

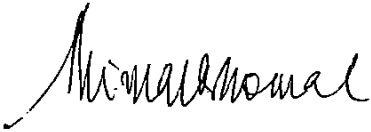
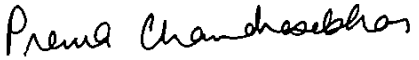
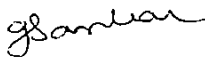



Annexure

**FORM A**

1	Name of the company	<b>Batliboi Limited</b>
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2015
3	Type of Audit observation	<p>Un-qualified/Matter of Emphasis:</p> <p>Without qualifying our opinion, we draw attention to the Note 15-XIII-A in the financial statements which indicates that the Company has incurred cash losses during the current year and in the previous year and the Company's current liabilities exceeded its current assets as at Balance Sheet date. Considering the factors stated in the said note, the preparation of financial statements on going concern basis is not affected.</p> <p><b>Extract of Note 15-XIII-A</b></p> <p>The Company has incurred operating losses during the year mainly due to under performance of one of its division as it has not been able to execute the orders on time due to stretched working capital owing to overall slowdown in the economy affecting the investment by private parties in the capital intensive sector to which the said division caters to. The Company has taken steps to improve the working capital situation and timely execution of the orders by the said division.</p> <p>The Company is also intending to dispose of non-core assets in order to mitigate the losses incurred during the current year and</p>



		to improve the liquidity position. The promoters have brought in money in the form of unsecured loan and intend to bring further money to improve the liquidity position.
4	Frequency of Observation	First Time
5	Signed by- <ul style="list-style-type: none"><li>➤ Nirmal Bhogilal- Chairman &amp; Managing Director</li><li>➤ Prema Chandrasekhar – CFO</li><li>➤ V. Sankar Aiyar &amp; Co. - Auditor of the Company</li><li>➤ E. A. Kshirsagar- Audit Committee Chairman</li></ul>	   



# Batliboi Ltd.

71st Annual Report 2014 - 2015





Quickmill's stall at IMTS 2014, Chicago



Quickmill's stall at SteelFab 2015, Sharjah, UAE

## Green Initiative

Members of Batliboi Ltd. can have a significant impact on the environment by supporting the "Green Initiative" cause undertaken by your Company by agreeing to receive physical correspondence including the Annual Reports in electronic mode.

*\*Please refer to page 105*



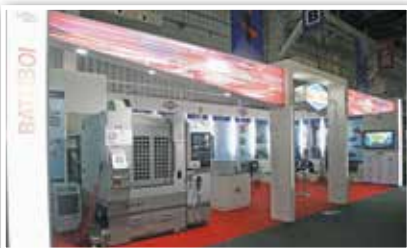
Textile Machinery Group's stall at KNIT-TECH 2015, Tirupur



Textile Air Engineering & Textile Machinery Group's stall at ITMACH 2014, Gandhinagar



AESA's stall at TEXFAIR 2015, Coimbatore



Machine Tool Group's stall at IMTEX 2015, Bengaluru

# Corporate Information

## BOARD OF DIRECTORS

Mr. Nirmal Bhogilal	Chairman & Managing Director
Mr. Ameet Hariani	Director
Mr. E. A. Kshirsagar	Director
Mr. George Verghese	Director
Mrs. Sheela Bhogilal	Director
Mr. Subodh Bhargava	Director
Mr. Ulrich Duden	Director
Mr. Vijay R. Kirloskar	Director

## CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal	Chairman & Managing Director
Mr. Ashok Joshi	Chief Human Resource Officer
Mr. Daniel Vaz	C.E.O. Textile Air Engineering Group
Mr. Edwyn Rodrigues	C.E.O. Textile Machinery Group
Mr. Pradeep Pradhan	C.E.O. Machine Tool Business, Air Conditioning and Refrigeration Group
Mrs. Prema Chandrasekhar	Chief Financial Officer
Mrs. Puneet Kapur	Chief Corporate Counsel and Company Secretary
Mr. Sanjiv Joshi	C.E.O. Environmental Engineering Group

## REGISTERED & CORPORATE OFFICE

Bharat House, 5th Floor, 104, Bombay Samachar Marg, Fort, Mumbai - 400 001.  
CIN L52320MH1941PLC003494

## FACTORY

- (i) P. O. Fateh Nagar, Surat Navsari Road, Udhna-394 220.
- (ii) Veerasandra Industrial Area Hosur Road, Bangalore-560 100.

## AUDITORS

M/s. V. Sankar Aiyar & Co.  
Chartered Accountants

## REGISTRAR & SHARE TRANSFER AGENTS

Datamatics Financial Services Ltd.  
Plot No. A/16 & 17, MIDC, Part-B, Cross Lane, Marol, Andheri (E), Mumbai - 400 093.

## BANKERS

Bank of Baroda  
Punjab National Bank  
Canara Bank  
INDUSIND Bank Ltd.  
State Bank of India  
The Shamrao Vithal Co-op. Bank Ltd.

# Contents

<b>Particulars</b>	<b>Page Nos.</b>
Notice	3
Directors' Report	14
Corporate Governance Report	30
Auditors' Certificate on Corporate Governance	40
Management Discussion & Analysis Report	41
Auditors' Report	44
Balance Sheet	48
Statement of Profit & Loss	49
Cash Flow Statement	50
Significant Accounting Policies	52
Notes on Financial Statements	55
Auditor's Report on Consolidated Accounts	76
Consolidated Balance Sheet	80
Consolidated Statement of Profit & Loss	81
Consolidated Cash Flow Statement	82
Consolidated Significant Accounting Policies	84
Notes on Consolidated Financial Statements	88

## NOTICE

**NOTICE** is hereby given that the Seventy First Annual General Meeting of **BATLIBOI LIMITED**, will be held on Wednesday, 29<sup>th</sup> July, 2015 at 2:30 p.m. at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchant Chamber, Churchgate, Mumbai - 400 020 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the Financial Year ended 31<sup>st</sup> March, 2015, the Balance Sheet as at that date and the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. George Verghese, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without any modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. V. Sankar Aiyar & Co., Chartered Accountants (Regn. No. 109208W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the third consecutive Annual General Meeting (subject to ratification of the appointment by the Members at every AGM held after this AGM), on a remuneration as may be mutually agreed between the said Auditors and the Board of Directors;

**RESOLVED FURTHER THAT** the Board of Directors be and hereby authorized to appoint Auditors for Branches and Factories in consultation with the Company's Auditors on such terms and conditions including the remuneration as the Board of Directors may deem fit."

### SPECIAL BUSINESS:

4. To approve the remuneration of the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2016 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2016 be paid the remuneration as set out in the Explanatory Statement annexed to this Notice;

**RESOLVED FURTHER THAT** the Board of Directors or Chief Financial Officer or Company Secretary of the Company be and is hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:-

**"RESOLVED THAT** Mrs. Sheela Bhogilal, who was appointed as an Additional Director with effect from 27<sup>th</sup> August, 2014, on the Board of the Company in terms with Section 161 of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting, be and hereby is appointed as a Director of the Company.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary be and is hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution."

6. To Consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Section 197 read with Schedule V and other applicable provisions if any of Companies Act, 2013 including any statutory modifications or re-enactments thereof and subject to the approval of the Central Government and such other sanctions as may be necessary, the Company do hereby accord its approval to the payment of remuneration to Mr. Nirmal Bhogilal, Chairman & Managing Director of the Company in case of absence or inadequacy of profits during any Financial Year in the pay scale to be approved by the shareholders in the Annual General Meeting to be held on 29<sup>th</sup> July, 2015, and the said remuneration is to be treated as 'minimum remuneration' as may be approved by the Central Government and that the Board of Directors (hereinafter referred as "Board" which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) be and is here by authorised to

effect such modification(s) in the terms and conditions of the said appointment and/or remuneration payable to Mr. Nirmal Bhogilal as may be approved by the Board and Mr. Nirmal Bhogilal.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make necessary alterations if any made by the Central Government in the terms and conditions of the said appointment.

**RESOLVED FURTHER THAT** the above resolution shall be applicable for payment of remuneration in case of absence or inadequacy of profits for a maximum period of 3 years i.e. with effect 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2018.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary be and is hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution.”

7. To consider and if thought fit, pass with or without any modification, the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Section 197 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), and subject to approval of the Central Government, as may be required, the Company hereby approves the re-appointment of Mr. Nirmal Bhogilal as the Chairman and Managing Director of the Company for a period of 5 (five) years, with effect from 1<sup>st</sup> April, 2016.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary be and is hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution.”

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

“**RESOLVED THAT** in supersession of the earlier Resolution passed by the Members in their Meeting held in 1998 and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof), the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the Company, to borrow from time to time any sum or sums of monies (exclusive of interest) on such terms and conditions as the Board of Directors and/or the Committee of Directors may determine, from anyone or more of the Company’s bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures, commercial papers, long/short term loans, suppliers’ credit securities instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institutions, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets, licenses and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company [apart from temporary loans obtained from the Company’s bankers in the ordinary course of business and exempted categories of deposits/loans received by the Company under Non-Banking Finance Companies (Reserve Bank) Directions, 1977, as amended from time to time] will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount upto which the moneys may be borrowed by the Board of Directors and/or the Committee of Directors and outstanding at any time shall not exceed the sum of ₹ 150 Crore (Rupees One Hundred and Fifty Crores only).

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary be and is hereby severally authorised to do all such acts, deeds and things as may be necessary to give effect to the resolution.”

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

“**RESOLVED THAT** pursuant to Section 188 read with Chapter XII – ‘Meeting of Board and its Powers’ and other applicable provisions, if any, of Companies Act, 2013 and subject to other approval of the concerned authorities(s) as may be required, consent of the Company be and is hereby accorded for variation of terms of appointment of Mr. Kabir Bhogilal, a relative (son) of Mr. Nirmal Bhogilal, Chairman & Managing Director for payment of increased remuneration and to hold an office or place of profit in the Company designated as Vice-President Corporate Affairs w.e.f. 1<sup>st</sup> April, 2015.

Salary: In the scale of ₹ 70,000 p.m. to ₹ 2,00,000 p.m.

Perquisites: In the scale of ₹ 1,75,000 p.m. to ₹ 4,00,000 p.m.

The Perquisites and allowances payable to him shall be the same as given to other employees in the Company in the similar grade(s) as per the rules of the Company.



**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred as “Board” which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) be and is hereby authorised to effect such modification(s) in the terms and conditions of the said appointment and/or remuneration payable to Mr. Kabir Bhogilal as may be approved by the Shareholders.

**RESOLVED FURTHER THAT** the Board of Director or Chief Financial Officer or Company Secretary be and are hereby severally authorised to do and perform all such acts, deeds and things as may be necessary or expedient to give effect to this Resolution.”

#### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **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. PROXIES IN ORDER TO BE EFFECTIVE SHALL SUBMIT A PROXY FORM WHICH SHALL BE DULY FILLED, STAMPED, SIGNED AND/OR DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY HOLDERS SHALL PROVE HIS IDENTITY AT THE TIME OF ATTENDING THE MEETING.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution/authority as applicable.
3. **Route:**
  - Walk 260 m South on Maharshi Karve Road towards Veer Nariman Road.
  - Turn right after Western Railway Headquarter (on the left) 86m.
  - Turn right onto IMC Marg (Venue will be on Left).

#### Venue:

Walchand Hirachand Hall,  
4<sup>th</sup> Floor, Indian Merchant Chamber,  
Churchgate, Mumbai - 400020.

#### Landmark:

Near Churchgate Railway Station, Mumbai.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 18<sup>th</sup> July, 2015 to Wednesday, 29<sup>th</sup> July, 2015 (both days inclusive).
5. Any change of particulars including address, bank mandate and nomination for shares held in de-mat form should be notified only to the respective Depository Participants (DPs) where the member has opened his/her de-mat account. However any change in particulars in respect of shares held in physical form should be sent to the Company's Share Transfer Agents Datamatics Financial Services Ltd. - Plot No. A/16 &17, MIDC, Part-B, Cross Lane, Marol, Andheri (E), Mumbai - 400 093.
6. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment/re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
7. Members are hereby informed that as per the provisions of the Companies Act, 1956, Dividend which remains unclaimed/un-encashed over a period of 7 years has to be transferred by the Company to “The Investor Education & Protection Fund” constituted by the Central Government under Section 205 C of the Companies Act, 1956.

Hereunder are the details of dividends paid by the Company and their respective due months of transfer of unclaimed/un-encashed dividends to the designated fund of the Central Government:

Date of Declaration of Dividend	Dividend for the year	Due Months of transfer to the Fund
28 <sup>th</sup> July, 2007	2006-2007	August, 2014
30 <sup>th</sup> September, 2008	2007-2008	October, 2015

It may please be noted that once the unclaimed/un-encashed dividend is transferred to “The Investor Education & Protection Fund” as above, no claim shall lie in respect of such amount by the shareholders. The unpaid/unclaimed dividend lists are posted on Company’s website “www.batliboi.com”. The unclaimed dividend for the Financial Year 2007-08 declared on 30<sup>th</sup> September, 2008 can be claimed by the concerned shareholders by 30<sup>th</sup> October, 2015.

8. In pursuance of Government of India’s Green Initiative to save paper, the Company has sent the Notice and the Annual Report in electronic form to those members whose e-mail addresses are registered and have opted to receive the same in electronic form. For others, it has been sent in physical form. Members are requested to register their e-mail addresses with DPs in order to support the initiative of saving on consumption of paper and cost of printing and dispatch.
9. Members are requested to notify their e-mail addresses to the company’s share transfer agents in order to enable the company to send the documents electronically as permitted by Ministry of Corporate Affairs.
10. Members/Proxies should bring attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
11. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Clause 35B of Listing Agreement, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means through e-voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting period will commence at 9.00 A. M. on Sunday, 26<sup>th</sup> July, 2015 and will end at 5.00 P. M. on Tuesday, 28<sup>th</sup> July, 2015. The Company has appointed Mr. Ashish Bhatt, Practicing Company Secretary to act as the Scrutinizer, for conducting the scrutiny of the votes cast.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

**EVSN for Batliboi Limited – 150605005**

The instructions for members for voting electronically are as under:-

- (i) The voting period begins at 9.00 A.M on Sunday, 26<sup>th</sup> July, 2015 and ends at 5.00 P.M on Tuesday, 28<sup>th</sup> July, 2015. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> July, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on “Shareholders” tab.
- (iv) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”.
- (v) Now Enter your User ID  
For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below.

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
	(Company/RTA: Please note the above same should be uploaded in the ROM and should be informed to the shareholders accordingly).
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN - 150605005 for Batliboi Limited for which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney.
- (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or you can contact Ms. Namita Thakur, Assistant Manager, Legal Department, Batliboi Limited at 022-66378200 or [namita.thakur@batliboi.com](mailto:namita.thakur@batliboi.com).

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 a.m. to 5:00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors,

**Sd/-**  
**Puneet Kapur**  
*Company Secretary*

Mumbai,  
9<sup>th</sup> May, 2015

Registered Office:  
Bharat House, 5<sup>th</sup> floor,  
104, Bombay Samachar Marg,  
Fort, Mumbai - 400 001

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 4

The Board on the recommendation of the Audit Committee has appointed M/s. V. J. Talati & Co., Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2016 and also approved remuneration of ₹ 50,000/- p.a. plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration of ₹ 50,000/- p.a. payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2015.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

### Item No. 5

Mrs. Sheela Bhogilal was appointed as Additional Director w.e.f. 27<sup>th</sup> August, 2014, in accordance with the provisions of Section 161 of the Companies Act, 2013 of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. The Board feels that in order to increase diversity it would be beneficial to have Mrs. Sheela Bhogilal on the Board.

Mr. Nirmal Bhogilal, being her relative is interested in the resolution.

No other Director is concerned or interested in the said Resolution.

Your Directors recommend the above resolution for your approval.

### Item No. 6

As per the recommendation of the Nomination and Remuneration Committee held on 9<sup>th</sup> August, 2012, the remuneration and pay scale of Nirmal Bhogilal was revised for three years w.e.f. 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2014.

His remuneration was revised along with Central Government's approval by the members to include Commission and was approved in the AGM held on 29<sup>th</sup> July, 2011 and the pay scale was fixed as following:

Salary: ₹ 3,50,000/- (in the scale of ₹ 3,50,000/- to ₹ 7,00,000/- p.m.)

Perquisites: ₹ 4,09,000/- (in the scale of ₹ 3,50,000/- to ₹ 7,00,000/- p.m.)

As such, Mr. Nirmal Bhogilal, Managing Director had expressly and voluntarily declined accepting a revision in his remuneration during the year 2014-15 in the meeting of Nomination and Remuneration Committee held on 22<sup>nd</sup> August, 2014.

Now it is proposed to make an application to Central Government regarding revision of remuneration of Mr. Nirmal Bhogilal w.e.f. 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2018.

#### Proposed pay scale:

Salary: ₹ 4,00,000/- per month (in the scale of ₹ 400,000/- per month to ₹ 8,35,000/- per month)

Perquisites: ₹ 4,33,333/- per month (in the scale of ₹ 400,000/- per month to ₹ 8,35,000/- per month)

The perquisites and allowance payable to him shall include accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses and/or allowance and/or allowances for utilization of gas, electricity, water, utility allowance, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowance, upto the amounts specified above, subject to an overall ceiling of remuneration stipulated in Section 197 of the Companies Act, 2013. The said perquisites and allowance shall be evaluated, whenever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.

## Other benefits:

He shall also be entitled to use of Company's car, telephone(s)/fax at residence and cell phones for official purposes as per the rules of the Company.

Under Leadership of Mr. Nirmal Bhogilal the Company has turned around its operations and has posted profits for the financial year 2010-11 and expects further improvement in the performance. However, the Company had incurred losses in the financial year 2014-15. Therefore, the aforementioned proposed remuneration to Mr. Nirmal Bhogilal is in excess of the ceilings prescribed in the Part II, Section II of Schedule V of the Companies Act, 2013 and the same would require approval of the shareholders and the Central Government.

Members' approval is sought for payment of aforementioned remuneration and any revisions thereof as the minimum remuneration to the Managing Director in case of the Company has no profits or inadequacy of profits in any financial year during the tenure of Mr. Nirmal Bhogilal. The statement required to be sent to the shareholders pursuant to Part II, Section II (B) (IV) of Schedule V of Companies Act, 2013 is given hereunder. The Company will make necessary application to the Central Government in this regard.

Mr. Nirmal Bhogilal may be regarded as concerned or interested in Resolution as it pertains to his payment of remuneration.

Mrs. Sheela Bhogilal, being his relative is interested in the resolution.

No other Director is concerned or interested in the said Resolution.

Your Directors recommend the above resolution for your approval.

## Statement pursuant to Part II, Section II (B) (IV) of Schedule V

(1)	Nature of Industry	:	1. Manufacturing of Machine Tools, Textile Machinery, Air Conditioning & Humidification Plants & Equipments; 2. Marketing of various kinds of Machine tools, Industrial Machinery & Equipments; 3. Manufacturing and Contracting in the field of Air Conditioning.															
(2)	Date or expected date of commencement of commercial production	:	N.A. As the Company was initially incorporated as Private Company on 6 <sup>th</sup> December, 1941 and the commercial production is being is carried on for more than 59 years.															
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	N.A.															
(4)	Financial performance based on given indicators	:	<p>The financial performance is as detailed below :-</p> <table border="1"> <thead> <tr> <th></th> <th>2014-15 (₹ In Lacs)</th> <th>2013-14 (₹ In Lacs)</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>12151.66</td> <td>11688.66</td> </tr> <tr> <td>Profit/Loss</td> <td>(725.47)</td> <td>(419.59)</td> </tr> <tr> <td>Net worth</td> <td>3800.26</td> <td>5004.20</td> </tr> <tr> <td>Dividend</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>		2014-15 (₹ In Lacs)	2013-14 (₹ In Lacs)	Turnover	12151.66	11688.66	Profit/Loss	(725.47)	(419.59)	Net worth	3800.26	5004.20	Dividend	Nil	Nil
	2014-15 (₹ In Lacs)	2013-14 (₹ In Lacs)																
Turnover	12151.66	11688.66																
Profit/Loss	(725.47)	(419.59)																
Net worth	3800.26	5004.20																
Dividend	Nil	Nil																
(5)	Export performance and net foreign exchange collaborations.	:	<table border="1"> <thead> <tr> <th></th> <th>2014-15 (₹ In Lacs)</th> <th>2013-14 (₹ In Lacs)</th> </tr> </thead> <tbody> <tr> <td>Sale for Export Purposes (indirect Exports)</td> <td>940.40</td> <td>990.45</td> </tr> <tr> <td>Foreign Exchange Collaboration</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>		2014-15 (₹ In Lacs)	2013-14 (₹ In Lacs)	Sale for Export Purposes (indirect Exports)	940.40	990.45	Foreign Exchange Collaboration	Nil	Nil						
	2014-15 (₹ In Lacs)	2013-14 (₹ In Lacs)																
Sale for Export Purposes (indirect Exports)	940.40	990.45																
Foreign Exchange Collaboration	Nil	Nil																

(6)	Foreign Investments or Collaborators, if any		2014-15	2013-14
			(₹ In Lacs)	(₹ In Lacs)
		Investment made Foreign Subsidiary	3091.02	3472.86

**II. Information about the Appointee**

(1)	Background details		
	(a) Name	:	Mr. Nirmal Bhogilal
	(b) Age	:	66 Years
(2)	Past Remuneration	:	₹ (p.m.) Salary ₹ 3,50,000/- (in the scale of ₹ 3,50,000/- to ₹ 7,00,000/- p.m.) Perquisites ₹ 4,09,000/- (in the scale of 3,50,000/- to ₹ 7,00,000/- p.m.)
(3)	Recognition or awards	:	B.Sc. (Engg.), Chemical Engg. (London University, A.C.G.I. Committee Member - CII National Council.
(4)	Job profile	:	Overall in-charge of day to day management of the Company. He is having practical experience of 42 years in managing Machine Building & Engineering industry <ul style="list-style-type: none"> <li>• Past President and Director in Indian Machine Tools Manufacturer's Association.</li> <li>• Past President and Committee Member in Indo German Chamber of Commerce.</li> <li>• Past Chairman of Confederation of Indian Industry, Western Region.</li> </ul>
(5)	Remuneration proposed		₹ (p.m.) Salary: ₹ 4,00,000/- (in the scale of ₹ 4,00,000/- p.m. to ₹ 8,35,000 p.m.) Perquisites: ₹ 4,33,333/- (in the scale of ₹ 4,00,000/- p.m. to ₹ 8,35,000 p.m.)
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in would be w.r.t the country of his origin)	:	The remuneration proposed to be paid to Mr. Nirmal Bhogilal is in line with industry average. The nature of Company's business is also very complex with foreign subsidiaries in Canada and France. All these factors justify the payment of said remuneration.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	:	Mr. Nirmal Bhogilal, Chairman & Managing Director is a promoter of the Company and may be regarded as concerned or interested in his own appointment. Mrs. Sheela Bhogilal, being his relative is also interested in the same.
(8)	Date of First Appointment on the Board		06/09/1973
(9)	Shareholding		71.95%
(10)	Relationship with other Director		Mrs. Sheela Bhogilal – Spouse
(11)	No. of Board Meeting attended during the year 2014-15		4

(12)	Other Directorship, Membership and Chairmanship.	Eimco Elecon (India) Limited (Director) Batliboi International Limited (Member) Batliboi Environment Engineering Limited (Member) Bhagmal Investments Private Limited (Director & Member) Chowgule Industries Private Limited (Director) Delish Gourmet Private Limited (Director) Hitco Investments Private Limited (Director & Member) Nirbhag Investments Private Limited (Director & Member) Pramaya Shares and Securities Private Limited (Director & Member) Batliboi enXco Private Limited (Director & Member) Bhogilal Trusteeship Pvt. Ltd.(Director & Member) International Wine & Food Society (Director) Imperial College India Foundation (Director) Membership in Audit Committee:- Eimco Elecon (India) Limited
------	--	--

### III. Other information

(1)	Reason of loss or inadequate profits	: The Company had incurred losses during the financial years 2013-14 and 2014-15. Demand constraints for machine tools and textile industry were some of the reasons for inadequacy of profits.
(2)	Steps taken or proposed to be taken for improvement	: The Company has a healthy order book and with the sustained growth in industrial production, encouraging prospects for textile industry and growing demand for machine tools, the Company expects further improvement in the performance.
(3)	Expected increase in productivity and profits in measurable terms.	: With the various initiatives such as capacity expansion to reduce lead time, introduction of new products and new R & D initiatives to increase market share, the Company expects to return to profitability.

### Item No. 7

Mr. Nirmal Bhogilal was appointed as Chairman & Managing Director by the members at their AGM held on 29<sup>th</sup> July, 2011 for a period of 5 years w.e.f. 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2016.

The term of office of Mr. Nirmal Bhogilal as Chairman and Managing Director of the Company expires on 31<sup>st</sup> March, 2016. Subject to approvals of members and such other approvals as may be necessary, the Board will re-appoint him for a further period of five years w.e.f. 1<sup>st</sup> April, 2016 accordingly.

Therefore, the approval of the members is sought for passing a Special Resolution to make an application to Central Government to extend the term of Managing Director's office for five years w.e.f. 1<sup>st</sup> April, 2016.

The Company will make an application to Central Government and the same is under consideration.

The terms of Appointment are as given below:

Period of Agreement: Five years with effect from 1<sup>st</sup> April, 2016.

The Salary and Perquisites: As per Item no. 6

Other terms are mentioned as under:

The Chairman and Managing Director shall:

- Exercise such powers and authorities and carry out such duties and responsibilities from time to time as may be entrusted to him by the Board and subject to supervision, control and directions of the Board, shall have substantial powers of management.
- Promote the interest and welfare of the COMPANY to the best of his ability and confirm and comply with the practices and requirements of the COMPANY and also all such orders and directions may be given by the Board from time to time.
- Not become interested or otherwise concerned, directly or indirectly through his wife and minor children, in any selling agency of the Company without prior approval of the Central Government so long as he functions as Managing Director.



- d) This Agreement may be terminated by either party giving the other party six months' notice or paying six months' salary in lieu thereof.
- e) If at any time the Chairman & Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall also cease to be Chairman & Managing Director of the Company.

Mr. Nirmal Bhogilal and Mrs. Sheela Bhogilal may be regarded as concerned or interested in the Resolution as it pertains to his appointment and payment of remuneration.

No Other Director is concerned or interested in the said Resolution.

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

The Shareholders had authorized the Board of Directors of the Company and/or any Committee thereof to borrow from time to time a sum not exceeding ₹ 75 Crore (₹ Seventy Five Crore), on such terms and conditions as it may deem fit under Section 293(1)(d) of the Companies Act, 1956 vide resolution passed in 1998. In view of the potential growth in business of the Company and anticipating the need of additional funds that may be required in the near future, it was considered essential to borrow monies from diverse sources for various business activities/initiatives undertaken by the Company, consequent to which the amount borrowed and outstanding could exceed the present limit of ₹ 75 Crore. The Board accordingly recommends the revised limit to the extent of ₹ 150 Crore (Rupees one Hundred and Fifty Crore only) under 180(1)(c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members. The Board recommends the Special Resolution set forth in Item No. 8 of the Notice for approval of the Members. 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.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

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

As per the recommendation of Nomination and Remuneration Committee held on 27<sup>th</sup> August, 2014, the salary of Mr. Kabir Bhogilal, Vice President – Corporate Strategy, relative of Mr. Nirmal Bhogilal, Chairman and Managing Director of the Company, got revised w.e.f. 1<sup>st</sup> April 2014 as follows:

Salary: ₹ 68,600/- p.m. (in the scale of 50,000/- p.m. to 2,25,000/- p.m.)

Perquisites: ₹ 1,57,000/- p.m. (in the scale of 1,00,000/- p.m. to 3,00,000/- p.m.)

Further, for the year 2015-16 the remuneration of Mr. Kabir Bhogilal is proposed to be revised and in accordance with Section 188 of the Companies Act, 2013 and Companies (Meetings of Board and Powers) Rule, 2014 (including any statutory modifications/ amendments or enactment thereof), where such related party's appointment to any office or place of profit in the Company by way of salary, fee, commission, perquisites any rent free accommodation or otherwise if any, exceeds the ceiling of ₹ 2,50,000 per month i.e. ₹ 30,00,000 per annum will require prior approval of members.

Accordingly, the consent of the members is sought for passing the Special Resolution.

Mr. Nirmal Bhogilal and Mrs. Sheela Bhogilal, being his relative are interested in the resolution.

No other Director is concerned or interested in the said Resolution.

Your Directors recommend the above resolution for your approval.

By Order of the Board of Directors,

**Sd/-**

**Puneet Kapur**

*Company Secretary*

Mumbai,  
9<sup>th</sup> May, 2015

Registered Office:  
Bharat House, 5<sup>th</sup> floor,  
104, Bombay Samachar Marg,  
Fort, Mumbai - 400 001

## DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the 71<sup>st</sup> Annual Report together with the audited financial statements for the year ended March 31, 2015.

### Highlights of Performance

#### 1. FINANCIAL RESULTS

(₹ in Crores)

Particulars	For the Year ended			
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	Standalone	Standalone	Consolidated	Consolidated
<b>Gross Turnover (Including Indirect Sales)</b>	<b>360.76</b>	371.65	<b>504.92</b>	522.92
<b>Total Income</b>	<b>122.83</b>	122.07	<b>267.47</b>	272.57
<b>PBDIT</b>	<b>(0.21)</b>	1.95	<b>0.50</b>	12.53
Less: Finance Cost	<b>6.05</b>	5.22	<b>7.77</b>	7.35
Less: Depreciation	<b>2.41</b>	1.77	<b>6.71</b>	7.15
<b>Profit/(Loss) Before Tax &amp; Exceptional Items</b>	<b>(8.69)</b>	(5.04)	<b>(13.98)</b>	(1.97)
Exceptional items: Income/(expenses)				
<b>PBT</b>	<b>(8.69)</b>	(5.04)	<b>(13.98)</b>	(1.97)
Less: Provision for Taxation	<b>(1.44)</b>	(0.84)	<b>(1.96)</b>	0.89
<b>PAT</b>	<b>(7.25)</b>	(4.19)	<b>(12.01)</b>	(2.87)

#### 2. DIVIDEND

In view of losses, Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2015.

#### 3. SHARE CAPITAL

The Paid up Equity Capital as on 31<sup>st</sup> March, 2015 was ₹ 14.35 Crores. During the year under review, the Company has not issued shares with differential voting rights or sweat equity shares.

Company has allotted 33,333 Equity Shares under ESOP Scheme

#### 4. REVIEW OF OPERATIONS AND OUTLOOK

During the financial year 2014-15, the turnover of Textile and Machine Tool divisions has improved but there is a pressure on the margins. However, due to under performance of Machine Tool divisions, owing to lower demand and sluggish market conditions, the performance of the Company got affected.

The standalone turnover of the Company was lower as compare to previous financial year resulting in a loss of ₹ 7.25 Crores as compared to a loss of ₹ 4.19 Crores in the previous year.

The turnover of French Subsidiary, AESA Air Engineering increased by 64% as compared to previous year and posted profit of ₹ 0.44 Crores as compared to a loss of previous year of ₹ 1.12 Crores.

The performance of Quickmill Inc., the Canadian subsidiary got affected due to overall slowdown in machine tools segment.

It is expected that there would be positive sentiments in the market which would trigger higher demand for machine tools in many private and public sector units engaged in vehicle manufacturing, power and infrastructure. The continuation of TUF (Technology up gradation fund), favorable State Government policies for investment in textile sector (state textile policies of Gujarat, Maharashtra, Andhra Pradesh) and increasing demand for yarn will lead to further investments in the textile sector during 2015-16.

The Company is confident of its future prospects.

#### 5. SUBSIDIARIES

##### (i) Quickmill Inc.

Quickmill Inc. head quartered in Canada is engaged in manufacturing of large gantry drilling and milling machines and caters mainly to the energy and heavy equipments manufacturing sectors.

The performance of Quickmill in financial year 2014-2015 was below the targeted level due to crash of crude oil prices, the sector to which it caters.

Quickmill expects to achieve better performance in financial year 2015-16.

(ii) **AESA Air Engineering**

AESA SA head quartered in France is engaged in the business of Air-conditioning and filtration in textile, tobacco, chemical, non-woven and glass and fiber glass industry.

AESA SA performed better in financial year 2014-15 as compared to financial year 2013-14. The pressure on margins remains high especially in Indian market. With the current company structure at the offices situated in France, China, Singapore and India the company is optimistic of the future performance. The Offices in Italy and Hong Kong have been closed in order to have lower cost across AESA.

## 6. EMPLOYEE STOCK OPTION SCHEME

Pursuant to the resolutions passed by the members at the Extra Ordinary General Meeting held in December, 2011, the Company has formulated and introduced Employees Stock Option Plan (ESOP) with a view to encourage the employees to participate in the growth of the Company. Out of 28,68,255 options reserved under the ESOP, the Remuneration Committee had granted 10,00,000 Options to the eligible employees during 2011-12 and 1,00,000 stock options to the eligible employees during 2012-2013, out of which 3,50,000 options granted have lapsed and added back to the available bank and will be used for re-issue of the options.

Pursuant to the resolution passed at the meeting of Nomination & Remuneration Committee on 9<sup>th</sup> September, 2014, the Company further granted Options of 3,50,000 equity shares to the eligible employees in accordance with the ESOP Scheme of the Company at a price of ₹ 15.75 per share.

Further as per the resolution passed by the Board of directors of the Company on 27<sup>th</sup> January, 2015, 33,333 equity shares were allotted under ESOP scheme at the exercise price of ₹ 15.75 per share.

Detailed disclosures as required under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in the Annexure "A" to this Report.

## 7. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The consolidated Financial Statements of your Company and its Subsidiaries prepared in accordance with "Accounting Standards-21" prescribed by The Institute of Chartered Accountants of India, form part of Annual Report and the Accounts.

In terms of Circular No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs granting exemption to the companies under section 212 of the Companies Act, 1956, the Balance Sheet, Profit & Loss Account, Report of Board of Directors and Auditors of Subsidiary Companies have not been attached with the Balance Sheet of the Company. The annual accounts of these Subsidiaries and the related detailed information will be made available to any Member of the Company/its Subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company/its Subsidiaries at the Corporate Office of the Company. The annual accounts of the said Subsidiaries will also be available for inspection, as above, at the head offices of the respective Subsidiaries.

## 8. FIXED DEPOSITS

The Company has not accepted any deposits from the public or employees during the year under review.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 10. DIRECTORS

Mr. George Verghese is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

During the year Mrs. Sheela Bhogilal has been appointed as the Non-Executive Woman Director of the Company.

Brief resume of the Director appointed during the year is provided in the Corporate Governance Report forming part of this Annual Report.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence and also none of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

## 11. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on the arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company with

Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Thus disclosure in form AOC-2 is not applicable.

All Related Party Transactions are placed before the Audit Committee as also as it has to be approved by the Board. Prior approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature.

The policy on Related Party Transactions as approved by the Board is uploaded on Company's website.

## **12. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a vigil mechanism policy in place to enable the Directors and employees to have direct access to the Chairman and Managing Director or the Members of the Audit Committee. The details of the vigil mechanism is explained in the Corporate Governance Report and also posted on the website of the Company.

## **13. HUMAN RESOURCE**

During the Year under review various Technical Training for manufacturing personnel were conducted at the Company's manufacturing unit at Udhna and relations with all employees and union were cordial and pro-active. They also supported productivity and process improvement measures undertaken at all the functions of the Company.

The Company has in place Health, Safety and Environment policy for Udhna and Bangalore operations. The same is reviewed by the Board from time to time and appropriate actions are taken as required.

The Company also arranged a Health Camp for all the employees at Udhna through Prabhu General Hospital & Bankers Heart Institute, Surat.

## **14. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board. Your Company does not fall under the provisions of aforesaid section, therefore, CSR Committee has not been constituted.

## **15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement is given elsewhere in this Annual Report.

## **16. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has formulated a policy for evaluation of the Board and Chairperson. The details of evaluation process are mentioned in Corporate Governance Report.

## **17. REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management. The Remuneration Policy is explained in the Corporate Governance Report.

## **18. MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in Corporate Governance Report. The intervening gap between the Meetings was within the prescribed period under the Companies Act, 2013.

## **19. CORPORATE GOVERNANCE**

A report on the Corporate Governance pursuant to Clause 49 of the Listing Agreement along with a Certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance forms part of the Annual Report.

## **20. AUDITORS REPORT**

The Statutory Auditors M/s. V. Sankar Aiyar & Co., Chartered Accountants, hold office upto the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

The Statutory Auditors M/s. V. Sankar Aiyar & Co., Chartered Accountants have issued their reports on Standalone & Consolidated Financial Statements for the financial year 2014-15. There are no adverse remarks or qualifications in the said report and it is a clean report.

**21. COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Company has maintained its cost audit records for auditing.

Your Directors had, on the recommendation of the Audit Committee appointed M/s V. J. Talati & Co. to audit the cost accounts of the Company for the financial year 2014-15.

**22. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ashish Bhatt & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as annexure 'B'. As per Secretarial Auditor's observation, there was inadvertent delay in filing of few e-forms because of transition phase from Companies Act, 1956 to Companies Act, 2013. However, the applicable provisions of the Act were complied with on time. Further, the Company is in the process of complying with the clause 40A of the Listing Agreement.

**23. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:-

- (i) that in the preparation of the annual accounts for the year ending 31<sup>st</sup> March, 2015, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that were 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 loss of the Company for the year under review;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, 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; and;
- (iv) they have prepared the Annual Accounts on a going concern basis.
- (v) they have proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vi) they have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and efficient.

**24. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND**

The Company has, during the year under review transferred a sum of ₹ 2,78,712/- (Two Lakhs Seventy Eight Thousand Seven Hundred Twelve) to Investor Education and Protection Fund, in compliance with the provisions of erstwhile Section 205C of the Companies Act, 1956. The said amount represents dividend for the financial year 2006-07 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

**25. CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of the Company is prepared in accordance with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India form a part of this Annual Report.

**26. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars required to be disclosed pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are given in the annexure "C" forming part of this Report.

**27. SAFETY AUDIT**

Safety Audit for the year ending 31<sup>st</sup> March, 2015 was conducted for which an Independent Consultant was appointed.

**28. INTERNAL COMPLAINT COMMITTEE**

In order to provide protection against sexual harassment of women at work place and for the prevention and redressal of complaints of sexual harassment and matters connected therewith or incidental thereto, an Internal Complaint Committee has been formed and the policy on 'Anti Sexual Harassment' is posted on the website of the Company.

Matters handled by Internal Complaint Committee during the year 2014-15, are as follows:-

- Number of complaints on sexual harassment received during the year: NIL
- Number of complaints disposed off during the year: N.A.
- Number of cases pending for more than 90 days: N.A.
- Nature of action taken by the Employer: N.A.
- Number of Workshops: Three for employees one for members.

## 29. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed as Annexure 'D'

## 30. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197 of the Companies Act, 2013, read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of the employees of the Company, will be provided upon request. Pursuant to Section 136 of the Act, the Reports and Accounts are being sent to the Members and other entitled thereto, excluding the information on employee's particular which is available for inspection by the Members at the Registered Office of the Company during the business hour up to the date of ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## 31. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express and place on record their appreciation for the continued support, cooperation and assistance extended by shareholders, employees, customers, principals, agents, bankers, financial institutions, suppliers, distributors and other stakeholders of the Company.

## 32. CAUTIONARY STATEMENT

Certain statements in this annual report may constitute "forward-looking statements". These forward looking statements are subject to a number of risks, uncertainties and other factors which could cause actual results to differ materially from those suggested by forward looking statements. Important factors that could influence the Company's operation can be affected by global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Directors,

**Sd/-**  
**NIRMAL BHOGILAL**  
*Chairman & Managing Director*

Mumbai,  
9<sup>th</sup> May, 2015

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Disclosures pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

<b>Particulars</b>	<b>ESOS</b>
(a) Options granted during the year	3,50,000
(b) The pricing formula	Exercise price – ₹ 15.75
(c) Options vested	2,50,000
(d) Options exercised	33,333
(e) The total number of shares arising as a result of exercise of Options	Each Option would entitle the holder to subscribe One Equity Share in the Company.
(f) Options lapsed	NIL
(g) Variation of terms of Options	NA
(h) Money realized by exercise of Options	₹ 5,24,995/-
(i) Total number of Options in force	11,66,667 (Eleven Lakh Sixty Six Thousand Six Hundred Sixty Seven only)
(j) Employee wise details of Options granted during the year:	
(i) Senior managerial personnel:	1) Mr. Edwyn Rodrigues 2) Mr. Pradeep Pradhan 3) Mr. Daniel Vaz 4) Mr. Sanjiv Joshi 5) Mr. Gordon Buchholz 6) Mr. Thomas Greiner 7) Mrs. Prema Chandrasekhar 8) Mr. Ashok Joshi 9) Mr. C. S. Desai 10) Mr. Anand Sharma 11) Mr. K. K. Shah
(ii) Any other employee who received a grant in any one year of option amounting to 5% or more of Options granted during that year:	None
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant:	None
(k) Diluted Earning Per Share:	(2.53)

**ANNEXURE 'B'**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2015**

[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,  
Batliboi Limited  
Bharat House, 5th Floor,  
104, Bombay Samachar Marg,  
Fort, Mumbai 400001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Batliboi Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company'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, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2015 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:

I 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
- (v) 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable to the Company during audit period);
  - (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 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure I.



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. Filing of Form No Dir 12, MGT 14 and MR 1 for the Appointment of Chief Financial officer of the Company.
2. Filing of Form No MR 1 return of appointment of Company secretary as Key Managerial Personnel.
3. The clause 40A of the Listing Agreement entered into by the Company with Stock Exchange(s).

**I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except filing of Form No DIR 12 for change in designation of directors as an Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

**I 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.

For Ashish Bhatt & Associates

**Ashish Bhatt**

*Practicing Company Secretary*

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: May 9, 2015

**Annexure I**  
**List of applicable laws to the Company**

Under the Major Group and Head.

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
4. Acts prescribed under prevention and control of pollution;
5. Acts prescribed under Environmental protection;
6. Acts as prescribed under Direct Tax and Indirect Tax;
7. Labour Welfare Act of respective States;
8. Trade Marks Act 1999;
9. The Legal Metrology Act, 2009;
10. Competition Act, 2002;
11. The Bombay Shop & Establishment Act, 1948.

For Ashish Bhatt & Associates

**Ashish Bhatt**  
*Practicing Company Secretary*

FCS No: 4650  
C.P. No. 2956

Place: Thane  
Date: May 9, 2015

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY

For SPM unit at Bangalore Diesel expenses have gone down by 20% after a long due Overhauling and Maintenance of the DG set was completed. AESA SA has taken various steps for conservation of energy viz. implementation of high pressure washer system in Asia, promotion and optional use of higher efficiency motors IE3 in Asia, promotion and successful implementation of weave-direct system in Pakistan and implementation of use of lower pressure filters media while keeping same high standards of room cleanliness.

### B. RESEARCH & DEVELOPMENT (R&D)

#### I. Specific areas in which R&D carried out by the Company

##### Machine Tools

- Vertical Machining Centre model CHETAK 100 redesigned for making entire machine from cast iron in place of steel fabricated structure.
- Developed 10000 RPM spindle to adopt on various Vertical Machining Centres.
- CNC lathe model Sprint; redesigned for higher bar capacities up to 41 mm as per market requirement.

##### Textile Air Engineering

New products designed and developed:

- Development of bag dust collection system
- Development of big capacity compactor
- Development of baffle plate manufacturing in Udhna factory
- Development of Temperature and RH display unit

##### SPM

- VTL 1600 table size with 1800 dia swing was developed for the first time in SPM. This machine had radical design changes to our existing design of VTLs and is closer to our international competitors. 1<sup>st</sup> machine successfully commissioned.

##### Quickmill Inc.

- Boiler Tube Processing System – This project involved designing, building, and testing a machine tool fixture system for fully processing large boiler tubes for use in the power generation industry. The tubes can be up to 1m in diameter, 25m long and weigh up to 75 tones. It involved custom fixturing, a custom rotating system, hydraulic clamping, and complex CNC control integration. This year a great deal of time and effort were spent on optimizing and improving the mechanical and automatic functions of the machine. A laser measuring system was added to the machine for detecting the surface of the part.
- QUICKDRILL 3 – This project took major strides this year. The three spindle head was mounted to a chassis and tested for drilling ability. Results of the testing have been favorable and final CNC integration will be taking place shortly.

##### AESA SA

- Washer – use plastic pipe with lower cost and no corrosion for washer piping.
- TFB Cloth – use nylon mesh filter cloth to reduce pressure drop and energy consumption.
- High pressure washer – Review specs and price of high pressure washer; prepare technical document for project engineers for market requirement.

#### II. Benefits Derived

- Optimum use of foundry capacity instead of outsourcing steel fabrication. Foundry will have additional load of 70 to 80 tons in a year.
- Widening the product range.
- Offer customers unique solutions.
- Improvement in quality and customer satisfaction.

### III. Expenditure on R&D

Total capital expenditure incurred: ₹ 140 Lacs

### IV. Development Plans and Technology Absorption, Adaption and Innovation

#### Machine Tools

- Increase range of vertical Machining Centres, CNC Lathes and Vertical Lathes.
- Horizontal Machining Centre.

#### Textile Air Engineering

- Re-engineering of air washer components.
- Closed loop speed control of centrifugal fans by VFD, to save power.
- Adding new products to product basket.
- Direct grouting of Axial flow fans.

#### Quickmill Inc

- Productionise-QUICKDRILL 3
- Automatic Right Angle Head
- Low cost Gantry Drilling Machine

#### AESA SA

- New gear Motor for FKC
- High pressure washer
- Redesign of TFB

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year ended 31<sup>st</sup> March, 2015, Foreign Exchange earnings were ₹ 940.40 Lacs (Previous Year ₹ 990.45 Lacs) and the Foreign exchange outgo was ₹ 17 Lacs (Previous Year ₹ 32.69 Lacs). For further details, note no. 16(VII) and 16(IX) to the Accounts may be referred to.

**EXTRACT OF ANNUAL RETURN**
**Annexure-D**

as on the financial year ended 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT-9

**I. Registration and other details**

<b>CIN</b>	L52320MH1941PLC003494
<b>Registration Date</b>	06/12/1941
<b>Name of the Company</b>	BATLIBOI LIMITED
<b>Category/Sub-Category of the Company</b>	Company Limited by Shares
<b>Address of the Registered Office and contact details</b>	Bharat House, 5th Floor, 104, Bombay Samachar Marg, Fort, Mumbai - 400 001.
<b>Whether listed Company</b>	Yes
<b>Name, address and contact details of Registrar and Transfer Agent, if any</b>	Datamatics Financial Services Ltd., Plot No. A/16 &17, MIDC Part B, Cross Lane, Marol, Andheri (East), Mumbai - 400093. Tel No.: 66712151 to 56.

**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

Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
MTU-General Purpose Machine & Computerically Numerically Control Machine	84573090, 84592930, 84595110, 84595120, 94595130, 84669390	40.74%
BTMG-Commission Agents in India for International Textile Machinery Manufacturers and after sale services.	46103	13.59%
TAE-ALU Profile, TAE Fan, Part of Fan, Part of Filter & Fibre Compactors and Semi Centra Unit	76042100, 84145930, 84149040, 84219900, 84798920	33.08%

**III.**

Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
AESA Air Engineering SA, 78 Faubourg des Vosges - BP 80135, 68804 THANN CEDEX - FRANCE	—	Subsidiary	70%	2 (87)
QUICKMILL INC. 760 Rye Street, Peterborough, Ontario, Canada K9J 6W9.	—	Subsidiary	100%	2 (87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)**
**(i) Category-wise Shareholding**

Category code	Category of shareholder	Number of Shares held at the beginning of the year				Number of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/HUF	21983567	0	21983567	76.6444	21983567	0	21983567	76.5554	-0.0890
(b)	Central Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Bodies Corporate	1459000	0	1459000	5.0867	1459000	0	1459000	5.0808	-0.0059
(e)	Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Any Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub Total (A)(1)</b>	<b>23442567</b>	<b>0</b>	<b>23442567</b>	<b>81.7311</b>	<b>23442567</b>	<b>0</b>	<b>23442567</b>	<b>81.6362</b>	<b>-0.0949</b>
<b>2</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Other - Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Banks/FI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Any Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>23442567</b>	<b>0</b>	<b>23442567</b>	<b>81.7311</b>	<b>23442567</b>	<b>0</b>	<b>23442567</b>	<b>81.6362</b>	<b>-0.0949</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Banks/FI	100	800	900	0.0031	100	800	900	0.0031	0.0000
(c)	Central Government	350	0	350	0.0012	350	0	350	0.0012	0.0000
(d)	State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Insurance Companies	600	0	600	0.0021	600	0	600	0.0021	0.0000
(g)	FIs	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Foreign Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(j)	Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub Total (B)(1)</b>	<b>1050</b>	<b>800</b>	<b>1850</b>	<b>0.0064</b>	<b>1050</b>	<b>800</b>	<b>1850</b>	<b>0.0064</b>	<b>0.0000</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
(a)(i)	Indian	704793	29550	734343	2.5602	632560	29050	661610	2.3040	-0.2563
(a)(ii)	Overseas	0	846970	846970	2.9529	0	846970	846970	2.9495	-0.0034
(b)	Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)(i)	Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh	2608714	585127	3193841	11.1351	2520814	571177	3091991	10.7675	-0.3676
(b)(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	397376	0	397376	1.3854	614560	0	614560	2.1401	0.7547
(c)	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Other (specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d-i	NRI Rep	51953	1100	53053	0.1850	43800	1100	44900	0.1564	-0.0286
d-ii	NRI Non-Rep	12350	200	12550	0.0438	11235	200	11435	0.0398	-0.0039
d-iv	Foreign Bodies	0	0	0	0.0000	0	0	0	0.0000	0.0000
d-v	Foreign National	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub Total (B)(2)</b>	<b>3775186</b>	<b>1462947</b>	<b>5238133</b>	<b>18.2624</b>	<b>3822969</b>	<b>1448497</b>	<b>5271466</b>	<b>18.3573</b>	<b>0.0949</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>3776236</b>	<b>1463747</b>	<b>5239983</b>	<b>18.2689</b>	<b>3824019</b>	<b>1449297</b>	<b>5273316</b>	<b>18.3638</b>	<b>0.0949</b>
	<b>Total (A+B)</b>	<b>27218803</b>	<b>1463747</b>	<b>28682550</b>	<b>100.0000</b>	<b>27266586</b>	<b>1449297</b>	<b>28715883</b>	<b>100.0000</b>	<b>0.0000</b>
<b>(C)</b>	<b>Custodians for GDRs and ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>27218803</b>	<b>1463747</b>	<b>28682550</b>	<b>100.0000</b>	<b>27266586</b>	<b>1449297</b>	<b>28715883</b>	<b>100.0000</b>	<b>0.0000</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Pledge/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Pledge/encumbered to total shares	
1	Nirmal Pratap Bhogilal	19752406	68.8656	0	20166198	70.2266	0	1.361
2	Sheela Bhogilal	841022	2.9322	0	841022	2.9288	0	-0.0034
3	Nirbhag Investments Pvt Ltd	618200	2.1553	0	618200	2.1528	0	-0.0025
4	Pramaya Shares and Securities Pvt Ltd	600000	2.0919	0	600000	2.0894	0	-0.0025
5	Pratap Bhogilal	473792	1.6518	0	0	0	0	-1.6518
6	Kabir Bhogilal	394176	1.3743	0	454176	1.5816	0	0.2073
7	Nirmal Bhogilal	346438	1.2078	0	346438	1.2064	0	-0.0014
8	Bhagmal Investments Pvt Ltd	240800	0.8395	0	240800	0.8386	0	-0.0009
9	Nirmal Bhogilal	149077	0.5197	0	149077	0.5191	0	-0.0006
10	Maya Goyel	18296	0.0638	0	18296	0.0637	0	-0.0001
11	Chitra Ashokkumar	2680	0.0093	0	2680	0.0093	0	0
12	Dharini B. Anand	2680	0.0093	0	2680	0.0093	0	0
13	Farah Bhogilal	2000	0.0070	0	2000	0.007	0	0
14	Darshana Bhogilal Gupta	1000	0.0035	0	1000	0.0035	0	0
	<b>TOTAL</b>	<b>23442567</b>	<b>81.7310</b>	<b>0</b>	<b>23442567</b>	<b>81.6361</b>	<b>0</b>	<b>-0.0949</b>

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

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Nirmal Pratap Bhogilal</b>				
	At the beginning of the year	19752406	68.866	19752406	68.866
	Increase due to deletion of name of Late Mr. Pratap Bhogilal on 14.11.2014	473792	1.652	20226198	70.517
	Decrease on 09.01.2015 (Transfer of Shares)	60000	0.209	20166198	70.308
	At the end of the Year	0	0	20166198	70.227
2	<b>Kabir Bhogilal</b>				
	At the beginning of the year	394176	1.374	394176	1.374
	Increase on 09.01.2015 (Transfer of Shares)	60000	0.209	454176	1.583
	At the end of the Year	0	0	454176	1.582

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	NEWPOND MANAGEMENT LTD.	846970	2.953	846970	2.949
2	PRANIR INVESTMENTS PRIVATE LIMITED	110147	0.384	110147	0.384
3	SMITSAGAR TRACON PRIVATE LTD.	83910	0.293	83910	0.292
4	SHASHANK S KHADE	0	0.000	67660	0.236
5	PANNA BANKIM	0	0.000	57778	0.201
6	ANIL BHAVANJI SHAH	69718	0.243	54353	0.189
7	NADIR BARJORJI GODREJ	53648	0.187	53648	0.187
8	HARENDRA D MEHTA SHARE & STOCK BROKERS PVT. LTD.	50020	0.174	50020	0.174
9	LAXMICHAND KUNVERJI KENIA	0	0.000	50000	0.174
10	AMIT YESHWANT MODAK	0	0.000	48010	0.167

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Mr. Ameet Hariani</b>				
	At the beginning of the year	6080	0.021	6080	0.021
	Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc):	—	—	—	—
	At the end of the Year	6080	0.021	6080	0.021

## V. INDEBTEDNESS

₹ In Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,193.67	618.78	—	2,812.45
ii) Interest due but not paid	—	95.42	—	95.42
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>2,193.67</b>	<b>714.20</b>	<b>—</b>	<b>2,907.87</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	—	832.92	—	832.92
Reduction	216.82	—	—	216.82
<b>Net Change</b>	<b>(216.82)</b>	<b>832.92</b>	<b>—</b>	<b>616.10</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,976.85	1,355.28	—	3,332.13
ii) Interest due but not paid	—	191.84	—	191.84
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>1,976.85</b>	<b>1,547.12</b>	<b>—</b>	<b>3,523.97</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Mr. Nirmal Bhogilal (Managing Director)</b>	
1	Gross Salary		
	<b>(As per Central Government's approval)</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	9936109	9936109
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	39600	39600
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	—	—
2	Stock option	—	—
3	Sweat Equity	—	—
4	Commission	—	—
	– as % of Profit	—	—
	– others, please specify	—	—
5	– others, please specify (Retirement benefit & Annuity)	1200000	1200000
	<b>Total (A)</b>	<b>11175709</b>	<b>11175709</b>



**B. Remuneration to Other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Vijay R. Kirloskar	Mr. E. A. Kshirsagar	Mr. Subodh Bhargava	Mr. Ameet Hariani	Mr. Ulrich Duden	
	<b>(Sitting Fees)</b>						
	Independent Directors	Mr. Vijay R. Kirloskar	Mr. E. A. Kshirsagar	Mr. Subodh Bhargava	Mr. Ameet Hariani	Mr. Ulrich Duden	
	Fee for attending board/committee meetings	55000	120000	110000	140000	15000	440000
	Commission	—	—	—	—	—	—
	– others, please specify	—	—	—	—	—	—
	<b>Total (1)</b>	<b>55000</b>	<b>120000</b>	<b>110000</b>	<b>140000</b>	<b>15000</b>	<b>440000</b>
	Other Non-Executive Directors	Mr. George Verghese	Mrs. Sheela Bhogilal	—	—	—	—
	<b>(Sitting Fees)</b>						
	Fee for attending board/committee meetings	60000	15000	—	—	—	75000
	Commission	—	—	—	—	—	—
	– others, please specify	—	—	—	—	—	—
	<b>Total (2)</b>	<b>60000</b>	<b>15000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>75000</b>
	<b>Total (B) = (1+2)</b>						<b>515000</b>
	<b>Total Managerial Remuneration</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>515000</b>

**C. Remuneration to Key Managerial Personnel other than Md/Manager/Wtd**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Ms. Puneet Kapur	CFO Mrs. Prema Chandrasekhar	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,168,680	3,635,933	5,804,613
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	31,616	39,600	71,216
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	—	—	—
2	Stock option			
3	Sweat Equity	—	—	—
4	Commission			
	– as % of Profit	—	—	—
	– others, please specify	—	—	—
5	– others, please specify	—	—	—
	<b>Total</b>	<b>2,200,296</b>	<b>3,675,533</b>	<b>5,875,829</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2015.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, deposit-holders, creditors, consumers, institutional and other lenders and places due emphasis on regular compliance.

### 2. BOARD OF DIRECTORS:

The present strength of Board of Directors is eight comprising of one Executive Director, two Non-Executive Directors including one Woman Director and five Non-Executive Independent Directors:

The Composition, category, other Directorships and Committee memberships held by them are as under:

Name of Director	Category	No. of other Directorship	No. of membership of Board Committees	No. of Board Committees for which Chairperson
Mr. Nirmal Bhogilal	Promoter, Executive	1	1	—
Mr. Ameet Hariani	Non-Executive/Independent	2	1	1
Mr. Eknath Kshirsagar	Non-Executive/Independent	6	2	4
Mr. George Verghese	Non-Promoter/Non-Executive	1	—	—
Mrs. Sheela Bhogilal	Non-Executive	1	—	—
Mr. Subodh Bhargava	Non-Executive/Independent	7	2	1
Mr. Ulrich Duden	Non-Executive/Independent	—	—	—
Mr. Vijay R Kirloskar	Non-Executive/Independent	4	—	—

**Note:** In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees in all public limited companies (excluding Batliboi Limited) have been considered.

#### Attendance of each Director at the Board Meetings and the Last Annual General Meeting.

During the year ended 31<sup>st</sup> March, 2015, four Board Meetings were held on 23<sup>rd</sup> May, 2014, 1<sup>st</sup> August 2014, 31<sup>st</sup> October, 2014 and 27<sup>th</sup> January, 2015.

Details of meetings attended by the Directors are given hereunder:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 1 <sup>st</sup> August, 2014.
Mr. Nirmal Bhogilal	4	Present
Mr. Ameet Hariani	3	Present
Mr. E. A. Kshirsagar	4	Present
Mr. George Verghese	4	Present
Mrs. Sheela Bhogilal	1	—
Mr. Subodh Bhargava	4	Present
Mr. Ulrich H Duden	1	—
Mr. V. R. Kirloskar	3	Present

**Board procedures**

Before each meeting, the Company sends to the Board of Directors, Agenda for the meeting, along with Minutes of Board/Committee Meetings, comprehensive notes and information which is material for facilitating effective discussion and decision making at their meetings. The Senior Management including divisional heads make presentations to the Board of Directors giving details of performance, progress, and other important developments in the respective divisions. Apart from this, financial MIS containing details of annual operating plans, budgets, updates, capital expenditure budgets and updates and other material information is presented to the Board. The same are reviewed at length by the Board.

**Note on appointment/re-appointment of Directors**

Mrs. Sheela Bhogilal has done a course in Management and Finance from Tata Management Institute, Pune and in gemology from the gemology institute of America. She is also involved in various NGO activities.

She is a Director/Member of the following Companies/Committees:

Sr. No.	Name of the Company	Chairman/ Director	Committees of the Board	Chairperson/ Member
1.	Delish Gourmet Private Limited	Director	—	—
2.	Batliboi SPM Private Limited	Director	—	—
3.	Bhagmal Investments Private Limited	Director	—	—
4.	Nirbhag Investments Private Limited	Director	—	—
5.	Sustime Pharma Limited	Director	—	—
6.	Hitco Investments Private Limited	Director	—	—
7.	Pramaya Shares and Securities Private Limited	Director	—	—
8.	Batliboi Limited	Director	—	—
9.	Bhogilal trusteeship private Limited	Director	—	—

**3. COMMITTEES OF BOARD**

With a view to have a more focused attention and for better governance, the Board has re-constituted following mandatory committees viz. Audit Committee, Nomination and Remuneration Committee.

The terms of reference of these Committees are determined by the Board.

Meeting of each Committees are determined by the respective Chairman of the Committee, who informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are presented at the following Board Meetings.

**3.1 AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

**Terms of Reference**

The Audit Committee has following powers:

- a. to investigate any activity within its terms of reference.
- b. to seek information from any employee.
- c. to obtain outside legal or other professional advice.
- d. to secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes following:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii. Approval for payment to statutory auditors for any other services rendered by them.
- iv. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in draft audit report;
- v. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- vii. Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems.
- viii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ix. Discussion with internal auditors any significant findings and follow up there on.
- x. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xi. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- xiii. To review the functioning of the Vigil Mechanism.
- xiv. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- xv. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **Composition and meetings attended**

The Audit Committee of the Company comprises of three Independent and Non-Executive Directors.

The Company Secretary of the Company acts as a Secretary to the Committee.

During the year ended 31<sup>st</sup> March, 2015, four Audit Committee Meetings were held on 23<sup>rd</sup> May, 2014, 1<sup>st</sup> August, 2014, 31<sup>st</sup> October, 2014 and 27<sup>th</sup> January, 2015.

Present composition of the Committee and details of meetings attended by the Committee members during the year ended 31<sup>st</sup> March, 2015 are given below:

Sr. No.	Name of the Director	Designation	No. of Meetings attended
1.	Mr. E. A. Kshirsagar*	Chairman	4
2.	Mr. Subodh Bhargava	Member	4
3.	Mr. Ameet Hariani	Member	3

\* Mr. E. A. Kshirsagar, Chairman of the Committee, is a Chartered Accountant and thus having financial and accounting knowledge.

### 3.2 Nomination and Remuneration Committee

#### Brief Description of Terms of Reference

- To review, assess and recommend the appointment of whole-time directors;
- To periodically review the remuneration package of whole-time directors and next level (in most cases either CEOs, CFOs or VPs) and recommend suitable revision to the Board; and
- Such other matters as may be entrusted by the Board from time to time.

#### Composition and meetings attended:

The Remuneration Committee comprises of three Independent and Non-Executive Directors.

During the year ended 31<sup>st</sup> March, 2015, two Remuneration Committee meeting were held on 22<sup>nd</sup> August, 2014 and 9<sup>th</sup> September, 2014.

The present composition of the Committee and details of meetings attended by the Committee members during the year ended 31<sup>st</sup> March, 2015 are given below:

Sr. No.	Name of the Director	Designation	No. of Meetings attended
1.	Mr. E. A. Kshirsagar	Chairman	2
2.	Mr. Subodh Bhargava	Member	1
3.	Mr. Vijay R. Kirloskar	Member	1

#### Remuneration Policy

The compensation of the Managing Director is recommended by the Remuneration Committee and is approved by the Board. The remuneration policy is directed towards rewarding performance based on review of achievements. With a view to reward the employees for their efforts, performance and contributions to the growth of the Company and to attract and retain capable employees, the Company has instituted Employee Stock Option Plan in terms of the SEBI (Employee Stock Option Scheme) Guidelines, 1999 for the eligible employees and Non-Executive Directors of the Company.

Pursuant to the resolutions passed by the members at the Extra Ordinary General Meeting held in December, 2011, the Company has formulated and introduced Employees Stock Option Plan (ESOP) with a view to encourage the employees to participate in the growth of the Company. Out of 28,68,255 options reserved under the ESOP, the Remuneration Committee had granted 10,00,000 Options to the eligible employees during 2011-12 and 1,00,000 stock options to the eligible employees during 2012-2013, out of which 3,50,000 options granted have lapsed and added back to the available bank and will be used for re-issue of the options.

Pursuant to the resolution passed at the meeting of Nomination & Remuneration Committee on 9<sup>th</sup> September, 2014, the Company further granted Options of 3,50,000 equity shares to the eligible employees in accordance with the ESOP Scheme of the Company at a price of ₹ 15.75 per share.

Further as per the resolution passed by the Board of directors of the Company on 27<sup>th</sup> January, 2015, 33,333 equity shares were allotted under ESOP scheme at the exercise price of ₹ 15.75 per share.

The options granted would vests as follows:

1/3 of the total number of options granted – after 36 months from the date of grant of options.

1/3 of the total number of options granted – after 48 months from the date of grant of options

1/3 of the total number of options granted – after 60 months from the date of grant of options.

Company only pays sitting fees to its Non-Executive Directors (NEDs) as under:-

Sitting Fees:-

- ₹ 15,000/- per Board Meeting,
- ₹ 10,000/- per Audit Committee Meeting & Nomination and Remuneration Committee Meeting,
- ₹ 5,000/- per meeting of Investors'/Shareholders' Grievance and Share Transfer Committee, Executive Committee.
- The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings.

**Shares Held By Non-Executive Directors:**

Mr. Ameet Hariani holds 6080 Equity Shares of ₹ 5 each which constitute a negligible percentage of the Paid-up Equity Share Capital of the Company. No other Non-Executive Directors hold any Shares in the Company.

**Details of remuneration and sitting fees paid to the Directors for the year ended 31<sup>st</sup> March, 2015:**

(Figures in ₹)

Name of the Director	Salary	Benefits	Commission	Sitting Fees	Total	Service contract/ Notice period/ Severance fees
Mr. Nirmal Bhogilal	48,00,000	51,75,709	—	—	99,75,709*	Five years contract and Notice Period Six months.
Mr. V. R. Kirloskar	—	—	—	55,000	55,000	For a term of upto five consecutive years.
Mr. E. A. Kshirsagar	—	—	—	1,20,000	1,20,000	For a term of upto five consecutive years.
Mr. Subodh Bhargava	—	—	—	1,10,000	1,10,000	For a term of upto five consecutive years.
Mr. Ameet Hariani	—	—	—	1,40,000	1,40,000	For a term of upto five consecutive years.
Mr. Ulrich H Duden	—	—	—	15,000	15,000	For a term of upto five consecutive years.
Mrs. Sheela Bhogilal	—	—	—	15,000	15,000	Additional Director
Mr. George Verghese	—	—	—	60,000	60,000	Liable to retire by rotation.

\* Excluding retiral benefits.

**3.3 INVESTORS'/SHAREHOLDERS' GRIEVANCE & SHARE TRANSFER COMMITTEE:**

The "Investors'/Shareholders' Grievance and Share Transfer Committee" of the Company, consists of two members, chaired by a Non-Executive Director.

**Composition and meetings attended:**

During the year ended 31<sup>st</sup> March, 2015, four Investors'/Shareholders' Grievance and Share Transfer Committee meetings were held on 17<sup>th</sup> April, 2014, 18<sup>th</sup> July, 2014, 14<sup>th</sup> October, 2014 and 12<sup>th</sup> January, 2015.

The present composition of the Committee and the number of meetings attended by the Committee members during the year ended 31<sup>st</sup> March, 2015 are given below:

Sr. No.	Name of the Director	Designation	No. of Meetings attended
1.	Mr. Ameet Hariani	Chairman	4
2.	Mr. Nirmal Bhogilal	Member	4

Mr. Ameet Hariani, Chairman of the Committee is a non-executive director.

#### **Functions**

The Committee meets to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates and review the status of investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

Details of share transfers/transmissions approved by the Committee are placed at the Board Meetings from time to time. The Company maintains continuous interaction with the Registrar & Share Transfer Agents and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors and also takes initiative in solving critical issues.

#### **Compliance Officer**

The Board has appointed Mrs. Puneet Kapur, Chief Corporate Counsel & Company Secretary as the Compliance Officer.

#### **Details of Investor's Complaints**

There were no complaints pending at the beginning of the year, the Company has received 7 Complaints during the year and resolved all of them during the year under review. There are no outstanding complaints as on 31<sup>st</sup> March, 2015.

### **3.4 INTERNAL COMPLAINT COMMITTEE**

In order to provide protection against sexual harassment of women at work place and for the prevention and redressal of complaints of sexual harassment and matters connected therewith or incidental thereto, an Internal Complaint Committee has been formed and the policy on 'Anti Sexual Harassment' is posted on the website of the Company.

Matters handled by Internal Complaint Committee during the year 2014-15, are as follows:-

- Number of complaints on sexual harassment received during the year: NIL
- Number of complaints disposed off during the year: N.A.
- Number of cases pending for more than 90 days: N.A.
- Nature of action taken by the Employer: N.A.
- Number of Workshops: Three for employees one for members.

### **4. INDEPENDENT DIRECTORS MEETING**

During the year, the Independent Directors met on 31<sup>st</sup> March, 2015, inter alia, to discuss:

- i) Evaluation of the performance of Non-Independent Directors and the Board of Director as a whole;
- ii) Evaluation of performance of Chairman of the Company, taking into the views of Executive Directors.
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board to effectively and reasonably perform its duties.

### **5. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS**

The Nomination and Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors. This Policy is accordingly derived from the said Charter.

#### **BOARD MEMBERSHIP CRITERIA**

Candidates to be elected to the Board must be able to make a significant contribution to the Board's discussion and decision making concerning the broad array of the complex issues faced by the Company. In assessing potential Board

candidates, the Board seeks to consider individuals with broad range of business experience and backgrounds. Potential Board candidates who satisfy the priorities are further evaluated based upon criteria that include:

- Their demonstrated commitment to the highest ethical standards and value of the Company;
- The ability and willingness to devote sufficient time and energy in carrying out their duties and responsibilities;
- Their diversity, professional expertise and global experience which would complement the other Directors on the Board.

**POSITIVE ATTRIBUTES:**

The person to be appointed as a Director of the Company shall not only possess the relevant formal qualifications and experience but shall also possess attributes like high standard of ethics, personal integrity, proven track record and shall demonstrate commitment to the Organization.

For assessing integrity and suitability features like criminal records, financial position, and civil actions initiated to pursue personal debts, refusal of admission to or expulsion from professional bodies, sanctions applied by regulators or similar bodies, previous questionable business practices etc. are considered.

**6. PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance.

Evaluation procedure covered various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Following Corporate Governance Guidelines has been adopted by the Board of Directors of the Company to promote effective functioning of the Board and its Committees and to set forth a common set of expectations as to how the Board shall perform.

**6.1 PERFORMANCE EVALUATION OF THE CHAIRPERSON**

The Independent Directors are responsible for the performance evaluation of the Chairperson. They also take into account the views of Executive/other Directors on the Board.

It was one of the matters which were discussed in Meeting of the Independent Directors held on 31<sup>st</sup> March, 2015.

**7. GENERAL BODY MEETINGS:**

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2011-2012**	30 <sup>th</sup> July, 2012	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 <sup>th</sup> Floor, 12K Dubash Marg, Fort, Mumbai 400 001.	2.30 P. M.
2012-2013	6 <sup>th</sup> August, 2013	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 <sup>th</sup> Floor, 12K Dubash Marg, Fort, Mumbai 400 001.	2.30 P. M.
2013-2014	1 <sup>st</sup> August, 2014	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 <sup>th</sup> Floor, 12K Dubash Marg, Fort, Mumbai 400 001.	2.30 P. M.

\*\* Special Resolution pertaining to payment of Commission to the Non-Executive Directors was passed.

**8. RELATED PARTY TRANSACTIONS**

All the transactions entered into with Related Parties as defined under the Companies Act, 2013 and clause 49 of the Listing Agreement during the year were in ordinary course of business and pricing was done on arms length basis, therefore, do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant transactions with related parties during the year which were in conflict with the interest of the Company.

Suitable disclosure has been made in the notes of the financial statements.



**9. VIGIL MECHANISM/WHISTLE BLOWER MECHANISM**

With a view to maintain the high standards of transparency in Corporate Governance and also to comply with the Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement requirements, the following Policy is formulated to enable the Directors and employees to have direct access to the Chairman and Managing Director or the Members of the Audit Committee.

This policy has been introduced by the Company to enable employees and Directors to raise their concerns about any malpractice, impropriety or abuse at an early stage and in the right way, without fear of victimization, subsequent discrimination or disadvantage. The policy is intended to encourage and enable the employees and Directors to raise concerns within the Company than overlooking the issues keeping the organizations' interest in mind. The details of the policy are posted on the website.

A Committee has been constituted which looks into the complaints raised and has not received any complaint for the financial year 2014-2015. The Committee reports to Audit Committee and the Board.

**10. SUBSIDIARY COMPANIES**

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings. Copies of the Minutes of the Audit Committee/Board Meetings of Subsidiary are individually given to all the Directors and are tabled at the subsequent Board Meeting.

**11. DISCLOSURES:**

- a. The Company has complied with the requirements of regulatory authorities on capital markets save and except clause 40A of the Listing Agreement.
- b. None of the transactions with any of the management personnel of the Company were in potential conflict with the interest of the Company at large.
- c. The Company has also complied with the mandatory requirement of adoption of Vigil Mechanism/Whistle Blower Policy for its employees and no personnel has been denied access to the Audit Committee. The policy is on the website of the Company.
- d. The Company has laid down the procedures to inform Board Members about the risk assessment and minimization procedures. The Board is periodically informed about business and other risks and its minimization procedures.

**12. MEANS OF COMMUNICATION:**

- (i) Half yearly/Quarterly report is not being sent to each household of shareholders as the shareholders are intimated through the press about the quarterly performance and financial results of the Company.
- (ii) The financial results of the Company are posted on the Company's website "www.batliboi.com" and are published in the newspapers as under :

Year Ended 31 <sup>st</sup> March, 2014	The Free Press Journal, Nav Shakti
Quarter Ended 30 <sup>th</sup> June, 2014	The Free Press Journal, Nav Shakti
Quarter/Half year ended 30 <sup>th</sup> September, 2014	The Free Press Journal, Nav Shakti
Quarter/Nine Months ended 31 <sup>st</sup> December, 2014	The Free Press Journal, Nav Shakti

- (iii) The financial results and shareholding pattern are posted on the Company's website "www.batliboi.com."
- (iv) The Management Discussion and Analysis Report forms part of Annual Report.

**13. GENERAL SHAREHOLDER INFORMATION:**

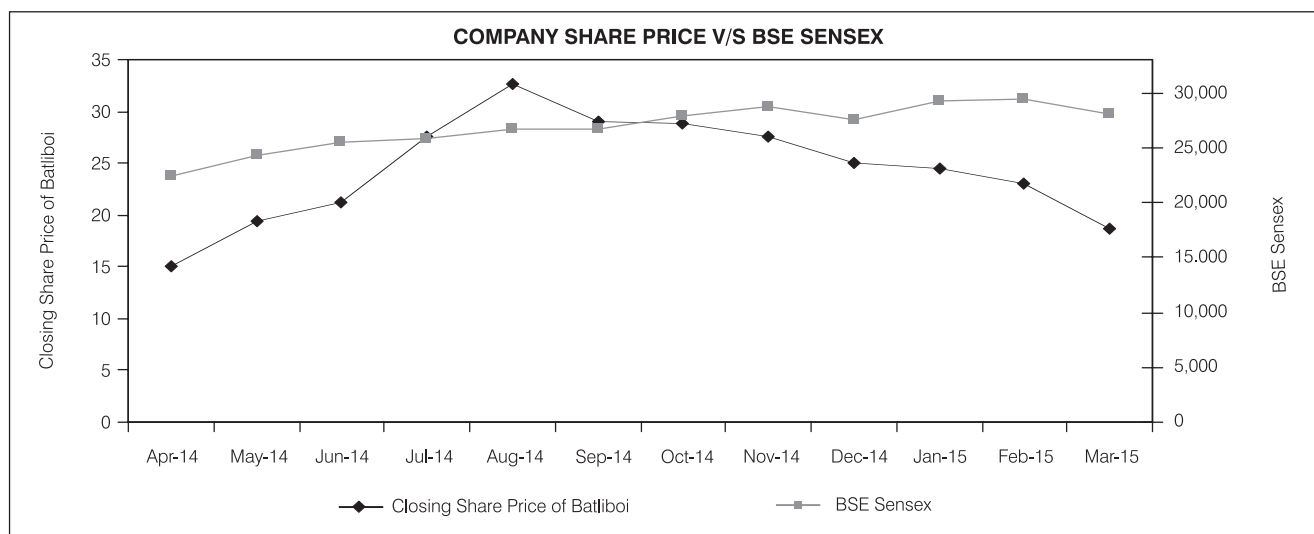
- (i) Registered Office : Bharat House, 5<sup>th</sup> Floor, 104, Bombay Samachar Marg, Fort, Mumbai 400 001.
- (ii) Annual General Meeting : Date and Time: Wednesday, 29<sup>th</sup> July, 2015 at 2.30 p.m.  
Venue: Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchant Chambers, Churchgate, Mumbai-400020
- (iii) Financial Year : 12 months ended 31<sup>st</sup> March, 2015.
- (iv) Date of Book Closure : Saturday, 18<sup>th</sup> July, 2015 to Wednesday, 29<sup>th</sup> July, 2015 (both days inclusive)
- (v) Dividend Payment date : NA

- (vi) Listing : Company's Equity shares are listed on Bombay Stock Exchange Limited.(BSE)
- (vii) Stock Code-BSE : 522004
- (viii) Demat ISIN Number in NSDL/CDSL for Equity Shares : INE 177C01022
- (ix) Market Price Data : During the year ended 31<sup>st</sup> March, 2015, the highest market price and the lowest price for the Company's equity shares of face value of ₹ 5/- recorded on Bombay Stock Exchange Limited were as follows:

## Price Range

(Rate in ₹)

Month	BSE	
	High Price	Low Price
April, 2014	16.85	12.15
May, 2014	20.65	14.05
June, 2014	24.95	18.4
July, 2014	28.55	19.65
August, 2014	38.85	22.95
September, 2014	35.9	26.6
October, 2014	30.7	22.2
November, 2014	31.75	25.25
December, 2014	29	22.75
January, 2015	27.6	23.05
February, 2015	25.5	21.55
<b>March, 2015</b>	<b>28</b>	<b>17.25</b>



**(xi) Distribution of Shareholding as on 31<sup>st</sup> March, 2015**

Range (No. of Shares)		Total Holders	% to No. of Holders	Total Holdings	% of Total Capital
From	To				
1	1,000	9,939	95.67	18,05,657	6.29
1,001	2,000	201	1.94	3,14,922	1.10
2,001	4,000	107	1.03	3,13,788	1.09
4,001	6,000	44	0.42	2,20,531	0.77
6,001	8,000	15	0.14	1,07,936	0.38
8,001	10,000	17	0.16	1,61,473	0.56
10,001	20,000	34	0.33	4,96,589	1.73
20,001	& Above	32	0.31	2,52,94,987	88.09
<b>TOTAL</b>		<b>10,389</b>	<b>100</b>	<b>2,87,15,883</b>	<b>100</b>

**(xii) Shareholding Pattern as on 31<sup>st</sup> March, 2015 (Face Value ₹ 5/-)**

Category	No. of Shares	(%)
Promoter and Promoters Group	2,34,42,567	81.62
Directors, their Relatives	6,080	0.02
Bodies Corporate	6,61,610	2.31
Central Government/State Government	350	0.00
Financial Institutions/Banks	900	0.00
Insurance Companies	600	0.00
Foreign Investors (FIIs/NRIs/OCBs/Foreign Bank/Foreign Corporate Bodies)	9,03,305	3.15
Individual	37,06,551	12.90
<b>Total</b>	<b>2,87,21,963</b>	<b>100</b>

- (xiii) Registrar and Transfer Agents : Datamatics Financial Services Ltd., Plot No. A/16 &17, MIDC Part B, Cross Lane, Marol, Andheri (East), Mumbai 400093. Tel No.: 66712151 to 56.
- (xiv) Share Transfer System : Transfer of Shares held in physical form is processed by Datamatics Financial Services Ltd. and approved by the Chairman & Managing Director or Chief Corporate Counsel & Company Secretary pursuant to powers delegated by the Board of Directors.
- (xv) Dematerialisation of Shares : The Shares of the Company have been put on Compulsory Demat. As on 31<sup>st</sup> March 2015, about 95% of the total equity shares issued by the Company have been dematerialized.
- (xvi) Outstanding GDR/ADR : NA
- (xvii) Plant Location : (i) P. O. Fateh Nagar, Surat Navsari Road, Udhna - 394 220.  
(ii) Veerasandra Industrial Area, Hosur Road, Bangalore - 560100.
- (xviii) Address for Correspondence : Bharat House, 5<sup>th</sup> Floor, 104, Mumbai Samachar Marg, Fort, Mumbai - 400001.  
Email id: [legal@batliboi.com](mailto:legal@batliboi.com)  
Telephone: +91-022 66378200 Ext. 245

**14. INSIDER TRADING CODE :**

The Company has also adopted the Prevention of Insider Trading Code for all the Directors, Senior Management personnel and designated employees who are expected to have access to unpublished price sensitive information. The said Code has been framed in accordance with SEBI (Prevention of Insider Trading Regulations), 1992.

**15. CEO/CFO CERTIFICATION :**

The CMD and the CFO of the Company have submitted their Compliance Certificate to the Board of Directors in terms of sub-clause IX of Clause 49 of the Listing Agreement.

**16. RISK MANAGEMENT :**

The Company has procedures to inform Board of Directors about risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through the means of properly defined framework.

**17. RECONCILIATION OF SHARE CAPITAL AUDIT :**

As per Clause 47(C) of the Listing Agreement, the Company ensures that the RTA and/or the In-house Share Transfer facility, as the case may be, produces a certificate from a practicing Company Secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within fifteen days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and a copy of the same shall be made available to the Exchange within 24 hours of the receipt of the certificate by the Company;

**18. CODE OF CONDUCT :**

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company which is posted on the website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct.

For and behalf of the Board of Directors,

**Sd/-**  
**NIRMAL BHOGILAL**  
*Chairman & Managing Director*

Mumbai,  
9<sup>th</sup> May, 2015

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of Corporate Governance by Batliboi Limited (the Company) for the year ended 31<sup>st</sup> March 2015 as stipulated in Clause 49 of the Listing Agreement entered of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor's/Shareholders Grievance & Share Transfer Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. Sankar Aiyar & Co.,**  
**Chartered Accountants**  
**Firm Reg. No. 109208W**

**sd/-**  
**[G. Sankar]**  
**Partner**  
**Membership No.46050**

Place: Mumbai  
Dated: 9<sup>th</sup> May, 2015

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of Batliboi Limited presents the analysis of segment-wise performance of your Company for the year 2014-15 and its outlook for the future. This outlook is based on assessment of the current business environment and the expectations, estimates and projections of the Directors and Management of the Company. It may vary due to future economic and political development, both in the Indian and international economies and due to other factors beyond control.

### A. SEGMENTWISE PERFORMANCE AND OUTLOOK:

#### (I) Batliboi Textile Engineering Group

##### **Business Structure**

The Textile Engineering Group comprises of Textile Machinery and Textile Air Engineering.

In Textile Air Engineering the Company is foremost and leading manufacturer of complete systems for humidification and waste collection for textile spinning, weaving and knitting plants.

In the Textile Machinery business the Company represents as Agents of International Textile Machinery manufacturers covering a range of spinning, knitting, processing and garmenting machinery.

##### **Developments and Performance**

###### Textile Air Engineering Group (TAE)

During the financial year 2014-15 the turnover of Textile Air Engineering division has improved but there is a pressure on the margins. Indian textile industry witnessed a slew of incentives in Gujarat; however, due to slow implementation of the same, the euphoria died down and expected spurt in projects did not happen. The major source of revenue came from the projects implemented in South. The existing customers in North provided the Company good revenue from their retrofit and modernization work. Due to slow implementation of projects and overall sluggish demand, budgeted booking and billing was not achieved. Profitability was improved by reducing material cost as well as manpower and operating costs. The performance for 2015-16 is expected to be better, considering the increase in enquiry level for proposed green field projects, expansion in spinning and weaving sector and incentives announced for the textile industry in South, especially Andhra Pradesh.

###### Textile Machinery Division (TMD)

For the spinning industry it was a year of consolidation after two consecutive previous years of capacity building. The Textile Machinery Group however improved market share even during this low investment period as also margins on spinning machines. The focus was to look out for new agencies to provide stability in the spinning machinery business.

Years of persevering on importance of well engineered machines paid off finally this year for knitting industry when the traditional markets of Tirupur and Kolkata opted for high end, modern machines thereby increasing market share. It was a record year in terms of machine numbers and values. Overall market share improved from 10% to an average of 20% approx on machine numbers and to 35% approx in value.

The performance of Processing machinery for the year was the one where substantial orders were booked in Yarn Dyeing and Fabric Dyeing machines, printing machines and finishing machines. Not all the booked machines could be billed on account of long delivery periods as well as delays in commissioning of machines. Customers were patient because suppliers are world leaders in their respective fields.

##### **Opportunities, Threats and Outlook**

###### TAE

The continuation of TUF (Technology up gradation fund), favorable state Government policies for investment in textile sector (state textile policies of Gujarat, Maharashtra, Andhra Pradesh) and increasing demand for yarn will lead to further investments in spinning sector during 2015-16.

However, the challenges in front of Industry are higher labor attrition rate, increasing power tariffs, adverse power situation in South and competitors' aggressive in pricing.

TAE division is expected to improve its performance looking at the pending order situation and overall positive market scenario.

###### TMD

Based on the revival of previously finalized projects, a strong first half of fiscal year 2015-16 is foreseen. It is therefore expected to improve its performance in the financial year 2015-16. The downside could be the exports of the textile industry being affected by the strengthening of the Rupee.

## (II) Batliboi Machine Tool Group (BMTG)

### **Business structure**

The Machine Tool Group is engaged in manufacturing, selling/trading, and servicing of various types of metal forming and metal cutting machine tools.

**Manufacturing:** Batliboi manufactures range of products from General Purpose Conventional type to Computerised Numerical Control (CNC) type as well as Special Purpose machines (SPM). GPM's include Radial drilling machines from 32 mm to 100 mm capacity, portable and moving column radial drill upto 100 mm, milling machines in Size I, II and III. CNC machines include turning, vertical as well as horizontal machining centres, drilling centre, vertical lathes and double column milling and drilling machine of moving table as well as gantry type.

**SPM's:** SPM's are built as per the specific needs of the customer for mass production in industries such as automobile industry for milling, boring, facing, drilling and centring applications.

**Trading:** Batliboi is also engaged as an agency house representing various overseas reputed companies from Czech Republic, Belgium, Italy, Germany, South Korea, China and Taiwan as well local manufacturers of Metal Cutting and Metal Forming machine tools.

### **Developments and Performance**

During the financial year 2014-15 the turnover of Machine Tool division has improved but there is a pressure on the margins owing to lower demand and sluggish market conditions. Adverse impact as continued slack in Industrial activity resulted in slowing down of order booking as well a production of capital goods and related industries. Particularly the user industry of Machine Tools produced and marketed by this division had their capital expenditure plans curtailed due to the slackness in the industry.

Analysis of data provided by Indian Machine Tool Manufacturers Association shows that in the year under review production of GPM's declined by over 30%. Batliboi could still make it possible to produce at similar levels of previous year due to pending orders from PSU's and even managed to increase market share to over 50%. On the other hand, Industry wise production levels for CNC machines showed an increase due to surge in demand from Northern India towards middle of the year. Batliboi could not take full advantage of this increase in off take because of the pending orders of high value CNC machines from defence units. Production of SPM's at Bengaluru plant was lower in spite of pending orders due to funds flow getting adversely affected resulting from poor booking of new orders.

The Machine tool market is yet to see any discernible improvement specially in the imported heavy machinery range. The target market segment was depressed and saw very little investment during the year. As a result our performance was much below the budget.

### **Opportunities, Threat & Outlook**

#### Machine Tool Udhna (MTU)

In spite of sluggishness in the Capital Goods Industry, Udhna division managed to improve its performance in terms of higher production and lower overheads. Plan during current year is to remain focused and to achieve even higher production and further reduce costs.

Development and production of high end tooled up machines would continue in the current year. It is expected that there would be positive sentiments in the market which would trigger higher demand for machine tools in many private and public sector units engaged in vehicle manufacturing, power and infrastructure.

#### Special Purpose Machines (SPM), Bengaluru

SPM division in Bengaluru is expected to be engaged in completing all pending orders and further gather a healthy order book looking at the signs of revival in certain parts of automobile sector and power sector.

#### Machine Tool Trading (MTT)

During the financial year 2014-15, contrary to the expectations, sluggishness in the industrial activity continued resulting in very low pending order book position at the beginning of the financial year 2015-16. The Company has strengthened the sales network in southern and eastern markets and look forward to much better booking and execution of orders during the financial year 2015-16.

## (III) Quickmill Inc.

### **Business Structure**

Your Company's wholly owned subsidiary is head quartered in Peterborough, Canada and is engaged in manufacture and sale of large size Gantry Drilling and Milling Machines. The customers are mainly from energy and component manufacturing sectors.

### **Developments and Performance**

The performance of Quickmill in financial year 2014-2015 was below the targeted level due to crash of crude oil prices, a sector to which it caters.

Quickmill expects to achieve better performance in financial year 2015-16, as North America will continue to show steady growth as well as the Middle East with - recent orders now in hand and with the expectation of further orders from the middle east in this coming fiscal year. Continued focus on South America with a new Sales & Marketing strategy along with Quick mill's imported lower cost branded machine should help Quickmill achieve results in that market.

Quickmill will launch a new product for the heat Transfer sector in May of financial year 2015-2016 that has been a 4 year project to innovate a multi-spindle high speed drilling machine that is unique in the machine tool business. With this product being launched Quickmill will see some results from our core drilling industry.

#### **(IV) AESA Air Engineering SA**

##### **Business Structure**

Your Company's subsidiary AESA is headquartered in France with subsidiaries in China, Singapore and India. It is engaged in the business of Air Conditioning and filtration in textile, tobacco, non woven and glass industries.

##### **Developments and Performance**

Aesa SA performed better in financial year 2014-15 as compare to financial year 2013-14. The turnover increased by 64% as compare to previous financial year. With the prevailing global down-to-earth business mood it was again possible by an extensive and selective sales activity to secure contracts. The pressure on margins remains high especially in India.

The dormant offices in Italy and Hong Kong have been closed in order to lower fixed establishment cost.

##### **Opportunities, Threats and Outlook**

Markets in India and Indonesia are active. The Company has managed to re-enter the markets and secure contracts in Pakistan and Uzbekistan. AESA has also ventured into Algerian market with 2 major projects being executed in Algeria. The trend of Asian companies to invest internationally is growing.

However, margins in the business will continue to remain under strong pressure.

R&D activities will focus on energy and man-power efficient systems. While cost-effectiveness is important the target continues to excel by product quality.

The Company will continue to push the activity of the sale of various spare parts and business services.

With a good order back-log and the company adjusting to the market requirements the year ahead looks promising.

#### **B. HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

The total number of employees in the Company were 397 as on 31<sup>st</sup> March, 2015.

Technical training programmes for manufacturing personnel were conducted at the Company's manufacturing unit at Udhna. Topics covered during the training sessions were Broaching, Boring, Milling, Gear Cutting, Welding Technology, FMEA, Product Quality, CNC Milling, ISO Awareness, CNC Programming, Operations & Maintenance, Continual Improvement in Productivity, Safety Awareness and Fire Prevention and Protection Team Work and Communication Skills. Productivity & Process Improvement initiatives continued at the manufacturing units.

During the year under review industrial relations in the factory were cordial and pro-active and all employees and the union supported productivity and process improvement measures undertaken at all the functions of the Company.

The Company has in place Health, Safety and Environment policy for Udhna and Bangalore operations. The same is reviewed by the Board from time to time and appropriate actions are taken as directed.

#### **C. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

Your Company has effective internal control systems commensurate with the size of the Company. This is further supplemented by an internal audit being carried out by an external firm of Chartered Accountants. The internal auditors conduct audits of the performance of various departments, functions and locations and also statutory compliances based on an annual audit plan chalked out in consultation with the Audit Committee. They report their observations/recommendations to the Audit Committee of the Board of Directors, which comprises of three Non-Executive Independent Directors. The Audit Committee reviews the Audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, if necessary.

#### **D. CAUTIONARY STATEMENT:**

Statements in the Management's Discussion and Analysis Report describing the Company's projections 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 would make a difference to the Company's operations include demand-supply conditions, raw material prices, and changes in Government regulations, tax regimes, economic developments within and outside the country and other factors such as litigation and other labour negotiations.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Batliboi Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of BATLIBOI LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branch at Udhna plant.

#### **Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

#### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to the Note 15-XIII-A in the financial statements which indicates that the Company has incurred cash losses during the current year and in the previous year and the Company's current liabilities exceeded its current assets as at Balance Sheet date. Considering the factors stated in the said note, the preparation of financial statements on going concern basis is not affected.

#### **Other Matter**

We did not audit the financial statements of Udhna Plant (the branch) included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 7,313.84 Lacs as at 31<sup>st</sup> March, 2015 and total revenues of ₹ 8,454.34 lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements



of the said branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order. In preparing the said statement, we have considered the statements made under the aforesaid order by the branch auditors who audited the accounts of the Company's Udhna plant.
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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - (d) 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 and with the returns received from the branches not visited by us.
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to 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 financial statements – Refer Note 15-III to the financial statements.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 15-XII-D to the financial statements.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Mumbai  
Dated: 9<sup>th</sup> May, 2015

For **V. Sankar Aiyar & Co.,**  
**Chartered Accountants**  
**Firm Reg. No. 109208W**  
sd/-  
**[G. Sankar]**  
**Partner**  
**Membership No.46050**

**ANNEXURE REFERRED TO IN THE AUDITOR’S REPORT TO THE MEMBERS OF BATLIBOI LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were, in our opinion, not material and have been properly dealt with in the books of account.
- (ii) a. Physical verification of inventory has been conducted by the management at reasonable intervals during the year except in case of inventory lying with third parties where confirmations have been obtained.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.
- (iii) Based on audit procedures applied by us and according to the information and explanations given to us, the Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are under specific marketing arrangements or goods of technical specification in respect of which comparable alternative quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Company.
- (v) During the year, the Company has not accepted any deposits from the public. In this regard there has not been any order by Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Company in accordance with Section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. *During the year there have been delays in depositing undisputed statutory dues such as Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax and Excise Duty with the appropriate authorities. However, there has not been any instance of non-payment of the aforesaid statutory dues to the appropriate authorities. In case of Wealth Tax, Custom Duty and other material statutory dues applicable to it, the company has been regular in depositing the dues with the appropriate authorities.*

According to the information and explanations given to us, and the records of the Company examined by us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess were in arrears, as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable.

- b. In respect of Sales Tax and Excise Duty dues not deposited on account of disputes, the details of amounts involved and the forum where the disputes are pending, are as under:-

Forum where dispute is pending	Amount (₹ Lacs)
Sales Tax Appellate/Revisional Authority-up to Commissioner Level	53.62
Sales Tax Appellate Authority-Tribunal	35.66
Central Excise Appellate Tribunal	1.24

- c. According to the information and explanations given to us and the records of the Company, there are no amounts which are required to be transferred to Investor Education and Protection Fund.
- (viii) The Company does not have accumulated losses as at 31<sup>st</sup> March, 2015. The Company has incurred cash loss during the current financial year and in the immediately preceding financial year.
- (ix) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loan from any financial institution or by way of issue of debentures.

- (x) In respect of guarantees given by the Company for loans taken by a related party from banks, having regard to the explanation that the Company has strategic business relationship with the related party and the party has extended reciprocal guarantee/charge on its current assets for financial assistance availed by the Company, the terms and conditions of the guarantees are, in our opinion, not prima facie prejudicial to the interests of the Company.
- (xi) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, wherever the purpose is stipulated by the lender, the term loans raised have been applied for such purpose.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Mumbai  
Dated: 9<sup>th</sup> May, 2015

**For V. Sankar Aiyar & Co.,  
Chartered Accountants  
Firm Reg. No. 109208W  
sd/-  
[G. Sankar]  
Partner  
Membership No.46050**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

		₹ in Lacs	
	Note No.	As at 31-Mar-15	As at 31-Mar-14
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	2,128.27	2,126.61
Reserves and Surplus	2	2,114.51	3,321.78
		<u>4,242.78</u>	<u>5,448.39</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	1,359.08	738.65
Deferred Tax Liabilities		—	5.00
Other Long Term Liabilities		700.21	767.66
Long Term Provisions		532.16	550.75
		<u>2,591.45</u>	<u>2,062.06</u>
<b>Current Liabilities</b>			
Short Term Borrowings	4	2,508.81	2,342.15
Trade Payables		2,523.91	2,739.16
Other Current Liabilities		2,220.13	1,881.72
Short Term Provisions		126.11	123.68
		<u>7,378.96</u>	<u>7,086.71</u>
<b>TOTAL</b>		<u><u>14,213.19</u></u>	<u><u>14,597.16</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	5	4,817.52	5,070.24
Capital Work-in-Progress		282.32	281.18
		<u>5,099.84</u>	<u>5,351.42</u>
Non-Current Investments	6	3,288.01	3,669.85
Deferred Tax Assets		141.00	—
Long Term Loans and Advances	7	209.88	215.45
Other Non-Current Assets	7	169.75	327.95
<b>Current Assets</b>			
Inventories	8	2,263.41	2,077.14
Trade Receivables		2,494.31	2,307.35
Cash and Bank Balances		60.74	202.76
Short Term Loans and Advances		486.25	445.24
		<u>5,304.71</u>	<u>5,032.49</u>
<b>TOTAL</b>		<u><u>14,213.19</u></u>	<u><u>14,597.16</u></u>

Significant Accounting Policies  
Notes on Financial Statements

1 to 15

As per our report attached of even date

For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**G. SANKAR**  
Partner  
Membership No.: 46050

Place : Mumbai  
Dated : 09<sup>th</sup> May, 2015

For and on Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**GEORGE VERGHESE**  
Director

Place : Mumbai  
Dated : 09<sup>th</sup> May, 2015

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

		₹ in Lacs	
	Note No.	2014-15	2013-14
<b>INCOME</b>			
Revenue from Operations	9	12,151.66	11,688.66
Other Income	10	132.21	519.06
<b>TOTAL REVENUE</b>		<b>12,283.87</b>	<b>12,207.72</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	11	5,981.12	5,585.11
Purchases of Stock-in-Trade	11	1,514.69	1,357.20
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	11	(148.87)	44.34
Employee Benefit Expenses	12	2,395.67	2,493.06
Finance Costs	13	605.91	522.57
Depreciation	5	241.64	177.19
Other Expenses	14	2,563.22	2,532.66
<b>TOTAL EXPENSES</b>		<b>13,153.38</b>	<b>12,712.11</b>
<b>Profit/(Loss) Before Exceptional Items &amp; Taxes</b>		<b>(869.51)</b>	<b>(504.39)</b>
<b>Profit Before Taxes</b>		<b>(869.51)</b>	<b>(504.39)</b>
<b>Tax Expenses</b>			
Current Tax		—	—
Deferred Tax (Net)		(146.00)	(54.00)
Tax Adjustments in respect of earlier years		1.96	(30.80)
<b>Profit/(Loss) for the year</b>		<b>(725.47)</b>	<b>(419.59)</b>
<b>Earnings per Share (Basic &amp; Diluted)</b>		<b>(2.53)</b>	<b>(1.46)</b>
(Face Value of ₹ 5/- per Share)			
Significant Accounting Policies			
Notes on Financial Statements			
		<b>1 to 15</b>	

As per our report attached of even date

**For V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**G. SANKAR**  
Partner  
Membership No.: 46050

Place : Mumbai  
Dated : 09<sup>th</sup> May, 2015

For and on Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**GEORGE VERGHESE**  
Director

Place : Mumbai  
Dated : 09<sup>th</sup> May, 2015

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	Year Ended 31-Mar-15	Year Ended 31-Mar-14	
<b>I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>			
<b>Net Profit Before Tax and Exceptional Items</b>	<b>(869.51)</b>		<b>(504.39)</b>
Add Back:			
(a) Depreciation	241.64	177.19	
(b) Interest	523.11	457.54	
(c) Loss on Sale/Disposal of Assets	1.30	—	
(d) Debit Balances Written off	58.48	13.44	
(e) Provision for Doubtful Debts/Other Advances	23.40	104.54	
(f) Leave Encashment Provision	(1.18)	6.06	
(g) Provision for Gratuity	(43.37)	(0.86)	
(h) Foreign Exchange Loss	4.37	—	
(i) Employee Stock Option Reserve	9.17	—	
(j) Revaluation Reserve	(1.67)	1.86	759.77
Deduct:			
(a) Income from Investment (Dividend)	0.61	0.61	
(b) Surplus on Sale of Assets	—	66.13	
(c) Unclaimed Credit Balances Appropriated	118.49	91.61	
(d) Excess Provision of Earlier Years Written Back	4.34	—	
(e) Foreign Exchange Gains	—	123.44	341.08
<b>Operating Profit Before Working Capital Changes</b>	<b>(177.70)</b>		<b>(244.05)</b>
Deduct:			
(a) Increase in Inventories	186.27	92.83	
(b) Increase in Trade Receivables & Advances	166.03	352.30	92.83
Add:			
(a) Decrease in Trade Receivables & Advances	—	552.39	
(b) Increase in Trade and Other Payables	113.12	113.12	317.60
		<b>(416.88)</b>	533.11
Income Taxes Paid	2.62		26.93
<b>Net Cash Inflow/(Outflow) from Operations (A)</b>	<b>(419.50)</b>		<b>506.18</b>
<b>II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>			
Inflow:			
(a) Sale of Fixed Assets	3.56	73.16	
(b) Income from Investments (Dividend)	0.61	4.17	0.61
Deduct:			
Outflow:			
(a) Acquisition of Fixed Assets	56.27	74.19	
(b) Investment in Foreign Subsidiary	33.46	89.73	19.82
<b>Net Cash Inflow/(Outflow) in Course of Investing Activities (B)</b>	<b>(85.56)</b>		<b>(20.24)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	Year Ended 31-Mar-15	Year Ended 31-Mar-14	
<b>III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>			
Inflow :			
(a) Issue of Equity Share Capital	5.25	—	
(b) Decrease in Bank Deposits	116.63	—	
(c) Increase in Unsecured Loan	736.50	163.07	
(d) Increase in Working Capital Borrowings	166.66	304.49	467.56
	<u>1,025.04</u>	<u>304.49</u>	
Deduct :			
Outflow :			
(a) Increase in Bank Deposits	—	18.49	
(b) Repayment of Term Loan	118.67	452.79	
(c) Net Interest Paid	426.70	451.18	922.46
	<u>545.37</u>	<u>451.18</u>	
<b>Net Cash Inflow/(Outflow) In Course of Financing Activities (C)</b>	<b>479.67</b>	<b>(454.90)</b>	
<b>Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)</b>	<b>(25.39)</b>	<b>31.04</b>	
Cash/Cash Equivalents at the beginning of the year	61.74	30.70	
Cash/Cash Equivalents at the close of the year	36.35	61.74	
<b>Net Increase/(Decrease) in Cash/Cash Equivalents</b>	<b>(25.39)</b>	<b>31.04</b>	

As per our report attached of even date

**For V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**G. SANKAR**  
Partner  
Membership No.: 46050

Place : Mumbai  
Dated : 09<sup>th</sup> May, 2015

For and on Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**GEORGE VERGHESE**  
Director

Place : Mumbai  
Dated : 09<sup>th</sup> May, 2015

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary

**SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements are prepared under the historical cost convention (except for certain fixed assets which have been revalued) in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.

**2. USE OF ESTIMATES**

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Financial Statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively when revised.

**3. REVENUE RECOGNITION**

a) Revenue from sale of goods:

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer.

b) Service Income:

Income from annual maintenance services is recognized proportionately over the period of contract.

c) Revenue from Works Contracts:

Revenue from works contracts is recognized on: "Percentage of Completion Method"; Percentage or stage of completion is determined by the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total costs of the contract.

**4. FIXED ASSETS**

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation except some land & buildings (excluding residential flats) and plants and machinery, which are adjusted on revaluation. The fixed assets manufactured by the Company are stated at manufacturing cost or net realizable value whichever is lower, prevailing at the time of capitalization. Fixed assets are shown net of accumulated depreciation and amortization, wherever applicable.

**5. DEPRECIATION**

a) Depreciation is provided as follows:

Asset	Useful life	Method	Residual value	Justification if useful life different from Schedule II to the Companies Act 2013
<b>A. Manufacturing Unit at Udhna</b>				
Plant & machinery	18 years	SLM	5%	Determined by Chartered Engineer & valuer
Factory building	62 years	SLM	10%	Determined by Chartered Engineer & valuer
Tool Room & Assets transferred to Factory from branches	As specified in Schedule II to the Companies Act 2013	WDV	5%	—
<b>B. Windmill</b>	As specified in Schedule II to the Companies Act 2013	SLM	5%	—
<b>C. All assets other than above</b>	As specified in Schedule II to the Companies Act 2013	SLM	5%	—

b) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such additions or up to date of such sale/disposal as the case may be.



## SIGNIFICANT ACCOUNTING POLICIES — (Contd.)

- c) Depreciation on revalued assets is calculated on the replacement value at the rates considered applicable by the valuer and is charged to profit and loss account. In respect of revalued building of SPM division, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance in such reserve is available.

### 6. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors.

- a) An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at weighted average cost of capital.
- b) After impairment, depreciation is provided in subsequent periods on the revised carrying amount of the asset over its remaining useful life.
- c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value in use after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### 7. INTANGIBLE ASSETS

Cost of technical know-how incurred on technical drawings/designs/data for the manufacture of new products is capitalized on receipt of such drawings/designs/data. The technical know-how is amortized from the year in which commercial production commences over its useful life determined by technical evaluation.

### 8. INVESTMENTS

Long-term investments are stated at cost including all expenses incidental to acquisition. Provision is made to recognize a decline, other than temporary in the value of long-term investments. Current investments are stated at lower of cost and fair value.

### 9. VALUATION OF INVENTORIES

- a) Inventories comprising Raw Materials, Work in Progress, Finished Goods, Stores and Loose Tools are valued at lower of cost or net realizable value.
- b) Incomplete job contracts are valued at the direct cost incurred on such contracts.

### 10. EMPLOYEE BENEFITS

#### A) Short Term Employee Benefits

All employee benefits falling due wholly within 12 months of rendering the services are classified as short term benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

#### B) Post-Employment Benefits

##### a) Defined Contribution Plans:

The Company has defined contribution plans for post employment benefits in the form of Superannuation Fund for Managers/Officers which is administered by Life Insurance Corporation of India (LIC), Provident Fund for employees at manufacturing facility administered by Regional Provident Fund Authorities, besides ESIC and Labour Welfare Fund. The Company's contributions to Defined Contribution Plans are charged to the Profit and Loss Account as and when incurred and the Company has no further obligation beyond making the contributions.

##### b) Defined Benefits Plans:

- i. The Company's liabilities towards gratuity leave encashment and compensated absence are determined and provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method for measuring the liability is the Projected Unit Credit Method.

## SIGNIFICANT ACCOUNTING POLICIES — (Contd.)

- ii. In respect of employees, other than those working at manufacturing facilities, provident fund contributions are made to a trust administered by trustees. The interest payable by the trust to the members shall not be lower than the statutory rate declared by the Central Government and shortfall, if any, shall be made good by the Company.
  - iii. Actuarial gains and losses are immediately recognized in the Profit and Loss Account of the year without resorting to any amortization/deferment.
- c) Termination Benefits:  
Termination benefits are immediately recognized as an expense in the Profit and Loss Account, as and when incurred.

### 11. EMPLOYEE STOCK OPTION SCHEME

In respect of stock options granted pursuant to the Company's stock option scheme, the intrinsic value, if any, of the option (excess of market price of the share over the exercise price of the option) on the grant date is treated as discount and accounted as employee compensation cost over the vesting period.

### 12. PROVISIONS AND CONTINGENT LIABILITIES

Provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates. Contingent liabilities are disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

### 13. FOREIGN CURRENCY TRANSACTIONS

- a) Foreign currency transactions are recorded on initial recognition at the exchange rate in force on the date of the transaction. Exchange differences arising on settlement of monetary items (cash, receivables, payables etc.) are recognized in the Profit and Loss Account in the period in which they arise.
- b) Foreign currency monetary items are reported at exchange rates prevailing at the end of the accounting period and the gains/losses are recognized in the Profit and Loss Account.
- c) Long term foreign currency monetary items which form part of the Company's net investment in non – integral foreign operation are reported at exchange rates prevailing at the end of the accounting period and the gains/losses are accumulated in foreign currency translation reserve, until the disposal of the net investment.
- d) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or an income over the life of the contract.

### 14. EXPENSES ON ISSUE AND PREMIUM ON REDEMPTION OF SECURITIES

Expenses on issue of shares and debentures and premium on redemption of debentures are charged to Securities Premium Account.

### 15. TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard-22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent that there is timing difference the reversal of which will result in sufficient income. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,61,70,400 (P.Y. 4,61,70,400) Equity Shares of ₹ 5/- each	2,308.52	2,308.52
6,92,480 (P.Y. 6,92,480) Preference Shares of ₹ 100/- each	692.48	692.48
	<u>3,001.00</u>	<u>3,001.00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
2,87,15,883 (P.Y. 2,86,82,550) Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid	1,435.79	1,434.13
6,92,480 (P.Y. 6,92,480) 5% - 5 Year Redeemable Non-Cumulative Preference Shares of ₹ 100/- each fully paid	692.48	692.48
	<u>2,128.27</u>	<u>2,126.61</u>

**Notes:**

Of the above:

**Equity Shares**

The reconciliation of the number of shares outstanding at the beginning and at the end of year is as under:

Particulars	2014-15	2013-14
Opening Number of Equity Shares	2,86,82,550	2,86,82,550
Add: Equity Shares issued under ESOP scheme during the year	33,333	—
Closing Number of Equity Shares	<u>2,87,15,883</u>	<u>2,86,82,550</u>

The details of Shareholder holding more than 5% equity shares is as under:

Name of Shareholder	No. of Shares	No. of Shares
Mr. Nirmal Bhogilal	2,06,61,713	2,02,47,921
% Shareholding	71.95%	70.59%

**Preference Shares**

 6,92,480 5% Non-Cumulative Preference Shares of ₹ 100 each (4,78,000 redeemable on 27<sup>th</sup> March, 2016 and 2,14,480 redeemable on 19<sup>th</sup> June, 2016).

The reconciliation of the number of shares outstanding at the beginning and at the end of year is as under:

Mr. Nirmal Bhogilal

Particulars	2014-15	2013-14
Opening Number of Preference Shares	NIL	NIL
Add: Transferred during the year	692,480	NIL
Closing Number of Preference Shares	<u>692,480</u>	<u>NIL</u>
% Shareholding	100%	NIL

Details of Shareholder holding more than 5% Preference Shares are as under:

Mr. Pratap Bhogilal

Particulars	2014-15	2013-14
Opening Number of Preference Shares	692,480	692,480
(Less) Transferred during the year	(692,480)	NIL
Closing Number of Preference Shares	<u>NIL</u>	<u>692,480</u>
% Shareholding	NIL	100%

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14	
<b>NOTE 2 : RESERVES AND SURPLUS</b>			
<b>Capital Reserves</b>			
As per last Balance Sheet	25.00		25.00
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet	160.60	160.60	
Add: Transferred from the Profit and Loss Account	—	—	160.60
<b>Revaluation Reserve</b>			
As per last Balance Sheet	444.19	446.05	
Less: Amount withdrawn on account of depreciation on revalued assets	1.67	1.86	444.19
<b>Securities Premium Reserve</b>			
As per last Balance Sheet	393.01	393.01	
Add: Premium on equity shares issued under ESOP Scheme during the year	3.58	—	393.01
<b>General Reserve</b>			
As per last Balance Sheet	1,224.39	1,224.39	
Less: Depreciation on assets which have completed useful life (Refer Note No-15-XV)	61.47	—	1,224.39
<b>Employee Stock Option Reserve</b>			
As per last Balance Sheet	—	—	
Add: Accrual of employee compensation cost (Refer Note No-15-XIV)	9.17	—	—
<b>Foreign Currency Translation Reserve</b>			
As per last Balance Sheet	—	—	
Less: Exchange Difference during the year (Refer Note No-15-XVI)	431.41	(431.41)	—
<b>Investment Allowance Reserve Utilised</b>			
As per last Balance Sheet	63.05		63.05
	<u>1,828.44</u>		<u>2,310.24</u>
<b>Surplus</b>			
Opening Balance in the Profit and Loss Account	1,011.54	1,431.13	
Add: Profit/(Loss) from the Profit and Loss Account	(725.47)	(419.59)	1,011.54
Closing Balance in the Profit and Loss Account	<u>286.07</u>		<u>1,011.54</u>
<b>TOTAL</b>	<u><u>2,114.51</u></u>		<u><u>3,321.78</u></u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 3 : NON-CURRENT LIABILITIES</b>		
<b>Long Term Borrowings</b>		
<b>Secured Term Loans</b>		
FROM BANKS		
Rupee Term Loans from Bank	—	112.99
<b>Repayment Terms</b>		
Repayable in EMI of ₹ 13.87 Lacs, maturing in January, 2016		
[Security: Refer Note 15-I-a]		
Car Loan (Secured by Hypothecation of Vehicle)	3.80	6.88
<b>Repayment Terms</b>		
Repayable in various EMIs by October, 2017		
<b>Unsecured Loans</b>		
<b>Loans &amp; Advances from Related Parties</b>		
Loan from Director	1,282.20	201.70
<b>Repayment Terms</b>		
Repayable after one year		
Other Loans	73.08	417.08
<b>Repayment Terms</b>		
Repayable after one year		
	1,359.08	738.65
<b>Other Long Term Liabilities</b>		
Trade Payables	206.00	180.51
Advances from Customers	230.84	428.10
Interest Accrued and Due on Loans	191.84	95.42
Employee Related and Other Liabilities	71.53	63.63
	700.21	767.66
<b>Long Term Provisions</b>		
Provision for Employee Benefits:		
Provision for Gratuity	358.95	398.97
Provision for Leave Encashment	113.35	107.47
Warranty Provisions	59.86	44.31
	532.16	550.75

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 4 : CURRENT LIABILITIES</b>		
<b>Short Term Borrowing</b>		
<b>Secured</b>		
Loans Repayable on Demand		
From Banks		
Cash Credit and Working Capital Borrowings [Security: Refer Note 15-I-b]	1,858.04	1,956.18
<b>Unsecured</b>		
Inter Corporate Deposits	650.77	385.97
	<u>2,508.81</u>	<u>2,342.15</u>
<b>Trade Payables</b>		
Due to Micro, Small and Medium Enterprises [Refer Note 15-II]	38.75	56.20
Others	2,485.16	2,682.96
	<u>2,523.91</u>	<u>2,739.16</u>
<b>Other Current Liabilities</b>		
Advances from Customers	1,131.52	969.78
Unclaimed Dividend*	3.17	5.99
Current maturities of Long Term Loan – Secured:		
Rupee Term Loan from Bank [Security: Refer Note 15-I-a]	111.93	110.70
Car Loan (Secured by Hypothecation of Vehicle)	3.08	6.91
Statutory, Legal, Employee Related and Other Liabilities	970.43	788.34
	<u>2,220.13</u>	<u>1,881.72</u>
<b>Short Term Provisions</b>		
Provisions for Employee Benefits:		
Provision for Gratuity	76.30	64.08
Provision for Leave Encashment	13.27	20.32
Warranty Provisions	36.54	39.28
	<u>126.11</u>	<u>123.68</u>

\* Does not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund.

**NOTE 5 : FIXED ASSETS**

₹ in Lacs

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 1-Apr-14	Additions/ Adjustments	Deductions/ Adjustments	As at 31-Mar-15	Upto 31-Mar-14	Transferred to Retained Earn- ing (General Reserve)	For the Year	Deductions/ Adjustments**	Upto 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
<b>Tangible Assets</b>											
Land (Freehold)	1,943.60	—	—	1,943.60	—	—	—	—	—	1,943.60	1,943.60
Land (Leasehold)*	434.49	—	—	434.49	—	—	—	—	—	434.49	434.49
Buildings*											
On Freehold Land	1,444.50	3.35	—	1,447.85	627.53	0.15	36.20	(1.67)	665.55	782.30	816.97
On Leasehold Land	321.86	—	—	321.86	230.55	—	13.00	—	243.55	78.31	91.31
Plant & Machinery	6,046.99	19.75	178.99	5,887.75	4,421.65	36.22	115.28	134.28	4,438.87	1,448.88	1,625.34
Office equipment/ Computers etc.	781.25	26.92	(104.85)	913.02	707.26	19.03	53.19	(98.98)	878.47	34.55	73.99
Furniture, Fixtures, Fans and Electrical Fittings	202.83	5.11	(62.08)	270.02	151.38	6.06	17.89	(26.31)	201.64	68.38	51.45
Vehicles	43.73	—	—	43.73	10.64	—	6.08	—	16.72	27.01	33.09
<b>Total Tangible Assets</b>	<b>11,219.25</b>	<b>55.13</b>	<b>12.06</b>	<b>11,262.32</b>	<b>6,149.01</b>	<b>61.47</b>	<b>241.64</b>	<b>7.32</b>	<b>6,444.80</b>	<b>4,817.52</b>	<b>5,070.24</b>
Intangible Assets-Tech, Know-how	—	—	—	—	—	—	—	—	—	—	—
<b>TOTAL</b>	<b>11,219.25</b>	<b>55.13</b>	<b>12.06</b>	<b>11,262.32</b>	<b>6,149.01</b>	<b>61.47</b>	<b>241.64</b>	<b>7.32</b>	<b>6,444.80</b>	<b>4,817.52</b>	<b>5,070.24</b>
(Previous Year)	(11,156.90)	(74.19)	(11.84)	(11,219.25)	(5,976.63)	—	(177.19)	(4.81)	(6,149.01)	(5,070.24)	(5,180.27)
<b>Capital Work-in-Progress</b>										<b>282.32</b>	<b>281.18</b>
(Previous Year)										(281.18)	(281.18)
<b>TOTAL</b>										<b>5,099.84</b>	<b>5,351.42</b>
(Previous Year)										(5,351.42)	(5,461.45)

\* Includes ₹ 434.49 Lacs value of Land and ₹ 210.23 value of Building acquired under scheme of amalgamation from erstwhile Batliboi SPM Pvt. Ltd. in respect of which title is under transfer in Company's name.

\*\* Includes ₹ 1.67 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	Numbers 31-Mar-15	Numbers 31-Mar-14	Face Value (Each ₹)	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 6 : NON-CURRENT INVESTMENTS</b>					
<b>TRADE INVESTMENTS</b>					
<b>Investment in Equity Instruments:</b>					
In fully paid Equity Shares (Un-quoted):					
Batliboi Environmental Engineering Ltd.	19,08,930	19,08,930	10.00	191.21	191.21
In fully paid Shares of Wholly Owned Subsidiary Company (Un-quoted):					
Queen Project Mauritius Ltd.					
Ordinary shares of MUR 10 each	32,088	32,088		405.65	405.77
<b>Investment in Preference Instruments:</b>					
In fully paid Shares of Wholly Owned Subsidiary Company (Un-quoted):					
Queen Project Mauritius Ltd.					
Preference Shares of MUR 10 each	1,54,60,890	1,52,93,710		2,685.37	3,067.09
<b>NON-TRADE INVESTMENTS</b>					
<b>Investment in Equity Instruments:</b>					
In fully paid Equity Shares (Quoted):					
Aturia Continental Ltd.	1,29,032	129,032	10.00	40.00	40.00
The Mysore Kirloskar Ltd.	2,00,277	200,277	10.00	9.62	9.62
Mafatlal Engg. Ind. Ltd.	348	348	100.00	0.38	0.38
The Ahmedabad Mfg. & Calico Printing Co. Ltd.	20	20	125.00	0.01	0.01
Shri Ambica Mills Ltd.	8	8	100.00	0.01	0.01
The Aruna Mills Ltd.	25	25	100.00	0.01	0.01
The Khatau Makanji Spg. & Wvg. Co. Ltd.	55	55	10.00	0.02	0.02
Padmatex Engg. Ltd.	25	25	10.00	0.00	0.00
SUB-TOTAL				<u>50.05</u>	<u>50.05</u>
In fully paid Equity Shares (Un-quoted):					
Andhra Pradesh State Financial Corporation	5	5	100.00	0.01	0.01
Precision Tooling Systems Ltd.	1,500	1,500	10.00	0.15	0.15
Shree Vardhan Co.-op. Bank Ltd.	200	200	25.00	0.05	0.05
Patan Co-operative Bank Ltd.	200	200	25.00	0.06	0.06
The Saraswat Co.-op. Bank Ltd.	5	5	10.00	0.00	0.00
The Shamrao Vithal Co.-op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
SUB-TOTAL				<u>5.27</u>	<u>5.27</u>
<b>Investment in Preference Instruments:</b>					
In fully paid 4% Cumulative Preference Shares (Quoted):					
The Khatau Makanji Spg. & Wvg. Co. Ltd.	5	5	100.00	0.01	0.01
SUB-TOTAL				<u>0.01</u>	<u>0.01</u>
<b>TOTAL</b>				<u>3,337.56</u>	<u>3,719.40</u>
Less: Provision for diminution in value of investments				49.55	49.55
<b>GRAND TOTAL</b>				<u>3,288.01</u>	<u>3,669.85</u>
<b>Aggregate Value of Quoted Investments</b>				50.06	50.06
Less: Provision for diminution in value of investments				49.55	49.55
<b>Net Value of Quoted Investments</b>				<u>0.51</u>	<u>0.51</u>
<b>Market Value of Quoted Investments</b>				—	—
<b>Aggregate Value of Un-Quoted Investments</b>				3,287.50	3,669.35

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 7 : LONG TERM LOANS &amp; ADVANCES AND OTHER NON CURRENT ASSETS</b>		
<b>Long Term Loans &amp; Advances</b>		
Unsecured Considered Good Unless Specified Otherwise		
Capital Advances	—	0.47
Security & Other Deposits	70.11	73.11
Considered Doubtful	16.79	16.79
Less : Provision for Doubtful Deposits	16.79	—
SUB TOTAL	70.11	73.11
Other Loans & Advances		
Staff Loans	7.62	10.74
Advances recoverable in cash or in kind or for value to be received	8.83	7.81
SUB TOTAL	16.45	18.55
MAT Credit Available for Set Off	123.32	123.32
	<u>209.88</u>	<u>215.45</u>

**Other Non-Current Assets****Long Term Trade Receivables**

Unsecured

Debts outstanding Considered Good	169.75	327.95
Considered Doubtful	158.69	184.72
Less: Provision for Doubtful Debts	158.69	—
	<u>169.75</u>	<u>327.95</u>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	₹ in Lacs	
	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 8 : CURRENT ASSETS</b>		
<b>Inventories</b> (Valued at Lower of Cost or Net Realisable Value)		
Raw Materials	1,051.02	1,005.22
Work-in-Progress	1,135.18	1,009.96
Stock of Machines (including own manufactured)	55.76	32.11
Stores and Spare Parts	12.77	17.72
Loose Tools	8.68	12.13
	<u>2,263.41</u>	<u>2,077.14</u>
<b>Trade Receivables</b>		
Unsecured		
Debts outstanding for a period exceeding six months Considered Good	386.15	443.47
Debts outstanding for a period less than six months Considered Good	2,108.16	1,863.88
	<u>2,494.31</u>	<u>2,307.35</u>
<b>Cash and Bank Balances</b>		
<u>Cash and Cash Equivalents:</u>		
Cash and Cheques on hand and at collection centres	9.87	8.18
<u>Balances with Scheduled Banks:</u>		
In Current Account	23.31	47.57
	<u>33.18</u>	<u>55.75</u>
<u>Other Bank Balances:</u>		
Balances with Banks for Unpaid Dividends	3.17	5.99
Fixed Deposits with Banks having maturity of less than one year (towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks))	24.39	141.02
	<u>60.74</u>	<u>202.76</u>
<b>Short Terms Loans and Advances</b>		
Unsecured, Considered Good Unless Otherwise Stated		
Advances recoverable in cash or in kind or for value to be received	263.73	202.82
Staff Loans	19.18	11.06
Deposits	42.83	38.31
Balances with Excise, Sales Tax and Service Tax	85.34	118.54
Taxes paid in advance and deducted at source (Net of Provision for Tax)	75.17	74.51
	<u>486.25</u>	<u>445.24</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	2014-15	2013-14
<b>NOTE 9 : REVENUE FROM OPERATIONS</b>		
Sale of Products [Refer Note: 15-V-A(ii) & B]	11,414.55	11,140.77
Sale of Services [Refer Note: 15-V-C]	1,217.87	1,241.12
Other Operating Revenue	378.56	261.64
Less : Excise Duty	859.32	954.87
	<u>12,151.66</u>	<u>11,688.66</u>
<b>NOTE 10 : OTHER INCOME</b>		
Dividend	0.61	0.61
Exchange Difference Gains	—	346.20
Profit on Sale of Fixed Assets	—	66.13
Excess Provision of earlier years written back	4.34	—
Unclaimed Credit Balances written back	118.49	91.61
Interest	7.26	13.02
Miscellaneous Receipts	1.51	1.50
	<u>132.21</u>	<u>519.06</u>
<b>NOTE 11 : COST OF MATERIALS CONSUMED</b>		
Raw Materials Consumed [Refer Note No. 15-V-A(i)]	5,734.60	5,331.84
Less: Self Consumption for Job Contracts	0.90	1.09
Cost of Job Contracts	—	13.64
Cost of Services Rendered	67.38	54.27
Job Work Charges Incurred	180.04	186.45
	<u>5,981.12</u>	<u>5,585.11</u>
<b>NOTE 11 : PURCHASE OF STOCK-IN-TRADE</b>		
Purchases of Stock-in-Trade	1,514.69	1,357.20
	<u>1,514.69</u>	<u>1,357.20</u>
<b>NOTE 11 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS &amp; STOCK-IN-TRADE</b>		
Stock at Close:		
Work-in-Progress	1,135.18	1,009.96
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	55.76	32.11
Less:		
Stock at Commencement:		
Work-in-Progress	1,009.96	1,040.87
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	32.11	45.54
	<u>1,042.07</u>	<u>1,086.41</u>
	<u>(148.87)</u>	<u>44.34</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	₹ in Lacs	
	2014-15	2013-14
<b>NOTE 12 : EMPLOYEE BENEFIT EXPENSES</b>		
(Refer Note no. 15 - XI - D)		
Salaries, Wages, Allowances and Bonus	2,019.55	2,117.13
Contribution to Provident and Other Funds	122.57	133.70
Expenses on Employee Stock Option Scheme (ESOP)	9.17	—
Payments & Provision for Gratuity	51.01	49.19
Staff Welfare Expenses	193.37	193.03
	<u>2,395.67</u>	<u>2,493.06</u>
<b>NOTE 13 : FINANCE COSTS</b>		
Interest Expenses	523.11	457.54
Other Borrowing Cost	82.80	59.91
Applicable Loss on Foreign Currency Transaction and Translation	—	5.12
	<u>605.91</u>	<u>522.57</u>
<b>NOTE 14 : OTHER EXPENSES</b>		
Rent	120.33	130.96
Rates and Taxes	28.56	28.60
Power and Fuel	164.96	170.57
Insurance	24.13	25.87
Sales Commission	126.43	112.29
Exhibitions/Advertisement Expenses	38.46	15.65
Printing and Stationery	18.41	19.39
Travelling and Conveyance	273.04	283.36
Audit, Legal and Professional Charges	156.29	132.95
Vehicle Maintenance	80.28	85.23
Packing and Cartage	75.39	133.76
Stores & Loose Tools Consumed	159.64	142.58
Repairs to Machinery	50.62	60.85
Repairs to Buildings	15.83	9.73
Repairs to Other Assets	27.11	30.63
Outsourced Services	694.82	666.12
Discounts and Allowances to Customers	12.82	14.50
Directors' Sitting Fees	5.02	5.35
Loss on Sale/Assets Written Off	1.30	—
Bad Debts	58.48	13.44
Provision for Doubtful Debts/Advances	23.40	104.53
Exchange Difference Loss	4.37	—
Miscellaneous Expenses	403.51	346.25
	<u>2,563.22</u>	<u>2,532.66</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 :**
**I. Borrowings and Securities:**

- a) Rupee Term Loans of ₹ 111.93 lacs from a Bank is secured by first charge on the Fixed Assets purchased out of the loans and second charge on the Company's Immovable property at Udhana, Surat. Working capital lender banks have the second pari-passu charge on the aforesaid Fixed Assets.
- b) Working Capital Borrowings from Consortium banks on cash credit Overdraft/Short Term Loan and non-fund based facilities are secured by first pari-passu charge on stock of Raw Materials, Stock in Process, Semi-finished and finished goods, consumable stores and spares, bills receivable, book debts and other moveable current assets (both present and future) of the Company; and Second pari-passu charge on the fixed assets of the Company (both present and future) at Udhana, Surat and Hosur Road Bangalore. Credit facilities including sub-limits extended by consortium banks to Batliboi Environmental Engineering Limited (BEEL), are secured by 2<sup>nd</sup> pari-passu charge on the fixed assets of the Company (both present and future) at Udhana, Surat and Hosur Road, Bangalore.
- c) A specific guarantee facility of ₹ 288.00 Lacs (P.Y. ₹ 288.00 Lacs) of BEEL from a Bank is secured by first pari-passu charge by way of an equitable mortgage on the immovable property of the Company situated on the leasehold land at Deonar, Mumbai. Balance outstanding as on 31.03.2015: ₹ 171.33 Lacs (P.Y. ₹ 171.33 Lacs).

**II. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

₹ in Lacs

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Principal amount due and remaining unpaid	38.75	20.64
Interest due on above and the unpaid interest	1.25	4.04
Interest Paid	Nil	Nil
Payment made beyond the appointed day during the year	334.01	31.77
Interest due and payable for the period of delay*	26.87	2.80
Interest accrued and remaining unpaid	1.25	4.04
Amount of further interest remaining due and payable in succeeding years	1.25	4.04

\*Not claimed by parties.

**III. Contingent Liabilities not provided for in respect of:**

- a) Claims against the Company not acknowledged as debts: ₹ 227.85 Lacs (Previous Year: ₹ 350.69 Lacs).
- b) Disputed Sales Tax/Excise demands under appeal ₹ 76.30 Lacs (Previous Year: ₹ 76.30 Lacs).
- c) Corporate Guarantees given to banks & financial institutions for credit facilities/performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party: ₹ 2,290.00 Lacs (Previous year: ₹ 2,540.00 Lacs). Balance outstanding as on 31.03.2015: ₹ 1,968.52 Lacs (Previous Year: ₹ 2,030.50 Lacs).
- d) Guarantees given on behalf of the Company by its bankers and outstanding ₹ 1,127.48 Lacs (Previous year: ₹ 1,475.40 Lacs). Out of the above, Guarantees of ₹ 109.56 Lacs (Previous year ₹ 109.56 Lacs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
- e) In respect of guarantees given by the Company to the bankers of Batliboi Environmental Engineering Limited (BEEL), a related party, BEEL has given counter guarantees on behalf of the Company.
- f) Company has given Corporate Guarantee to others on behalf of its step down subsidiary Quickmill Inc in current year CAD Nil equivalent to ₹ Nil (P.Y. CAD 0.739 Million equivalent to ₹ 407.26 Lacs).

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**
**IV. Commitments:**

- a) Estimated amount of contracts remaining to be executed on capital account not provided for:  
₹ Nil Lacs (Previous Year: ₹ Nil Lacs).
- b) The Company does not have any other commitment.

**V. Details of Manufacturing, Trading and Services:**
**(A) MANUFACTURING**

- (i) Consumption of Raw Materials:

₹ in Lacs

Particulars	2014-15	2013-14
(a) Aluminum Sheets	12.61	14.86
(b) Iron and Steel	650.30	633.98
(c) Castings	368.83	373.24
(d) Electric Motors	356.63	334.38
(e) Scrap	409.93	418.60
(f) Other Components	3,946.16	3,610.36
<b>Sub-Total</b>	<b>5,744.46</b>	<b>5,385.42</b>
Less: Captive Use	9.86	53.58
<b>Total</b>	<b>5,734.60</b>	<b>5,331.84</b>

- (ii) Manufactured Goods:

₹ in Lacs

Particulars	Sales Value	Closing Inventory	Opening Inventory
(a) Machine Tools	5,784.74 (5,633.38)	11.50 (Nil)	Nil (Nil)
(b) Humidification Air Control/Exhaust Fans & Compressors	3,705.14 (3,701.87)	Nil (Nil)	Nil (Nil)
(c) Castings	15.77 (15.44)	Nil (Nil)	Nil (Nil)
<b>Total</b>	<b>9,505.65</b> <b>(9,350.69)</b>	<b>11.50</b> <b>(Nil)</b>	<b>Nil</b> <b>(Nil)</b>

- (iii) Work-in-Progress:

₹ in Lacs

Particulars	Closing Inventory	Opening Inventory
(a) Machine Tools	966.29 (825.96)	825.96 (825.49)
(b) Humidification Air Control/Exhaust Fans & Compressors	161.61 (170.65)	170.65 (196.73)
(c) Castings	7.28 (13.35)	13.35 (18.65)
<b>Total</b>	<b>1,135.18</b> <b>(1,009.96)</b>	<b>1,009.96</b> <b>(1,040.87)</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

NOTE 15 : (Contd.)

**(B) TRADING:**

₹ in Lacs

Particulars	Purchase	Sales	Opening Inventory	Closing Inventory
(a) Machine Tools	391.69 (536.86)	414.16 (600.96)	Nil (Nil)	Nil (Nil)
(b) Humidification Air Control/Exhaust Fans & Compressors	523.65 (397.37)	737.43 (648.66)	4.82 (3.34)	5.81 (4.82)
(c) Knitting Oil & Digital Printing Ink	599.35 (422.97)	757.31 (540.46)	27.29 (42.20)	38.45 (27.29)
<b>Total</b>	<b>1,514.69</b> (1,357.20)	<b>1,908.90</b> (1,790.08)	<b>32.11</b> (45.54)	<b>44.26</b> (32.11)

**(C) SERVICES:**

₹ in Lacs

Particulars	2014-15	2013-14
(a) Commission	954.81	1,004.07
(b) Service Charges	263.06	237.05
<b>Total</b>	<b>1,217.87</b>	<b>1,241.12</b>

**VI. C.I.F. Value of Imported Items:**

₹ in Lacs

Particulars	2014-15	2013-14
(a) Raw Materials and Components	683.12	519.62
(b) Purchases for Trading	—	1.25
<b>Total</b>	<b>683.12</b>	<b>520.87</b>

**VII. Expenditure in Foreign Currency:**

₹ in Lacs

Particulars	2014-15	2013-14
(a) Traveling Expenses	17.00	32.16
(b) Interest on ECB Loan	Nil	0.53
<b>Total</b>	<b>17.00</b>	<b>32.69</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**
**VIII. Consumption of Imported and Indigenous Raw Materials, Components, Stores and Spares:**

Particulars	2014-15		2013-14	
	% of Total Consumption	₹ in Lacs	% of Total Consumption	₹ in Lacs
(a) Raw Materials & Components				
Imported	15.56%	892.03	10.04%	535.29
Indigenous	84.44%	4,842.57	89.96%	4,796.55
	100.00%	5,734.60	100.00%	5,331.84
(b) Stores, Spares & Loose Tools				
Imported	0.00%	Nil	0.00%	Nil
Indigenous	100.00%	159.64	100.00%	142.59
	100.00%	159.64	100.00%	142.59

**IX. Earnings in Foreign Currency:**

₹ in Lacs

Particulars	2014-15	2013-14
Commission/Other Income	940.40	990.45
<b>Total</b>	<b>940.40</b>	<b>990.45</b>

**X. Audit, Legal & Professional Charges (excluding Service tax), include the following payments to Auditors:**

₹ in Lacs

Particulars	2014-15		2013-14	
	Statutory Auditors	Branch Auditors	Statutory Auditors	Branch Auditors
(a) Audit Fees	7.50	1.25	7.50	1.25
(b) Tax Matters	3.31	0.52	3.20	0.50
(c) Certification	2.44	—	2.40	—
(d) Reimbursement	—	0.78	0.28	0.93
(e) Other Services	—	1.93	—	1.72
<b>Total</b>	<b>13.25</b>	<b>4.48</b>	<b>13.38</b>	<b>4.40</b>

**XI. A. Construction Contracts:**

I.	1. Method used to determine the Contract Revenue:	Percentage Completion method
	2. Method used to determine stage of completion of contract in progress	The Proportion that the contract cost incurred for work performed up to reporting date bears to the estimated total contract cost
		₹ in Lacs
		<b>2014-15</b> 2013-14
	3. Total Contract Revenue recognized as Revenue during the year	<b>4.99</b> 8.60
II.	For the Jobs in progress as on Balance Sheet Date	
	a. Aggregate of Cumulative Cost Incurred plus Gross Profit Recognized minus Gross Loss Recognized	<b>Nil</b> 78.51
	b. Amount Due from/(to) Customers	<b>7.44</b> 55.95
	c. Advances Received from Customers	—      22.56

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

NOTE 15 : (Contd.)

**XI. B. The effects of Changes in Foreign Exchange Rates:**

Exchange Gains/Loss credited/charged to Profit and Loss Account: Exchange Loss ₹ 4.37 Lacs (P.Y. Exchange gain ₹ 346.20 Lacs).

Exchange loss of ₹ 431.41 Lacs (P.Y. ₹ NIL) on long term investment in wholly owned foreign subsidiary shown under "Foreign Currency Translation Reserve" in Reserves and Surplus.

**XI. C. Details of un-hedged Foreign Currency exposure:**

₹ in Lacs

Particulars	2014-15	2013-14
Receivables including firm commitments and highly probable forecasted transaction	502.08	507.47
Payable including firm commitments and highly probable forecasted transaction	287.35	264.36
Long Term investment in wholly owned Foreign Subsidiary	2,685.37	3,067.09

**XI. D. As per Accounting Standard 15 Employee Benefits - the disclosures as defined in the Accounting Standard are given below:**

(i) *Defined Contribution Plans:*

The Company has recognized the following amounts in the Profit and Loss Account for the Year:

₹ in Lacs

Particulars	2014-15	2013-14
(a) Contribution to Employees Provident Fund i.r.o. employees at manufacturing facilities	40.66	47.69
(b) Contribution to Employees Superannuation Fund	21.70	21.71

(ii) *Defined Benefit Plans/Compensated Absence:*

General description of Defined Benefit Plan

**Gratuity:**

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days/one month salary last drawn for each completed year of service depending on the length of service. The same is payable on termination of service, or retirement, whichever is earlier. The benefit vests after five years of continuous service.

**Gratuity and Compensated Absence as per actuarial valuation on 31<sup>st</sup> March, 2015 (31<sup>st</sup> March, 2014):**

₹ in Lacs

Particulars	Gratuity	Leave Encashment	Compensated Absence
	Non-funded	Non-funded	Non-funded
• <b>Changes in the Present Value of Obligation</b>			
(a) Present Value of Obligation as at 1 <sup>st</sup> April, 2014	463.05 (489.10)	114.02 (121.55)	10.66 (9.86)
(b) Interest Cost	37.04 (39.13)	9.12 (9.72)	— (—)
(c) Service Cost	20.72 (23.12)	13.64 (15.61)	— (—)
(d) Curtailment Cost/(Credit)	—	—	—
(e) Settlement Cost/(Credit)	—	—	—
(f) Benefits Paid	94.38 (50.05)	33.13 (27.56)	— (—)
(g) Interest guarantee (if relevant)	—	—	—
(h) Actuarial (Gain)/Loss	8.82 (-38.25)	0.57 (-5.30)	0.11 (0.80)
(i) Present Value of Obligation as at 31 <sup>st</sup> March, 2015	435.25 (463.05)	104.22 (114.02)	10.77 (10.66)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

NOTE 15 : (Contd.)

₹ in Lacs

Particulars	Gratuity	Leave Encashment	Compensated Absence
	Non-funded	Non-funded	Non-funded
• <b>Changes in the Fair Value of Plan Assets</b>			
(a) Present Value of Plan Assets as at 1 <sup>st</sup> April, 2014	NIL	NIL	NIL
(b) Expected Return on Plan Assets	NA	NA	NA
(c) Actuarial (Gain)/Loss	NIL	NIL	NIL
(d) Employers' Contributions	NIL	NIL	NIL
(e) Benefits Paid	NA	NA	NA
(f) Present Value of Obligation as at 31 <sup>st</sup> March, 2015	NIL	NIL	NIL
• <b>Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>			
(a) Present Value of Defined Benefit Obligation as at 31 <sup>st</sup> March, 2015	435.25 (463.05)	104.22 (114.02)	NIL (NIL)
(b) Fair Value of Plan Assets as at 31 <sup>st</sup> March, 2015	NIL	NIL	NIL
(c) Net Liability recognized in the Balance Sheet (as at 31 <sup>st</sup> March, 2015)	435.25 (463.05)	104.22 (114.02)	NIL (NIL)
• <b>Expenses Recognized in the Profit and Loss Account</b>			
(a) Service Cost	20.72 (23.12)	13.64 (15.61)	NIL (NIL)
(b) Interest Cost	37.04 (39.13)	9.12 (9.72)	NIL (NIL)
(c) Expected Return on Plan Assets	NIL	NIL	NIL
(d) Curtailment Cost/(Credit)	NIL	NIL	NIL
(e) Settlement Cost/(Credit)	NIL	NIL	NIL
(f) Net Actuarial (Gain)/Loss	8.82 (-38.25)	0.57 (-5.30)	NIL (NIL)
(g) Total Expenses recognized in the Profit and Loss Account	66.58 (23.99)	23.33 (20.03)	NIL (NIL)
• <b>Actual Return on Plan Assets</b>			
• <b>Estimated Contribution to be made in the next annual year</b>			
• <b>The Composition of Plan Assets:</b> i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31 <sup>st</sup> March, 2015	NIL	NIL	NIL
(a) Govt of India Securities	NA	NA	NA
(b) Corporate Bonds	NA	NA	NA
(c) Special Deposit Scheme	NA	NA	NA
(d) Equity Shares of Listed Companies	NA	NA	NA
(e) Property	NA	NA	NA
(f) Insurance Managed Funds	NA	NA	NA
(g) Others	NA	NA	NA
<b>Total</b>	NA	NA	NA
• <b>Actuarial Assumptions</b>			
Retirement age	58 years for employees at manufacturing facilities at Udhana and 60 years at other locations.		
Discount rate	8.00% p.a.		
Mortality	Indian Assured Lives Mortality (2006-08) Ult		
Withdrawal rate	1% p.a		
Salary escalation*	4% p.a		

\* The estimate of future salary increases considered in actuarial valuation are on the basis of rough approximation of the salary an employee will be receiving at the time of actual payment of gratuity/leave encashment. A suitable growth rate is assumed for this purpose. This is implied in the Projected Unit Credit Method.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**
**(iii) Provident fund:**

The fair value of the assets of Provident Fund Trust as of Balance Sheet date is greater than the obligation, including interest, and also the returns on these plan assets including the amount already provided are sufficient to take care of PF interest obligations, over and above the fixed contribution recognized.

**XI. E. Segment Reporting:**

The Company has considered business segments as the primary segments for disclosure.

Segments have been identified in line with the Accounting Standards on Segment Reporting (AS-17), taking into account the nature of business, products and services, the Company's organization structure as well as the differential risks and returns of these segments. Segments Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments. Those not identifiable to the individual segments are included under unallocated.

The Company has classified its business into the following segments:

- a) *Machine Tool Business Group*, which handles manufacturing and marketing (including trading and agency business) of machine tool and components e.g. CNC and GPM machines, machine castings, machine carcasses, cranes etc.
- b) *Textile Engineering Group*, which deals in manufacturing and marketing of textile air-engineering systems range i.e. Humidification, waste recovery, and auto control systems, besides marketing (including trading and agency business) of textile machinery e.g. circular knitting, spinning, and flat-knitting machines etc.
- c) *Others*, which covers remaining business i.e., air conditioning equipments, agro-industrial products (e.g. pumps/motors) etc.

**(i) Primary Segments Reporting (Based on Business Segments)**

₹ in Lacs

Particulars	Machine Tools Group		Textile Engineering Group		Un-Allocated & Others		Total Company	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Segment Revenue</b>								
Total Segment Revenue	<b>5,931.72</b>	5,848.77	<b>5,911.85</b>	5,525.51	<b>308.09</b>	314.38	<b>12,151.66</b>	11,688.66
Add: Other un-allocable Revenue	—	—	—	—	—	—	—	—
Sub Total	<b>5,931.72</b>	5,848.77	<b>5,911.85</b>	5,525.51	<b>308.09</b>	314.38	<b>12,151.66</b>	11,688.66
(Less): Inter-segment Sales	—	—	—	—	—	—	—	—
Segment Revenue from external customers	<b>5,931.72</b>	5,848.77	<b>5,911.85</b>	5,525.51	<b>308.09</b>	314.38	<b>12,151.66</b>	11,688.66
<b>Segment Results</b>								
Profit/(Loss) before Interest & Tax	<b>(1,029.24)</b>	(1,213.61)	<b>559.51</b>	659.25	<b>206.13</b>	572.54	<b>(263.60)</b>	18.18
(Less): Interest	—	—	—	—	<b>(605.91)</b>	(522.57)	<b>(605.91)</b>	(522.57)
Total Profit/(Loss) before Tax	<b>(1,029.24)</b>	(1,213.61)	<b>559.51</b>	659.25	<b>(399.78)</b>	49.96	<b>(869.51)</b>	(504.39)
Less:								
Tax Expenses	—	—	—	—	<b>(144.04)</b>	(84.80)	<b>(144.04)</b>	(84.80)
Total Profit/(Loss) after Tax	<b>(1,029.24)</b>	(1,213.61)	<b>559.51</b>	659.25	<b>(255.74)</b>	134.77	<b>(725.47)</b>	(419.59)
Segment wise Capital Employed								
<b>(Segment Assets Less Segment Liabilities)</b>	<b>2,634.48</b>	2,611.38	<b>393.24</b>	379.87	<b>1215.06</b>	2,457.14	<b>4,242.78</b>	5,448.39
Segment Assets	<b>5,370.39</b>	5,193.24	<b>1,825.73</b>	1,918.84	<b>7,017.07</b>	7,485.92	<b>14,213.19</b>	14,598.00
Segment Liabilities	<b>2,735.91</b>	2,581.86	<b>1,432.49</b>	1,538.97	<b>5,802.01</b>	5,028.78	<b>9,970.41</b>	9,149.61
Capital Expenditure	—	—	—	—	<b>282.32</b>	281.18	<b>282.32</b>	281.18
Depreciation	<b>126.27</b>	82.21	<b>49.14</b>	30.75	<b>66.23</b>	64.23	<b>241.64</b>	177.19
Non-cash expenses other than Depreciation	—	—	—	—	—	—	—	—

**(ii) Secondary Segment Reporting**

The Company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of the total turnover. As such there are no reportable geographical segments.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****NOTE 15 : (Contd.)****XI. F. Related Party Disclosures:**

Related party disclosures as required under Accounting Standard 18 (AS-18) on "Related Party Disclosures" are given below:

**(A) Relationships:**

- (i) Subsidiary Companies:
  - (a) Queen Projects (Mauritius) Ltd. – Mauritius
  - (b) Vanderma Holdings Ltd. – Cyprus
  - (c) Pilatus View Holdings AG – Switzerland
  - (d) Quickmill Inc. – Canada
  - (e) Aesa Air Engineering SA – France
  - (f) Aesa Air Engineering PTE Ltd. – Singapore
  - (g) Aesa Air Engineering Ltd. – China
  - (h) Aesa Air Engineering Pvt. Ltd. – India
  - (i) Aesa Air Engineering Ltd. – Hong Kong (ceased to exist w.e.f. 05<sup>th</sup> Dec 2014)
  - (j) Aesa Air Engineering SPA – Italy (ceased to exist w.e.f. 20<sup>th</sup> Feb 2015)
  - (k) 760 Rye Street Inc., Canada
- (ii) Key Management Personnel:
  - (a) Mr. Nirmal Bhogilal, Chairman & Managing Director
  - (b) Mrs. Sheela Bhogilal, Director
  - (c) Mrs. Prema Chandrasekhar, Chief Financial Officer
  - (d) Mrs. Puneet Kapur, Chief Corporate Counsel and Company Secretary
- (iii) Relatives of Key Management Personnel:
  - (a) Mr. Kabir Bhogilal, Vice-President – Corporate Strategy
  - (b) Mrs. Maya Bhogilal
  - (c) Mr. Akshay Chandrasekhar
- (iv) Entities over which key management personnel are able to exercise significant influence:
  - (a) Batliboi Environmental Engineering Ltd.
  - (b) Batliboi International Limited
  - (c) Batliboi Impex Ltd.
  - (d) Batliboi Enxco Pvt. Ltd.
  - (e) Sustime Pharma Ltd.\*
  - (f) Spartan Electricals
  - (g) Bhagmal Investments Pvt. Ltd.\*
  - (h) Delish Gourment Pvt. Ltd.\*
  - (i) Hitco Investments Pvt. Ltd.\*
  - (j) Nirbhag Investments Pvt. Ltd.\*
  - (k) Pramaya Shares & Securities Pvt. Ltd.\*
  - (l) Bhogilal Trustship Pvt. Ltd.\*
- (v) Entities in which management personnel are trustees:
  - (a) Bhogilal Leherchand Foundation\*
  - (b) Leherchand Uttamchand Trust Fund\*
  - (c) Shekhama Family Trust

\* No transaction with the entities during the year.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

NOTE 15 : (Contd.)

**(B) Transactions & Outstanding Balances:**

₹ in Lacs

	Particulars	Subsidiary Companies		Entities		Key Management Personnel & their Relatives	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>(I)</b>	<b>Transactions</b>						
	(a) Purchase of goods/materials/ services/fixed assets/ investments	66.85	12.99	583.85	476.25	—	—
	(b) Sale of goods/materials/ services/fixed assets/ investments/recovery of expenses	236.93	214.57	1142.54	945.58	—	—
	(c) Rent/License fee received (paid)	—	—	(1.47)	1.85	(19.50)	(14.80)
	(d) Interest Paid (Received)	—	(0.67)	14.67	(4.21)	104.10	43.42
	(e) Loans & Advance Received/ (Refunded)(Net)	—	—	181.85	3.30	736.50	322.00
	(f) Loans & Advances in cash or kind Given/(refunded) (Net)	—	—	0.80	(207.00)	—	—
	(g) Gross Salary/Remuneration	—	—	—	—	194.83	166.67
<b>(II)</b>	<b>Outstanding Balances as at 31.03.15, i.r.o:</b>						
	(a) Loans & Advances – Received	7.51	7.51	73.08	89.00	1282.20	570.09
	(b) Loans & Advances – Given	—	—	0.80	—	—	—
	(c) Other receivable (for goods, services & other items)	130.94	175.53	750.42	676.05	—	—
	(d) Other payables (for goods, services & other items)	66.46	100.47	179.82	140.25	—	—

**(C) Disclosure in Respect of Material Transaction with Related Parties**

₹ in Lacs

	Particulars	2014-15	2013-14
<b>(i)</b>	<b>Purchase of Goods/Materials/Services/Fixed Assets/Investments/ Payment of Expenses</b>		
	Batliboi Environmental Engineering Ltd.	204.53	200.16
	Batliboi International Ltd.	12.57	2.66
	Batliboi Impex Ltd.	263.84	193.78
	Batliboi Enxco Pvt. Ltd.	3.69	—
	Spartan Electricals	99.22	79.65
	Aesa Air Engineering SA	66.85	12.99

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**

<b>(ii)</b>	<b>Sale of Goods/Material/Services/Fixed Assets/Investments/Recovery of Expenses</b>		
	Batliboi Environmental Engineering Ltd.	<b>378.03</b>	410.03
	Batliboi International Ltd.	<b>645.55</b>	445.16
	Batliboi Enxco Pvt Ltd.	<b>60.48</b>	58.45
	Spartan Electricals	<b>28.13</b>	1.46
	Aesa Air Engineering SA	<b>232.26</b>	180.32
	Quickmill Inc.	<b>4.67</b>	34.25
	Batliboi Impex Ltd.	<b>30.35</b>	30.48
<b>(iii)</b>	<b>Rent/Licence Fee Received/(Paid)</b>		
	Batliboi Environmental Engineering Ltd.	<b>12.87</b>	11.47
	Batliboi International Ltd.	<b>(14.34)</b>	(9.09)
	Batliboi Impex Ltd.	<b>—</b>	(0.53)
	Nirmal Bhogilal	<b>(5.40)</b>	(5.40)
	Shekhama Family Trust	<b>(6.00)</b>	(6.00)
	Kabir Bhogilal	<b>(2.21)</b>	(1.29)
	Puneet Kapur	<b>(1.39)</b>	—
	Akshay Chandrasekhar	<b>(4.50)</b>	(1.13)
	Prema Chandrasekhar	<b>—</b>	(0.98)
<b>(iv)</b>	<b>Interest Paid/(Received)</b>		
	Batliboi Environmental Engineering Ltd.	<b>—</b>	(15.84)
	Batliboi International Ltd.	<b>14.67</b>	9.66
	Batliboi Impex Ltd.	<b>—</b>	1.97
	Pratap Bhogilal	<b>6.92</b>	13.67
	Nirmal Bhogilal	<b>82.07</b>	14.49
	Kabir Bhogilal	<b>2.47</b>	2.50
	Sheela Bhogilal	<b>5.87</b>	5.88
	Maya Bhogilal	<b>6.77</b>	6.88
	Aesa Air Engineering SA	<b>—</b>	(0.67)
<b>(v)</b>	<b>Loans &amp; Advances in Cash or Kind Received/(Refunded)</b>		
	Batliboi International Ltd.	<b>181.85</b>	28.00
	Pratap Bhogilal	<b>(222.00)</b>	222.00
	Nirmal Bhogilal	<b>1033.50</b>	100.00
	Kabir Bhogilal	<b>(20.00)</b>	—
	Maya Bhogilal	<b>(55.00)</b>	—
<b>(vi)</b>	<b>Loans &amp; Advances in Cash or Kind Given (Refunded)</b>		
	Batliboi Environmental Engineering Ltd.	<b>—</b>	(207.00)
	Batliboi impex Ltd.	<b>0.80</b>	(24.70)
<b>(vii)</b>	<b>Gross Salary/Remuneration Paid</b>		
	Nirmal Bhogilal	<b>111.76</b>	119.57
	Kabir Bhogilal	<b>25.70</b>	26.13
	Prema Chandrasekhar	<b>36.76</b>	20.97
	Puneet Kapur	<b>20.61</b>	Nil

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

NOTE 15 : (Contd.)

**XI. G. Earnings Per Share:**

Basic &amp; Diluted Earnings per Share:

Workings of EPS		2014-15	2013-14
A.	Profit/(Loss) after tax Net Profit/(Loss) available for Equity Shareholders: ₹ in Lacs	(725.47)	(419.59)
B.	Weighted average number of Equity Shares for computation of Basic & Diluted Earning per Share: Nos.	2,86,88,395	2,86,82,550
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: ₹	(2.53)	(1.46)

**XI. H. Taxes on Income:**
*Deferred Taxes:* The major components of Deferred Tax Assets and Liabilities are set out below:

₹ in Lacs

Particulars		31-Mar-15	31-Mar-14
i.	Deferred Tax Assets:		
	Unabsorbed Business Loss/Unabsorbed Depreciation	427.00	332.00
	Provision for Doubtful Debts, Advances, Diminution in Value of Investments and Employee Benefits	141.00	140.00
ii.	Deferred Tax Liabilities:		
	Depreciation on Fixed Assets	427.00	477.00
iii.	Net Deferred Tax Assets/(Liabilities)	141.00	(5.00)

**XI. I. Provisions, Contingent Liabilities and Contingent Assets:**

Disclosure for Provisions in terms of AS-29:

₹ in Lacs

Provisions	Opening Amount	Additional Provision	Amount used	Amount Reversed	Closing Amount
2014-15	181.78	55.43	17.78	25.25	194.18
2013-14	194.84	57.24	25.99	44.31	181.78

The aforesaid Provisions are made towards claims made by sales tax and excise authorities pending under appeal and provisions for warranty cover related to goods sold and jobs executed.

- XII. A.** Balances of receivables and payables are as per books of account. Letters have been sent to selected parties seeking confirmation of balances, and replies are awaited. Adjustments, if necessary, will be made on receipt of such confirmations/reconciliation.
- B.** In the opinion of the management, current assets, long term loans and advances and other non-current assets have a realizable value in ordinary course of the business at least equal to the amounts at which they are stated in the Balance Sheet.
- C.** Assets and Liabilities are classified as current or non-current based on the terms of contract where available and based on the judgment of the management in other cases.
- D.** The Company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
- E.** Advances from customers reflected under "Other Long Term Liabilities" and "Other Current Liabilities" represent advance/security deposit received by the Company for supply of capital goods.
- XIII. A.** The Company has incurred operating losses during the year mainly due to under performance of one of its division as it has not been able to execute the orders on time due to stretched working capital owing to overall slowdown in the economy affecting the investment by private parties in the capital intensive sector to which the said division caters to. The Company has taken steps to improve the working capital situation and timely execution of the orders by the said division.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

The Company is also intending to dispose of non-core assets in order to mitigate the losses incurred during the current year and to improve the liquidity position. The promoters have brought in money in the form of unsecured loan and intend to bring further money to improve the liquidity position.

- B.** The Company has investment in its subsidiary Aesa Air Engineering SA-France whose accumulated losses are greater than the net worth. In the opinion of the Management, having regard to the long term interest of the Company in the said subsidiary and considering the sizeable order books and cash flow projections of the subsidiary, there is no diminution other than temporary, in the value of the Investments.

The Company has investments in Batliboi Environmental Engineering Ltd., (BEEL) of ₹ 191.21 Lacs. BEEL has accumulated losses which have significantly eroded their net worth. In the opinion of the Management, having regard to the long term interest of the Company in BEEL, there is no diminution other than temporary, in the value of the Investments.

- XIV.** Pursuant to the resolution passed in the extra ordinary general meeting in the year 2011-12, the Company has reserved 28,68,255 options to the eligible employees of the Company and its subsidiaries under the Employee Stock Option Scheme. The exercise price for all the options is ₹ 15.75.

Summary of Stock Option as on 31.03.2015 is as follows:

<b>Year of Grant</b>	<b>2011-12 1<sup>st</sup> Lot</b>	<b>2012-13 2<sup>nd</sup> Lot</b>	<b>2014-15 3<sup>rd</sup> Lot</b>
No. of Options Granted	10,00,000	1,00,000	<b>3,50,000</b>
No. of Options Lapsed	(2,50,000)	(1,00,000)	—
No. of Options Vested	2,50,000	—	—
No. of Options Exercised	33,333	—	—
Option vested - to be exercised in future	2,16,667	—	—
Options to be vested	5,00,000	—	<b>3,50,000</b>

In respect of the option granted during the year, the intrinsic value of ₹ 17.20 per share is treated as discount and accounted as employee compensation cost over the vesting period. The employee compensation cost accrued as on 31.03.2015 is ₹ 9.17 lacs.

- XV.** With effect from 01.04.2014, the Company has revised depreciation rate on certain fixed assets in accordance with the useful life specified in the Schedule II to the Companies Act, 2013 and re-assessed the useful life of certain other fixed assets based on Chartered Engineer and valuer's report and charged depreciation based on said report. Accordingly an amount of ₹ 59.98 lacs has been charged to Profit & Loss account over & above the normal depreciation in respect of assets which have remaining useful life as at 01.04.2014 and amount of ₹ 61.47 lacs has been charged to Retained Earnings (General Reserves) in respect of assets where remaining useful life is NIL.
- XVI.** Pursuant to the change in terms of redemption of Non-Cumulative Preference Shares invested in Queen Project Mauritius Ltd., a subsidiary with effect from 01.01.2015, the said investment is treated as long term foreign currency monetary asset forming part of the Company's net investment in the said subsidiary. The exchange loss of ₹ 431.41 lacs has been debited to Foreign Currency Translation Reserve A/c in accordance with Para 15 of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates".
- XVII.** Previous year's figures have been reclassified and regrouped to confirm to current year's classification and grouping. Figures in bracket represent previous year's figures.

As per our report attached of even date

**For V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**G. SANKAR**  
Partner  
Membership No.: 46050

Place : Mumbai  
Dated : 9<sup>th</sup> May, 2015

For and on Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**GEORGE VERGHESE**  
Director

Place : Mumbai  
Dated : 9<sup>th</sup> May, 2015

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Batliboi Limited**

#### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Batliboi Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the consolidated Balance Sheet as at March 31, 2015, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Financial Statements”).

#### **Management’s Responsibility for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to the Note 15-11(i) in the consolidated financial statements which indicate that the Holding Company has incurred cash losses during the current year and in the previous year and the



Holding Company's current liabilities exceeded its current assets as at balance sheet date. Considering the factors stated in the said note, the preparation of consolidated financial statements on going concern basis is not affected.

Without qualifying our opinion, attention is also invited to the reason given by the management in Note No. 15-11(ii) to the consolidated financial statements as to why the management considers that there is no impairment in the value of goodwill on consolidation in respect of an overseas subsidiary.

#### Other Matters

We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of ₹ 6,708.68 lacs as at 31<sup>st</sup> March, 2015, total revenues of ₹ 14,416.56 lacs and net cash flows amounting to ₹ 725.39 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company incorporated in India, we give in the Annexure 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, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Holding Company incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 15.2 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India.

For **V. Sankar Aiyar & Co.**,  
**Chartered Accountants**  
**Firm Regn. No.109208W**

Place: Mumbai  
Dated: 9<sup>th</sup> May, 2015

sd/-  
**(G. Sankar)**  
**Partner**  
**Membership No. 46050**

## ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF BATLIBOI LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

- (i) a. The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the Management during the year at reasonable intervals having regard to the size of the Holding Company and the nature of its assets. The discrepancies noticed on such verification were, in our opinion, not material and have been properly dealt with in the books of account.
- (ii) a. Physical verification of inventory has been conducted by the Management at reasonable intervals during the year except in case of inventory lying with third parties where confirmations have been obtained.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- c. The Holding Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.
- (iii) Based on audit procedures applied by us and according to the information and explanations given to us, the Holding Company has not granted any loans to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are under specific marketing arrangements or goods of technical specification in respect of which comparable alternative quotations are not available, there is an adequate internal control system commensurate with the size of the Holding Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Holding Company.
- (v) During the year, the Holding Company has not accepted any deposits from the public. In this regard there has not been any order by Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Holding Company in accordance with Section 148(1) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. *During the year there have been delays in depositing undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax and Excise Duty with the appropriate authorities by the Holding Company. However, there has not been any instance of non-payment of the aforesaid statutory dues to the appropriate authorities. In case of Wealth Tax, Custom Duty and other material statutory dues applicable to it, the Holding Company has been regular in depositing the dues with the appropriate authorities.*

According to the information and explanations given to us, and the records of the Holding Company examined by us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess were in arrears, as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.

- b. In respect of sales tax and excise duty dues not deposited on account of disputes, the details of amounts involved and the forum where the disputes are pending, are as under:-

<b>Forum where dispute is pending</b>	<b>Amount (Rs. Lacs)</b>
Sales Tax Appellate / Revisional Authority-up to Commissioner Level	53.62
Sales Tax Appellate Authority-Tribunal	35.66
Central Excise Appellate Tribunal	1.24

- c. According to the information and explanations given to us and the records of the Holding Company, there are no amounts which are required to be transferred to Investor Education and Protection Fund.
- (viii) The Holding Company does not have accumulated losses as at 31<sup>st</sup> March, 2015. The Holding Company has incurred cash loss during the current financial year and in the immediately preceding financial year.
- (ix) On the basis of verification of records and according to the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to Banks. The Holding Company has not taken any loan from any financial institution or by way of issue of debentures.
- (x) In respect of guarantees given by the Holding Company for loans taken by a related party from banks, having regard to the explanation that the Holding Company has strategic business relationship with the related party and the party has extended reciprocal guarantee / charge on its current assets for financial assistance availed by the Holding Company, the terms and conditions of the guarantees are, in our opinion, not prima facie prejudicial to the interests of the Holding Company.
- (xi) According to the information and explanations given to us and the records of the Holding Company examined by us, in our opinion, wherever the purpose is stipulated by the lender, the term loans raised have been applied for such purpose.
- (xii) During the course of our examination of the books and records of the Holding Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the Holding Company has been noticed or reported during the year.

**For V. Sankar Aiyar & Co.,  
Chartered Accountants  
Firm Regn. No.109208W**

Place: Mumbai  
Dated: 9<sup>th</sup> May, 2015

**sd/-  
(G. Sankar)  
Partner  
Membership No. 46050**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

		₹ in Lacs	
	Note No.	As at 31-Mar-15	As at 31-Mar-14
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	2,128.27	2,126.61
Reserves and Surplus	2	2,268.47	3,822.14
		<u>4,396.74</u>	<u>5,948.75</u>
<b>Minority Interest</b>			
		—	—
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	1,996.93	1,712.09
Deferred Tax Liabilities		—	37.38
Other Long Term Liabilities		1,111.07	1,657.32
Long Term Provisions		597.71	607.38
		<u>3,705.71</u>	<u>4,014.17</u>
<b>Current Liabilities</b>			
Short Term Borrowings	4	3,326.96	2,345.79
Trade Payables		5,531.84	5,583.20
Other Current Liabilities		3,603.69	4,001.69
Short Term Provisions		356.91	358.65
		<u>12,819.40</u>	<u>12,289.33</u>
<b>TOTAL</b>		<u><u>20,921.85</u></u>	<u><u>22,252.25</u></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	5	6,046.49	6,600.57
Goodwill on Consolidation		1,409.04	1,721.22
Intangible Assets		1,240.95	1,573.25
Capital Work-in-Progress		297.48	294.06
		<u>8,993.96</u>	<u>10,189.10</u>
Non-Current Investments	6	196.99	196.99
Deferred Tax Assets		120.50	—
Long Term Loans and Advances	7	366.09	317.82
Other Non-Current Assets	7	308.99	319.84
<b>Current Assets</b>			
Current Investments	8	139.70	10.63
Inventories		4,163.57	4,213.99
Trade Receivables		5,247.70	4,918.11
Cash and Bank Balances		714.85	1,556.87
Short Term Loans and Advances		669.50	528.90
		<u>10,935.32</u>	<u>11,228.50</u>
<b>TOTAL</b>		<u><u>20,921.85</u></u>	<u><u>22,252.25</u></u>

Significant Accounting Policies  
Notes on Financial Statements

1 to 15

As per our report attached of even date

For and on Behalf of the Board of Directors

For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**G. SANKAR**  
Partner  
Membership No.: 46050  
Mumbai, Dated: 09<sup>th</sup> May, 2015

**GEORGE VERGHESE**  
Director

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary

Mumbai, Dated: 09<sup>th</sup> May, 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

		₹ in Lacs	
	Note No.	2014-15	2013-14
<b>INCOME</b>			
Revenue from Operations	9	26,568.22	26,702.95
Other Income	10	178.98	554.93
<b>TOTAL REVENUE</b>		<b>26,747.20</b>	<b>27,257.88</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	11	14,045.00	13,733.09
Purchases of Stock-in-Trade	11	2,202.83	1,367.19
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	11	(174.55)	(14.24)
Employee Benefit Expenses	12	5,226.49	5,678.89
Finance Cost	13	776.99	735.73
Depreciation	5	671.77	715.44
Other Expenses	14	5,397.22	5,239.26
<b>TOTAL EXPENSES</b>		<b>28,145.75</b>	<b>27,455.36</b>
<b>Profit/(Loss) Before Exceptional Items &amp; Taxes</b>		<b>(1,398.55)</b>	(197.48)
<b>Profit Before Taxes</b>		<b>(1,398.55)</b>	(197.48)
<b>Tax Expenses</b>			
Current Tax		(52.87)	175.45
Deferred Tax (Net)		(146.00)	(54.84)
Tax Adjustments in respect of earlier years		1.96	(30.80)
<b>Profit/(Loss) for the year</b>		<b>(1,201.64)</b>	(287.29)
<b>Earnings per Share (Basic &amp; Diluted)</b>			
(Face Value of ₹ 5/- per Share)		(4.18)	(1.00)
Significant Accounting Policies			
Notes on Financial Statements	1 to 15		

As per our report attached of even date

For **V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**G. SANKAR**  
Partner  
Membership No.: 46050  
Mumbai, Dated: 09<sup>th</sup> May, 2015

For and on Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**GEORGE VERGHESE**  
Director

Mumbai, Dated: 09<sup>th</sup> May, 2015

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	Year Ended 31-Mar-15	Year Ended 31-Mar-14		
<b>I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>				
<b>Net Profit Before Tax and Exceptional Items</b>	<b>(1,398.55)</b>		<b>(197.48)</b>	
Add Back:				
(a) Depreciation	671.77		715.45	
(b) Interest	583.20		574.34	
(c) Loss on Sale/Disposal of Assets	1.30		—	
(d) Debit Balances Written Off	63.11		64.53	
(e) Foreign Exchange Loss	4.37		—	
(f) Provision for Doubtful Debts/Other Advances	25.27		104.53	
(g) Leave Encashment Provision	(10.42)		2.98	
(h) Difference in Translation Reserve	25.09		(411.44)	
(i) Employee Stock Option Reserve	9.17		—	
(j) Provision for Gratuity	91.22	1,464.08	(8.16)	1,042.23
Deduct:				
(a) Income from Investments (Dividend)	0.61		0.61	
(b) Surplus on Sale of Assets	41.27		66.13	
(c) Unclaimed Credit Balances Appropriated	118.49		91.61	
(d) Excess Provision of Earlier Year Written Back	4.34	164.71	—	158.35
<b>Operating Profit Before Working Capital Changes</b>	<b>(99.18)</b>			<b>686.40</b>
Deduct:				
(a) Increase in Inventories	—		109.83	
(b) Increase in Trade Receivables & Advances	569.37		—	
(c) Decrease in Trade and Other Payables	1,106.03	1,675.40	—	109.83
Add:				
(a) Decrease in Inventories	50.41		—	
(b) Decrease in Trade Receivables & Advances	—		618.25	
(c) Increase in Trade and Other Payables	—	50.41	1,028.39	1,646.64
		<b>(1,724.17)</b>		<b>2,223.21</b>
<b>Income Taxes Paid</b>		<b>166.20</b>		<b>122.93</b>
<b>Net Cash Inflow/(Outflow) from Operations (A)</b>		<b>(1,890.37)</b>		<b>2,100.28</b>
<b>II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>				
Inflow:				
(a) Sale of Fixed Assets	156.85		85.00	
(b) Income from Investments (Dividend)	0.61	157.46	0.61	85.61
Deduct:				
Outflow:				
(a) Acquisition of Fixed Assets	(32.85)	(32.85)	390.87	390.87
<b>Net Cash Inflow/(Outflow) in Course of Investing Activities (B)</b>		<b>190.31</b>		<b>(305.26)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	Year Ended 31-Mar-15	Year Ended 31-Mar-14
<b>III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>		
Inflow :		
(a) Issue of Equity Share Capital	5.25	—
(b) Decrease in Bank Deposits	116.63	—
(c) Increase in Unsecured Loan	736.50	163.07
(d) Increase in Working Capital Borrowings	981.18	—
	<u>1,839.56</u>	<u>163.07</u>
Deduct :		
Outflow :		
(a) Increase in Bank Deposits	—	18.49
(b) Repayment of Term Loan	378.09	569.58
(c) Decrease in Working Capital Borrowings	—	109.06
(d) Net interest Paid	486.80	562.86
	<u>864.89</u>	<u>1,259.99</u>
<b>Net Cash Inflow/(Outflow) in Course of Financing Activities (C)</b>	<b>974.67</b>	<b>(1,096.92)</b>
<b>Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)</b>	<b>(725.39)</b>	<b>698.10</b>
<b>Cash/Cash Equivalents at the beginning of the year</b>	<b>1,415.85</b>	<b>717.75</b>
<b>Cash/Cash Equivalents at the close of the year</b>	<b>690.46</b>	<b>1,415.85</b>
<b>Net Increase/(Decrease) in Cash/Cash Equivalents</b>	<b>(725.39)</b>	<b>698.10</b>

As per our report attached of even date

**For V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**G. SANKAR**  
Partner  
Membership No.: 46050  
Mumbai, Dated : 9<sup>th</sup> May, 2015

For and on Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**GEORGE VERGHESE**  
Director

 Mumbai Dated, : 9<sup>th</sup> May, 2015

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF CONSOLIDATION

The Consolidated Financial Statements relate to Batliboi Limited (“the Holding Company” or “the Parent Company”) and its subsidiary companies.

#### (A) Basis of accounting:

- (i) The Financial Statements of the subsidiary companies used in the preparation of the Consolidated Financial Statements are drawn up to the same reporting date as that of the Company i.e. 31<sup>st</sup> March, 2015.
- (ii) The Consolidated Financial Statements have been prepared under the historical cost convention (except for certain fixed assets of the parent and one of the subsidiaries which have been revalued) in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.

#### (B) Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Financial Statements of the Holding Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions as well as unrealized profits or losses resulting from intra group transactions are fully eliminated.
- (ii) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized as “Goodwill” and shown under the head “Goodwill on Consolidation”.
- (iii) The operations of the foreign subsidiaries are not considered as an integral part of the operations of the parent. Hence, revenue items are consolidated at the average rate prevailing during the year and all assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve for future adjustments.
- (iv) Minority interest in the net income (loss) of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to shareholders of the Parent. The excess of loss over the minority interest in the equity of subsidiary is adjusted against the majority interest.
- (v) Minority interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Parent’s shareholders. Minority interest in the Net Asset of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Parent in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.
- (vi) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent’s separate financial statements. Considering that financial statements of the subsidiaries have been prepared under diverse laws and regulations applicable to the respective countries of residence of the subsidiaries, these Consolidated Financial Statements have been prepared substantially in the same format adopted by Parent to the extent possible.

#### (C) The Subsidiary Companies which are included in consolidation and the percentage of ownership interest therein of the Parent as on 31<sup>st</sup> March, 2015 are as under:

Sr. No.	Name of the Subsidiary	% of Ownership interest as on 31.03.2015	Country of Incorporation	Date since it became subsidiary
1.	Queen Projects (Mauritius) Ltd.	100%	Mauritius	10.04.2007
2.	Vanderma Holdings Ltd.	100%	Cyprus	10.04.2007
3.	Pilatus View Holding AG	100%	Switzerland	10.04.2007
4.	Quickmill Inc.	100%	Canada	12.04.2007
5.	760 Rye Street Inc.	100%	Canada	15.04.2009
6.	Aesa Air Engineering SA	70%	France	06.07.2007
7.	Aesa Air Engineering Private Ltd.	70%	India	06.07.2007
8.	Aesa Air Engineering PTE Ltd.	70%	Singapore	06.07.2007
9.	Aesa Air Engineering Ltd. China	70%	China	06.07.2007
10.	Aesa Air Engineering SPA*	70%	Italy	06.07.2007
11.	Aesa Air Engineering Ltd.**	70%	Hong Kong	06.07.2007

\* Ceased to exist w.e.f. 20<sup>th</sup> Feb 2015

\*\* Ceased to exist w.e.f. 5<sup>th</sup> Dec 2014



## SIGNIFICANT ACCOUNTING POLICIES — (Contd.)

### 2. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively when revised.

### 3. REVENUE RECOGNITION

- Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer.
- Service Income:- Income from annual maintenance services is recognized proportionately over the period of contract.
- Recognition of Revenue from Works Contracts:- Revenue from works contracts and jobs of building large machines in the nature of works contract are recognized on 'Percentage of Completion Method'. Percentage or stage of completion is determined by the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total costs of the contract.

### 4. FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation except all land, buildings (excluding residential flats) and plants and machinery, which are adjusted on revaluation. The fixed assets manufactured by the Company are stated at manufacturing cost or net realizable value whichever is lower, prevailing at the time of capitalization. Fixed assets are shown net of accumulated depreciation and amortization, wherever applicable.

### 5. DEPRECIATION

- Depreciation on assets of the Holding Company is provided as follows:

Asset	Useful life	Method	Residual value	Justification if useful life different from Schedule II to the Companies Act, 2013
A. Manufacturing Unit at Udhna				
Plant & machinery	18 years	SLM	5%	Determined by Chartered Engineer & valuer
Factory building	62 years	SLM	10%	Determined by Chartered Engineer & valuer
Tool Room & Assets transferred to Factory from branches	As specified in Schedule II to the Companies Act, 2013	WDV	5%	—
B. Windmill	As specified in Schedule II to the Companies Act, 2013	SLM	5%	—
C. All assets other than above	As specified in Schedule II to the Companies Act, 2013	SLM	5%	—

- In case of subsidiaries, Leasehold improvements are amortized over the remaining period of the primary lease or the useful life, whichever is earlier.
- Depreciation on assets of the overseas subsidiaries is provided over its useful economic life determined by the management of the respective subsidiaries, as under:

	Quickmill Inc., Canada	760 Rye Street Inc. Canada	Aesa Air-Engineering, SA France*
Building	N.A.	4% on written down value	15 years
Leasehold Improvements	50% on written down value		N.A.
Machinery and Equipment	20% on written down value		3-10 years
Furniture and Fixtures	20% on written down value		10 years
Computers/Office Equipment	30% on written down value		1-7.5 years
Computer Software	100% on straight line		1-3 years
Vehicles/Transport Equipment	30% on written down value		1-4 years
Intangible Assets	Impairment Test		4-10 years

\*Aesa Air-engineering, SA France and its subsidiaries.

- Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or up to the date of such sale/disposal as the case may be.
- Depreciation on revalued assets is calculated on the replacement value at the rates considered applicable by the valuers and is charged to the Profit and Loss Account. In respect of revalued building of SPM, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance in such reserve is available.

**SIGNIFICANT ACCOUNTING POLICIES — (Contd.)****6. IMPAIRMENT OF ASSETS**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors.

- (a) An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at weighted average cost of capital.
- (b) After impairment, depreciation is provided in subsequent periods on the revised carrying amount of the asset over its remaining useful life.
- (c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value in use after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**7. INTANGIBLE ASSETS**

- (a) Intangible assets are stated at cost of acquisition less accumulated amortization.
- (b) Intangible assets are amortized over the assets useful life.
- (c) Development costs including direct labour, materials and allocated overhead relating to the development of new technology are expensed in the period incurred unless a development project meets the criteria under generally accepted accounting principles for deferral and amortization. Capitalized costs are amortized using the straight-line basis over a 3 year period, which is the estimated useful life of the technology. Investment tax credits applicable to a claim for scientific research and development are treated as a reduction of the capitalized cost.
- (d) Expenditure on amounts paid in respect of specific trademarks is amortized on a straight-line basis over five years.

**8. INVESTMENTS**

Long-term investments are stated at cost including all expenses incidental to acquisition. Provision is made to recognize a decline, other than temporary in the value of long-term investments. Current investments are stated at lower of cost and fair value.

**9. VALUATION OF INVENTORIES**

- (a) Inventories comprising Raw Materials, Work-in-Progress, Finished Goods, Stores and Loose Tools are valued at lower of cost or net realizable value. Cost of inventories in the case of the Parent is determined on weighted average basis and on FIFO basis in the case of subsidiaries.
- (b) Incomplete job contracts are valued at the direct cost incurred on such contracts.

**10. EMPLOYEE BENEFITS****(A) Short Term Employee Benefits**

All employee benefits falling due wholly within 12 months of rendering the services are classified as short term benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

**(B) Post-Employment Benefits****(a) Defined Contribution Plans:**

The Holding Company has defined contribution plans for post employment benefits in the form of Superannuation Fund for Managers/Officers which is administered by Life Insurance Corporation of India (LIC). Provident Fund for employees at manufacturing facility administered by Regional Provident Fund Authorities, besides ESIC and Labour Welfare Fund. The Holding Company's contributions to Defined Contribution Plans are charged to the Profit and Loss Account as and when incurred and the Company has no further obligation beyond making the contributions.

**(b) Defined Benefits Plans:**

- i. The Parent Company's liabilities towards gratuity, leave encashment and compensated absence are determined and provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method for measuring the liability is the Projected Unit Credit Method.

**SIGNIFICANT ACCOUNTING POLICIES — (Contd.)**

- ii. In respect of employees, other than those working at manufacturing facilities, provident fund contributions are made to a trust administered by trustees. The interest payable by the trust to the members shall not be lower than the statutory rate declared by the Central Government and shortfall, if any, shall be made good by the Company.
- iii. Actuarial gains and losses are immediately recognized in the Profit and Loss Account of the year without resorting to any amortization/deferment.
- iv. The Canadian subsidiary has contributions towards pension/social securities which are charged to the Profit and Loss Account as and when incurred and the French subsidiary provides for the liability on accrual basis. The subsidiaries have no further obligation beyond making the contribution.
- v. The Company's overseas subsidiaries account for the defined benefits which are accounted on accrual basis. The difference between the accrual amounts and actuarial valuations are not expected to be material.

**(C) Termination Benefits**

Termination benefits are immediately recognized as an expense in the Profit and Loss account, as and when incurred.

**11. EMPLOYEE STOCK OPTION SCHEME**

In respect of stock options granted pursuant to the Company's stock option scheme, the intrinsic value, if any, of the option (excess of market price of the share over the exercise price of the option) on the grant date is treated as discount and accounted as employee compensation cost over the vesting period.

**12. PROVISIONS AND CONTINGENT LIABILITIES**

Provision is recognized when there is a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates. Contingent liabilities are disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

**13. FOREIGN CURRENCY TRANSACTIONS**

- (a) Foreign currency transactions are recorded on initial recognition at the exchange rate in force on the date of the transaction. Exchange differences arising on settlement of monetary items (cash, receivables, payables etc.) are recognized in the Profit and Loss Account in the period in which they arise.
- (b) Foreign currency monetary items are reported at exchange rates prevailing at the end of the accounting period and the gains/losses are recognized in the Profit and Loss Account.
- (c) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or an income over the life of the contract.

**14. EXPENSES ON ISSUE AND PREMIUM ON REDEMPTION OF SECURITIES**

Expenses on issue of shares and debentures and premium on redemption of debentures are charged to the Securities Premium Account.

**15. TAXES ON INCOME**

- (a) Current tax is determined as the amount of tax payable in the respective company in respect of estimated taxable income for the year.
- (b) Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard-22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent that there is timing difference, the reversal of which will result in sufficient income. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.
- (c) Investment tax credits are accrued when qualifying expenditures are made and there is reasonable assurance that the credits will be realized. Investment tax credits are accounted using the costs reduction method.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,61,70,400 (P.Y. 4,61,70,400) Equity Shares of ₹ 5/- each	2,308.52	2,308.52
6,92,480 (P.Y. 6,92,480) Preference Shares of ₹ 100/- each	692.48	692.48
	<u>3,001.00</u>	<u>3,001.00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
2,87,15,883 (P.Y. 2,86,82,550) Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid	1,435.79	1,434.13
6,92,480 (P.Y. 6,92,480) 5% — 5 Year Redeemable Non-Cumulative Preference Shares of ₹ 100/- each fully paid	692.48	692.48
	<u>2,128.27</u>	<u>2,126.61</u>

**Notes:**

Of the above

**Equity Shares**

The reconciliation of the number of shares outstanding at the beginning and at the end of year is as under:

Particulars	2014-15	2013-14
Opening Number of Equity Shares	2,86,82,550	2,86,82,550
Add: Equity Shares issued under ESOP scheme during the year	33,333	—
Closing Number of Equity Shares	<u>2,87,15,883</u>	<u>2,86,82,550</u>

The detail of Share holder holding more than 5% Equity Shares is as under:

Name of Shareholder	No. of Shares	No. of Shares
Mr. Nirmal Bhogilal	2,06,61,713	2,02,47,921
% Shareholding	71.95%	70.59%

**Preference Shares**

 6,92,480 5% Non-Cumulative Preference Shares of ₹ 100/- each (4,78,000 redeemable on 27<sup>th</sup> March, 2016 and 2,14,480 redeemable on 19<sup>th</sup> June, 2016)

The reconciliation of the number of shares outstanding at the beginning and at the end of year is as under:

Mr. Nirmal Bhogilal

Particulars	2014-15	2013-14
Opening Number of Preference Shares	NIL	NIL
Add: Transferred during the year	6,92,480	NIL
Closing Number of Preference Shares	<u>6,92,480</u>	<u>NIL</u>
% Shareholding	100%	NIL

Details of Share holder holding more than 5% Preference Shares are as under:

Mr. Pratap Bhogilal

Particulars	2014-15	2013-14
Opening Number of Preference Shares	6,92,480	6,92,480
Less: Transferred during the year	(6,92,480)	NIL
Closing Number of Preference Shares	<u>NIL</u>	<u>6,92,480</u>
% Shareholding	NIL	100%

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14	
<b>NOTE 2 : RESERVES AND SURPLUS</b>			
<b>Capital Reserves</b>			
As per last Balance Sheet	25.00		25.00
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet	160.60	160.60	
Add: Transferred from the Profit and Loss Account	—	—	160.60
<b>Revaluation Reserve</b>			
As per last Balance Sheet	116.40	100.11	
Less: Amount withdrawn on account of depreciation on revalued assets	1.67	1.86	
Add: Addition During the Year	—	18.15	116.40
<b>Securities Premium Reserve</b>			
As per last Balance Sheet	393.01	393.01	
Add : Premium on equity shares issued under ESOP Scheme during the year	3.58	—	393.01
<b>General Reserve</b>			
As per last Balance Sheet	1,224.39	1,224.39	
Less: Depreciation on assets which have completed useful life (Refer Note No-15-13)	61.47	—	1,224.39
<b>Employee stock option Reserve</b>			
As per last Balance Sheet	—	—	
Add: Accrual of employee compensation cost (Refer Note No-15-12)	9.17	—	—
<b>Investment Allowance Reserve Utilised</b>			
As per last Balance Sheet	63.05		63.05
<b>Foreign Currency Translation Reserve</b>			
As per last Balance Sheet	(157.55)	(281.33)	
Less: Exchange Difference during the year	(301.64)	123.79	(157.55)
	<u>1,472.87</u>		<u>1,824.90</u>
Opening Balance in the Profit and Loss Account	1,997.24	2,284.53	
Add: Profit/Loss from the Profit and Loss Account	(1,201.64)	(287.29)	
Less: Transfer to Capital Redemption Reserve	—	—	1,997.24
Closing Balance in the Profit and Loss Account	<u>795.60</u>		<u>1,997.24</u>
<b>TOTAL</b>	<u><u>2,268.47</u></u>		<u><u>3,822.14</u></u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	₹ in Lacs	
	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 3 : NON-CURRENT LIABILITIES</b>		
<b>Long Term Borrowings</b>		
<b>Secured Term Loans</b>		
FROM BANKS		
Rupee Term Loans		
Rupee Term Loans from bank	—	112.99
Repayable in EMI of ₹ 13.87 lacs, maturing in January, 2016 [Security : Refer Note 15-1-a]		
Car Loan (Secured by Hypothecation of Vehicle)	<b>3.80</b>	6.88
Repayable in various EMIs by October, 2017		
Foreign Currency Term Loan	<b>637.85</b>	655.01
<b>Repayment Terms</b>		
1	Repayable in Yearly Instalments of Euro 28,230.90 by October 2016 & Quaterly Instalments of Euro 4,787.56 by August, 2017.	
2	Repayable in monthly instalments of CAD 15,166 by July 2017. [Security : Refer Note 15-1-e]	
Promissory Note Payable	—	318.43
<b>Unsecured Loans</b>		
<b>Loans &amp; Advances from Related Parties</b>		
Loan from Director	<b>1,282.20</b>	201.70
<b>Repayment Terms</b>		
Repayable after one year		
Other Loans	<b>73.08</b>	417.08
<b>Repayment Terms</b>		
Repayable after one year		
	<b>1,996.93</b>	1,712.09
<b>Other Long Term Liabilities</b>		
Trade Payables	<b>544.29</b>	402.20
Advances from Customers	<b>230.84</b>	706.47
Interest Accrued and Due on Loans	<b>191.84</b>	95.42
Employee Related and Other Liabilities	<b>144.10</b>	453.23
	<b>1,111.07</b>	1,657.32
<b>Long Term Provisions</b>		
Provision for Employee Benefits :		
Provision for Gratuity	<b>394.24</b>	410.29
Provision for Leave Encashment	<b>113.35</b>	107.47
Warranty Provisions	<b>90.12</b>	89.62
	<b>597.71</b>	607.38

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	₹ in Lacs	
	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 4 : CURRENT LIABILITIES</b>		
<b>Short Term Borrowings</b>		
<b>Secured</b>		
Loans repayable on demand		
From Banks		
Cash Credit and Working Capital Borrowings [Security : Refer Note 15-1-b, d]	<b>2,676.19</b>	1,959.82
<b>Unsecured</b>		
Inter Corporate Deposits	<b>650.77</b>	385.97
	<b>3,326.96</b>	2,345.79
<b>Trade Payables</b>		
Due to Micro, Small and Medium Enterprises	<b>38.75</b>	56.20
Others	<b>5,493.09</b>	5,527.00
	<b>5,531.84</b>	5,583.20
<b>Other Current Liabilities</b>		
Advances from Customers	<b>1,757.73</b>	2,709.20
Unclaimed Dividend*	<b>3.17</b>	5.99
Current maturities of Long Term Loan:		
Rupee Term Loan from bank [Security : Refer Note 15-1-a]	<b>111.93</b>	110.70
Foreign Currency Term Loan [Security : Refer Note 15-1-e]	<b>111.13</b>	34.96
Car Loan (Secured by Hypothecation of Vehicle)	<b>3.08</b>	6.91
Tax Liabilities Net of Advance Tax/TDS	—	28.94
Statutory, Legal, Employee Related and Other Liabilities	<b>1,616.65</b>	1,104.99
	<b>3,603.69</b>	4,001.69
<b>Short Term Provisions</b>		
Provision for Employee Benefits:		
Provision for Gratuity	<b>186.92</b>	64.08
Provision for Leave Encashment	<b>78.68</b>	94.97
Warranty Provisions	<b>91.31</b>	199.60
	<b>356.91</b>	358.65

\* Does not include any amounts due and outstanding, to be credited to Investor Education and Protection Fund.

## NOTE 5 : FIXED ASSETS

₹ in Lacs

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK				
	As at 1-Apr-14	Additions/ Adjustments	Deductions/ Adjustments	Exchange Difference	As at 31-Mar-15	Upto 31-Mar-14	Transferred to retained earnings	For the Year	Deductions/ Adjustments**	Exchange Difference	Upto 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
<b>Tangible Assets</b>													
Land (Freehold)	2,083.82	—	—	(25.43)	2,058.39	—	—	—	—	—	—	2,058.39	2,083.82
Land (Leasehold)*	434.49	—	—	—	434.49	—	—	—	—	—	—	434.49	434.49
Buildings*													
On Freehold Land	1,444.50	3.35	—	—	1,447.85	627.53	0.15	36.20	(1.67)	—	665.56	782.29	816.97
On Leasehold Land	2,278.39	21.95	—	(283.91)	2,016.43	1,208.07	-	69.06	(21.58)	(165.03)	1,133.68	882.75	1,070.32
Plant & Machinery	7,051.52	32.28	181.83	(100.76)	6,801.21	5,119.65	36.22	179.42	138.07	(71.98)	5,125.24	1,675.96	1,931.86
Office Equipment/ Computers etc.	1,661.85	113.88	(26.01)	(112.27)	1,689.47	1,496.86	19.03	79.66	(98.98)	(101.28)	1,593.25	96.22	164.99
Furniture, Fixtures, Fans and Electrical Fittings	425.27	27.07	(60.93)	(22.65)	490.62	360.24	6.06	23.54	(36.05)	(21.66)	404.23	86.39	65.03
Vehicles	72.18	8.41	1.76	(5.16)	73.67	39.09	—	9.91	—	(5.34)	43.67	30.00	33.09
<b>Total Tangible Assets</b>	<b>15,452.02</b>	<b>206.95</b>	<b>96.66</b>	<b>(550.18)</b>	<b>15,012.13</b>	<b>8,851.45</b>	<b>61.47</b>	<b>397.80</b>	<b>(20.22)</b>	<b>(365.30)</b>	<b>8,965.64</b>	<b>6,046.49</b>	<b>6,600.57</b>
<b>Intangible Assets</b>													
Technical Know-how	3,773.01	84.15	182.62	(429.45)	3,245.09	2,199.76	—	273.97	182.62	(286.96)	2,004.15	1,240.95	1,573.25
<b>TOTAL</b>	<b>19,225.03</b>	<b>291.10</b>	<b>279.28</b>	<b>(979.63)</b>	<b>18,257.22</b>	<b>11,051.21</b>	<b>61.47</b>	<b>671.77</b>	<b>162.40</b>	<b>(652.26)</b>	<b>10,969.78</b>	<b>7,287.44</b>	<b>8,173.82</b>
(Previous Year)	(18,793.99)	(232.17)	(245.78)	(444.64)	(19,225.02)	(10,263.59)	—	(715.44)	(226.90)	(299.03)	(11,051.16)	(8,173.86)	(8,530.40)
<b>Capital Work-in-Progress</b>													
(Previous Year)												297.48	294.06
												(294.26)	(281.18)
<b>TOTAL</b>												<b>7,584.92</b>	<b>8,467.88</b>
(Previous Year)												(8,468.12)	(8,811.57)

\* Includes ₹ 434.49 Lacs value of Land and ₹ 210.23 value of Building acquired under scheme of amalgamation from erstwhile Batliboi SPM Pvt. Ltd. in respect of which title is under transfer in Company's name.

\*\* Includes ₹ 1.67 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	Numbers 31-Mar-15	Numbers 31-Mar-14	Face Value (Each ₹)	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 6 : NON-CURRENT INVESTMENTS</b>					
<b>TRADE INVESTMENTS</b>					
<b>Investment in Equity Instruments:</b>					
In fully paid Equity Shares (Unquoted):					
Batliboi Environmental Engineering Ltd.	1,908,930	1,908,930	10.00	191.21	191.21
<b>NON-TRADE INVESTMENTS</b>					
<b>Investment in Equity Instruments:</b>					
In fully paid Equity Shares (Quoted):					
Aturia Continental Ltd.	129,032	129,032	10.00	40.00	40.00
The Mysore Kirloskar Ltd.	200,277	200,277	10.00	9.62	9.62
Mafatal Engg. Ind. Ltd.	348	348	100.00	0.38	0.38
The Ahmedabad Mfg. & Calico Printing Co. Ltd.	20	20	125.00	0.01	0.01
Shri Ambica Mills Ltd.	8	8	100.00	0.01	0.01
The Aruna Mills Ltd.	25	25	100.00	0.01	0.01
The Khatau Makanji Spg. & Wvg. Co. Ltd.	55	55	10.00	0.02	0.02
Padmatex Engg. Ltd.	25	25	10.00	0.00	0.00
SUB-TOTAL				<u>50.05</u>	<u>50.05</u>
In fully paid Equity Shares (Unquoted):					
Andhra Pradesh State Financial Corporation	5	5	100.00	0.01	0.01
Precision Tooling Systems Ltd.	1,500	1,500	10.00	0.15	0.15
Shree Vardhan Co.-op. Bank Ltd.	200	200	25.00	0.05	0.05
Patan Co-operative Bank Ltd.	200	200	25.00	0.06	0.06
The Saraswat Co.-op. Bank Ltd.	5	5	10.00	0.00	0.00
The Shamrao Vithal Co.-op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
SUB-TOTAL				<u>5.27</u>	<u>5.27</u>
<b>Investment in Preference Instruments:</b>					
In fully paid 4% Cumulative Preference Shares (Quoted):					
The Khatau Makanji Spg. & Wvg. Co. Ltd.	5	5	100.00	0.01	0.01
SUB-TOTAL				<u>0.01</u>	<u>0.01</u>
<b>TOTAL</b>				<u>246.54</u>	<u>246.54</u>
Less: Provision for Diminution in Value of Investments				49.55	49.55
<b>GRAND TOTAL</b>				<u>196.99</u>	<u>196.99</u>
<b>Aggregate Value of Quoted Investments</b>				50.06	50.06
Less: Provision for Diminution in Value of Investments				49.55	49.55
<b>Net Value of Quoted Investments</b>				<u>0.51</u>	<u>0.51</u>
<b>Market Value of Quoted Investments</b>				—	—
<b>Aggregate Value of Un-Quoted Investments</b>				196.48	196.48

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 7 : LONG TERM LOANS &amp; ADVANCES AND OTHER NON-CURRENT ASSETS</b>		
<b>Long Term Loans &amp; Advances</b>		
Unsecured Considered Good Unless Specified Otherwise		
Capital Advances	—	0.47
Security & Other Deposits	<b>70.84</b>	73.11
Considered Doubtful	<b>50.24</b>	16.79
Less : Provision for Doubtful Deposits	<b>50.24</b>	16.79
SUB TOTAL	<b>70.84</b>	73.11
Other Loans & Advances		
Staff Loans	<b>7.62</b>	10.74
Advances recoverable in cash or in kind or for value to be received	<b>164.31</b>	110.18
SUB TOTAL	<b>171.93</b>	120.91
MAT Credit Available for set off	<b>123.32</b>	123.32
	<b>366.09</b>	317.82
<b>Other Non-Current Assets</b>		
<b>Long Term Trade Receivables</b>		
Unsecured		
Debts Outstanding Considered Good	<b>308.99</b>	319.84
Considered Doubtful	<b>277.68</b>	383.26
Less: Provision for Doubtful Debts	<b>277.68</b>	383.26
	<b>308.99</b>	319.84

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	₹ in Lacs	
	As at 31-Mar-15	As at 31-Mar-14
<b>NOTE 8 : CURRENT ASSETS</b>		
<b>Current Investments</b>		
Investments in Mutual Funds in France	139.70	10.63
	<u>139.70</u>	<u>10.63</u>
<b>Inventories</b> (Valued at Lower of Cost or Net Realisable Value)		
Raw Materials	1,989.88	2,194.50
Work-in-Progress	2,096.48	1,957.52
Stock of Machines (including own manufactured)	55.76	32.11
Stores and Spare Parts	12.77	17.72
Loose Tools	8.68	12.13
	<u>4,163.57</u>	<u>4,213.99</u>
<b>Trade Receivables</b>		
Unsecured		
Debts outstanding for a period exceeding six months Considered Good	2,600.78	2,549.98
Debts outstanding for a period less than six months Considered Good	2,646.92	2,368.13
	<u>5,247.70</u>	<u>4,918.11</u>
<b>Cash and Bank Balances</b>		
<u>Cash and Cash Equivalents :</u>		
Cash and Cheques on hand and at collection centres	28.14	22.02
<u>Balances with Scheduled Banks :</u>		
In Current Account	659.15	1,387.83
	<u>687.29</u>	<u>1,409.85</u>
<u>Other Bank Balances :</u>		
Balances with Banks for Unpaid Dividends	3.17	5.99
Fixed Deposits with Banks having maturity of less than one year (towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks))	24.39	141.02
	<u>714.85</u>	<u>1,556.87</u>
<b>Short Terms Loans and Advances</b>		
Unsecured Considered Good Unless Specified Otherwise :		
Advances recoverable in cash or in kind or for value to be received	325.66	332.45
Staff Loans	19.18	11.06
Deposits	53.33	38.31
Balances with Excise, Sales Tax and Service Tax	95.05	147.08
Taxes paid in advance and deducted at source (Net of Provision for Tax)	176.28	—
	<u>669.50</u>	<u>528.90</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

₹ in Lacs

	2014-15	2013-14
<b>NOTE 9 : REVENUE FROM OPERATIONS</b>		
Sale of Products	25,825.24	26,030.94
Sale of Services	1,251.78	1,270.16
Other Operating Revenue	350.51	356.72
Less : Excise Duty	859.32	954.87
	<u>26,568.22</u>	<u>26,702.95</u>
<b>NOTE 10 : OTHER INCOME</b>		
Dividend	0.61	0.61
Exchange Difference Gains	—	346.20
Profit on Sale of Fixed Assets	41.27	66.13
Excess Provision of Earlier Years Written Back	4.34	—
Unclaimed Credit Balances Written Back	118.49	91.61
Interest	12.76	14.96
Miscellaneous Receipts	1.51	35.42
	<u>178.98</u>	<u>554.93</u>
<b>NOTE 11 : COST OF MATERIALS CONSUMED</b>		
Raw Materials Consumed	13,281.97	13,162.31
Less: Self Consumption for Job Contracts	0.90	1.09
Cost of Job Contracts (includes self consumption)	516.50	349.38
Cost of Services Rendered	67.39	36.04
Job Work Charges Incurred	180.04	186.45
	<u>14,045.00</u>	<u>13,733.09</u>
<b>NOTE 11 : PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of Stock-in-Trade	2,202.83	1,367.19
	<u>2,202.83</u>	<u>1,367.19</u>
<b>NOTE 11 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS &amp; STOCK-IN-TRADE</b>		
Stock at Close:		
Work-in-Progress	2,096.48	1,945.58
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	55.76	32.11
Less:		
Stock at Commencement :		
Work-in-Progress	1,945.58	1,917.91
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	32.11	45.54
	<u>1,977.69</u>	<u>1,963.45</u>
	<u>(174.55)</u>	<u>(14.24)</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	₹ in Lacs	
	2014-15	2013-14
<b>NOTE 12 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Allowances and Bonus	4,534.77	4,962.74
Contribution to Provident and Other Funds	438.17	473.93
Payments & Provision for Gratuity	51.01	49.19
Staff Welfare Expenses	193.37	193.03
Expenses on Employee Stock Option Scheme (ESOP)	9.17	—
	<u>5,226.49</u>	<u>5,678.89</u>
<b>NOTE 13 : FINANCE COSTS</b>		
Interest Expenses	583.20	569.22
Other Borrowing cost	193.79	161.39
Applicable Loss on Foreign Currency Transaction and Translation	—	5.12
	<u>776.99</u>	<u>735.73</u>
<b>NOTE 14 : OTHER EXPENSES</b>		
Rent	278.98	283.43
Rates and Taxes	108.85	117.79
Power and Fuel	190.09	199.04
Insurance	97.94	104.36
Sales Commission	722.90	509.87
Exhibitions/Advertisement Expenses	110.80	98.73
Printing and Stationery	41.59	46.95
Travelling and Conveyance	745.37	683.85
Audit, Legal and Professional Charges	290.11	302.72
Vehicle Maintenance	80.28	85.23
Packing and Cartage	767.26	738.13
Stores & Loose Tools Consumed	237.05	286.15
Repairs to Machinery	52.58	64.73
Repairs to Buildings	43.69	52.04
Repairs to Other Assets	52.41	60.52
Outsourced Services	694.82	666.12
Discounts and Allowances to Customers	13.17	14.50
Directors' Sitting Fees	28.36	30.41
Donation	1.55	1.48
Loss on Sale/Assets Written Off	1.30	—
Bad Debts	63.11	64.53
Provision for Doubtful Debts/Advances	25.27	104.53
Exchange Differences Loss	4.37	—
Miscellaneous Expenses	745.37	724.15
	<u>5,397.22</u>	<u>5,239.26</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****NOTE 15 :****1. Borrowings and Securities:**

- a) Rupee Term Loans of ₹ 111.93 Lacs from a Bank is secured by first charge on the Fixed Assets purchased out of the loans and second charge on the Company's Immovable property at Udhana, Surat. Working capital lender banks have the second pari-passu charge on the aforesaid Fixed Assets.
- b) Working Capital Borrowings from Consortium banks on cash credit Overdraft/Short Term Loan and non-fund based facilities are secured by first pari-passu charge on stock of Raw Materials, Stock in Process, Semi-finished and finished goods, consumable stores and spares, bills receivable, book debts and other moveable current assets (both present and future) of the Company; and Second pari-passu charge on the fixed assets of the Company (both present and future) at Udhana, Surat and Hosur Road Bangalore. Credit facilities including sub-limits extended by consortium banks to Batliboi Environmental Engineering Limited (BEEL), are secured by 2<sup>nd</sup> pari-passu charge on the fixed assets of the Company (both present and future) at Udhana, Surat and Hosur Road Bangalore.
- c) A specific guarantee facility of ₹ 288.00 Lacs (Previous Year ₹ 288.00 Lacs) of BEEL from a Bank is secured by first pari-passu charge by way of an equitable mortgage on the immovable property of the Company situated on the leasehold land at Deonar, Mumbai. Balance outstanding as on 31.03.2015: ₹ 171.33 Lacs (Previous Year ₹ 171.33 Lacs).
- d) Working Capital Credit facilities of Quickmill Inc. include four operating loans ranging from CAD 4,00,000 to CAD 1.2M with interest ranging from the TD prime rate plus 1.25% to 1.75%. In addition the Quickmill Inc. has available letter of Credit/ Guarantees of upto CAD 1.5M with interest at 1.5%. It has drawn CAD 7,84,093 (P.Y. CAD 2,02,749) against the available CAD 1.5M. Advances on the loans are based on qualifying accounts receivables, inventory and deposits, as well as Export Development Canada insured work in process financing.

The demand loans are secured by a general security agreement and assignment of fire insurance proceeds. In addition, there is a postponement and assignment of the amount due to related company in the amount of CAD 1,50,000 and a subordination agreement in place whereby Business Development Bank of Canada subordinates its security interest in the company in favour of Toronto-Dominion Bank.

- e) The term loan of Quickmill Inc. is secured by a general security agreement and assignment of fire insurance proceeds. In addition, there is a postponement and assignment of the amount due to related company in the amount of CAD 1,50,000 and a subordination agreement in place whereby Business Development Bank of Canada subordinates its security interest in the company in favour of Toronto-Dominion Bank.

**2. Contingent liabilities not provided for in respect of:**

- a) Claims against the Company not acknowledged as debts: ₹ 227.85 Lacs (Previous Year: ₹ 350.69 Lacs).
- b) Disputed sales tax/Excise demands under appeal ₹ 76.30 Lacs (Previous Year: ₹ 76.30 Lacs).
- c) Corporate Guarantees given to banks & financial institutions for credit facilities/performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party: ₹ 2,290.00 Lacs (Previous Year: ₹ 2,540.00 Lacs). Balance outstanding as on 31.03.2015: ₹ 1,968.52 Lacs (Previous Year: ₹ 2,030.50 Lacs).
- d) Guarantees given on behalf of the Company by its bankers and outstanding ₹ 1,127.48 Lacs (Previous Year: ₹ 1,475.40 Lacs). Out of the above, Guarantees of ₹ 109.56 Lacs (Previous Year: ₹ 109.56 Lacs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
- e) In respect of guarantees given by the Company to the bankers of Batliboi Environmental Engineering Limited (BEEL), a related party, BEEL has given counter guarantees on behalf of the Company.
- f) Company has given Corporate Guarantee to others on behalf of its step down subsidiary Quickmill Inc., current year CAD Nil equivalent to ₹ Nil (Previous Year: CAD 0.739 Million equivalent to ₹ 407.26 Lacs).
- g) Guarantees given on behalf of the subsidiaries by their bankers and outstanding ₹ 865.84 Lacs (Previous Year: ₹ 121.56 Lacs).
- h) Quickmill Inc. has provided a general security agreement in support of the borrowings of 760 Rye Street Inc. to the Business Development Bank of Canada. The general security agreement is subject to the Toronto-Dominion Bank's first charge on assets of the Quickmill Inc. The outstanding balance on 760 Rye Street Inc.'s borrowings from the Business Development Bank amounted to current year CAD 0.998 Million equivalent to ₹ 497.50 Lacs (Previous Year: CAD 1.068 Million equivalent to ₹ 588.57 Lacs).

**3. Commitments:**

- a) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ Nil (Previous Year: ₹ Nil).
- b) The Company does not have any other commitment.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**4. The Effect of Change in Foreign Exchange Rates:**

Exchange Gains/Loss credited/charged to Profit and Loss Accounts:

Exchange Loss ₹ 4.37 Lacs (Previous Year: Exchange gain ₹ 346.20 Lacs).

Exchange loss of ₹ 301.64 Lacs (Previous Year: Exchange gain ₹ 123.78 Lacs) due to exchange differences shown under the head Foreign Currency translation Reserve.

**5. Details of un-hedged Foreign Currency exposure:**

₹ in lacs

Particulars	2014-15	2013-14
Receivables including firm commitments and highly probable forecasted transaction	<b>508.11</b>	1848.30
Payable including firm commitments and highly probable forecasted transaction	<b>241.15</b>	445.97

**6. Intangible Assets:**

In respect of Quickmill Inc.:

The Intangible Assets relate to the proprietary right to the Company's products, manufacturing processes, trade marks, customer contracts and related customer relationships acquired by its subsidiary which are amortized over 15 years. Accordingly, a sum of ₹ 153.63 Lacs (Previous Year: ₹ 175.26 Lacs) has been charged to the Consolidated Profit and Loss Accounts.

**7. Segment Reporting:**

The group has considered business segments as the primary segments for disclosure.

Segments have been identified in line with the Accounting Standards on Segment Reporting (AS-17), taking into account the nature of business, products and services, the Company's organization structure as well as the differential risks and returns of these segments. Segments Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments. Those not identifiable to the individual segments are included under unallocated.

The group has classified its business into the following segments:

- Machine Tool Business Group*, which handles manufacturing and marketing (including trading and agency business) of machine tool and components e.g. CNC and GPM machines, machine castings, machine carcasses, cranes etc.
- Textile Engineering Group*, which deals in manufacturing and marketing of textile air-engineering range i.e. humidification & temperature control, waste recovery and auto control systems, besides marketing (including trading and agency business) of textile machinery e.g. circular knitting, spinning and flat-knitting machines etc.
- Others*, which covers remaining business i.e. air-conditioning equipments, agro-industrial products (e.g. pumps/motors) etc.

**(i) Primary Segments Reporting (Based on Business Segments)**

₹ in Lacs

	Machine Tools Group		Textile Engineering Group		Others & Un-Allocated		Total Company	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Segment Revenue</b>								
Total Segment Revenue	<b>9,958.36</b>	13,179.53	<b>16,313.88</b>	13,231.60	<b>295.98</b>	291.82	<b>26,568.22</b>	26,702.95
Segment Revenue from external customers	<b>9,958.36</b>	13,179.53	<b>16,313.88</b>	13,231.60	<b>295.98</b>	291.82	<b>26,568.22</b>	26,702.95
<b>Segment Results</b>								
Profit/(Loss) before Interest & Tax	<b>(1,455.45)</b>	(694.08)	<b>594.97</b>	625.55	<b>238.92</b>	606.78	<b>(621.56)</b>	538.25
(Less): Finance Cost	—	—	—	—	<b>(776.99)</b>	(735.73)	<b>(776.99)</b>	(735.73)
Total Profit/(Loss) before Tax	<b>(1,455.45)</b>	(694.08)	<b>594.97</b>	625.55	<b>(538.07)</b>	(128.95)	<b>(1,398.55)</b>	(197.48)
Less: Tax Expenses	—	—	—	—	<b>(196.91)</b>	89.80	<b>(196.91)</b>	89.80
Total Profit/(Loss) after Tax	<b>(1,455.45)</b>	(694.08)	<b>594.97</b>	625.55	<b>(341.16)</b>	(218.75)	<b>(1,201.64)</b>	(287.28)
<b>Segment-wise Capital Employed</b>	<b>6,053.13</b>	5964.73	<b>(194.62)</b>	(257.72)	<b>1,785.80</b>	3,098.24	<b>7,644.31</b>	8,805.25

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**

₹ in Lacs

	Machine Tools Group		Textile Engineering Group		Others & Un-Allocated		Total Company	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>(Segment Assets Less Segment Liabilities)</b>								
Segment Assets	<b>9,308.55</b>	9,844.33	<b>5,717.98</b>	6,110.27	<b>5,895.33</b>	6,297.64	<b>20,921.86</b>	22,252.24
Segment Liabilities	<b>3,255.42</b>	3,879.60	<b>5,912.60</b>	6,367.99	<b>4,109.53</b>	3,199.40	<b>13,277.55</b>	13,446.99
Capital Expenditure	—	—	—	—	<b>297.48</b>	294.26	<b>297.48</b>	294.26
Depreciation	<b>479.24</b>	536.10	<b>105.29</b>	90.16	<b>87.24</b>	89.19	<b>671.77</b>	715.45
Non cash expenses other than Depreciation	—	—	—	—	—	—	—	—

**(ii) Secondary Segment Reporting**

The geographic segments considered for disclosure are as follows:

₹ in Lacs

	2014-15			2013-14		
	Indian Operations	Foreign Operations	Total	Indian Operations	Foreign Operations	Total
Revenue by Geographic Market	<b>12,955.84</b>	<b>13,612.38</b>	<b>26,568.22</b>	14,363.20	12,339.76	26,702.95
Addition to Fixed Assets and Intangible Assets	<b>57.80</b>	<b>233.28</b>	<b>291.08</b>	75.87	156.31	232.17
Carrying Amount of Segment Assets	<b>14,917.71</b>	<b>6,004.15</b>	<b>20,921.86</b>	15,349.24	6,902.99	22,252.24

**8. Related Party Disclosures:**

Related party disclosures as required under Accounting Standard 18 (AS-18) on "Related Party Disclosures" are given below:

**(a) Relationships:**

- i) Key Management Personnel:
  - a) Mr. Nirmal Bhogilal, Chairman & Managing Director
  - b) Mrs. Sheela Bhogilal, Director
  - c) Mrs. Prema Chandrasekhar, Chief Financial Officer
  - d) Mrs. Puneet Kapur, Chief Corporate Counsel and Company Secretary
- ii) Relatives of Key Management Personnel:
  - a) Mr. Kabir Bhogilal, Vice-President – Corporate Strategy
  - b) Mrs. Maya Bhogilal
  - c) Mr. Akshay Chandrasekhar
- iii) Entities over which key management personnel are able to exercise significant influence.
  - a) Batliboi Environmental Engineering Ltd.
  - b) Batliboi International Limited
  - c) Batliboi Impex Ltd.
  - d) Batliboi Enxco Pvt. Ltd.
  - e) Sustime Pharma Ltd.\*
  - f) Spartan Electricals
  - g) Bhagmal Investments Pvt. Ltd.\*
  - h) Delish Gourment Pvt. Ltd.\*
  - i) Hitco Investments Pvt. Ltd.\*
  - j) Nirbhag Investments Pvt. Ltd.\*
  - k) Pramaya Shares & Securities Pvt. Ltd.\*
  - l) Bhogilal Trustship Pvt. Ltd.\*



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**

- iv) Entities in which management personnel are trustees
- Bhogilal Leherchand Foundation\*
  - Leherchand Uttamchand Trust Fund\*
  - Shekhama Family Trust
- \* No transaction with the entities during the year.

**(b) Transactions & Outstanding Balances:**

₹ in Lacs

	Particulars	Entities		Key Management Personnel & their Relatives	
		2014-15	2013-14	2014-15	2013-14
<b>I.</b>	<b>Transactions</b>				
	Purchase of goods/materials/services/fixed assets/investments	1,151.54	711.98	—	—
	Sale of goods/materials/services/fixed assets/investments/recovery of expenses	1,167.56	945.58	—	—
	Rent/License Fee Received/(Paid)	(1.47)	1.85	(19.50)	(14.80)
	Interest Paid/(Received)	14.67	(4.21)	104.10	43.42
	Loans & Advances in cash or kind Received/(Refunded) (Net)	181.85	3.30	736.50	322.00
	Loans & Advances in cash or kind given/(Refunded)	0.80	(207.00)	—	—
	Gross Salary/Remuneration	—	—	194.83	166.67
<b>II.</b>	<b>Outstanding Balances as at 31.03.15, i.r.o:</b>				
	Loans & Advances Received	73.08	89.00	1,282.20	570.09
	Loans & Advances – Given	0.80	—	—	—
	Other receivable (for goods, services & other items)	775.44	676.05	—	—
	Other payables (for goods, services & other items)	305.16	277.05	—	—

**(c) Disclosure in respect of material transaction with related parties:**

₹ in Lacs

		2014-15	2013-14
(i)	<b>Purchase of goods/materials/services/fixed assets/investments/ payment of expenses</b>		
	Batliboi Environmental Engineering Ltd.	204.53	200.16
	Batliboi International Ltd.	551.66	225.90
	Batliboi Impex Ltd.	292.44	206.27
	Batliboi Enxco Pvt. Ltd.	3.69	—
	Spartan Electricals	99.22	79.65
(ii)	<b>Sale of goods/material/services/fixed assets/investments/recovery of expenses</b>		
	Batliboi Environmental Engineering Ltd.	378.03	410.03
	Batliboi International Ltd.	670.57	445.16
	Batliboi Enxco Pvt Ltd.	60.48	58.45
	Spartan Electricals	28.13	1.46
	Batliboi Impex Ltd.	30.35	30.48

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**

₹ in Lacs

		2014-15	2013-14
(iii)	<b>Rent/Licence Fee Received/(Paid)</b>		
	Batliboi Environmental Engineering Ltd.	12.87	11.47
	Batliboi International Ltd.	(14.34)	(9.09)
	Batliboi Impex Ltd.	—	(0.53)
	Nirmal Bhogilal	(5.40)	(5.40)
	Shekhama Family Trust	(6.00)	(6.00)
	Kabir Bhogilal	(2.21)	(1.29)
	Puneet Kapur	(1.39)	—
	Akshay Chandrasekhar	(4.50)	(1.13)
	Prema Chandrasekhar	—	(0.98)
(iv)	<b>Interest Paid/(Received)</b>		
	Batliboi Environmental Engineering Ltd.	—	(15.84)
	Batliboi International Ltd.	14.67	9.66
	Batliboi Impex Ltd.	—	1.97
	Pratap Bhogilal	6.92	13.67
	Nirmal Bhogilal	82.07	14.49
	Kabir Bhogilal	2.47	2.50
	Sheela Bhogilal	5.87	5.88
	Maya Bhogilal	6.77	6.88
(v)	<b>Loans &amp; Advances in Cash or Kind Received/(Refunded)</b>		
	Batliboi International Ltd.	181.85	28.00
	Pratap Bhogilal	(222.00)	222.00
	Nirmal Bhogilal	1,033.50	100.00
	Kabir Bhogilal	(20.00)	—
	Maya Bhogilal	(55.00)	—
(vi)	<b>Loans &amp; Advances in Cash or Kind Given/(Refunded)</b>		
	Batliboi Environmental Engineering Ltd.	—	(207.00)
	Batliboi Impex Ltd.	0.80	(24.70)
(vii)	<b>Gross Salary/Remuneration Paid</b>		
	Nirmal Bhogilal	111.76	119.57
	Kabir Bhogilal	25.70	26.13
	Prema Chandrasekhar	36.76	20.97
	Puneet Kapur	20.61	Nil

**9. Basic & Diluted Earnings per Share:**

Basic/diluted earnings per share has been calculated by dividing the net profit after taxation for the year as per the Consolidated Financial Statements, which is attributable to equity shareholders, by weighted average number of equity shares outstanding during the year, as under:

**Basic & Diluted Earnings per Share:**

Workings of EPS		2014-15	2013-14
A.	Profit computation for both Basic and Diluted Earning Per Share of ₹ 5/- each: Net Profit/(Loss) available for Equity Shareholders : ₹ Lacs	(1,201.64)	(287.28)
B.	Weighted average number of Equity Shares for computation of Basic & Diluted Earning Per Share: Nos.	2,86,88,395	2,86,82,550
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: ₹	(4.18)	(1.00)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**NOTE 15 : (Contd.)**
**10. Taxes on Income:**

*Deferred Taxes:* The major components of deferred tax assets and liabilities are set out below:

₹ in Lacs

Particulars	31.03.2015	31.03.2014
i. Deferred Tax Assets:		
Unabsorbed Business loss/Unabsorbed Depreciation	<b>427.00</b>	332.00
Provision for Doubtful Debts, Advances, Diminution in Value of Investments and Employee Benefits	<b>141.00</b>	140.00
ii. Deferred Tax Liabilities:		
Depreciation on Fixed Assets	<b>447.50</b>	509.38
iii. Net Deferred Tax Assets/(Liabilities)	<b>120.50</b>	(37.38)

11. i. The Holding Company has incurred operating losses during the year mainly due to under performance of one of its division as it has not been able to execute the orders on time due to stretched working capital owing to overall slowdown in the economy affecting the investment by private parties in the capital intensive sector to which the said division caters to. The Company has taken steps to improve the working capital situation and timely execution of the orders by the said division.

The Company is also intending to dispose of non-core assets in order to mitigate the losses incurred during the current year and to improve the liquidity position. The promoters have brought in money in the form of unsecured loan and intend to bring further money to improve the liquidity position.

- ii. The Holding Company has investment in its subsidiary Aesa Air Engineering SA-France, whose accumulated losses are greater than the net worth. In the opinion of the Management, having regard to the long term interest of the Company in the said subsidiary and considering the sizeable order books and cash flow projections of the subsidiary, there is no impairment in the value of the goodwill on consolidation.

The Holding Company has investments in Batliboi Environmental Engineering Ltd, (BEEL) of ₹ 191.21 Lacs. BEEL has accumulated losses which have significantly eroded their net worth. In the opinion of the Management, having regard to the long term interest of the company in BEEL, there is no diminution, other than temporary, in the value of the Investments.

12. Pursuant to the resolution passed in the extra ordinary general meeting in the year 2011-12, the Company has reserved 28,68,255 options to the eligible employees of the Holding Company and its subsidiaries under the Employee Stock Option Scheme. The exercise price for all the option is ₹ 15.75.

Summary of Stock Option as on 31.03.2015:

Year of Grant	2011-12 1 <sup>st</sup> Lot	2012-13 2 <sup>nd</sup> Lot	2014-15 3 <sup>rd</sup> Lot
No. of Options Granted	10,00,000	1,00,000	<b>3,50,000</b>
No. of Options Lapsed	(2,50,000)	(1,00,000)	—
No. of Options Vested	2,50,000	—	—
No. of Options Exercised	33,333	—	—
Option vested – to be exercised in future	2,16,667	—	—
Options to be vested	5,00,000	—	<b>3,50,000</b>

In respect of the option granted during the year, the intrinsic value of ₹ 17.20 per share is treated as discount and accounted as employee compensation cost over the vesting period. The employee compensation cost accrued as on 31.03.2015 is ₹ 9.17 Lacs.

13. With effect from 01.04.2014, the Company has revised depreciation rate on certain fixed assets in accordance with the useful life specified in the Schedule II to the Companies Act, 2013 and re-assessed the useful life of certain other fixed assets based on Chartered Engineer and valuer's report and charged depreciation based on said report. Accordingly an amount of ₹ 59.98 Lacs has been charged to Profit & Loss account over & above the normal depreciation in respect of assets which have remaining useful life as at 01.04.2014 and amount of ₹ 61.47 Lacs has been charged to Retained Earnings (General Reserves) in respect of assets where remaining useful life is NIL.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****NOTE 15 : (Contd.)****14. Details of consolidated net assets and share in profit are as follows:-**

Name of Entity	Net assets Total assets minus total liability		Share in profit or (loss)	
	%	₹ in Lacs	%	₹ in Lacs
Total	100.00%	4,396.75	100.00%	(1,201.64)
Batliboi Ltd.	57.07%	2,509.33	60.37%	(725.47)
Foreign Subsidiaries				
Queen Projects Mauritius Ltd., Mauritius	0.06%	2.81	1.37%	(16.48)
Vanderma Holdings Ltd., Cyprus	-0.14%	(6.13)	0.81%	(9.75)
Pilatus View Holding, AG, Switzerland	-0.31%	(13.57)	1.05%	(12.62)
Quickmill Inc., Canada	55.98%	2,461.51	35.41%	(425.49)
Aesa Air Engineering SA, France	-14.58%	(641.03)	3.14%	(37.77)
760, Rye Street Inc., Canada	1.92%	83.83	-2.15%	25.94
<b>Total Foreign Subsidiaries</b>	<b>42.93%</b>	<b>1,887.42</b>	<b>39.63%</b>	<b>(476.17)</b>

**15. Previous year's figures have been reclassified and regrouped to confirm to current year's classification and grouping. Figures in bracket represent previous year's figures.**

As per our report attached of even date

**For V. SANKAR AIYAR & CO.**  
Chartered Accountants  
Firm Regn. No.: 109208W

**G. SANKAR**  
Partner  
Membership No.: 46050

Place : Mumbai

Dated : 9<sup>th</sup> May, 2015

For and on Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman & Managing Director

**GEORGE VERGHESE**  
Director

Place : Mumbai

Dated : 9<sup>th</sup> May, 2015

**PREMA CHANDRASEKHAR**  
Chief Financial Officer

**PUNEET KAPUR**  
Chief Corporate Counsel &  
Company Secretary



# BATLIBOI LTD.

Registered Office: Bharat House, 5<sup>th</sup> Floor, 104, B. S. Marg, Fort, Mumbai - 400 001.  
CIN L52320MH1941PLC003494

Dear Member,

The Ministry of Corporate Affairs (“MCA”) vide its Circulars dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011 has taken “Green Initiative in the Corporate Governance”, thereby allowing companies to serve various communications/documents (including Notice of General Meetings, Audited Financial Statements, Directors’ Report, Auditors’ Report and all other documents including Postal Ballot documents) through electronic mode to its those Members who have registered their e-mail address for the purpose.

The Company appreciates the “Green Initiative” taken by MCA as this will reduce paper consumption to a great extent and allow public at large to contribute towards Greener Environment.

Accordingly, henceforth, we propose to send all communications / documents, through e-mail, to those Members who have registered their e-mail address with the Company. Please note that all such communications / documents shall be available on the Company’s website www.batliboi.com for download by the Members. If the Members still wish to receive physical copies of these communications / documents, the Company undertakes to provide the same.

As a responsible citizen, we trust that you would support and co-operate in implementing this initiative by submitting your e-mail address to the Company in the interest of the environment. You are requested to please fill the details in the format provided on our website or in the box given below for the registration of the e-mail address.

To,  
M/s Datamatics Financial Services Limited,  
Plot no. B-5, Part B, Cross Lane,  
MIDC, Marol, Andheri (East),  
Mumbai – 400 093

**Batliboi Limited : Registration of E-mail ID**

Name : .....

Address : .....

No. of shares : .....

E- mail ID : .....

Folio No./DP ID & Client ID Nos.: .....

Place :

Signature

Date :

In case of any updations/changes in your e-mail address, you are requested to promptly update the same with your DP, if your holding is in demat form. Shareholders holding shares in physical form shall have to send their updations/changes to RTA, M/s Datamatics Financial Services Limited, through email to investorsqry@dfssl.com, greeninitiative@batliboi.com

We are sure that you will appreciate the “Green Initiative” taken by your Company and hope that you will enthusiastically participate in the effort.



# BATLIBOI LTD.

Registered Office: Bharat House, 5th Floor, 104, B. S. Marg, Fort, Mumbai - 400 001.  
CIN L52320MH1941PLC003494



## PROXY FORM

I/We .....

of ..... in the district of ..... being Member/

Members of the abovenamed company hereby appoint Mr. ....

of ..... in the district of .....

or failing him, Mr. ....

of ..... in the district of .....

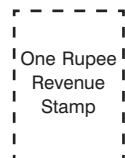
as my/our proxy to vote for me/us on my/our behalf at the 71<sup>st</sup> Annual General Meeting of the Company at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchant Chamber, Churchgate, Mumbai - 400 020 on Wednesday, 29<sup>th</sup> July, 2015 at 2:30 p.m. and at any adjournment thereof in respect of following resolutions:

Sr. No.	Resolutions
1.	Adoption of Audited Financial Statements (standalone and consolidated) together with Directors' Report and Auditors' Report thereon for the year ended March 31, 2015.
2.	Re-appointment of Mr. George Verghese, as a Director who retires by rotation.
3.	Re-appointment of M/s. V. Sankar Aiyar & Co. as Statutory Auditor.
4.	Approval of Cost Auditors' Remuneration.
5.	Appointment of Mrs. Sheela Bhogilal as Director of the Company.
6.	Approval for payment of remuneration to Mr. Nirmal Bhogilal, Chairman & Managing Director of the Company for the period of 3 years i.e. with effect April 1, 2015 to March 31, 2018.
7.	Approval for re-appointment of Mr. Nirmal Bhogilal as the Chairman and Managing Director of the Company for five years with effect from April 1, 2016.
8.	Increase in borrowing powers of the Company pursuant to the Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013.
9.	Approval for payment of remuneration to Mr. Kabir Bhogilal, Vice-President Corporate Affairs of the Company pursuant to Section 188 of the Companies Act, 2013.

Signed this ..... day of ..... 2015.

Folio No./Client ID ..... Signature .....

Signature of Proxy .....



Note : 1. Proxy Form must reach the Company's Registered Office not less than 48 hours before the meeting.

2. For the resolutions, explanatory statement and notes please refer to the Notice of the 71<sup>st</sup> Annual General Meeting.

# BATLIBOI LTD.

Registered Office: Bharat House, 5th Floor, 104, B. S. Marg, Fort, Mumbai - 400 001.  
CIN L52320MH1941PLC003494



## ADMISSION SLIP

(To be handed over at the entrance of the meeting Hall)

SERIAL NO.

<b>Name of the Member (In Block Letters)</b>
Address

<b>Name of the Proxy Holder (In Block Letters)</b>
--

Member Folio Number/Client ID Held	D.P. ID. No.	Number of Shares held

I hereby record my presence at the 71<sup>st</sup> Annual General Meeting of the Company at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Indian Merchant Chamber, Churchgate, Mumbai - 400 020 on Wednesday, 29<sup>th</sup> July, 2015 at 2:30 p.m.

.....  
Signature of Member/Proxy



# BATLIBOI LTD.

Registered Office: Bharat House, 5th Floor, 104, B. S. Marg, Fort, Mumbai - 400 001.  
CIN L52320MH1941PLC003494



## ELECTRONIC VOTING PARTICULARS

EVSN	USER ID	E-Voting Sequence Number	Cut-off date for voting	Voting period and time
150605005			23 <sup>rd</sup> July, 2015	26 <sup>th</sup> July, 2015 (9.00 a.m.) to 28 <sup>th</sup> July, 2015 (5.00 p.m.)

Please read the instructions printed under "The instructions to Members for e-voting" in the Notice sent/attached herewith:





www.batliboi.com



### Corporate Office:

- Batliboi Ltd.  
Bharat House, 5th Floor  
104, Bombay Samachar Marg  
Fort, Mumbai - 400 001  
Tel : +91 22 6637 8200  
Fax : +91 22 2267 5601  
E-mail : info@batliboi.com

### Manufacturing Facilities:

- Surat Navsari Road  
Udhna - 394 220, Surat  
Tel : +91 261 289 0551, 289 0435  
Fax : +91 261 289 0832  
E-mail : mtusales.udh@batliboi.com
- Plot No. 24, III Main,  
Veerasandra Industrial Area  
Hosur Road, Bengaluru - 560 100  
Tel : +91 80 2783 3216, 2783 4203  
Fax : +91 80 2783 3218  
E-mail : info.spm@batliboi.com

### Subsidiaries:

- Quickmill Inc  
760, Rye Street, Peterborough  
Ontario - K9J 6W9, Canada  
Tel : 1-705-745-2961  
Fax : 1-705-745-8130  
E-mail : info@quickmill.com
- AESA Air Engineering, SA  
78. Faubourg des Vosges  
68804, THANN Cedex, France  
Tel : 33 389 383434  
Fax : 33 389 379706  
E-mail : aesa.fr@aesa-ae.com

### Subsidiaries of AESA

- China • India • Singapore





## **Batliboi Ltd.**

Bharat House, 5th Floor  
104, Bombay Samachar Marg, Fort,  
Mumbai - 400 001

Phone : +91 22 6637 8200  
Fax : +91 22 2267 5601  
E-mail : [info@batliboi.com](mailto:info@batliboi.com)  
Website : [www.batliboi.com](http://www.batliboi.com)