VADODARA DATE : 29/07/2020		(BARKHA ARORA) COMPANY SECRETARY MEM. NO.- 37206	

**SOLITAIRE MACHINE TOOLS LIMITED**

**Cash Flow for the year ended as on 31ST March, 2020**

Particulars	Year Ended, 31st March, 2020	Year Ended, 31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<u>Net Profit as per Profit &amp; Loss Account</u>	65,20,419	1,29,35,144
Adjustment for:		
Depreciation and Amortisation	1,19,38,278	98,36,842
Tax Provision for Taxation & Deferred Tax	36,68,384	77,98,552
Interest Income	(7,24,071)	(11,47,782)
Fair Value of investment through P&L	(31,868)	(8,579)
Capital Gain on sale of Investments	(7,544)	
Interest Paid	73,750	87,025
Exceptional Items-excess dep. Written-back	(4,89,032)	-
Profit on sale of Current and Non Current Investments (Net)	-	-
<b><u>Operating Profit Before Working Capital Changes</u></b>	<b>2,09,48,316</b>	<b>2,95,01,202</b>
Adjustment for:		
Trade payable and other liability other non current liabilities	(18,59,421)	- 16,287
Trade Receivables	93,17,448	
Inventories	1,72,78,909	42,52,930
Financial and other Assets	(3,08,62,848)	(1,43,53,285)
	6,24,409	- 19,03,339
<b><u>Cash Generated From Operations</u></b>	<b>1,54,46,812</b>	<b>1,74,81,221</b>
Direct Taxes Paid (net of refunds)	(55,07,108)	(60,27,839)
<b>Net Cash From Operating Activities (A)</b>	<b>99,39,705</b>	<b>1,14,53,382</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipments	(1,47,26,405)	(24,60,892)
Interest received	7,24,071	11,47,782
Capital WIP	-	-
Purchase of Current Investments	-	(1,25,00,000)
Sale of Investments	64,722	-
<b>Net Cash From Investing Activities (B)</b>	<b>(1,39,37,612)</b>	<b>(1,38,13,110)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	-	-
Interest paid	(73,750)	(87,025)
Equity Dividends paid (including Dividend Distribution Tax)	(61,52,244)	(61,52,244)
<b>Net Cash From Financing Activities (C)</b>	<b>(62,25,994)</b>	<b>(62,39,269)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,02,23,901)</b>	<b>(85,98,997)</b>
Closing Balance of Cash and Cash Equivalents	1,01,61,671	1,95,08,670
Opening Balance of Cash and Cash Equivalents	2,03,85,573	2,81,07,669
Notes:		

<p>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:</p>		
<b>On hand</b>	4,133	51,476
<b>With Banks</b>		
In Current Accounts	80,33,711	87,22,361
In Deposit Accounts maturing within 3 months	-	-
<p>Significant Accounting Policies and Notes on Accounts 1 to 43</p>		
<p>AS PER OUR REPORT OF EVEN DATE ATTACHED  FOR AJAY SHOBHA &amp; CO.  FIRM REGISTRATION NO. 317031E  CHARTERED ACCOUNTANTS</p>	<p>FOR AND ON BEHALF OF THE BOARD   (HEMANDRA JAYANTILAL BADANI)  VICE CHAIRMAN &amp; MANAGING DIRECTOR  DIN NO.00143330</p>	
<p>AJAY GUPTA  PARTNER  MEMBERSHIP NO. : 053071</p>	<p>(HARSH BADANI)  WHOLE TIME DIRECTOR  DIN NO.02282965</p>	
<p>PLACE : VADODARA  DATE : 29/07/2020</p>	<p>BARKHA ARORA  COMPANY SECRETARY  MEM. NO.- 37206</p>	

## 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 are authorised 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 the 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 exchange rate 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 amount outstanding.

##### **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 assess impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

(s) **Amalgamation of Shruchi Manufacturing Ltd.-Wholly owned subsidiary Company**

Pursuant to the Scheme of Amalgamation ("The scheme") of Shruchi Manufacturing Limited (SHRUCHI) (Transferor Company) with Solitaire Machine Tools Limited (SMTL) (Transferee Company) sanctioned by Hon'ble National Company Law tribunal (NCLT) on 29th April 2020, all the assets and liabilities of the Transferor company are transferred, in the books of Transferee company, at the value appearing in the books of account of SHRUCHI as on appointed date i.e 1st April, 2017

### 3. PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	Land	Building	Plant and Machinery	Furniture and Fixtures	Office Premises	Office Equipments	Electrical Installations	Computer	Vehicles	Total
<b>Deemed Cost</b>										
<b>As at 31 March 2017</b>	53,02,195	2,27,71,023	4,33,64,751	22,49,197	8,16,849	2,96,147	3,41,954	37,220	39,75,315	7,91,54,651
Additions			6,31,730			1,54,957		72,990	14,08,325	22,68,002
Disposals										
<b>As at 31 March 2018</b>	53,02,195	2,27,71,023	4,39,96,481	22,49,197	8,16,849	4,51,104	3,41,954	1,10,210	53,83,640	8,14,22,653
Additions			42,99,195			70,350		48,551		44,18,096
Disposals			-							
<b>As at 31 March 2019</b>	53,02,195	2,27,71,023	4,82,95,676	22,49,197	8,16,849	5,21,454	3,41,954	1,58,761	53,83,640	8,58,40,749
Additions	1,35,73,745		8,41,581			3,11,079				1,47,26,405
Disposals										
Transferred from Shruchi Manufacturin ltd.pursuant to the scheme of Merger (Refer Note No. 41)			38,97,377							38,97,377
Disposals/write back						4,89,032				4,89,032
<b>As at 31 March 2020</b>	1,88,75,940	2,27,71,023	5,30,34,634	22,49,197	8,16,849	13,21,565	3,41,954	1,58,761	53,83,640	10,49,53,564
<b>Accumulated Depreciation and Impairment</b>										
<b>As at 31 March 2017</b>	-	12,14,666	46,00,449	5,67,121	85,303	64,241	1,16,454	19,109	9,43,376	76,10,719
Depreciation charge for the year		12,22,682	59,38,928	4,38,086	85,303	1,55,208	1,01,694	32,695	11,16,527	90,91,123
Disposals										
<b>As at 31 March 2018</b>		24,37,348	1,05,39,377	10,05,207	1,70,606	2,19,449	2,18,148	51,804	20,59,903	1,67,01,842
Depreciation charge for the year		11,85,226	66,36,177	4,64,897	85,303	2,56,089	34,842	68,201	11,06,107	98,36,842
Disposals										
<b>As at 31 March 2019</b>		36,22,574	1,71,75,554	14,70,104	2,55,909	4,75,538	2,52,990	1,20,005	31,66,010	2,65,38,683
Depreciation charge for the year		11,81,448	78,94,376	5,23,006	85,303	3,62,007	34,842	1,84,669	13,98,154	1,16,63,805
Transferred from Shruchi Manufacturing Ltd.pursuant to the scheme of Merger (Refer Note No. 41)			18,06,171							18,06,171
Disposals/write back										
<b>As at 31 March 2020</b>		48,04,022	2,68,76,100	19,93,110	3,41,213	3,62,007	2,87,831	3,04,674	45,64,164	4,00,08,659
<b>As at 31 March 2020</b>	1,88,75,940	1,79,67,001	2,61,58,534	2,56,087	4,75,636	9,59,558	54,123	- 1,45,913	8,19,476	6,49,44,904
<b>As at 31 March 2019</b>	53,02,195	1,91,48,449	3,11,20,122	7,79,093	5,60,940	45,916	88,965	38,756	22,17,630	5,93,02,066
<b>As at 31 March 2018</b>	53,02,195	2,03,33,675	3,34,57,104	12,43,990	6,46,243	2,31,655	1,23,807	58,406	33,23,737	6,47,20,812
<b>As at 31 March 2017</b>	53,02,195	2,15,56,357	3,87,64,302	16,82,076	7,31,546	2,31,906	2,25,500	18,111	30,31,939	7,15,43,932

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.

#### 4 NON-CURRENT INVESTMENTS

Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March 2020	As at 31st March 2019
<b>Unquoted Investments</b>				
Investments in Equity instruments of Subsidiaries, carried at cost				
Shruchi Manufacturing Limited	15,900	100	-	15,90,000
			-	15,90,000

#### 5 NON-CURRENT INVESTMENTS

Investments in Equity Shares (fully paidup)	Number of Shares	Face Value Per Share	As at 31st March 2020	As at 31st March 2019
<b>1) Unquoted Investments</b>				
<b>NON-TRADE - QUOTED</b>				
100 Equity Shares of Kirloskar Ferrous Ltd of ₹ 10/- each fully paid up.	100	10		
Market Value ₹. 4300/- ( Previous Year: ₹.9630 /- ) transferred from Shruchi Mfg Co. Ltd			9040	0
			<b>9,040</b>	<b>-</b>

Aggregate amount of Unquoted Investments 9,040 -

#### 6 NON-CURRENT LOANS

Particulars	As at 31st March 2020	As at 31st March 2019
<b>a. (Unsecured, Considered Good)</b>		
Loan to Subsidiary Company	-	-
Loans & Advances to Employees	1,93,127	1,89,630
Security Deposits	4,60,179	13,62,179
<b>b. Loans Receivables which have significant increase in Credit Risk</b>	-	-
<b>c. Loans Receivables - credit impaired</b>	-	-
<b>TOTAL</b>	<b>6,53,305</b>	<b>15,51,808</b>

#### 7 OTHER NON-CURRENT ASSETS

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(Unsecured, Considered Good)</b>		
Advances to Gratuity Trust	5,000	5,000
Duty Recoverable under Protest	3,54,036	3,54,036
<b>TOTAL</b>	<b>3,59,036</b>	<b>3,59,036</b>

#### 8 INVENTORIES

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(Valued at lower of cost or NRV)</b>		
<b>(Semi Finished Goods valued on percentage of work executed on contracted price)</b>		
Raw Materials - Components	1,38,34,837	1,77,05,775
Semi Finished Goods	4,49,27,468	4,25,73,646
Rebuilding in Process	3,30,04,000	1,88,920
Spares in Process	3,015	13,116
Cutting Tools	6,21,275	10,52,881
Holding Tools	1,55,013	1,48,423
Finished Grinders	22,50,000	22,50,000
<b>TOTAL</b>	<b>9,47,95,608</b>	<b>6,39,32,760</b>

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

9 CURRENT INVESTMENTS

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Investments in mutual funds</b>		
<b>Quoted</b>		
Axis Liquid Fund - Growth (No. of Units - 30,365)	-	57,178
Axis Enhanced Arbitrage Fund (No. of Units : - 2149248.577)	2,25,74,418	2,25,42,549
<b>TOTAL</b>	<b>2,25,74,418</b>	<b>2,25,99,727</b>

Aggregate amount of Quoted investments and market value 2,25,74,418      1,00,91,148

10 TRADE RECEIVABLES

Particulars	As at 31st March 2020	As at 31st March 2019
<b>a. (Unsecured, Considered Good)</b>		
Trade receivables from related parties	-	8,29,718
Receivables from other than related parties	56,20,382	2,20,69,573
<b>b. Trade Receivables which have significant increase in Credit Risk</b>		
c. Trade Receivables - credit impaired	-	-
<b>TOTAL</b>	<b>56,20,382</b>	<b>2,28,99,291</b>

11 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Cash and Cash equivalents</b>		
Cash on Hand	4,133	51,476
<b>Bank Balances</b>		
In Current Accounts	76,19,407	87,22,361
transferred from Current Accounts of Shuruchi Mfg. Co. Ltd	4,14,304	-
<b>TOTAL</b>	<b>80,37,844</b>	<b>87,73,837</b>

12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31st March 2020	As at 31st March 2019
Fixed Deposit With Bank	21,23,827	1,07,34,834
(Fixed Deposit With YES Bank of Rs. 734833/- is pledged against Bank Guarantee facilities)		
<b>TOTAL</b>	<b>21,23,827</b>	<b>1,07,34,834</b>

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2019.

13 OTHER FINANCIAL ASSETS

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(Unsecured, Considered Good)</b>		
Interest accrued on FDR	1,09,622	13,01,576
<b>TOTAL</b>	<b>1,09,622</b>	<b>13,01,576</b>

14 OTHER CURRENT ASSETS

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(Unsecured, Considered Good)</b>		
Advances to Suppliers	7,71,250	10,26,363
Others		
Prepaid Expense	85,926	1,31,583
Advance Tax and Tax at Source ( Net of Provisions)	-	-
Statutory Receivables	33,87,973	16,21,154
<b>TOTAL</b>	<b>42,45,149</b>	<b>27,79,100</b>



## 15 SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>		
57,50,000 Equity Shares of Rs. 10.00 each (As at 31.03.2020 - 57,50,000 Shares, As at 01.04.2019 - 55,00,000 Shares) Authorised Capital Increased Pursuant to NCLT order dated 29.04.2020	57500000.00	55000000.00
<b>Issued, Subscribed and Fully Paid - Up:</b>		
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)	45421760.00	45421760.00

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	45,42,176	4,54,21,760	4542176.00	45421760.00

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	%	No. of Shares	%	No. of Shares
Harsh H Badani	16.95	7,67,643	16.95	767643.00
Ashok Jivarajbhai Sheth	15.78	7,16,975	15.85	716975.00
Bharati Ashok Sheth	8.85	4,01,780	8.83	400900.00

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, 2020.

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

## 16 DEFERRED TAX LIABILITIES (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
The balances is comprises of temporary differences attributable to: Property, Plant and Equipments	2458311.75	3769169.00
Financial Assets at Fair value through Profit or Loss	-	
Others	-	
<b>Deferred Tax (Assets) / Liabilities</b>	<b>2458311.75</b>	<b>3769169.00</b>

Movement in Deferred Tax Liabilities

Description	Property, Plant & Equipment	Financial Assets at FVPL	Others
<b>As on 31st March, 2018</b>	<b>3985365.00</b>		
Charged / (Credited)			
- To Profit and Loss	-216196.00		
<b>As on 31st March, 2019</b>	<b>3769169.00</b>		
Charged / (Credited)			
- To Profit and Loss	-1549462.25		
Trnasferred from shuruchi Mfg.	238605.00		
<b>As on 31st March, 2020</b>	<b>2458311.75</b>		

**18 NON CURRENT PROVISIONS**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Provisions for Employee Benefits:</b>		
Gratuity	1609812.00	1501912.00
<b>TOTAL</b>	<b>1609812.00</b>	<b>1501912.00</b>

**17 OTHER NON CURRENT LIABILITIES**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>GUJARAT INDUSTRIAL DEVELOPMENT CORPORATION</b>		
Deferred Payment Liability	9317448.00	0.00
<b>OTHER PAYABLES</b>		
Transferred from Shruchi Mfg. Ltd. pursuant to the scheme of Merger (Refer Note No. 41)	1890000.00	0.00
<b>TOTAL</b>	<b>11207448.00</b>	<b>0.00</b>

**19 BORROWINGS**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>From Yes Bank Ltd. (Baroda)</b>		
Cash Credit	0.00	0.00
(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)		
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

**20 TRADE PAYABLE**

Particulars	As at March 31, 2020	As at March 31, 2019
A. total outstanding dues of micro enterprises and small enterprises	0.00	0.00
B. total outstanding dues of creditors other than micro enterprises and small enterprises ( see note no.	11241770.27	17922542.69
<b>TOTAL</b>	<b>11241770.27</b>	<b>17922542.69</b>

**21 OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings		
Unpaid Dividend Accounts *	2329292.80	2371451.50
Provision for Expenses	4912573.00	4968271.00
<b>TOTAL</b>	<b>7241865.80</b>	<b>7339722.50</b>

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

**22 OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from Customers	24531687.96	19411258.00
<b>Others</b>		
Withholding and other Tax Payables	0.00	316531.00
<b>TOTAL</b>	<b>24531687.96</b>	<b>19727789.00</b>

**23 CURRENT PROVISIONS**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Provision for Employee Benefits - Gratuity	539276.00	498044.00
<b>TOTAL</b>	<b>539276.00</b>	<b>498044.00</b>

**24 CURRENT TAX LIABILITIES (NET)**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Current Tax Payable	2403675.95	2776947.98
<b>TOTAL</b>	<b>2403675.95</b>	<b>2776947.98</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

**(A) EQUITY SHARE CAPITAL**

For the year ended 31st March, 2020		
Balance as at 31st March, 2019	Changes in equity shares capital during the year ended	Balance as at 31st March, 2020
4,54,21,760	-	4,54,21,760

For the year ended 31st March, 2019		
Balance as at 1st April, 2018	Changes in equity shares capital	Balance as at 31st March, 2019
4,54,21,760	-	4,54,21,760

**(B) OTHER EQUITY**

For the year ended 31st March, 2020				
Particulars	RESERVES & SURPLUS			TOTAL
	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2019	20,78,470	13,63,943	9,34,23,736	9,68,66,149
Profit for the Year	-		66,07,468	66,07,468
Remeasurement of the net defined benefit liability/asset, net of tax effect			- 87,049	- 87,049
Dividends Paid (including corporate dividend tax)			61,52,244	61,52,244
Transfer to General Reserves			9,37,91,911	9,72,34,324
Loss of Shruchi Manufacturing Company Ltd transferred pursuant to Scheme of Merger approved by NCLT order dated ----			4,16,796	4,16,796
<b>Balance at 31st March 2020</b>	<b>20,78,470</b>	<b>13,63,943</b>	<b>9,33,75,115</b>	<b>9,68,17,528</b>

For the year ended 31st March, 2019				
Particulars	RESERVES & SURPLUS			TOTAL
	Capital Reserve	General Reserve	Retained Earnings	
Balance at 1st April, 2018	20,78,470	13,63,943	8,66,40,836	9,00,83,249
Profit for the Year			1,29,79,425	1,29,79,425
Remeasurement of the net defined benefit liability/asset, net of tax effect			-44,281	(44,281)
Dividends Paid (including corporate dividend tax)			61,52,244	61,52,244
<b>Balance at 31st March 2019</b>	<b>20,78,470</b>	<b>13,63,943</b>	<b>9,34,23,736</b>	<b>9,68,66,149</b>

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.

Significant Accounting Policies and Notes on Acc 1 to 42

AS PER OUR REPORT OF EVEN DATE ATTAC FOR AND ON BEHALF OF THE BOARD  
FOR AJAY SHOBHA & CO.

FIRM REGISTRATION NO. 317031E  
CHARTERED ACCOUNTANTS

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

AJAY GUPTA  
PARTNER  
MEMBERSHIP NO. : 053071

(HARSH BADANI)  
WHOLE TIME DIRECTOR  
DIN NO.02282965

PLACE : VADODARA  
DATE : 29/07/2020

BARKHA ARORA  
COMPANY SECRETARY  
MEM. NO.- 37206

**25 REVENUE FROM OPERATIONS**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Sale of Products (Including Excise Duty)	10,65,53,408	14,39,72,242
Revenue from Sale of Service	1,59,12,614	1,16,64,127
<b>Other Operating Revenue</b>		
Scrap Sales	1,40,590	3,27,790
<b>TOTAL</b>	<b>12,26,06,612</b>	<b>15,59,64,159</b>

**26 OTHER INCOME**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Interest Income (on Bank Deposits)	7,24,071	11,47,782
Dividend	11,60,808	9,41,460
Foreign Exchange Fluctuation	-	1,73,308
Profit on Sale of Assets	-	1,06,000
Profit on Sale of Investment	7,544	-
Gain on Fair Valuation of Investments through Profit and Loss	31,868	8,579
Liabilities / Provisions no longer required written back	91,134	1,21,330
Miscellaneous Income	7,88,948	4,04,878
Excess Depreciation in prior years writtn-back	4,89,032	-
<b>TOTAL</b>	<b>32,93,404</b>	<b>29,03,337</b>

**27 COST OF MATERIALS CONSUMED**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Opening Stock of Raw Materials	1,77,05,775	2,60,42,138
Add: Purchases	7,79,45,029	8,18,51,401
	9,56,50,804	10,78,93,539
Less: Closing Stock of Raw Materials	1,38,34,837	1,77,05,775
<b>TOTAL</b>	<b>8,18,15,966</b>	<b>9,01,87,765</b>

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

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Opening Stock</b>		
Finished Goods	22,50,000	58,50,000
Semi-Finished Goods	4,25,73,646	1,66,72,693
Rebuilding in Process	1,88,920	2,11,071
Spares in Process	13,116	8,811
	4,50,25,682	2,27,42,575
<b>Less: Closing Stock</b>		
Finished Goods	22,50,000	22,50,000
Semi-Finished Goods	4,49,27,468	4,25,73,646
Rebuilding in Process	3,30,04,000	1,88,920
Spares in Process	3,015	13,116
	8,01,84,483	4,50,25,682
<b>(Increase) / Decrease in Stocks</b>	<b>(3,51,58,801)</b>	<b>(2,22,83,107)</b>

**29 EMPLOYEE BENEFITS EXPENSE**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Salaries and Wages	2,67,57,457	2,70,95,277
Contribution to Provident Fund and Other Funds	26,66,884	26,77,187
Staff welfare expenses	5,96,423	6,38,728
<b>TOTAL</b>	<b>3,00,20,764</b>	<b>3,04,11,192</b>

**30 FINANCE COSTS**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Interest Expense</b>		
Interest to Bank	1,85,082	5,32,987
Other Borrowing Cost (Processing Fees)	2,14,660	87,025
<b>TOTAL</b>	<b>3,99,742</b>	<b>6,20,012</b>

**31 OTHER EXPENSES**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Consumption of Stores and spares	51,48,291	59,77,056
Power and fuel	19,32,596	20,09,757
Labour Contract Charges	24,66,571	24,36,265
Repair to Building	3,94,796	2,00,984
Repairs to Machinery	1,05,120	4,90,340
Insurance	2,73,777	2,12,014
Rent, Rates and Taxes	7,51,588	8,15,307
Bank Charges	5,69,551	1,24,930
<u>Auditor's Remuneration:</u>		
Statutory Audit Fee 111800		
Tax Audit Fee 100000		
	2,11,800	2,00,000
Labour Charges	18,90,277	28,03,284
Travelling Expenses	18,31,082	20,63,638
Postage and Courier	72,349	1,35,286
Printing and Stationery	1,36,429	4,57,172
Telephone & Mobile	1,26,895	1,15,303
Legal & Professional Charges	11,66,237	13,95,914
Vehicle Expenses	5,90,860	6,28,559
Annual General Meeting Expenses	3,56,388	56,277
Others Repairs	15,83,514	10,59,028
Security Charges	7,07,129	6,63,019
Advertisement	91,278	1,52,732
Export Expenses	1,43,054	1,03,470
Sales Expenses	25,85,451	20,55,913
Sales Commission	4,99,017	11,16,674
Packing Expenses	8,94,717	11,73,037
Registrar's Fees	1,72,825	1,77,188
Miscellaneous Expenses	10,94,270	15,09,831
Listing Fees	3,00,000	2,50,000
Computer Expenses	1,71,264	2,26,993
Foreign Exchange Fluctuation	3,07,538	6,89,779
		-
<b>TOTAL</b>	<b>2,65,74,664</b>	<b>2,92,99,749</b>

### 30 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.

Outstanding unhedged foreign currency exposure as at	As at 31st March, 2020	As at 31st March, 2019
Trade receivables		
USD	-	87,678
EURO	-	-
GBP	6,564	-
Trade Payables		
USD	-	3,363

#### 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 significantly 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 department 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 does not have any borrowing facilities as on the Balance sheet dates.

**Maturity patterns of other Financial Liabilities - As at March 31, 2020**

	0-12 Months	beyond 12 months	Total
Trade Payable	1,12,41,770	-	1,12,41,770
Other Financial liability (Current and Non Current)	72,41,866	-	72,41,866
<b>Total</b>	<b>1,84,83,636</b>	<b>-</b>	<b>1,84,83,636</b>

**Maturity patterns of other Financial Liabilities - As at March 31, 2019**

	0-12 Months	beyond 12 months	Total
Trade Payable	1,79,22,543	-	1,79,22,543
Other Financial liability (Current and Non Current)	73,39,723	-	73,39,723
<b>Total</b>	<b>2,52,62,265</b>	<b>-</b>	<b>2,52,62,265</b>

**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:

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

Ageing of accounts receivables	As at March 31, 2020	As at March 31, 2019
Not due	-	-
0-3 months	10,85,452	1,87,99,317
3-6 months	5,19,662	2,20,269
6 months to 12 months	1,71,156	1,10,870
more than 12 months	38,44,112	37,68,835
<b>Total</b>	<b>56,20,382</b>	<b>2,28,99,291</b>

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

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

(Rs. In Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Financial Assets at amortised cost</b>		
Trade Receivables	56,20,382	2,28,99,291
Loans	6,53,305	15,51,808
Cash and Cash Equivalents	80,37,844	87,73,837
Bank balances other than above	21,23,827	1,07,34,834
Other Financial Assets	1,09,622	13,01,576
<b>Financial Assets at fair value through profit or loss</b>		
Investments	2,25,74,418	2,25,99,727
<b>Financial Assets at fair value through other comprehensive income</b>		
	-	-
<b>Total</b>	<b>3,91,19,398</b>	<b>6,78,61,074</b>
<b>Financial Liabilities at amortised cost</b>		
Cash Credits/Working Capital Borrowing	-	-
Trade payables	1,12,41,770	1,79,22,543
Other financial liabilities	72,41,866	73,39,723
<b>Total</b>	<b>1,84,83,636</b>	<b>2,52,62,265</b>



## **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, 2020	As at 31st March, 2019
<b>Financial Assets at fair value through profit or loss</b>		
Investments -Level 1	2,25,74,418	2,25,99,727

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

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

## **(A) DISTRIBUTION MADE AND PROPOSED (IND AS 1):**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Cash Dividends on Equity Shares declared and paid:</b>		
Final dividend for the year ended on 31st March, 2019: Rs. 1.1 per share (March 31, 2018: Rs. 1 per share)	49,96,394	49,96,394
Dividend Distribution Tax on final dividend	11,55,850	11,55,850
<b>Total Dividend paid</b>	<b>61,52,244</b>	<b>61,52,244</b>
<b>Proposed Dividends on Equity Shares:</b>		
Final dividend for the year ended on 31st March, 2020: Rs. 0.75 per share. (31st March, 2019: Rs. 1.1 per share)	34,06,632	49,96,394
DDT on proposed dividend	-	10,27,259
<b>Total Dividend proposed</b>	<b>34,06,632</b>	<b>60,23,653</b>

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 2020.

## **(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):**

- Income Tax Reconciliation

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before Tax	1,03,09,403	2,07,95,044
Enacted Tax Rates in India	27.82%	27.82%
Computed expected Tax Expense	28,68,076	57,85,181
Tax Effect of amounts which are not deductible in calculating taxable Income	19,16,046	14,14,503
Tax Effect of amounts which are deductible in calculating taxable Income	3,22,936	2,91,403
<b>Income Tax Expense</b>	<b>44,61,186</b>	<b>69,08,281</b>

### 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:

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	16,75,928	15,83,060
Employer's Contribution to Employee's State Insurance	2,93,326	4,32,858
<b>TOTAL</b>	<b>19,69,254</b>	<b>20,15,918</b>

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):

Particulars	2019-20	2018-19
Opening DBO	67,18,407	58,79,875
Current Service Cost	4,98,044	4,41,859
Interest on DBO	4,86,392	4,30,214
Past service cost	-	-
Employees Contribution		
Remeasurement due to:		
Actuarial loss/ (gain) arising from change in financial assumption	4,31,713	41,416
Actuarial loss/ (gain) arising on account of experience change	(3,69,744)	2,056
Actuarial loss/ (gain) arising on account of demographic assumption	(2,723)	
Benefits Paid	(2,67,307)	(77,013)
Closing DBO	74,94,782	67,18,407

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

Particulars	2019-20	2018-19
Opening Fair Value of Plan Assets	47,18,451	41,00,768
Interest on Plan Assets	3,55,948	3,12,572
<b>Remeasurement due to:</b>		
Actuarial loss/ (gain) arising on account of experience change	(61,354)	(17,876)
Employees Contribution	5,99,956	4,00,000
Benefits Paid	(2,67,307)	(77,013)
Closing Fair Value of Plan Assets	53,45,694	47,18,451

\* 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, 2020	As at 31st March, 2019
Present value of Defined Benefit Obligation	74,94,782	67,18,407
Fair value of Plan Assets	53,45,694	47,18,451
Net Liability recognised in the Balance Sheet	<b>21,49,088</b>	<b>19,99,956</b>
<b>Long Term Provisions</b>	21,49,088	19,99,956

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

Particulars	2019-20	2018-19
Current Service Cost	4,98,044	4,41,859
Past Service Cost	-	-
Interest Cost on defined benefit liability / (assets)	1,30,444	1,17,642
<b>Total</b>	<b>6,28,488</b>	<b>5,59,501</b>

v) Amount recorded in other Comprehensive Income

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening amount recognised in OCI outside P&L Account		
Remeasurement due to:		
Changes in financial assumptions	4,31,713	41,416
change in demographic assumption	(2,723)	-
Experience Adjustments	- 3,69,744	2,056
Actual return on plan assets less interest on plan assets	61,354	17,876
Closing amount recognised in OCI outside profit and loss account	1,20,600	61,348

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, 2020		As at 31st March, 2019	
	Amount (in Lacs)	Rate %	Amount (in Lacs)	% Rate %
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%
<b>Total</b>				

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:

Particulars	2019-20	2018-19
Actual Return on Plan Assets (Incl. remeasurement effect)	2,94,594	2,94,696

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

Particulars	2019-20	2018-19
	Rate %	Rate %
Discount Rate	6.45%	7.45%
Salary Escalation Rate	5%	5%
Attrition Rate		

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

Particulars	2019-20
Gratuity	5,99,956.00

xii) Sensitivity Analysis:

Particulars	2019-20	2018-19
	Rate %	Rate %
Impact of increase in 50 bps on discounting rate on DBO	72,73,048	65,15,587
Impact of decrease in 50 bps on discounting rate on DBO	77,29,235	69,32,173
Impact of increase in 50 bps on salary escalation rate on DBO	77,22,583	69,26,322
Impact of decrease in 50 bps on salary escalation rate on DBO	72,76,956	65,16,386

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:

No.	Nature of Transaction	Subsidiaries	Enterprise	Key Management Personnel	Relatives	Total
1	Receiving of Services	-	66,063 (5,83,559)	-	-	66,063 (5,83,559)
2	Managerial Remuneration & Perquisites	-	-	37,18,654 (37,30,963)	-	37,18,654 (37,30,963)
3	Sales	-	-	-	-	-
	Purchase	-	31,340	-	-	31,340
4	Loans Received	-	40,79,718	-	-	40,79,718
5	Loans Repaid	-	32,50,000	-	-	32,50,000
6	Office Deposit Given	-	-	-	-	-
	<b>Outstanding balances as At 31.03.2019 :</b>					
1	Investments	(15,90,000)	-	-	-	(15,90,000)
2	Security Deposit	-	-	-	-	-
3	Other Liabilities	-	-	(2,55,000)	-	(2,55,000)
4	Trade Receivable	-	(8,29,718)	-	-	(8,29,718)
5	Trade Payable	-	15,019	-	-	15,019
		-	(1,22,291)	-	-	(1,22,291)

\* Figures in Brackets are of previous year.

No.	Nature of Transaction	Name of the Related Party	Current Year	Previous Year
1	<b>Receiving of Services</b>			
	Enterprises under significant influence of Key Management Personnel or their relatives	Adventure Advertising Private Limited Metal Perforation Private Limited.	66,063 31,340	5,83,559 30,21,878
2	<b>Managerial Remuneration</b>			
	Key Management Personnel	A.J. Sheth H.J. Badani Harash Badani	12,80,920 12,91,790 11,45,944	12,80,920 12,94,935 11,55,108
3	<b>Loans Received</b>			
	Enterprise under significant influence of Key Management Personnel	Metal Perforation Private Limited.	40,79,718	-
4	<b>Loans Repaid</b>			
	Enterprise under significant influence of Key Management Personnel	Metal Perforation Private Limited.	32,50,000	-

<b>Outstanding balances as at 31.03.2020 :</b>			
<b>1 Investments</b>			
Subsidiaries	Shruchi Manufacturing Limited	-	15,90,000
<b>2 Trade Receivable</b>			
Enterprise under significant influence of Key Management Personnel	Metal Perforation Private Limited.	-	8,29,718
<b>3 Trade Payable</b>			
Enterprise under significant influence of Key Management Personnel	Adventure Advertising Private Lim	15,019	6,613
		-	-
Enterprise under significant influence of Key Management Personnel	Metal Perforation Private Limited.	31,340	-
<b>4 Other Liabilities</b>			
Key Management Personnel	A.J. Sheth	1,80,000	90,000
	H.J. Badani	1,80,000	90,000
	Harash Badani	1,50,000	75,000
		5,10,000	2,55,000

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):**

(Amounts in Rs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Basic/Diluted EPS:</b>		
(i) Net Profit attributable to Equity Shareholders	66,07,468	1,29,79,425
(ii) Weighted average number of Equity Shares outstanding (Nos.) [For Basic & Diluted EPS]	45,42,176	45,42,176
<b>Basic/ Diluted EPS ( Face Value ` 10 per share) (Per Share) (i)/(ii)</b>	1.45	2.86

### **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. 146,58,577/- (31st March, 2020) -( Rs. 47,92,000/ , 31st March, 2019)

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:**

(Amounts in Rs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Statutory Auditors:</b>		
Audit fees (including quarterly Limited Review)	1,11,800	1,00,000
Tax audit fees	1,00,000	1,00,000
<b>TOTAL</b>	<b>2,11,800</b>	<b>2,00,000</b>

**40 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Amounts to Micro and Small Enterprises on the basis of information available with the Company regarding the status of suppliers are as follows:  
( Amount in Rs.)

- a. the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end
- b. the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment
- c. the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest
- d. the amount of interest accrued and remaining unpaid at the end of each accounting year; and
- e. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

	As at 31st March, 2020	As at 31st March, 2019
a.	-	-
b.	-	-
c.	-	-
d.	-	-
e.	-	-

**41 MERGER BY ABSORPTION OF SHRUCHI MANUFACTURING COMPANY LTD. A WHOLLY OWNED SUBSIDIARY**

Pursuant to Scheme of Amalgamation ("the Scheme") of Shruichi Manufacturing Company Limited ( Transferor Company) with Solitaire Machine Tools Limited ( Transferee Company ) sanctioned by Hon'ble National Law Tribunal (NCLT) on 29-4-2020, all the assets and liabilities of the transferor company are transferred, in the books of transferee company, at the value appearing in the books of Account of Shruichi Manufacturing Company Limited as on appointed date ie 01-4-2017

**42 COVID-19 and its Impact**

The Company has assessed the impact of COVID-19 on the financial statements, business operations, liquidity position, cash flows and has concluded that no material adjustments are required in the financial results. The Company will continue to monitor the impact of COVID-19 and any material changes to future economic conditions.

43 Figures of the previous period/Year have been regrouped to conform to current year's classification. Further in view of the amalgamations described in note no.41 above, the figures of the current year are not comparable with those of the previous year.

Significant Accounting Policies are 1 to 43

AS PER OUR REPORT OF EVEN FOR AND ON BEHALF OF THE BOARD  
FOR AJAY SHOBHA & CO.  
FIRM REGISTRATION NO. 317031E  
CHARTERED ACCOUNTANTS (HEMANDRA JAYANTILAL BADANI)  
VICE CHAIRMAN & MANAGING DIRECTOR  
DIN NO.00143330

AJAY GUPTA (HARSH BADANI)  
PARTNER WHOLE TIME DIRECTOR  
MEMBERSHIP NO. : 053071 DIN NO.02282965

PLACE : VADODARA (BARKHA ARORA)  
DATE : 29/07/2020 COMPANY SECRETARY  
MEM. NO.- 37206

## **SOLITAIRE MACHINE TOOLS LIMITED**

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

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