

August 4, 2017

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

Dear Sir,

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


This has reference to the captioned subject.

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

Kindly take it on your records.

Thanking You,

Yours Faithfully,
For Solitaire Machine Tools Ltd.



N. M. B. Khan
Compliance Officer

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

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BOARD OF DIRECTORS

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

CORPORATE MANAGEMENT

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

REGISTERED & CORPORATE OFFICE Shop 3-A, Floor- Bas, Plot 731, Part 3, Arun Chamber,
Pandit Madan Mohan Malviya Marg, Tardeo, Mumbai -
400034. Tel: 022 66602156

PLANTS

PLANT I: 292, DHARAMSINH DESAI MARG,
CHHANI ROAD, VADODARA-390 002
Tel: 0265 277 2415/ 277 3585

Email: sales@smtgrinders.com

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

WEBSITE www.smtgrinders.com

AUDITORS AJMERA AJMERA & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

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

SHARE TRANSFER AGENT LINK INTIME INDIA PRIVATE LIMITED,
C-101, 247 PARK, LBS MARG, VIKHROLI (WEST),
MUMBAI 400 083

SECRETARIAL CONSULTANT SACHIN CHHADAWA
PRACTICING COMPANY SECRETARY
MUMBAI



Solitaire Machine Tools Limited

(CIN : L28932MH1967PLC013747)

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

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

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

ORDINARY BUSINESS:

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

For SOLITARE MACHINE TOOLS LIMITED

Ashok J Sheth
Chairman and Managing Director
DIN: 00174006

Regd. Office:

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

Place: Mumbai

Date: 13th May, 2017

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered office of the company not less than 48 hours before the commencement of the meeting.
 2. Members are requested to advise immediately any change in their address to the Company's Registered Office or M/s Link Intime India Private Limited, Mumbai, quoting their registered folio number. Shareholders holding shares in dematerialized form shall address their communication to their respective depository participant only.
 3. All communication in respect to the shares be addressed to share transfer agent "Link Intime India Private Limited" at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.
 4. The Register of Members and Share transfer Books will remain closed from Sunday, the 23rd July, 2017 to Saturday, the 29th July, 2017 (both days inclusive).
 5. Any queries regarding Accounts should be communicated in writing at the Registered office of the company at least seven days in advance before the date of Annual General meeting.
 6. The Company's shares are listed at Mumbai and Vadodara Stock Exchanges.
 7. Electronic copy of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 8 Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):
- The instructions for e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "solitaireevoting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Solitaire Machine Tools Limited.
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sachin@sachinfcs.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 26th July, 2017 (9:00 am) and ends on 28th July, 2017 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd July, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd July, 2017.
- VII. Mr. Sachin Chhadawa, Practicing Company Secretary (Membership No. FCS 5619) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.smtgrinders.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and Vadodara Stock Exchange.

Directors Report

To the Members,

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

FINANCIAL RESULTS:

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

(Rs. in Lacs)

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

DIVIDEND:

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

OPERATIONS:

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

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

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

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

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to BSE where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

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

NUMBER OF BOARD MEETINGS HELD:

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

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

DIRECTORS:

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

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

a) In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

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

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

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

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

COMMENTS ON AUDIT OBSERVATIONS:

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

COMMENTS ON SECRETARIAL AUDITOR'S OBSERVATIONS:

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

AUDITORS:

Statutory Auditors:

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

Secretarial Audit :

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

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

a. CONSERVATION OF ENERGY:

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

b. TECHNOLOGY ABSORPTION:

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