JEET MACHINE TOOLS LIMITED

33RD ANNUAL REPORT
2016-2017

JEET MACHINE TOOLS LIMITED

BOARD OF DIRECTORS

Mr. Ajit Singh Chawla	Managing Director
Mr. Kulwant Singh Kohli	Director
Mr. N. M. Mansinghka	Director
Mr. Kawaljit Singh Chawla	Director
Ms. Mohini Hingorani	Director

AUDITORS

M/s J. S. Bhatia & Co.,
Chartered Accountants,
14/15, Ashoka Centre,
2nd Floor, Lokmanya Tilak Marg,
Mumbai- 400 001

BANKERS

Punjab & Sind Bank
Bharat Overseas Bank Ltd.
HDFC Bank Ltd.
State Bank of India

REGISTERED OFFICE

25, Ambalal Doshi Marg,
Hamam Street, Fort
Mumbai- 400 023
Tel: 022- 22651944 / 22672124
Fax: 022-22655782 / 22675280
Email: qmt@mtnl.net
qualitymachinetls@yahoo.com

REGISTRAR AND SHARE TRANSFER AGENTS

TSR Darashaw Limited
6-10, Haji Moosa,
Patrawala Industrial Estate, 20,
Dr. E Moses Road,
Mumbai- 400 011.
Tel: 022 – 66568484
Fax:022 – 66568494

BOARD'S REPORT

To
The Members,
Jeet Machine Tools Limited

Your Directors have pleasure in presenting the 33rd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2017.

1. FINANCIAL STATEMENTS & RESULTS:

a. FINANCIAL RESULTS:

The Company's performance during the year ended 31st March, 2017 as compared to the previous financial year, is summarized below:

(Amount in INR)

Particulars	**For the financial year ended 31st March, 2017**	**For the financial year ended 31st March, 2016**
Income	2,905,374	1,433,796
Less: Expenses	2,114,548	1,689,549
Profit/ (Loss) before tax	**790,826**	**(255,753)**
Less: Provision for tax:		
• Current Tax	7,262	0
• Deferred tax	(231,980)	(103,673)
Profit/ (Loss) after Tax	**1,015,544**	**(152,080)**
Balance carried to Balance sheet	**1,015,544**	**(152,080)**

b. OPERATIONS:

The Company continues to be engaged in the activities pertaining to dealing in Work Shop Machinery for Tool Room such as Lathe Machine, Shaping Machine, Hacksaw Machine, Drill Machine, Hydraulic Press, Bench Grinder etc. for maintenance. Sheet Metal Machinery such as Mechanical & Hydraulic Shearing, Press Brake, Sheet Folding Machine & Pyramid Type Plate Bending Machine for Fabrication. However has not carried out any activities during the year under review due to unfavourable market conditions.

There was no change in nature of the business of the Company, during the year under review.

c. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

During the year under review, your Company did not have any Subsidiary, Associate and Joint Venture Company.

d. DIVIDEND:

With a view to conserve resources, your Directors have thought it prudent not to recommend any dividend for the financial year under review.

e. TRANSFER TO RESERVES:

Your Directors have not recommended transfer of any amount out of the profit for the year to reserves.

f. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements pertaining to previous financial years, during the year under review.

g. DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Sections 73 and 74 of the Companies Act 2013 ('the Act') read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

h. DISCLOSURES UNDER SECTION 134(3)(l) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

i. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

j. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

k. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and on an arm's length basis. None of the related party transactions entered into by the Company were material transactions.

Details of related party transactions entered into by the Company during the financial year are provided in Note 24 to the Financial Statements

l. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

During the year under review the Company has not made any investment in securities or advanced any loans or given any guarantees or provided security in connection with a loan to persons or body corporate in terms of Section 186 of the Companies Act, 2013. Details pertaining to the investments made in the previous years are disclosed in Note No. 9 of the Financial Statements.

m. SHARE CAPITAL:

The Company has not issued any shares during the year under review and hence there was no change in the issued, subscribed and paid-up-share capital of the Company. Further, the Company has not allotted any shares to its employees and accordingly disclosures under Section 43(a)(ii), Section 54(1)(d) and Section 62(1)(b) of the Companies Act, 2013 read with relevant rules are not required to be furnished. The Company does not have a scheme of ESOP and hence disclosures pursuant to Section 67(3) of the Companies Act, 2013 are also not required to be furnished.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

There was no change in Directorship of the Company during the year under review.

In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Kawaljit Singh Chawla (DIN: 00222203) retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Your Directors recommend his appointment.

b. DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming their independence vis-à-vis the Company as provided under Section 149(6) of the Companies Act, 2013.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

a. BOARD MEETINGS:

The Board of Directors met 4 (Four) times during the financial year ended 31st March, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

b. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2017, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. such accounting policies have been selected and applied consistently and the Directors 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 as at 31st March, 2017 and of the profit of the Company for that year;
c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. the annual accounts of the Company have been prepared on a going concern basis;
e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

c. AUDIT COMMITTEE:

The Audit Committee comprises of the following Directors pursuant to Section 177 of the Companies Act, 2013 as on 31st March, 2017:

1. Mr. Narendra Mansingka, Chairman – Independent Director;
2. Ms. Mohini Hingorani, Member – Independent Director; and
3. Mr. Kulwant Singh Kohli, Member – Non Executive Director.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

d. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 on 31st March, 2017 comprises of the following:

1. Mr. Narendra Mansingka, Chairman – Independent Director;
2. Ms. Mohini Hingorani, Member – Independent Director; and
3. Mr. Kulwant Singh Kohli, Member – Non Executive Director.

The Board has in accordance with the provisions of Section 178(3) of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees. The aforementioned detailed Policy duly approved and adopted by the Board is appended as **Annexure I** to this Report.

e. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed a 'Vigil Mechanism Policy' for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

f. RISK MANAGEMENT POLICY:

The development and implementation of the Risk Management Policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

g. ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria as laid down by the Nomination and Remuneration Committee.

In a separate meeting of the Independent Directors, the performance of Non-Independent Directors, the Board as a whole and of the Chairman was evaluated, taking into account the views of Executive Director and Non-Executive Directors.

Performance evaluation of both the Independent Directors was carried out by the entire Board, excluding the Independent Director being evaluated.

h. INTERNAL CONTROL SYSTEMS:

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

i. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The Company did not pay any remuneration to its Directors and Key Managerial Personnel during the year under review, therefore no details are required to be furnished as required in accordance to Section 197(12) of Companies Act, 2013.

j. PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:

The Company does not have any Holding or Subsidiary Company and hence disclosure under this clause is not applicable.

4. AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2017:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. FRAUD REPORTING:

During the year under review, there were no instances of material or serious fraud has been observed / detected by the Statutory Auditors of the Company.

c. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2017:

The Company has, pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, obtained Secretarial Audit Report from M/s. Rathi and Associates, Company Secretaries for the financial year 2016-17. The said Report is appended as **Annexure II** and forms part of this Report.

The observations/comments of the Secretarial Auditors as mentioned in the Secretarial Audit Report and the Management's responses to the remarks of Secretarial Auditors are as under:

1. The Company is in the process of complying with the provisions related to:

a. Appointment of whole time Company Secretary under Section 203 of the Companies Act, 2013.
b. Appointment of Internal Auditors under Section 138 of the Companies Act, 2013.
c. Maintenance of functional website under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.