

JEET MACHINE TOOLS LIMITED

**JEET MACHINE TOOLS LIMITED**

Director  
Director  
Director  
Director

BANK OF INDIA  
Punjab State Bank  
State Bank of India  
State Bank of India  
State Bank of India

STATE BANK OF INDIA  
STATE BANK OF INDIA  
STATE BANK OF INDIA

**28<sup>TH</sup> ANNUAL REPORT**  
**2011-2012**

# JEET MACHINE TOOLS LIMITED

## BOARD OF DIRECTORS

Mr. Ajit Singh Chawla	Director
Mr. Kulwant Singh Kohli	Director
Mr. N. M. Mansinghka	Director
Mr. Kawaljit Singh Chawla	Director

## AUDITORS

M/s J. S. Bhatia & Co.,  
Chartered Accountants,  
14/15, Ashoka Centre,  
2<sup>nd</sup> 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](mailto:qmt@mtnl.net)  
[qualitymachinetls@yahoo.com](mailto: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

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## NOTICE

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**NOTICE** is hereby given that the **Twenty Eight** Annual General Meeting of the members of **JEET MACHINE TOOLS LIMITED** will be held at 11.00 A.M. at 62, Nagindas Master Road, Fort, Mumbai - 400 023 on Saturday, 29<sup>th</sup> September 2012 to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kawaljit Singh Chawla, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kulwant Singh Kohli, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. J. S. Bhatia & Co., Chartered Accountants, as Statutory Auditors (Registration No. 34290) to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their Remuneration.

For and on behalf of the Board

Place: Mumbai  
Dated: 1<sup>st</sup> September 2012

Ajit Singh Chawla  
Director

**Registered Office:**  
25 Ambalal Doshi Marghamam Street,  
Fort  
Mumbai - 400 023.

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies, if any, in order to be effective, must be received at the Company's Registered Office not later than 48 (forty eight) hours before the time fixed for holding the meeting. Proxies submitted on behalf of companies, etc., must be supported by appropriate resolution/authority, as applicable.
3. The register of members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September 2012 to 29<sup>th</sup> September 2012 (Both days inclusive).
4. Shareholders are requested to forward their queries on the Accounts for the financial year ended 31<sup>st</sup> March, 2012 to the registered office of the Company at least 7 days in advance to enable the Company to keep the information ready at the meeting.
5. Members are requested to bring the copy of the Annual report and attendance slips along with them.

## DIRECTORS' REPORT

Dear Members,

The Directors present the 28<sup>th</sup> Annual Report on the business, operations and the Audited Accounts of your Company for the financial year ended 31st March, 2012.

### Financial Results:

Financial Results for the financial year ended 31<sup>st</sup> March 2012 are as under:

Particulars	(Rs. in Lacs)	
	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Gross Revenue	22.76	134.55
Profit before Depreciation, Interest and Tax	(3.23)	116.75
Less: Interest	1.11	1.13
Depreciation	0.45	0.60
Profit before Taxation	(4.79)	115.02
Provision for Taxation & Deferred Tax		
- Current Tax	-	(23.60)
- Deferred Tax	(0.65)	(1.05)
-		
- Mat Credit Entitlement	-	21.90
Balance carried to Balance Sheet	(5.44)	112.28

### Performance for the year:

During the year under review, the Company achieved sales of Rs. 18.16 and other income of Rs. 4.60 lacs from its long term investments. The Net Loss of the Company was amounted to Rs. 4.78 lacs compared to the Profit of Rs. 115.02 lacs of the previous financial year.

**Dividend:**

With a view to conserve the resources for meeting future requirements, your Directors have thought it prudent not to recommend any dividend on the paid up share capital of the Company for the year ended 31<sup>st</sup> March, 2012.

**Directors:**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Kawaljit Singh Chawla and Mr. Kulwant Singh Kohli shall retire by rotation at the ensuing Annual General Meeting and are being eligible, offers themselves for re-appointment. Your Board recommends their re-appointment.

**Directors Responsibility Statement:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- (a) that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- (b) that the accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and of the loss for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) that the annual accounts have been prepared on a going concern basis.

**Particulars u/s.217 (2A) of the Companies Act, 1956:**

None of the employees of the Company were in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **Auditors:**

M/s. J. S. Bhatia & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible, offer themselves for re-appointment. The retiring Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and have indicated their willingness to continue in the said office. Members are requested to appoint Auditors for the current year and to authorize the Board to fix their remuneration.

### **Auditors' Report:**

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes to Accounts, are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

### **Secretarial Compliance Certificate:**

Secretarial Compliance Certificate as required under Section 383A(1) of the Companies Act, 1956 for the year ended 31<sup>st</sup> March, 2012 as obtained from M/s Rathi & Associates, Company Secretaries is attached herewith and forms part of the Report.

### **Fixed Deposits:**

During the year under review, the company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

### **Conservation of Energy, Technology Absorption, foreign Exchange Earnings & Outgo:**

- The requirements of disclosures in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of the Particulars in the report of the Board of Directors), Rules, 1988 pertaining to the conservation of energy and technology absorption are not applicable since the Company is not engaged in manufacturing activities.

The Company has neither earned any income nor expended any amount in Foreign Currency during the year review.

**Acknowledgements:**

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Vendors and the shareholder fraternity whose continued co-operation has been of immense strength to the Management all these years. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the employees of the Company.

**For and on behalf of the Board**

**Place: Mumbai  
Dated: 1<sup>st</sup> September, 2012**

**Ajit Singh Chawla  
Director**

**Kawaljit Singh Chawla  
Director**



**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31<sup>ST</sup>  
MARCH 2012 IN RESPECT OF JEET MACHINE TOOLS LIMITED**

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**CIN No. of the Company : L28900MH1984PLC032859**

**Nominal Capital: Rs. 2,00,00,000/-**

**Paid up Capital : Rs. 1,96,00,000/-**

To

The Members

**Jeet Machine Tools Limited**

Mumbai

We have examined the registers, records, books and papers of **Jeet Machine Tools Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended **31<sup>st</sup> March 2012** (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder except revised Annual Return in prescribed e-Form No. 20B made upto 29<sup>th</sup> September 2011 which was filed after the stipulated period as prescribed under the Act. The Company has not filed Secretarial compliance Certificate for the financial year 2010-11.
3. The Company, being a public limited Company, comments are not required.
4. The Board of Directors duly met **Five** times respectively on 24<sup>th</sup> May 2011, 30<sup>th</sup> May 2011, 10<sup>th</sup> August 2011, 14<sup>th</sup> November 2011, and 2<sup>nd</sup> February 2012 in respect of which meetings proper notices were given and the proceedings

were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company had closed its Register of Members from Wednesday, 28<sup>th</sup> September 2011 to Thursday 29<sup>th</sup> September 2011 during the year under report.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March 2011 was held on **29<sup>th</sup> September 2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13.
  - (i) The Company delivered share certificate lodged for transfer and transmission of shares as per the provisions of the Companies Act, 1956. However, there was no allotment of securities during the financial year.
  - (ii) The Company was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - (iv) The Company was not required to transfer any amount to the Investor Education and Protection Fund.

(v) The Company has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, alternate directors, additional director and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares /debenture or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no outstanding Preference Shares or Debentures hence there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited /accepted /any deposits including any unsecured loans falling within the purview of the section 58A during the financial year.
24. The borrowings of the Company are within the threshold limits prescribed under Section 293(1) (d) of the Companies Act, 1956.
25. The Company has made loans and investments, with the provisions of the Act and has made necessary entries in the register kept for the purpose.

However the Company has not given any guarantee or provided any security to other body corporate.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was / were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities.

**For RATHI & ASSOCIATES  
COMPANY SECRETARY**

**Place: Mumbai  
Date : 1<sup>st</sup> September, 2012**

**JAYESH SHAH)  
PARTNER  
C P No.: 2535**

**Registers as maintained by the Company**

**Statutory Registers:**

1. Register of Members u/s 150
2. Register of Directors, Managing Director, Manager and Secretary u/s 303
3. Register of Directors Shareholdings u/s 307
4. Register of Disclosures of Interest by Directors u/s 301(3)
5. Minutes Book u/s 193

**Other Registers:**

1. Register of Transfers

"Annexure B"

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31<sup>st</sup> March 2012:

Sr. No.	Form No./ Return	Filed under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 23AC & ACA	220	Balance Sheet as at 31 <sup>st</sup> March, 2011 & Profit and Loss for the year ended 31 <sup>st</sup> March, 2011	29/12/2011	Yes	No
2	Form 20B	166	Annual Return made upto 29 <sup>th</sup> September 2011	28/11/2011	Yes	No
3	Revised Form20B	166	Annual Return made upto 29 <sup>th</sup> September 2011	15/12/2011	No	Yes

## AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/s JEET MACHINE TOOLS LTD., as on 31<sup>st</sup> March 2012 and also the Profit & Loss Account for the year ended on that date and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far, as appears from our examination of those books.
- iii) The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

- v) On the basis of written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012.
  - b) In the case of Profit & Loss Account, of the Loss for the year ended on that date.
  - c) In case of Cash Flow statement, of the cash flows for the year ended on that date.

For J. S. BHATIA & CO.,  
CHARTERED ACCOUNTANTS

J. S. BHATIA  
M.No: 34290  
PLACE : MUMBAI  
DATE : 01/09/2012



Annexure to the auditors report of even date to the members of M/s Jeet Machine Tools Ltd.

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.
  - b) All fixed assets are physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. There were no discrepancies noticed during the physical verification conducted by management.
  - c) The assets disposed off during the year are not significant and therefore do not effect the going concern assumptions.
- ii)
  - a) The inventory have been physically verified by the management at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion the company has maintained proper records of inventory. The discrepancies between the physical stocks and the stocks in books were not material and have been properly dealt with in the books of account.
- iii) During the year, the company has not granted any loans to parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our audit no major weakness has been noticed in the internal control.

- v) Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there were no transactions entered into by the company that need to be entered into the register maintained u/s 301 of the Act. Accordingly, clause (v)(b) of the Order is not applicable.
- vi) The company has not accepted any deposits from the public during the year.
- vii) The company has a system of internal audit which, in our opinion, is commensurate with its size and nature of its business.
- viii) The company is not required to maintain cost records pursuant to the rules made by the Central Government under section 209(1)(d) of the Companies Act, 1956.
- ix) (a) According to the records, information and explanations provided to us, the company is generally regular in depositing with appropriate authorities undisputed amount of provident fund, sales tax, employee's state insurance, income tax and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- (b) On the basis of examination of the documents and records of the company and the information and explanations given to us upon our enquiries in this regard, disputed amounts payable in respect to Income-tax, Sales Tax, Wealth-Tax, Service Tax, Custom duty and Excise Duty / Cess not deposited with the appropriate authorities are as follows:

Sr No.	STATUTES	FORUMS	TOTAL
		Commissioner Appeals	
1.	Income Tax A.Y. 06-07	1,20,752	1,20,752
2.	Income Tax A.Y. 07-08	3,93,676	3,93,676
			----- 5,14,428 -----

- x) The company neither has accumulated losses nor it has incurred any cash losses during the current financial year and the immediately preceding financial year.
- xi) Based on our procedures and on the information and explanations given by the management, the company has not availed and funds / facilities from the financial institution or bank.
- xii) Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit / nidhi / mutual benefit fund/ society and clause (xiii) of the order is not applicable.
- xiv) In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts relating to dealing in shares, securities and debentures and timely entries have been made in such records. All the investments are in the name of the company.
- xv) On the basis of the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institution.
- xvi) There was no term loan availed by the company and outstanding during the year.
- xvii) On the basis of our examination of the books of accounts and the information and explanations given to us, in our opinion, the funds raised on short-term basis have not been used for long term investment and vice versa.
- xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The company did not have any outstanding debentures during the year.
- xx) The company has not raised any money by way of public issues during the year.

xxi) Based on the audit procedure performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For J. S. BHATIA & CO.,  
CHARTERED ACCOUNTANTS.

PLACE : MUMBAI  
DATE : 01/09/2012

J. S. BHATIA  
PROPRIETOR  
M.No: 34290

**JEET MACHINE TOOLS**

**Balance Sheet as at 31st MARCH, 2012**

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of earlier reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	19,600,000	19,600,000
(b) Reserves and Surplus	2	43,715,128	44,258,839
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b> ( Not refundable )		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	335,627	2,620,627
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	4	126,988	184,464
(c) Other current liabilities	5	5,434,437	5,199,570
(d) Short-term provisions		-	-
<b>Total</b>		<b>69,212,180</b>	<b>71,863,500</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	6	156,147	195,524
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	7	57,789,661	58,547,738
(c) Deferred tax assets (net)		321,012	386,364
(d) Long term loans and advances	8	225,109	2,227,908
(e) Other non-current assets	9	23,865	18,865
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	10	1,502,488	1,683,112
(c) Trade receivables	11	10,402	1,620,381
(d) Cash and cash equivalents	12	989,940	1,325,741
(e) Short-term loans and advances	13	100,030	200,000
(f) Other current assets	14	8,093,526	5,657,866
<b>Total</b>		<b>69,212,180</b>	<b>71,863,500</b>
Significant Accounting Policies Notes on Financial Statements	1 to 20		

As per our Report of even date

J. S. Bhatia & Co.

Chartered Accountants

For JEET MACHINE TOOLS. LTD

J.S. Bhatia

M. No :- 34290

Place :- Mumbai

Date :- 01-09-2012

Ajit Singh Chawla

Director

Kawaljit Singh Chawla

Director

**JEET MACHINE TOOLS**

**Profit and Loss statement for the year ended 31st March, 2012**

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of earlier reporting period
<b>INCOME</b>			
I. Revenue from operations		1,816,383	1,108,945
II. Other Income	15	459,980	12,346,004
<b>Total Revenue</b>		<b>2,276,363</b>	<b>13,454,949</b>
<b>EXPENDITURE</b>			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade		1,399,752	1,259,986
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	16	180,624	(388,733)
Employee benefit expense	17	295,869	277,497
Financial costs	18	2,324	2,546
Depreciation and amortization expense		44,876	60,158
Other expenses	19	831,277	741,393
<b>Total Expenses</b>		<b>2,754,721</b>	<b>1,952,847</b>
Profit before tax		<b>(478,359)</b>	<b>11,502,102</b>
<b>Tax Expenses</b>			
(1) Current tax		-	(2,360,189)
Add: MAT Credit Entitlement			2,190,274
Net Current Tax		-	(169,915)
(2) Deferred tax		(65,352)	(104,649)
<b>Profit for the year</b>		<b>(543,711)</b>	<b>11,227,538</b>
<b>Earnings per equity share of face value of Rs.10 each</b>		<b>(0.28)</b>	<b>5.73</b>
Significant Accounting Policies Notes on Financial Statements	1 to 20		

As per our Report of even date

J. S. Bhatia & Co.

Chartered Accountants

For JEET MACHINE TOOLS. LTD

J.S. Bhatia

M. No :- 34290

Place :- Mumbai

Date :- 01-09-2012

Ajit Singh Chawla

Director

Kawaljit Singh Chawla

Director

**Notes to Account forming part of Balance Sheet**

	31.03.2012	31.03.2011
<b>Note No. 1</b>		
a Authorized Share Capital	20,000,000	20,000,000
b Issued, Subscribed & Paid up Share Capital	19,600,000	19,600,000
c Par Value per share is Rs. 10 each		
<b>d Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held</b>		
Ajit Singh Chawla	320,190	234,080
Balpreet Kaur Chawla	114,300	-
Kawaljit Singh Chawla	366,350	274,800
Jagjit Singh Chawla	-	525,280
Priti Kaur chawla	123,500	-
Rajkaran J Chawla	104,700	-
Raminder Kaur Chawla	138,070	-
Subway Finance & Investment Co. Ltd	-	176,000
<b>Note No. 2</b>		
<b>RESERVES AND SURPLUS</b>		
General Reserve	4,600,000	4,600,000
Export Incentive Reserve	1,500,000	1,500,000
<b>Profit &amp; Loss account</b>		
Profit/( Loss) B/fd from Previous Year	38,158,839	26,931,301
Transferred From Profits & Loss	(543,711)	11,227,538
	<b>43,715,128</b>	<b>44,258,839</b>
Share Application pending allotment		
<b>Non-Current Liabilities</b>		
<b>Note No. 3</b>		
<b>Long-term borrowings</b>		
<b>Unsecured Loan</b>		
From Corporates	335,627	2,620,627
	<b>335,627</b>	<b>2,620,627</b>
	<b>335,627</b>	<b>2,620,627</b>
<b>Note No. 4</b>		
<b>Current Liabilities</b>		
<b>Trade payables</b>		
Sundry Creditors	17,949	109,764
Creditors for Expenses	109,039	74,700
	<b>126,988</b>	<b>184,464</b>
<b>Note No. 5</b>		
<b>Other current liabilities</b>		
Provision	5,322,833	5,181,426
Duties & Taxes	111,605	18,144
	<b>5,434,437</b>	<b>5,199,570</b>

**JEEET MACHINE TOOLS**

Particulars	Rate	Gross Block			Depreciation			Net Block		
		As on 01/04/11	Addition	Sales	As on 31/03/12	01/04/2011 for the year	Total Dep	31/03/2011	31/03/2012	
Furniture & Fixture	18.16%	10,657	-	-	10,657	10,413	44	10,457	244	200
Office equipment	13.90%	255,293	5,500	-	260,793	196,965	8,114	205,080	58,328	55,714
Computer System	40.00%	120,803	-	-	120,803	113,321	2,993	116,314	7,482	4,489
Vehicle	25.89%	1,204,462	-	-	1,204,462	1,076,449	33,142	1,109,591	128,013	94,871
Truck on Hire	40.00%	590,137	-	-	590,137	588,681	582	589,263	1,456	874
<b>Total</b>		<b>2,181,352</b>	<b>5,500</b>	<b>-</b>	<b>2,186,852</b>	<b>1,985,828</b>	<b>44,876</b>	<b>2,030,705</b>	<b>195,524</b>	<b>156,147</b>

NOTE-Depreciation charged on factory building at 5% in 2010-11 considering it as a building other than factory building whereas the same is a factory building Also, the rate taken is of WDV, but the policy of the company of providing for dep is on SLM basis. Hence, in the current year the above two mistakes has been rectified.



**(1) Non Current assets**

Note No. 7

**(b) Non-current investments**

Investment in Mutual Fund	1,500,000	1,500,000
Investment in Shares	51,641,732	49,842,309
Asthvinayak Developers	4,647,930	4,647,930
FDR-United Spirits	-	2,557,500
	<b>57,789,661</b>	<b>58,547,738</b>

Note No. 8

**(d) Long term loans and advances**

Loan to others	225,109	2,227,908
	<b>225,109</b>	<b>2,227,908</b>

Note No. 9

**(e) Other non-current assets**

TDS	-	-
Deposits	-	-
Other Dues From Government Authorities	23,865	18,865
	<b>23,865</b>	<b>18,865</b>

**(2) Current assets**

Note No. 10

**(b) Inventories**

Raw Material	-	-
Finished Goods	1,502,488	1,683,112
	<b>1,502,488</b>	<b>1,683,112</b>

Note No. 11

**(c) Trade receivables**

(All Considered Good)	10,402	1,620,381
	<b>10,402</b>	<b>1,620,381</b>

Note No. 12

**(d) Cash and cash equivalents**

Cash In Hand	64,337	59,186
Balances With Bank	925,603	1,266,555
	<b>989,940</b>	<b>1,325,741</b>

Note No. 13

**(e) Short-term loans and advances**

Advances to Suppliers	100,030	200,000
	<b>100,030</b>	<b>200,000</b>

Note No. 14

**(f) Other current assets**

Other Dues From Government Authorities	8,091,976	5,657,180
Other Current Assets	1,550	696
	<b>8,093,526</b>	<b>5,657,876</b>

**Statement of Profit & Loss**

Note No. 15

**II. Other Income**

Interest Recd	-	25,819
Interest on Allotment	-	1,849
Interest on Refund Shri-Ram	-	1,055
Interest Recd on Loan	-	81,344
Interest Recd on FDR United Spirits Ltd	-	280,214
Interest Recd on FDR P&S Bank	-	10,563
Profit on sale of Shares and Debenture	70	-
Long term capital gain on Mutual Fund	-	1,292,238
Long term capital gain on Shares	-	9,032,087
Short term capital gain on Shares	-	1,279,683
Speculation Gain on Shares	-	1,157
Dividend Recd on Shares	459,909	288,583
Dividend Recd Mutual Fund	-	51,411
	<b>459,980</b>	<b>12,346,004</b>

Note No. 16

**Changes in inventories of finished goods, work-in-progress and Stock-in-Trade**

Finished Goods Stock at the Beginning	1,683,112	1,294,379
Less: Finished Goods Stock at The End	(1,502,488)	(1,683,112)
	<b>180,624</b>	<b>(388,733)</b>

<b>Note No. 17</b>	<b>Employee benefit expense</b>		
	Salaries and Wages	255,454	215,885
	Directors Remuneration	9,000	36,000
	P.F.ESIC Employer's Contribution	28,388	22,622
	Staff Welfare	3,027	2,990
		<b>295,869</b>	<b>277,497</b>
<b>Note No. 18</b>	<b>Finance Charges</b>		
	Bank Charges	774	2,546
	Interest Paid on TDS	1,550	-
		<b>2,324</b>	<b>2,546</b>
	<b>Depreciation &amp; Amortisation</b>	44,876	60,158
<b>Note No. 19</b>	<b>Other Expenses</b>		
	<b>Manufacturing Expenses</b>		
	Coolie & Cartage Exp	2,000	4,000
	Freight & Octroi Exp	1,820	8,829
		<b>3,820</b>	<b>12,829</b>
	<b>Administrative and Selling Expenses</b>		
	Electricity Exp	25,160	16,920
	Misc Expenses	11,283	142,213
	Rent Paid	138,036	138,036
	Repair & Maintenance	5,950	11,000
	Repair & Maintenance Motor Car	82,461	-
	Telephone Exp	26,258	28,973
	Accounting Charges	25,000	-
	Annual Maintenance Charges	12,000	-
	Auditor Remuneration	28,090	18,751
	Conveyance Exp	35,311	108,471
	Donation	50,000	-
	General Expenses	2,590	1,025
	Insurance Expenses	5,810	7,265
	Listing Fees	29,781	24,266
	Membership & Subscription	11,582	-
	Printing & Stationery Exp	765	7,556
	Professional & Consultancy Exp	130,755	72,180
	Advertisement Exp	40,817	34,270
	Depository Charges	827	-
	Interest Paid on Loan	109,535	112,630
	Misc Exp. W/o	7,646	-
	Sales Tax Arrear 1991-92	47,800	-
	VAT Paid	-	5,008
		<b>827,457</b>	<b>728,564</b>
	<b>TOTAL</b>	<b>831,277</b>	<b>741,393</b>

As per our Report of even date  
 J. S. Bhatia & C<sub>o</sub>  
 Chartered Accountants

For JEET MACHINE TOOLS. LTD

J.S. Bhatia  
 M. No :- 34290  
 Place :- Mumbai  
 Date :- 01-09-2012

Ajit Singh Chawla  
 Director

Kawaljit Singh Chawla  
 Director

**JEET MACHINE TOOLS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

Amount in Rupees

**CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit before Tax & Extraordinary items

**Add / (Less) : Adjustments for**

Depreciation

Miscellaneous Expenses W\off

(Profit) / Loss on Sale of Investment

Dividend Income

Interest Received

Interest Paid

**Operating Profit before working capital changes**

**Adjusted for :**

(Increase)/ Decrease in Debtors

(Increase)/ Decrease in Inventories

(Increase)/ Decrease in Loans and Advances

(Increase)/ Decrease in Other Current Assets

(Increase)/ Decrease in Other payable

**Cash generated from Operations**

Deffered Tax Assets

Direct taxes paid ( Including FBT )

**CASH FLOW FROM OPERATING ACTIVITIES - I**

**CASH FLOW FROM INVESTING ACTIVITIES**

Additions to fixed Assets

Sale of fixed assets

Profit / Loss on sale of Assets

Sale of investments

Purchase of investments

Profit / Loss on sale of Investments

Interest Paid

Dividend received

**NET CASH FROM INVESTING ACTIVITIES - II**

**CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds / ( Repayment) from borrowings

Interest Paid

Shares Issue Expenses

**NET CASH FROM FINANCING ACTIVITIES - III**

**NET INCREASE / ( DECREASE ) IN CASH ( I+II+III )**

**OPENING BALANCE OF CASH & CASH EQUIVALENT**

**CLOSING BALANCE OF CASH & CASH EQUIVALENT**

	3/31/2012	31/03/2011
Net Profit before Tax & Extraordinary items	(478,359)	11,502,102
<b>Add / (Less) : Adjustments for</b>		
Depreciation	44,876	60,158
Miscellaneous Expenses W\off	7,676	0
(Profit) / Loss on Sale of Investment	(70)	(11,605,166)
Dividend Income	(459,909)	(339,994)
Interest Received	0	(397,940)
Interest Paid	109,535	115,176
<b>Operating Profit before working capital changes</b>	<b>(776,251)</b>	<b>(665,664)</b>
<b>Adjusted for :</b>		
(Increase)/ Decrease in Debtors	1,632,165	(1,610,499)
(Increase)/ Decrease in Inventories	180,624	(388,733)
(Increase)/ Decrease in Loans and Advances	(259,978)	(1,173,610)
(Increase)/ Decrease in Other Current Assets	(18,272)	0
(Increase)/ Decrease in Other payable	(1,711,464)	2,343,295
<b>Cash generated from Operations</b>	<b>(953,176)</b>	<b>(1,495,211)</b>
Deffered Tax Assets	0	0
Direct taxes paid ( Including FBT )	0	(169,915)
<b>CASH FLOW FROM OPERATING ACTIVITIES - I</b>	<b>(953,176)</b>	<b>(1,665,126)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed Assets	(5,500)	0
Sale of fixed assets	0	0
Profit / Loss on sale of Assets	0	0
Sale of investments	2,557,430	(38,319,643)
Purchase of investments	0	0
Profit / Loss on sale of Investments	70	11,605,166
Interest Paid	0	397,940
Dividend received	459,909	339,994
<b>NET CASH FROM INVESTING ACTIVITIES - II</b>	<b>3,011,909</b>	<b>(25,976,543)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / ( Repayment) from borrowings	(2,285,000)	2,620,627
Interest Paid	(109,535)	(115,176)
Shares Issue Expenses	0	0
<b>NET CASH FROM FINANCING ACTIVITIES - III</b>	<b>(2,394,535)</b>	<b>2,505,451</b>
<b>NET INCREASE / ( DECREASE ) IN CASH ( I+II+III )</b>	<b>(335,802)</b>	<b>(25,136,218)</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>1,325,741</b>	<b>26,461,960</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENT</b>	<b>989,940</b>	<b>1,325,741</b>

1) Cash and cash equivalents consists of cash on hand, balances with bank and Fixed Deposits

2) Figures in brackets represents outflow of cash

3) Figures for the last year have been regrouped, wherever considered necessary

Per our report of even date

FOR J. S. BHATIA & CO.

Chartered accountants

For and on behalf of the board

J. S. BHATIA

AJIT SINGH CHAWLA  
DIRECTOR.

KAWALJIT SINGH CHAWLA  
DIRECTOR.

M.No: 34290

PLACE : MUMBAI

DATED : 1/9/2012

## JEET MACHINE TOOLS LIMITED.

### NOTE NO. 20.

#### 1. ACCOUNTING POLICIES:

**The Company adopts the accrual concept of accounting based on historical cost historical Cost concept except in respect of Gratuity & Leave Liabilities which are accounted for on cash basis.**

##### 1.1 REVENUE RECOGNITION :

- a) Sales are recognised on the date of despatches made.
- b) Interest is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.
- c) Dividend income is recognised when the right to receive is established.
- d) Other Incomes are recorded on the basis of certainty.

##### 1.2 FIXED ASSETS: -

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

##### 1.3 DEPRECIATION :-

Depreciation on fixed assets is provided on Written Down method at the rates and in the manner specified in the schedule XIV of the Companies Act, 1956.

##### 1.4 INVESTMENTS :-

Long Term Investment are stated at cost. No provision for dimunition in the value of investments have been provided as such dimunition is viewed as temporary in nature.

##### 1.5 TRANSLATION OF FOREIGN CURRENCY ITEMS :-

Transactions denominated in foreign currency are recorded at the rate exchange in force at the date of transactions. Any difference

arising due to subsequent realization is carried to Profit & Loss Account. All monetary assets held in foreign currency are carried to balance sheet at closing rate.

1.6 INVENTORIES :-

Inventories are valued at lower of cost or realisable value. The cost includes cost of purchase specifically identified to individual items of stock.

1.7 TAXES ON INCOME

Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised subject to the consideration of prudence on timing difference, being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Deferred Tax Assets on carry forward long term capital losses are recognised as there is reasonable certainty that sufficient long term capital gain will be available in future against which such Deferred Tax Assets can be realised.

1.8 RETIREMENT BENEFIT :-

The company contributes to recognised Provident Fund which is charged to revenue. The gratuity is provided on cash basis as the amount involved therein may not be significant.

1.9 PAYMENT TO AUDITORS :-

	<u>As On 31.03.12</u>	<u>As On 31.03.11</u>
a) As Audit Fees	10,000/-	7,000/-
b) Other matters	15,000/-	9,500/-
c) Service Tax	3,090/-	1,751/-
	<u>28,090/-</u>	<u>18,751/-</u>
	=====	=====

2. CONTINGENT LIABILITIES :

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands.

- a) Claims against company not acknowledged as debt NIL (NIL)

- b) The Company is in appeal against income tax assessments made for A.Y:2006-07 & A.Y: 2007-08. The demand created in these years is Rs.1,20,752/- & Rs.3,93,676/- respectively.

3. Quantitative Details	As On <u>31.03.12</u>		As On <u>31.03.11</u>	
	<u>Qty</u>	<u>Amount</u>	<u>Qty</u>	<u>Amount</u>
Opening stock	106	16,83,112	99	12,94,379
Purchases	24	13,98,182	11	12,59,987
Sales	25	16,02,182	04	87,12,54
Closing Stock	105	14,79,112	106	16,83,112

4. PROVISION FOR INCOME TAX

Income tax comprises Current Tax, Fringe Benefit Tax and Deferred Tax. Income tax has been provided at the applicable rates prevailing during the year. Deferred tax Assets and liabilities are recognized for future Tax consequences of tanning differences of taxable income or expenses as per books and income tax, subject to the consideration of prudence, deferred tax assets and liabilities are measured using the tax rate enacted or substantially enacted the Balance sheet date.

5. RELATED PARTY TRANSACTIONS:

- a) List of related parties and relationship: -

	<u>Name</u>	<u>Relationship.</u>
Key Management Director	1. Ajit Singh Chawla	Wholetime
Personal Director	2. Kawaljit Singh Chawla	Wholetime
Relative of Key Management personal Firm.	Quality Machine Tools	One Director is Partner in the firm

b). Related party Transactions:

	Relative of Key Personnel	
Purchase of Goods	Nil	Nil
Sale of Goods	Nil	Nil
Interest received	Nil	Nil

6. There is no amount due to any enterprise, which is small scale and ancillary undertaking for more than 30 days.

7. Previous years figures are regrouped or rearranged wherever necessary.

**As per report of even date**

FOR J.S. BHATIA & CO.  
CHARTERED ACCOUNTANT.

For & on behalf of the Board

Ajit Singh Chawla      Kawaljit Singh Chawla

J.S. BHATIA  
M.No: 34290  
Place : Mumbai  
Date : 01/09/2012