

Batliboi Ltd.

Legal & Secretarial Department

Regd. & Corporate Office :

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

Phone : +91 (22) 6637 8200
Fax : +91 (22) 2267 5601
E-mail : legal@batliboi.com
Web : www.batliboi.com
CIN : L52320MH1941PLC003494

The Listing Department
BSE Limited
P. J. Towers, Dalal Street,
Mumbai 400 001.



Scrip Code: 522004

4th July, 2017

Dear Sir / Madam,

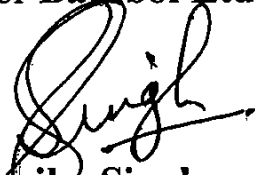
Subject: Submission of 73rd Annual Report under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 73rd Annual Report for the financial year ended 31st March, 2017 of Batliboi Limited duly approved and adopted in the 73rd Annual General Meeting held on 29th June, 2017 as per the provisions of Companies Act, 2013.

Kindly take the above on your records.

Thanking you

Yours faithfully,
For Batliboi Ltd.


Sarika Singh
Company Secretary



Encl: As above



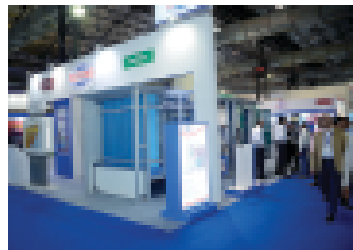
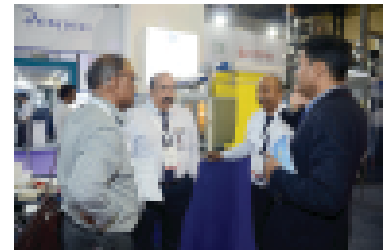
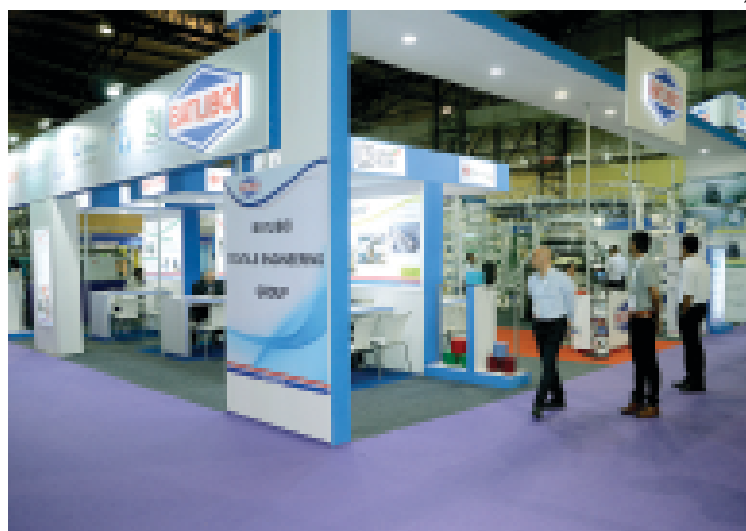
Batliboi Ltd.

» **73rd Annual Report**
2016 - 2017

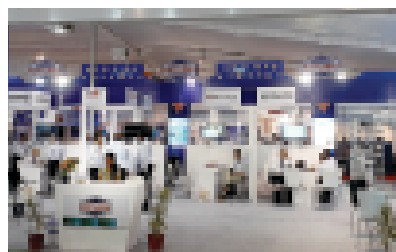


EXHIBITIONS


ITME 2016, BEC, Mumbai



KNITTECH 2017, Tirupur



TEXTILE EXPO 2017, Surat

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 154



ROAD SHOW 2016-17

32 cities – 12 states – 90 days



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Nirmal Bhogilal	Chairman
Mr. Vivek Sharma	Managing Director
Mr. Ameet Hariani	Director
Mr. Eknath Kshirsagar	Director
Mr. George Verghese	Director
Mrs. Sheela Bhogilal	Director
Mr. Subodh Bhargava	Director
Mr. Ulrich Duden	Director (Resigned w.e.f. 25.10.2016)
Mr. Vijay Kirloskar	Director

CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal	Chairman
Mr. Vivek Sharma	Managing Director
Mr. Daniel Vaz	C.E.O. Textile Air Engineering Group
Mr. Pradeep Pradhan	C.E.O. Machine Tool Group Air Conditioning and Refrigeration Group
Mrs. Prema Chandrasekhar	Chief Financial Officer
Mr. Sanjiv Joshi	C.E.O. Environmental Engineering Group
Ms. Namita Thakur	Company Secretary (Resigned w.e.f. 31.08.2016)
Mrs. Sarika Singh	Company Secretary (Appointed w.e.f. 25.10.2016)

REGISTERED & CORPORATE OFFICE

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

CIN NO.

L52320MH1941PLC003494

FACTORY

P.O. Fateh Nagar, Surat Navsari Road, Udhna -394 220

AUDITORS

Statutory Auditors

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

Secretarial Auditor

M/s. Ashish Bhatt & Associates
Company Secretaries

Cost Auditors

M/s. Talati & Associates
Cost Accountants

Internal Auditors

M/s. Aneja Associates
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

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

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NOTICE

NOTICE is hereby given that the 73rd Annual General Meeting of **BATLIBOI LIMITED**, will be held on Thursday, 29th June, 2017 at 11:00 a.m. IST at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber, Churchgate, Mumbai - 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt :
 - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, together with the Reports of the Directors and the Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the Report of the Auditors thereon.
2. Re-appointment of Mr. Nirmal Bhogilal- Chairman & Whole Time Director (DIN No.00173168) as a Director liable to retire by rotation.
3. Appointment of Statutory Auditors.

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, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. Mukund M. Chitale & Co. Chartered Accountants (Firm Regn. No. 106655W) Mumbai be and are hereby appointed as Statutory Auditors of the Company in place of M/s. V. Sankar Aiyar & Co., Chartered Accountants (Regn. No 109208W), whose tenure expires at the ensuing Annual General Meeting, at such remuneration plus reimbursement of out-of pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors;

RESOLVED FURTHER THAT M/s. Mukund M. Chitale & Co. Chartered Accountants, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Seventy Third Annual General Meeting till the conclusion of Seventy Eighth Annual General Meeting of the Company subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting;

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

SPECIAL BUSINESS:

4. To approve Remuneration of Cost Auditors.

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 other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Talati & Associates, Cost Accountants (Firm Regn. No. 00213) appointed as the Cost Auditors of the Company by the Board of Directors based on the recommendation of Audit Committee for the conduct of the audit of the cost records of the Company for the financial year 2017-18 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus reimbursement of the travelling and other out-of-pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper 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 carrying voting rights. Members holding more than ten percent of the total Share Capital of the Company carrying voting rights 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) 86 m.
 - Turn right onto IMC Marg (Venue will be on Left).

Venue:

Walchand Hirachand Hall,
4th 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 Friday, 23rd June, 2017 to Thursday, 29th June, 2017 (both days inclusive).

5. Any change of particulars including address, bank mandate and nomination for shares held in demat form should be notified only to the respective Depository Participants (DPs) where the member has opened his/her demat 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. Tel No.: 022-66712151-56 Fax No: 022-66712011 Email: investorsqry@dfssl.com website www.datamaticsbpo.com
6. 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.
7. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
8. Members may note that Notice of the AGM along with the Annual Report 2016-17 will also be available on the Company's website at www.batliboi.com.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has provided 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. IST on Monday, 26th June, 2017 and ends at 5.00 P.M. IST on Wednesday, 28th June, 2017. The Company has appointed Mr. Ashish Bhatt, Practicing Company Secretaries to act as the Scrutinizer, for conducting the scrutiny of the votes cast.

The facility for voting through ballot/polling paper shall also be made available at the venue of the AGM. The Members attending the AGM, who have not cast their vote through e- voting shall be able to exercise their voting rights at the AGM. The Members who have already cast their vote through e-voting may attend the AGM but shall not be entitled to cast their vote again at the AGM.

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

EVSN for Batliboi Limited - 170529001

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

- (i) The voting period begins at 9.00 A.M. IST on Monday, 26th June, 2017 and ends at 5.00 P.M. IST on Wednesday, 28th June, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd June, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on “Shareholders” / Members
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below.

	For Members holding shares in Demat Form and Physical Form
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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
	If both the details are not recorded with the depository or company please enter the member Id / folio number in the Dividend Bank details filed as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Batliboi Ltd. on which you choose to vote.

- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (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 and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xix) 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.com under help section or write an email to helpdesk.evoting@cdslindia.com or you can contact Mrs. Sarika Singh, Company Secretary, Batliboi Ltd at 022-66378200 / 256 or sarika.singh@batliboi.com.

11. 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. IST to 5:00 p.m. IST) on all working days except Saturdays, Sundays and Public Holidays upto and including the date of the Annual General Meeting of the Company.

By order of Board of Directors

Sarika Singh
Company Secretary

Place: Mumbai
Date: 16th May, 2017

Registered Office:
Bharat House, 5th Floor,
104, Bombay Samachar Marg,
Fort, Mumbai - 400 001.
www.batliboi.com

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

Item No. 4

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint cost auditors to audit the cost records of the Company.

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. Talati & Associates, Cost Accountant to conduct the audit of the cost records of the Company for the Financial Year 2017 - 18 at a remuneration of Rs. 50,000/- p.a. plus out of pocket expenses incurred, if any in connection with the cost audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditor for the financial year 2017-18.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for the approval of the Members.

By order of Board of Directors

Sarika Singh
Company Secretary

Place: Mumbai

Date: 16th May, 2017

Registered Office:
Bharat House, 5th Floor,
104, Bombay Samachar Marg,
Fort, Mumbai - 400 001.
www.batliboi.com

ANNEXURE TO ITEM NO. 2 OF THE NOTICE

Details of Director seeking re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India.

Name of the Director	Mr. Nirmal Bhogilal (DIN No. 00173168)
Date of Birth	14.05.1949
Nationality	Indian
Date of first appointment on the Board	06.09.1973
Qualifications	B.Sc (Engg), Chemical Engg (London University), A.C.G.I. Committee member- CII National Council.
Expertise in specific functional Area	He is having practical experience of 44 years in managing Machine Building & Engineering Industry.
Number of Shares held in the Company	1,42,29,713
Number of Board Meetings attended during the year	4
List of Directorships held in other Companies*	<ul style="list-style-type: none">• Batliboi Limited• Eimco Elecon India Limited.
Chairman/Member in the Committee of the Boards of Companies in which he is a Director*	<ul style="list-style-type: none">• Batliboi Limited• Eimco Elecon India Limited.
Relationship between Directors inter-se	Mrs. Sheela Bhogilal is wife of Mr. Nirmal Bhogilal, Chairman and Whole - Time Director.

Note : * Directorship includes only Indian Public Companies and Committee membership includes only Audit Committee and Stakeholders Relationship Committee of Public Limited Companies.

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 73rd Annual Report together with the Audited Accounts for the financial year ended 31st March, 2017.

1. FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	For the Year ended			
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Standalone	Standalone	Consolidated	Consolidated
Gross Turnover (Including Indirect Sales)	36,392.33	33,903.34	46,190.75	45,080.90
Total Income	10,675.88	10,380.60	20,660.23	21,791.49
PBDIT	(560.03)	(651.92)	(403.09)	(145.48)
Less: Finance Cost	515.81	725.54	801.45	875.39
Less: Depreciation	216.69	215.64	551.16	616.20
Profit/(Loss) Before Tax & Exceptional Items	(1,292.53)	(1,593.10)	(1,755.70)	(1,637.07)
Exceptional items: Income/(expenses)	593.95	1,629.61	593.95	1,629.61
PBT	(698.58)	36.51	(1,161.75)	(7.46)
Provision of Taxation : Current Tax	0	7.00	(25.30)	(30.59)
Deferred Tax	4.50	45.00	4.50	41.54
Mat credit available for set off	0	(7.00)	0	(7.00)
Tax adjustments in respect of earlier years	0	2.87	0	2.87
PAT	(703.08)	(11.36)	(1,140.95)	(14.28)

2. REVIEW OF OPERATIONS AND OUTLOOK

During the financial year 2016-17, turnover of the standalone company has increased by 3% and the sales downward trend of the last 3 years has been reversed.

Machine Tools sales increased by 12%, whereas Textile Division sales reduced by 3%. Machine Tools is in turnaround mode and has reduced its losses by Rs. 516 lakhs. Textile Engineering Division profits decreased by Rs. 210 Lakhs due to lower sales.

The cost reduction and quality improvement programs in Machine Tools have resulted in reversing the trend. The company has improved its sales performance in private sector.

Textile Engineering Group sales decreased due to lower demand of Spinning Machineries. The growth in knitting sector resulted in good orders in 2016-17 but due to longer deliveries sales postponed to 2017-18.

Our economy is looking up and with the government's focus on 'Make in India', infrastructure, defense equipment manufacturing etc. The demand for the capital goods will grow. Hence, the outlook for your company is promising.

3. DIVIDEND

In view of operating losses for the year, your Directors do not recommend any Dividend for the year ended 31st March, 2017.

4. TRANSFER TO RESERVES

The loss for the Year is Rs. (703.08) Lakhs. Loss of Rs. (703.08) Lakhs is debited to the Profit and Loss account.

5. SHARE CAPITAL

During the financial year 2016-17, there is no change in the Authorized, Issued, Subscribed and Paid-up share capital of the Company. As on 31st March, 2017, the Company is having Authorized share capital of Rs. 30,01,00,000 comprising of 4,61,70,400 Equity Shares of Rs. 5 each and 6,92,480 Preference shares of Rs. 100 each. The Issued, Subscribed and Paid-Up Share Capital of the Company as on 31st March, 2017 is Rs. 21,28,27,415. During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

6. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Subsidiary Companies

i) Quickmill Inc., Canada

Quickmill Inc. headquartered in Peterborough, Canada is engaged in manufacturing and sale of large size Gantry Drilling and Milling Machines. Its customers are mainly from Energy, Structural Steel & Job Shop manufacturing sectors.

The sales of Quickmill Inc. has reduced from CAD 8.5 million to CAD 6.7 million and the loss has increased from CAD 2,74,000 to CAD 4,80,000. The performance of the company is affected due to low oil prices and therefore less demand from Americas and Middle East markets for such machineries.

Quickmill has already shown sign of improvement in 4th quarter of 2016-17. The change in policies in USA towards more local manufacturing and focus on oil & gas sector augurs well for the prospect of Quickmill in 2017-18.

ii) AESA Air Engineering, France

AESA SA is head quartered 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.

The sales of French subsidiary, AESA has reduced by 4%, from Euro 9.8 million in 2015-16 to Euro 9.4 million in the current year. The profitability has reduced from Euro 2,09,000 to Euro 59,500.

AESA begins 2017-18 with healthy orders backlog with focus on new market and with restructuring of AESA India. The company expects improved performance in 2017 - 18.

During the financial year 2016 - 17, no company has become or ceased to be subsidiary of the company and no material change in the nature of the business of the existing subsidiaries has taken place.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company with its Subsidiaries forms part of the Annual Report and the Accounts in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and applicable Accounting Standards prescribed by The Institute of Chartered Accountants of India.

The Board of Directors of the Company reviewed the affairs of subsidiaries of the Company. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further a statement containing salient features of the financial statements of the Company's subsidiaries is given in Form No. AOC-1 at the end of this Report. The Company will make available the accounts of subsidiaries to any member of the Company on request.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Re-appointment of Mr. Nirmal Bhogilal

As per the provisions of Companies Act, 2013, Mr. Nirmal Bhogilal, Chairman & Whole Time Director will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommends his re-appointment.

ii) Resignation of Mr. Ulrich Duden

Mr. Ulrich Duden, Non-Executive Independent Director has resigned from Directorship of the Company with effect from 25.10.2016 due to his pre-occupancy with other commitments.

iii) Company Secretary (Key Managerial Personnel)

Mrs. Sarika Singh appointed as Company Secretary & Compliance Officer with effect from 25.10.2016 in place of Ms. Namita Thakur who resigned from the post of Company Secretary & Compliance Officer with effect from 31.08.2016.

8. INDEPENDENT DIRECTORS DECLARATION

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided therein and also none of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

9. BOARD EVALUATION

In compliance with the Companies Act, 2013 and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the annual performance evaluation of

the Non-Independent Directors, Chairman and the Board as a whole (including its Committees) was carried out in the separate meeting of Independent Directors.

Independent Directors, in their separate meeting, held on 14th March, 2017 reviewed performance of the Non Independent Directors, Chairman and Board as a whole including committees, the same was shared with the Board on its meeting held on 16th May, 2017. All the directors present participated in the discussion & suggested areas of improvement/changes. Assessment of Independent directors was shared with the Chairman of the Board, who had one to one feedback session with them. Independent Directors, in their separate meeting, also reviewed the performance of the Chairman after taking into account the views of all the Directors.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation of Independent Directors in its Meeting held on 16th May, 2017 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

10. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programme seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

The policy on Company's familiarisation programme for Independent Directors is posted on the Company's website www.batliboi.com.

11. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company was revised on 30th January, 2016 in line with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration policy is posted on the Company's website www.batliboi.com. The more details about the Nomination and Remuneration policy is provided in corporate governance report.

12. NUMBER OF MEETINGS OF THE BOARD

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

During the year, four (4) Board Meetings and four (4) Audit Committee Meetings were held. The details of which are given in Corporate Governance Report that forms part of this Annual Report.

13. CORPORATE GOVERNANCE

In terms of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), a Report on Corporate Governance along with Compliance Certificate issued by Statutory Auditor of the Company forms integral part of this Report.

14. EMPLOYEE STOCK OPTION PLAN

The Company has implemented Employees Stock Option Plan (ESOP) with a view to encourage, reward and retain the employees and to give them an opportunity to participate in the growth of the Company in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [applicable till October 27, 2014] and SEBI (Share Based Employee Benefits) Regulations, 2014 [applicable from October 28, 2014] duly approved by the Members at their Extra - Ordinary General Meeting held on

13th December, 2011. During the year 2016-17, 1,30,000 Options were lapsed, which has been added back to the available bank and the same will be used for issue of options.

The disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 and Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are set out in '**Annexure A**' to this Report.

A Certificate from the Statutory Auditors of the Company as required under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2014 shall be placed at the ensuing Annual General Meeting for inspection by the Members.

15. FIXED DEPOSITS

The Company has not accepted any deposits from the public/members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

17. 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 and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions between the Company and the Promoters, Directors, Key Managerial Personnel, Subsidiaries, relatives or other designated persons, which may have a potential conflict with the interest of the Company at large. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

All Related Party Transactions were placed before the Audit Committee and have been approved by the Board. Omnibus approval is obtained for the transactions that are foreseen and repetitive in nature.

Your Company has formulated a policy on related party transactions, which is also available on Company's website www.batliboi.com.

18. AUDIT COMMITTEE COMPOSITION

The details pertaining to composition of Audit Committee are included in Corporate Governance report, which form part of this Report.

19. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In accordance with the provisions of Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted vigil mechanism policy in place to enable the Directors and employees to have direct access to the Chairman / 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 at www.batliboi.com

20. HUMAN RESOURCE

The total numbers of employees in the Company were 366 as on 31st March, 2017. Technical training for manufacturing personnel was conducted at the Company's manufacturing unit at Udhna. Topics including Lean Manufacturing, 7 QC Tools, Metal Cutting Tools, Welding Technology, Kaizen, ISO 9001 awareness, First Aid & Safety awareness, Communication Skills, were covered during the sessions. 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 operations. The same is reviewed by the Board from time to time and appropriate actions are taken as directed.

21. CORPORATE SOCIAL RESPONSIBILITIES (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.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Companies Act, 2013, Regulation 34(2)(e) read with Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) is given in this Annual Report for the year under review.

23. AUDITORS

Statutory Auditors and Statutory Audit Report

The tenure of Statutory Auditors M/s. V. Sankar Aiyar & Co., Chartered Accountants expires at the ensuing Annual General Meeting. As per the recommendation of the Audit Committee and the Board of Directors, M/s. Mukund M. Chitale & Co. Chartered Accountants, Mumbai (ICAI) Firm Registration No. 106655W are proposed to be appointed as Statutory Auditors of the Company in place of M/s. V. Sankar Aiyar & Co., Chartered Accountant (ICAI) Firm Regn. No 109208W subject to approval of shareholders. M/s. Mukund M. Chitale & Co., have confirmed their eligibility under Section 139 and 141 of the Companies Act, 2013 and the rules framed there under for appointment as Auditors of the Company. As required under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Statutory Auditors M/s. V. Sankar Aiyar & Co., Chartered Accountants have issued their reports on Standalone & Consolidated Financial Statements for the financial year 2016-17.

No frauds have been reported by the Statutory Auditors during the financial year 2016-17 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

The Auditor has commented on the payment of the remuneration in excess of the ceiling under Schedule V of the Companies Act, 2013 up to September 12, 2016 but the Company had applied to the Central Government for payment/waiver of excess remuneration. The approval for the same is awaited.

Cost Auditors and Cost Audit Report

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board has, on the recommendation of the Audit Committee, appointed M/s. Talati & Associates, Cost Accountants at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus service tax as applicable and reimbursement of out of pocket expenses as may be incurred for conducting the Cost Audit for the financial year 2017-18. Prof. V. J Talati is having Fellow Membership no. 2203. Their Firm Registration No. 00213.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, a resolution seeking Members' ratification for the remuneration payable to the Cost Auditor forms part of the Notice convening the ensuing Annual General Meeting.

The Company has filed the Cost Audit Report for the financial year ended 31st March, 2016 submitted by M/s. Talati & Associates, Cost Accountants on 5th October, 2016. The Cost Audit Report for the financial year ended 31st March, 2017 will be filed in due course.

Secretarial Auditors and Secretarial Audit Report

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, Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2017-18.

The Secretarial Audit Report for the FY 2016-17 contains observation for the payment of remuneration to the new Managing Director appointed with effect from February 1, 2016, in excess of the ceiling under schedule V of the Act up to September 12, 2016, but the Company has applied to the Central Government for payment/waiver of excess remuneration approval for the same is awaited. There is no other reservation, adverse remark or disclaimer. The Secretarial Audit Report has been given in the **Annexure 'B'** to this Report.

Internal Auditors and Internal Audit Report

In accordance with the provisions of Section 138(1) of the Companies Act, 2013, the Company has appointed M/s. Aneja Associates, Chartered Accountants as Internal Auditor of the Company for the Financial Year 2017 - 18. The Audit Committee reviews the findings made by the Internal Auditors in their Report on quarterly basis and makes necessary recommendations to the management.

24. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

In terms of the erstwhile provisions of Section 205C of the Companies Act, 1956, the Company had transferred Unpaid or Unclaimed dividend and interest thereon which remained unclaimed or unpaid for a period of 7 years from the date it become due for payment to the Investors Education & Protection Fund (IEPF) established by the

Central Government. The list of Unclaimed Dividend transferred to IEPF is uploaded on Company's website at www.batliboi.com. As on 31st March, 2017, the Company do not have any unpaid dividend due to be transferred to Investor Education and Protection Fund.

Thus, any claimant of dividend transferred above shall be entitled to claim the dividend from Investor Education and Protection Fund (IEPF) in accordance with such rules, procedure and submission of documents as prescribed by the Central Government in this regard.

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

The information on conservation of energy, technology, absorption and foreign exchange earnings and outgo as stipulated in Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in the 'Annexure C' forming part of this Report.

26. LISTING

Presently, 2,87,15,883 Equity Shares are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (Scrip Code: 522004) and the Company has paid the Annual listing fees for the financial year 2017-18.

Further, the Company has obtained Listing and trading approval for 16,80,000 Equity Shares of Rs. 5/- each issued and allotted by the Board of directors of the Company at their meeting held on 21.04.2009 pursuant to the Scheme of Amalgamation between Batliboi SPM Pvt. Ltd. ("Transferor Company") and Batliboi Ltd. ("Transferee Company"). The Company has also obtained Listing and trading approval for 33,333 Equity Shares of Rs. 5/- each fully paid up issued and allotted pursuant to exercise of options granted under the ESOP in the Board meeting held on 27th January, 2015.

27. SAFETY AUDIT

As per the Company's practice, safety audit is conducted once in two years. Accordingly, Safety Audit was conducted on 2nd & 3rd May, 2017 by an Independent Consultant, Mr. Yogesh Nanavati.

28. DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. As required under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and Rules framed there under, the Company has implemented a policy on prevention, prohibition and redressal of Sexual harassment of Women at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Accordingly, an Internal Complaint Committee has been formed and the policy on 'Anti-Sexual Harassment' is posted on the website of the Company at www.batliboi.com.

Matters handled by Internal Complaint Committee during the year 2016-17, 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: NIL

29. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as provided under Section 92(3) of the Companies Act, 2013 and as prescribed in Form No. MGT-9 of the Companies (Management and Administration) Rules, 2014, is appended as '**Annexure D**' to this Report.

30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There have been no significant and material orders passed by the regulators or courts or tribunals affecting the going concern status and the Company's operations in future.

31. PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of the employees of the Company are annexed to this report as '**Annexure E**'.

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees are in receipt of remuneration in excess of the limits set out in the said Rules.

32. INTERNAL FINANCIAL CONTROL

The Audit Committee has established and maintained an effective Internal Control over financial reporting. Standard operating practices have been laid down and are being followed. The criterion is also being audited and management has taken effective steps to ensure adequate control over financial reporting.

33. RISK MANAGEMENT

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. In line with corporate best practices, your Company assesses the risks in the internal and external environment which will monitor, evaluate and execute all mitigation actions in this regards and takes all measures necessary to effectively deal with incidences of risk. Adequate risk management framework capable of addressing the risks is in place.

34. MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR

During the year, the Company has concluded the process of sale of its industrial land situated at Plot no. 24, Veerasandra Industrial Area in Survey Nos. 32 and 33 (Pt.) of Veerasandra Village, Attibele, Hobli, Anekal Taluka, Bangalore District. The transaction was not a related party transaction and the buyer was not related to the Promoter / Promoter group / Key Managerial Personnel.

35. 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) of the Companies Act, 2013:-

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for year ended 31st March, 2017;

- c) 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;
- d) they have prepared the Annual Accounts on a going concern basis;
- e) that proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

36. 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 in India and in countries in which the Company conducts business, litigation, industrial relations and other incidental factors.

37. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 16th May, 2017

Nirmal Bhogilal
Chairman
(DIN No. 00173168)

Vivek Sharma
Managing Director
(DIN No. 01541498)

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosures pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations, 2014 [Applicable from October 28, 2014]

Details of ESOP (Batliboi Stock option Plan through Direct Allotment Route)

- I. Date of shareholders approval for the ESOP is 13th December, 2011
 Total Number of options approved under ESOP is 28,68,255
 Exercise price for the below option is Rs. 15.75 per shares

Year of Grant	2011-12 1st Lot	2014-15 3rd Lot	2015-16 4th Lot	2016-17	Total
Total No of Options Approved /Granted	10,00,000	3,50,000	2,50,000	Nil	16,00,000
Vesting Requirement	The Options granted would vest in to the eligible employee in three (3) equal Installments, 1/3 of option granted will vest after 36 Months from the date of grant of option and 1/3 after 48 Months and remaining 1/3 after 60 Months from the date of grant of option.				
Exercise Price or Pricing Formula	The exercise price shall be the closing price of the Company's Equity shares quoted on the Stock Exchange immediately prior to the date of Grant of the Options, which for this purpose shall be the date on which the Nomination and Remuneration/Compensation committee meets to make its recommendations for the grant of Options. The Committee may, at its sole discretion, consider a discount to such closing price.				
Source of shares	Primary				
Maximum Term of Option Granted	5 years from vesting of option				
Variations in the terms of Options	-	-	-	-	-
Method used to account for ESOS	Intrinsic Value Method				
Number of options outstanding at the beginning of the options	7,25,000	3,40,000	2,50,000	-	13,15,000
No of options granted during the year	N.A	N.A	N.A	-	-
No of Options Forfeited/ Lapsed during the year	(50,000)	(30,000)	(50,000)	-	(1,30,000)
No of Options Vested during the year	2,25,000	-	-	-	-
No of Options Exercised during the year	-	-	-	-	-
No of shares arising as results of exercise of option	-	-	-	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	-	-	-	-
Option vested - to be exercised in future	6,41,667	-	-	-	6,41,667
Options to be vested	-	3,10,000	2,00,000	-	5,10,000
Number of options outstanding at the end of the year	-	3,10,000	2,00,000	-	5,10,000

II. Option movement during the Year

Year of Grant	2011-12 1st Lot	2014-15 3rd Lot	2015-16 4th Lot	2016-17	Total
Number of options outstanding at the beginning of the options	7,25,000	3,40,000	2,50,000	-	13,15,000
No of options granted during the year	N.A	N.A	N.A	-	-
No of Options Forfeited/ Lapsed during the year	(50,000)	(30,000)	(50,000)	-	(1,30,000)
No of Options Vested during the year	2,25,000	-	-	-	-
No of Options Exercised during the year	-	-	-	-	-
No of shares arising as results of exercise of option	-	-	-	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	-	-	-	-
Option vested - to be exercised in future	6,41,667	-	-	-	-
Options to be vested	-	3,10,000	2,00,000	-	5,10,000
Number of options outstanding at the end of the year	-	3,10,000	2,00,000	-	-

III. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –N.A

IV. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: N.A

- (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;
- (b) the method used and the assumptions made to incorporate the effects of expected early exercise;
- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
- (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. –Since no options were granted and Exercised during the year.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

[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.

We 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). The Secretarial Audit was conducted in a manner, which provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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, 2015;
 - (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.

We 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);
- (iii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 the company has paid remuneration to the new Managing Director appointed with effect from February 1, 2016, in excess of the ceiling under schedule V of the Act up to September 12, 2016 but the Company has applied to the Central Government for payment/waiver of excess remuneration.

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.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has passed the following special resolution which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. To give any Loan, guarantee or provide security or to acquires securities of any other body corporate as per section 186 of the Act.

For **Ashish Bhatt & Associates**

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: 16th May, 2017

ANNEXURE 'C' TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

Manufacturing Facilities at Udhna.

- (i) The steps taken or impact on conservation of energy:

We are running one shift for the machine shop and assembly except very few machines 4 hours additional. The weekly off is kept common on Sunday instead of two separate for Shop and offices.

- (ii) The steps taken by the company for utilizing alternate sources of energy:

LED lights are installed in shop and assembly.

- (iii) The capital investment on energy conservation equipment's:

Capacitors are installed in MTU and TAE for power factor improvement. For Foundry the same are ordered and expected next month (June, 2017)

Quickmill Inc.

It has replaced doors in the production & lunchroom area towards conservation of energy.

AESA SA

Energy conservation is a continuously on-going topic with developments into:

- promotion of modification of existing older LTG washer systems with new nozzle, spray bank and washer pumps.
- Promotion of chilled water systems with inverter controlled pumps.
- Promotion of fully inverter controlled humidification and a/c-systems for energy-efficient r.h. and temperature control.

B. TECHNOLOGY ABSORPTION

- I. Efforts made towards Technology Absorption:

Company made efforts in introducing new technologies for MTU CNC machines and developed new Products for MTU and TAE.

- II. Benefits derived like product improvement, cost reduction, product development or import substitution:

Machine Tools.

- New VMC, CH-80 is designed and introduced in market. This will improve the market share.
- New designed spindles introduced for CNC lathes. This will enhance the performance of our machines and improve market share.
- Significant amount of engineering hours spent in improving reliability and aesthetics of CNC machines.
- New patterns for CNC machines were built to save material cost and better design.

Textile Air Engineering

- New Stripper Fan for Waste Collection System
- Bigger size RDF with 5 sections
- U-PVC Riser pipes instead of GI
- Re-engineering control panel
- Re-engineering with Screen Filter in place of Inertial Fibre Separator for Comber Noil
- Development of measurement methods for establishment Ring Frame cleanliness
- Universal door
- Differential Pressure Transducer with data logger

Benefits Derived

- Better system performance
- Improved Reliability of product
- Optimisation of cost

Expenditure on R&D

Total Expenditure incurred Rs.2.5 Lakhs (Previous Year Rs. 126.84)

AESA SA

Equipment	Type of work	Reason	Result / action
Washer	Development of new air-inlet	reduce energy consumption & cost, easier maintenance	Trial run in India result: technical solution, sales argument, energy saving
Washer	Development of drop eliminator arrangement	reduce cost, easier maintenance	Trial run in India result: technical solution, sales argument
Drum filter	Development of new suction nozzles	reduce cost, easier maintenance, longer lifetime	Trial run in Indonesia result: technical solution, sales argument
Digivent	Upgrading of Digivent functions	easier usage	Implemented result: technical solution, sales argument

Benefits Derived

- Lower energy consumption
- Performance improvement
- Cost savings
- Sales arguments

Expenditure on Research and Development (R&D)

Company is planning following R&D / Development work. Investment will be Euro 5,000.

Equipment	Type of work	Reason	Result / action
TFB	Review of overall TFB design for easier maintenance and reduced cost	market requirement	On-going review
General	Review of overall equipment quality and looks / design	market requirement	On-going review

Quickmill Inc.

- Designing of 5 face Head is going on. This will give versatility to the machine.
- CE marking project is completed and this will allow to export to European customers.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): No new technology imported in last three years.

- a. The details of technology imported: NIL
- b. The year of import: N.A
- c. Whether the technology been fully absorbed: N.A
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year ended 31st March, 2017, Foreign Exchange earnings were Rs.961.11 Lakhs (Previous Year Rs. 994.49 Lakhs) and the Foreign exchange outgo was Rs. 11.35 Lakhs (Previous Year Rs. 14.97 Lakhs). For further details, Note no. 15 (IX) and 15 (VII) to the Accounts may be referred to.

**Annexure 'D' to the Directors Report
EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31st March, 2017
[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

CIN	L52320MH1941PLC003494
Registration Date	06/12/1941
Name of the Company	BATLIBOI LIMITED
Category/Sub-Category of the Company	Company Limited by Shares
Address of the Registered Office and contact details	Bharat House, 5 th Floor, 104, Bombay Samachar Marg, Fort, Mumbai - 400 001. Tel: +91 (22) 66378200/256 Fax: +91 (22) 2267 5601 Email: investors@batliboi.com website: www.batliboi.com
Whether listed Company (Yes/No)	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Datamatics Financial Services Ltd., Plot No. A/16 &17, MIDC Part B, Cross Lane, Marol, Andheri (East), Mumbai 400093. Tel No.: 022-66712151-56 Fax No: 022-66712011 Email: investorsqry@dfssl.com website: www.datamaticsbpo.com

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

Sr. No	Name and Description of main products/services	NIC Code of the Product/service	%to total turnover of the Company
1	MTU-General Purpose Machine & Computerically Numerically Control Machine	84583090,84592930,84595110,84595120,94595130, 84669390	37.96%
2	BTMG-Commission Agents in India for International Textile Machinery Manufacturers and after sale services.	46103	15.36%
3	TAE - ALU Profile, TAE Fan, Part of Fan, Part of Filter & Fibre Compactors and Semi Centra Unit	76042100,84145930,84149040,84219900, 84798920	35.04%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name of the Subsidiary Company	CIN/GLN	Holding/Subsidiary / Associate	% of Shares held	Applicable
1	Queen Project (Mauritius) Ltd. Les Cascades Building Edith Cavell Street, Port Louis Republic of Mauritius	Foreign Company	Subsidiary	100%	2 (87)

Sr. No.	Name of the Subsidiary Company	CIN/GLN	Holding/Subsidiary / Associate	% of Shares held	Applicable
2	Vanderma Holdings Ltd.35, Thekla Lysioti Street Eagle Star House, 6th Floor 3030 Limassol Cyprus	Foreign Company	Subsidiary	100%	2 (87)
3	Pilatus View Holdings AG, Switzerland C/o Urs Kuchler Treuhand AG, Brunigstrasse 256055 AlpnachDorf	Foreign Company	Subsidiary	100%	2 (87)
4	Quickmill Inc. 760 Rye Street, Peterborough, Ontario, Canada K9J6W9.	Foreign Company	Subsidiary	100%	2 (87)
5	AESA Air Engineering S. A. 78 Faubourg des Vosges - BP 80135, 68804 THANN CEDEX - FRANCE	Foreign Company	Subsidiary	70%	2 (87)
6	AESA Air Engineering Private Limited 357, 2nd Floor, Patparganj Industrial Area - Delhi - 110092	U74899DL1994PTC063732	Subsidiary	70%	2 (87)
7	AESA Air Engineering Limited 50, Bukit Batok Street 23# 06 - 16 Midview Building, Singapore 659578	Foreign Company	Subsidiary	70%	2 (87)
8	Aesa Air Engineering Pte Limited #609 - 611 B & H Plaza, Nanhai Rd., Shekou, Nanshan District, Shenzhen, China 518067	Foreign Company	Subsidiary	70%	2 (87)
9	760 Rye Street Inc. 760 Rye Street, Peterborough, Ontario, Canada K9J6W9.	Foreign Company	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	
(I)	(II)									
(A)	Promoters									
1	Indian									
(a)	Individuals/HUF	2,00,51,567	0	2,00,51,567	69.83	1,55,51,567	0	1,55,51,567	54.16	15.67
(b)	Central Government	0	0	0	0	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0	0	0	0	0.00	0.00
(d)	Bodies Corporate	14,59,000	0	14,59,000	5.08	14,59,000	0	14,59,000	5.08	0.00
(e)	Banks / FI	0	0	0	0	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0	0	0	0	0.00	0.00
	Trust	0	0	0	0	45,00,000	0	45,00,000	15.67	15.67
	Sub Total (A)(1)	2,15,10,567	0	2,15,10,567	74.91	2,15,10,567	0	2,15,10,567	74.91	0.00
2	Foreign									
(a)	NRIs - Individuals	0	0	0	0	0.00	0.00	0.00	0.00	0.00
(b)	Other - Individuals	0	0	0	0	0.00	0.00	0.00	0.00	0.00
(c)	Bodies Corporate	0	0	0	0	0.00	0.00	0.00	0.00	0.00
(d)	Banks / FI	0	0	0	0	0.00	0.00	0.00	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0	0.00	0.00	0.00	0.00	0.00
(f)	Any Other (specify)	0	0	0	0	0.00	0.00	0.00	0.00	0.00
	Sub Total (A)(2)	0	0	0	0	0.00	0.00	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter									
	Group (A)=(A)(1)+(A)(2)	2,15,10,567	0	2,15,10,567	74.91	2,15,10,567	0	2,15,10,567	74.91	0.00

(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Banks / FI	100	800	900	0.00	0	800	800	0.00	0.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	600	0	600	0.00	600	0	600	0.00	0.00
(g)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(1)	700	800	1500	0.01	600	800	1400	0.00	0.00
2	Non-institutions									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(a)(i)	Indian	24,87,963	29,050	25,17,013	8.77	21,24,685	29,050	21,53,735	7.50	-1.26
(a)(ii)	Overseas	0	8,46,970	8,46,970	2.95	0	8,46,970	8,46,970	2.95	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)(i)	Individuals - shareholders holding nominal share capital up to Rs 1 Lakh	26,56,020	5,61,295	32,17,315	11.20	29,78,007	5,51,931	35,29,938	12.29	1.08
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	5,63,222	0	5,63,222	1.96	6,04,673	0	6,04,673	2.10	0.14
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.0	0.0
(d)	Other (specify)	0	0	0	0.00	0	0	0	0.0	0.0
d-i	NRI Rep	44,033	1100	45,133	0.16	55,247	1,100	56,347	0.20	0.04
d-ii	NRI Non-Rep	13,963	200	14,163	0.05	11,053	200	11,253	0.04	0.01
d-iv	Foreign Bodies	0	0	0	0.00	0	0	0	0.0	0.0
d-v	Foreign National	0	0	0	0.00	0	0	0	0.0	0.0
	Sub Total (B)(2)	57,65,201	14,38,615	72,03,816	25.09	57,73,665	14,29,251	72,02,916	25.1	-0.00
	Total Public Shareholding (B)=(B)(1)+(B)(2)	57,65,901	14,39,415	72,05,316	25.09	57,74,265	14,30,051	72,04,316	25.1	-0.00
	Total (A+B)	2,72,76,468	14,39,415	2,87,15,883	100.00	2,72,84,832	14,30,051	2,87,14,883	100.0	0.0
(C)	Custodians for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.0000
	GRAND TOTAL (A)+(B)+(C)	2,72,76,468	14,39,415	2,87,15,883	100.00	2,72,84,832	14,30,051	2,87,14,883	100.0	0.0000

(ii) Shareholding of Promoters

Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares to Pledged / encumbered total shares	
1 Bhogilal Family Trust	0	0	0	45,00,000	15.67	0	15.67
2 Mr. Nirmal Bhogilal	1,87,29,713	65.22	0	1,42,29,713	49.55	0	-15.67
3 Mrs. Sheela Bhogilal	8,41,022	2.92	0	8,41,022	2.92	0	0
4 Mr. Kabir Bhogilal	4,54,176	1.58	0	6,18,200	2.15	0	0
5 Mrs. Maya Goyel	18,296	0.06	0	6,00,000	2.08	0	0
6 Mrs. Dharini B. Anand	2,680	0.00	0	4,54,176	1.58	0	0
7 Mrs. Farah Bhogilal	2,000	0.00	0	2,40,800	0.83	0	0
8 Mrs. Chitra Ashokkumar	2,680	0.00	0	18,296	0.06	0	0
9 Mrs. Darshana Bhogilal Gupta	1,000	0.00	0	2,680	0.00	0	0
10 Nirbhag Investments Pvt Ltd	6,18,200	2.15	0	2,680	0.00	0	0
11 Pramaya Shares and Securities Pvt. Ltd.	6,00,000	2.08	0	2,000	0.00	0	0
12 Bhagmal Investments Pvt. Ltd.	2,40,800	0.83	0	1,000	0.00	0	0
TOTAL	2,15,10,567	74.90	0	2,15,10,567	74.90	0	15.67

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	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	Mr. Nirmal Pratap Bhogilal				
	At the beginning of the year	1,87,29,713	65.22	1,87,29,713	65.22
	Decrease during the year [Inter-se transfer (off-market)]	0	0.00	45,00,000	15.67
	At the end of the Year	0	0.00	1,42,29,713	49.55
2	Bhogilal Family Trust				
	At the beginning of the year	0	0.00	0	0.00
	Increase during the year [Inter se transfer (off-market)]	0	0.00	45,00,000	15.67
	At the end of the Year	0	0.00	45,00,000	15.67
3	Mrs. Sheela Bhogilal				
	At the beginning of the year	8,41,022	2.93	8,41,022	2.93
	At the end of the Year	0	0.00	8,41,022	2.93
4	Nirbhag Investment Pvt Ltd				
	At the beginning of the year	6,18,200	2.15	6,18,200	2.15
	At the end of the Year	0	0.00	6,18,200	2.15
5	Pramaya Shares & Securities Pvt. Ltd.				
	At the beginning of the year	6,00,000	2.09	6,00,000	2.09
	At the end of the Year	0	0.00	6,00,000	2.09
6	Mr. Kabir Bhogilal				
	At the beginning of the year	4,54,176	1.58	4,54,176	1.58
	At the end of the Year	0	0.00	4,54,176	1.58
7	Bhagmal Investments Pvt. Ltd				
	At the beginning of the year	2,40,800	0.84	2,40,800	0.84
	At the end of the Year	0	0.00	2,40,800	0.84
8	Mrs. Maya Goyel				
	At the beginning of the year	18,296	0.06	18,296	0.06
	At the end of the Year	0	0.00	18,296	0.06
9	Mrs. Chitra Ashok kumar				
	At the beginning of the year	2,680	0.01	2,680	0.01
	At the end of the Year	0	0.00	2,680	0.01
10	Mrs. Dharini B. Anand				
	At the beginning of the year	2,680	0.01	2,680	0.01
	At the end of the Year	0	0.00	2,680	0.01
11	Mrs. Farah Bhogilal				
	At the beginning of the year	2,000	0.01	2,000	0.01
	At the end of the Year	0	0.00	2,000	0.01
12	Mrs. Darshana Bhogilal Gupta				
	At the beginning of the year	1,000	0.00	1,000	0.00
	At the end of the Year	0	0.00	1,000	0.00

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year		Date of Transaction	Increase /Decrease in shareholding	Reason	Cumulative Shareholding during the year		
		No. of Shares	% of total shares of the Company				No. of Shares the Company	% of total shares of the Company	
1	L & T INFRASTRUCTURE FINANCE COMPANY LIMITED	17,82,000	6.20				17,82,000	6.20	
		Decrease			22-Apr-2016	1,00,000	Transaction in open market	16,82,000	5.85
		Decrease			20-May-2016	1,00,000		15,82,000	5.50
		Decrease			27-May-2016	1,00,000		14,82,000	5.16
		Increase			30-Sep-2016	1,09,253		15,91,253	5.54
		Decrease			07-Oct-2016	1,09,253		14,82,000	5.16
		Decrease			31-Mar-2017	1,00,000		13,82,000	4.81
					At the end of the year 31.03.2017				13,82,000
2	NEWPOND MANAGEMENT LTD	8,46,970	2.94				8,46,970	2.94	
					At the end of the year 31.03.2017		8,46,970	2.94	
3	SMIT SAGAR TRACON PVT LTD	83,910	0.29				83,910	0.29	
		Increase			28-Oct-2016	5,1700	Transaction in open market	1,35,610	0.47
				At the end of the year 31.03.2017			135610	0.47	
4	PRANIR INVESTMENTS PRIVATE LIMITED	1,10,147	0.38				1,10,147	0.38	
					At the end of the year 31.03.2017			1,10,147	0.38
5	LKP SECURITIES LIMITED	47,825	0.16				47,825	0.16	
		Decrease			01-Apr-2016	25	Transaction in open market	47,800	0.16
		Increase			22-Apr-2016	77,600		1,25,400	0.43
		Decrease			29-Apr-2016	1,400		1,24,000	0.43
		Decrease			06-May-2016	41,510		82,490	0.28
		Decrease			13-May-2016	19,864		62,626	0.21
		Increase			20-May-2016	56,415		1,19,041	0.41
		Increase			27-May-2016	67,850		1,86,891	0.65
		Decrease			03-Jun-2016	21,055		1,65,836	0.57
		Decrease			10-Jun-2016	15,801		1,50,035	0.52
		Decrease			17-Jun-2016	1,300		1,48,735	0.51
		Decrease			24-Jun-2016	110		1,48,625	0.51
		Decrease			30-Jun-2016	1,200		1,47,425	0.51
		Decrease			01-Jul-2016	2,000		1,45,425	0.50
		Decrease			08-Jul-2016	800		1,44,625	0.50
		Decrease			15-Jul-2016	221		1,44,404	0.50
		Decrease			22-Jul-2016	2,000		1,42,404	0.49
		Decrease			29-Jul-2016	10,452		1,31,952	0.46
		Increase			12-Aug-2016	450		1,32,402	0.46
		Decrease			19-Aug-2016	5,600		1,26,802	0.44
		Decrease			26-Aug-2016	10,749		1,16,053	0.40
		Decrease			02-Sep-2016	250		1,15,803	0.40
		Decrease			09-Sep-2016	6,550		1,09,253	0.38
Decrease			30-Sep-2016	1,09,253	0	0.000			
Increase			18-Nov-2016	5,000	5,000	0.01			

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year					Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	Date of Transaction	Increase /Decrease in shareholding	Reason	No. of Shares the Company	% of total shares of
				25-Nov-2016	5,000	Transaction in open market	0	0.00
				02-Dec-2016	4,999		4,999	0.01
				09-Dec-2016	15,500		20,499	0.07
				16-Dec-2016	500		19,999	0.07
				23-Dec-2016	19,749		250	0.00
				30-Dec-2016	50		200	0.00
				06-Jan-2017	200		0	0.00
				17-Feb-2017	200		200	0.00
				24-Feb-2017	200		0	0.00
				31-Mar-2017	1,00,000		1,00,000	0.34
				At the end of the year 31.03.2017			1,00,000	0.34
6	PANNA BANKIM	57,778	0.20				57,778	0.20
				At the end of the year 31.03.2017			57,778	0.20
7	CHETANBHAI RAJNIKANTBHAI PAREKH	40,000	0.13				40,000	0.13
	Increase			27-May-2016	5,000	Transaction in open market	45,000	0.15
	Increase			09-Sep-2016	10,000		55,000	0.19
				At the end of the year 31.03.2017			55,000	0.19
8	ANIL BHAVANJI SHAH	54,353	0.18				54,353	0.18
				At the end of the year 31.03.2017			54,353	0.18
9	NADIR BARJORJI GODREJ	53,648	0.18				53,648	0.18
				At the end of the year 31.03.2017			53,648	0.18
10	MSPL LIMITED	50,426	0.17				50,426	0.17
				At the end of the year 31.03.2017			50,426	0.17
11	SHASHANK S KHADE	57,660	0.20				57,660	0.20
	Decrease			27-May-2016	19,003	Transaction in open market	38,657	0.13
	Decrease			03-Jun-2016	38,657		0	0.00
				At the end of the year 31.03.2017			0	0.00
12	HARENDRA D MEHTA SHARE & STOCK BROKERS PVT LTD	50,020	0.17				50,020	0.17
	Decrease			13-May-2016	7020	Transaction in open market	43,000	0.15
	Decrease			20-May-2016	3000		40,000	0.13
	Decrease			10-Jun-2016	1000		39,000	0.13
	Decrease			17-Jun-2016	14000		25,000	0.08
	Decrease			24-Jun-2016	13401		11,599	0.04
	Decrease			30-Jun-2016	11599		0	0.00
	Increase			01-Jul-2016	500		500	0.00
	Decrease			08-Jul-2016	500		0	0.00
	Increase			02-Aug-2016	500		500	0.00
	Decrease			05-Aug-2016	500		0	0.00
				At the end of the year 31.03.2017			0	0.00

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	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
	For each of the Directors				
1	Mr. Nirmal Bhogilal (Director)				
	At the beginning of the year	1,87,29,713	65.22	1,87,29,713	65.22
	Decrease during the year [Inter-se transfer (off - Market)]	0	0.00	45,00,000	15.67
	At the end of the Year	0	0.00	1,42,29,713	49.55
2	Mrs. Sheela Bhogilal (Director)				
	At the beginning of the year	8,41,022	2.93	8,41,022	2.93
	At the end of the Year	0	0.00	8,41,022	2.93
3	Mr. Ameet Hariani (Director)				
	At the beginning of the year	0	0	0	0
	At the end of the Year	0	0	0	0
4	Mr. Vivek Sharma (Managing Director)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
5	Mr. Subodh Bhargava (Director)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
6	Mr. E.A.Kshirsagar (Director)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
7	Mr. George Verghese (Director)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
8	Mr. Vijay Kirloskar (Director)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
9	Mr. Ulrich Duden (Director)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
	Key Managerial Personnel (KMP's)				
10	Mrs. Prema Chandrasekhar (Chief Financial Officer)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
11	Ms. Namita Thakur (Company Secretary)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00
12	Mrs. Sarika Singh (Company Secretary)				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the Year	0	0.00	0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Rs. In Lakhs)

Particulars	Secured excluding Loans deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,718.05	2,239.28	-	3,957.33
ii) Interest due but not paid	-	34.29	-	34.29
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	1,718.05	2,273.57	-	3,991.62
Change in Indebtedness during the financial year				
Addition	213.89	395.18	-	609.07
Reduction	-	-	-	-
Net Change	213.89	395.18	-	609.07
Indebtedness at the end of the financial year				
i) Principal Amount	1,931.94	2,578.28	-	4,510.22
ii) Interest due but not paid	-	90.47	-	90.47
iii) Interest accrued but not due				
Total(i+ii+iii)	1,931.94	2,668.75	-	4,600.69

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
		Mr. Nirmal Bhogilal (Whole-Time Director) 01.04.2016 to 31.03.2017	Mr. Vivek Sharma (Managing Director) 01.04.2016 to 31.03.2017	
1	Gross Salary (As per Central Government's approval)			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35,58,245	11,160,000	1,47,18,245
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	6,31,755	3,039,600	36,71,355
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock option (As per ESOP Scheme of the Company)	-	2,00,000	2,00,000
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of Profit			
	- others, please specify			
5	Retirement benefits & Annuity	1,50,000	576,000	7,26,000
	Total (A)	43,40,000	1,47,75,600	1,91,15,600

B. Remuneration to Other Directors

SL. No.	Particulars of Remuneration (Sitting Fees)	Name of Directors						Total Amount
		Mr. Vijay Kirloskar	Mr. Eknath Kshirsagar	Mr. George Verghese	Mr. Subodh Bhargava	Mr. Ameet Hariani	Mr. Ulrich Duden	
	Independent Directors							
1.	Fee for attending board/committee meetings	40,000	1,10,000	60,000	1,10,000	1,65,000	0	4,85,000
2.	Commission	-	-	-				
3.	- others, please specify							
	Total(1)	40,000	1,10,000	60,000	1,10,000	1,65,000	0	4,85,000
	Other Non-Executive Directors							
	Mrs. Sheela Bhogilal							
1.	Fee for attending board/committee meetings	60,000						60,000
2.	Commission	-						-
3.	- others, please specify							
	Total(2)	60,000						60,000
	Total(B) = (1+2)							5,45,000
	Total Managerial Remuneration	-						5,45,000

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

SL. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Company Secretary	Company Secretary	Chief Financial Officer	
	Duration	Ms. Namita Thakur 01.04.2016 to 31.08.2016	Mrs. Sarika Singh 25.10.2016 to 31.03.2017	Mrs. Prema Chandrasekhar 01.04.2016 to 31.03.2017	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,13,168	3,05,492	38,92,360	4,411,020
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-		39,600	39,600
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock option	-	-	50,000	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of Profit	-	-	-	-
	- others, please specify	-	-	-	-
5	- others, please specify	-	-	-	-
	Total Amount	2,13,168	3,05,492	39,31,960	4,450,620

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	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Disclosure pursuant to Section 197 (12) of Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year 2016-17:

Name of the Directors	Nature of Directorship	Ratio	Percentage increase in remuneration increase
Mr. Nirmal Bhogilal	Chairman & Whole-Time Director	13.56:1	-
Mr. Vivek Sharma	Managing Director	45.95:1	-
Mr. Eknath Kshirsagar	Non-Executive Independent Director	-	-
Mr. Subodh Bhargava	Non-Executive Independent Director	-	-
Mr. Ameet Hariani	Non-Executive Independent Director	-	-
Mrs. Sheela Bhogilal	Non-Executive Non Independent Director	-	-
Mr. George Verghese	Non-Executive Independent Director	-	-
Mr. Vijay Kirloskar	Non-Executive Independent Director	-	-
*Mr. Ulrich Duden	Non-Executive Independent Director	-	- -
Mrs. Prema Chandrasekhar	Chief Financial Officer	N.A	7.15%
**Ms. Namita Thakur	Company Secretary	N.A	-
***Mrs. Sarika Singh	Company Secretary	N.A	-

Notes:

* Mr. Ulrich Duden resigned with effect from 25.10.2016

**Ms. Namita Thakur resigned with effect from 31.08.2016

***Mrs. Sarika Singh joined as Company Secretary with effect from 25.10.2016.

(ii)	The percentage increase in the median remuneration of employees in the financial year:	6-7
(iii)	The number of permanent employees on the rolls of company:	366
(iv)	The explanation on the relationship between average increase in remuneration and company performance:	There is marginal increase in the revenue in comparison with previous year and also reduction in cost due to economy measures under taken. Due to upturn in the economy business is expected to improve in the current year

(v) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Sr No	Particulars of Remuneration	Key Managerial Personnel				
		Nirmal Bhogilal	Vivek Sharma	Prema Chandrasekhar	Sarika Singh	Namita Thakur
		Chairman & Whole-Time Director	Managing Director	Chief Financial Officer	Company Secretary	Company Secretary
1	Remuneration in F.Y 2017 (Rs in Crores)	0.43	1.50	0.39	0.03	0.02
2	Remuneration in FY 2016 (Rs in Crores)	0.876	0.246	0.392	-	0.053
3	Total Revenue – F.Y 2017 (Rs in Crores)	106.75				
4	Remuneration – F.Y 2017 (as % of Total Revenue)	0.40	1.41	0.36	0.02	0.18
5	Profit Before Tax – F.Y 2017 (Rs in Crores)	6.99				
6	Remuneration-F.Y 2017 (as % of profit before tax)	6.15	21.46	5.58	0.43	0.28

(vi)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:	N.A
(vii)	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	N.A
(viii)	Comparison of the each remuneration of the key Managerial Personnel against the performance of the company:	There is marginal increase in the revenue in comparison with previous year and also reduction in cost due to economy measures under taken. Due to upturn in the economy business is expected to improve in the current year
(ix)	The key parameters for any variable component of remuneration availed by the directors:	N.A

(x)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:	Not applicable, since no employees of the Company receives remuneration in excess of the highest paid Director i.e. Managing Director.
(xi)	Affirmation that the remuneration is as per the remuneration policy of the company:	The remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Vivek Sharma
Managing Director
(DIN No. 01541498)

Place: Mumbai
Date: 16th May, 2017

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of Batliboi Limited presents the analysis of segment-wise performance of your Company for the year ended 2016-17 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. SEGMENT WISE PERFORMANCE AND OUTLOOK

1. Batliboi Textile Engineering Group

Business Structure

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

Textile Air Engineering Division is a leading manufacturer of complete systems for humidification and waste collection for textile Spinning, Weaving, Knitting plants.

Textile Machinery division supplies high quality imported and indigenous machinery from leading global manufacturers to the Spinning, Knitting, Processing and Garmenting Sectors.

India's total Textile & Apparel industry size was estimated to be USD 120 Billion in 2015 and is expected to reach 200 Billion mark by 2020 with a CAGR growth rate of approx. 10% on the back of strong Domestic demand & a surge in export orders thanks to stable & muted raw material (yarn) prices as well as shifting of orders from China.

Textile Air Engineering Group:

Industry structure and developments

The textile spinning industry has been through a difficult time in the year due to a sudden glut in the supply of yarn on account of reduced off-take by China, in the first half, and due to a slow down after demonetization in the second half.

Opportunities and threats

Opportunities:

Export market is a good opportunity for growth. Efforts put in sales in 2016-17 resulted in good inflow of enquiries and this will materialize in sales in 2017-18.

We are in a niche market catered to by 3 - 4 players and our experience and standing with over 20 years in the business, puts us in a good position.

Threats:

The industry' growth does not lend itself to predictable movements and is cyclical. Further, due to the limited size of the market, it is very competitive with players willing to lower margins to win contracts.

Developments and Performance

In 2016-17, the division has developed new products and focused on product cost reduction by the way of design and engineering.

The domestic sales were lower due to the sluggish market.

Outlook

The industry is expected to show a slight improvement in new project implementation as well as modernization prospects. We have opportunities to improve both top line and bottom line.

The export market in Bangladesh and Vietnam are looking promising. We have good enquires and this will be a growth driver for sales in 2017-18.

Risks and concerns

There is a risk that the input cost of cotton to the industry may be unstable or high which will cause projects to slow down. Further, bank loans for project implementation have a tedious evaluation process and slow approval.

Textile Machinery Group

Industry structure and developments

As a division, overall Textile Machinery Group did well in 2016-17. Major contributor was the Knits Division. In the coming fiscal, business is expected to improve with the help from new agencies that were finalized during the previous years. However, margins are expected to come under pressure due to severe competition from contemporary suppliers of similar machines and also financial stability of some principles.

For the coming fiscal the strategy is to improve contribution by getting better prices especially for established agencies, adding new agencies suitable to our portfolio as well as explore new consumable products.

Spinning Machinery:-

The overall spinning market remained weak and continues to remain so due an overall slowdown in the spinning sector.

Knitting Machinery:-

Delivery periods extended resulting in loss of some big order. Despite this targets were met.

On backdrop of China, slowdown Indian exporters have good export orders, domestic & Polyester segment is doing well which should improve order booking but investment decisions are deferred mainly due to uncertainty of the impact of GST.

Processing Machinery:-

Order booking for Yarn Dyeing and Finishing machines did well though there were delays in project execution.

For the next Fiscal, focus will be on finishing, fabric and yarn dyeing segments.

Opportunities, Threats and Outlook:-

Opportunities:

- Improved demand for Knits garment exports as well growing domestic market demand for knits machinery expected to grow.
- New representations in processing sector will bring in incremental revenue.
- Increased focus on quality will mean greater demand for quality machines.

Threats:

- Spinning sector slowdown.
- Financial stability of some of our newly acquired agencies.
- Extended delivery position for some product segments.

Outlook:

Given the potential & the level as well as quality of enquiries that are currently in hand, there is cautious optimism for the growth of the business.

2. 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 CNC and General Purpose Conventional machines. GPM's include Radial drilling machines from 32 mm to 100 mm capacity, portable and moving column radial drill up to 100 mm. CNC machines include Turning Centres, Vertical Machining Centres, Double Column Machining and Drilling Centres.

Trading: The Company 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

The Machine tool industry in India has done well in 2016-17. The industry order booking growth was 25% for CNC machines before demonetisation. After that there was a sudden drop. The market for GPM machines reduced by 20%.

In 2016-17, division has reversed 3 years trend of dropping sales. The CNC machines sale to private customers has increased by 46%. In the reduced market for GPMs, the company has done well and increased its market share. Against the higher market drop, the Company's GPM sales have dropped only by 6%. The GPM products mix has been restructured and many old designs have been discontinued.

Opportunities, Threats & Outlook

2017-18 will be an important year for Machine Tools and it is expected to show a higher growth. New Products have been introduced in market, the fixed and variable costs have been reduced. All that will show improved results for the division in 2017-18.

Machine Tool Trading (MTT)

Trading division is being restructured to put more focus on the front end sales. This division expects to improve its order booking because of heavy investments planned for the heavy engineering sector, Railways and Defence.

3. 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. It's customers are mainly from Energy, Structural Steel & Job Shop manufacturing sectors.

Developments & Performance

The performance of Quickmill in 2016-2017 was lower than budget. The main markets viz. Americas and Middle East remained depressed in 2016-17 due to continued slump in the oil and gas sector, resulting in low investment in machinery.

USA market has started to show signs of improvements after the elections and renewed thrust on local manufacturing. This has resulted in a better performance in the last quarter.

In 2017-18, the company performance should improve due to the growth in the North American market. The company has restructured in 2016-17, this will also result in improved profitability in 2017-18.

Opportunities, Threats & Outlook

The focus area in 2017-18 will be giving turnkey machines to Heat Transfer & Structural and Aerospace sectors. While the North American market has started showing sign of recovery, the Middle East market continues to be depressed due to Oil prices.

4. 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

The result in 2016-17 is positive.

In 2016-17, AESA-India was restructured. The synergy between AESA-India and TAE division of the parent Company has been worked out and both the teams will be operating in Indian market with sharper focus based on Customer segmentation. This will result in better performance of AESA-India and improved profitability. The joint engineering initiatives of AESA and TAE have resulted in developing new products, cost reduction and higher reliability. This will help to increase market share in India.

Opportunities, Threats and Outlook

The Company has taken prestigious projects in China. South East Asian markets remain strong for the company. Bangladesh and Pakistan markets are also expected to do well in 2017-18. Uzbekistan market has shown good prospects. North African markets in Morocco, Algeria, etc. are also active in new projects.

With all of the above and a reasonable order back-log, the year ahead looks promising.

B. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The total number of employees in the Company was 366 as on 31st March, 2017.

Technical training for manufacturing personnel were conducted at the Company's manufacturing unit at Udhna.

Topics including Lean Manufacturing, 7 QC Tools, Metal Cutting Tools, Welding Technology, Kaizen, ISO 9001 awareness, First Aid & Safety awareness, Communication Skills, were covered during the Sessions. Productivity & Process Improvement initiatives continued at manufacturing units.

During the year under review, industrial relations in the factory were cordial and pro-active and all employees and 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 operations. The same is reviewed by the Board from time to time and appropriate actions are taken as directed. As per the Company's practice, safety audit is conducted once in two years. Accordingly, Safety Audit was conducted on 2nd & 3rd May, 2017 by an Independent Consultant, Mr. Yogesh Nanavati.

The Company arranged for a Health Camp for all employees at Udhna through Tristar Hospital, Surat.

C. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has effective internal control systems commensurate with the size of the Company and the same were operating effectively throughout the year. 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. This system of internal control facilitates effective compliance of Section 138 of Companies Act, 2013, the Listing Regulations and also the relevant statutes applicable to the Company.

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 may differ materially from those expressed or implied. Important factors that could influence the Company's operations include global and domestic demand-supply conditions, raw material prices, and changes in Government regulations, tax laws, economic developments within and outside the country and other factors such as litigation, labour negotiations and other industrial relations.

Place: Mumbai

Date: 16th May, 2017

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance for the financial year ended 31st March, 2017 containing, inter-alia, the matters as specified in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented hereunder:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

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, creditors, consumers, institutional and other lenders and places due emphasis on regular compliance.

2. BOARD OF DIRECTORS

The Board of Directors (the "Board") of the Company is broad-based and consists of eminent individuals from industry, management, technical, financial, and legal field. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board comprises of an optimum combination of Executive, Non - Executive, Independent and Women Director as required under Companies Act, 2013 and Listing Regulations. As on 31st March, 2017, the Board comprises of eight (8) Directors, out of which five (5) are Non - Executive Independent Directors, one (1) is Non - executive Women director and two (2) are Executive Directors. The Chairman of the Board is an Executive Director.

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

Name of Director	Category	*No. of other Directorship(s) held in Indian Public Ltd Companies including Batliboi Ltd.	**No. of membership of Board Committees	**No. of Board Committees for which Chairperson	No. of Shares held
Mr. Nirmal Bhogilal (DIN No. 00173168)	Promoter/Executive/ Chairman	2	2	0	1,42,29,713
Mr. Vivek Sharma (DIN No. 01541498)	Executive/Managing Director	2	1	0	-
Mr. Subodh Bhargava (DIN No. 00035672)	Non - Executive/ Independent	4	1	0	-
Mr. Ameet Hariani (DIN No. 00087866)	Non-Executive/ Independent	3	2	2	-

Name of Director	Category	*No. of other Directorship(s) held in Indian Public Ltd Companies including Batliboi Ltd.	**No. of membership of Board Committees	**No. of Board Committees for which Chairperson	No. of Shares held
Mr. Eknath Kshirsagar (DIN No. 00121824)	Non-Executive/Independent	5	1	4	-
Mrs. Sheela Bhogilal (DIN No. 00173197)	Promoter/Non-Executive	2	0	0	8,41,022
Mr. George Verghese (DIN No. 00173251)	Non-Executive/Independent	2	0	0	
***Mr. Ulrich Duden (DIN No. 01646163)	Non-Executive/Independent	1	0	0	
Mr. Vijay R Kirloskar (DIN No. 00031253)	Non-Executive/Independent	4	1	0	

Note : *Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies excluded.

**Committees considered are Audit Committee & Stakeholders Relationship Committee including Batliboi Limited. Committee Membership(s) & Chairmanship are counted separately.

*** Mr. Ulrich Duden resigned w.e.f. 25th October, 2016.

Relationship between Directors:

Mrs. Sheela Bhogilal is wife of Mr. Nirmal Bhogilal, Chairman and Whole - Time Director.

None of the other Directors are inter-se related to each other.

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

During the year ended 31st March, 2017, Four (4) Board Meetings were held respectively on 6th May, 2016, 9th August, 2016, 25th October, 2016 and 3rd February, 2017.

Attendance of the directors at Board Meeting held in F.Y. 2016 - 17 and Last Annual General Meeting held on 9th August, 2016.

Sr.	Name of Director	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. Nirmal Bhogilal	4	Present
2.	Mr. Ameet Hariani	4	Present
3.	Mr. Eknath Kshirsagar	4	Present
4.	Mr. Subodh Bhargava	4	Present
5.	Mr. George Verghese	4	Present
6.	Mrs. Sheela Bhogilal	4	Present
7.	Mr. Vijay Kirloskar	2	Present
8.	Mr. Vivek Sharma	4	Present
9	*Mr. Ulrich Duden	0	Absent

* Mr. Ulrich Duden resigned with effect from 25th October, 2016.

Board procedures

Before each Board meeting, the Company sends to the Board of Directors, Agenda for the meeting, along with comprehensive notes and information which is material for facilitating effective discussion and decision making at their meetings. Apart from this, financial MIS containing details of annual operating plans, budgets, updates, capital expenditure budgets and other material information is presented as set out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and the Board Committees. The same are reviewed at length by the Board.

3. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Company was reconstituted on 30th January, 2016 in line with the provisions of Regulation 18 of SEBI (Listing Obligations & disclosures Requirements) Regulations, 2015, read with Section 177 of the Act.

The terms of reference of the Audit Committee are broadly as under:

1. overview 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;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a. matters required being 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 Act.
 - b. changes, if any, in accounting policies and practices and reasons for the same.
 - c. major accounting entries involving estimates based on the 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. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;

12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. to carry out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee invites such of the executives, as it considers appropriate, representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Composition and meetings attended:

The Audit Committee of the Company comprises of three Independent directors who are Non- Executive.

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

The Composition of the Audit Committee and the details of meetings attended by the Committee members during the financial year ended 31st March, 2017 are given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the financial Year 2016 - 2017	
			Held	Attended
1.	Mr. Eknath Kshirsagar	Chairman	4	4
2.	Mr. Subodh Bhargava	Member	4	4
3.	Mr. Ameet Hariani	Member	4	4

During the year ended 31st March, 2017, Four (4) Audit Committee Meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The days on which the said meetings were held are as follows:

May 6, 2016; August 9, 2016; October 25, 2016 and February 3, 2017.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company has been re-constituted on 30th January, 2016 in line with the provisions of Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of Companies Act, 2013.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending a policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- devise a policy on Board diversity.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
- oversee familiarization programmes for directors.
- oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
- grant of option to the eligible employees.
- administering the Employee Stock option Plan of the Company.
- exercising the powers and performing the duties as prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Composition and Meetings attended

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

The Composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the financial Year 2016 - 2017	
			Held	Attended
1.	Mr. Eknath Kshirsagar	Chairman	1	1
2.	Mr. Subodh Bhargava	Member	1	1
3.	Mr. Vijay Kirloskar	Member	1	1

During the year ended 31st March, 2017, One (1) Meeting of Nomination and Remuneration Committee was held on 25th October, 2016.

Nomination and Remuneration Policy

The Nomination and Remuneration policy was revised on 30th January, 2016 in line with Part D schedule II of SEBI (Listing Obligation & disclosure Requirements) Regulations, 2015.

The compensation of the Managing Director, Chairman and Key Managerial Personnel is recommended by the Nomination & Remuneration Committee and is approved by the Board. It is directed towards rewarding performance based on review of achievements.

The Main objective of the Nomination & Remuneration policy is:

- determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;
- appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;
- determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and
- evaluation of the performance of the Board and its constituents.

As per the provision of Section 178 (2) of Companies Act, 2013, The Committee has carried out performance evaluation of every director's performance including Independent directors. The more details about performance evaluation is given in Director's Report.

Board Diversity policy

The Nomination and Remuneration Committee has formulated a policy on Board Diversity. The company has uploaded the same on the website of the company www.batliboi.com.

Employees Stock Option Plan

Pursuant to the Resolution passed by the members at the Extra-Ordinary General Meeting held on 13th 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 Nomination and Remuneration Committee had granted 17,00,000 Options and the options which were lapsed will be added back to the option reserved under ESOP. Option to be vested in future as on 31st March, 2017 is 5,10,000.

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.

During the year 2016-17, the Company has not granted any stock option under ESOP of the Company. No shares has been allotted under ESOP.

Criteria of making payment to Non-Executive Directors of the Company

Company only pays sitting fees to its Non-Executive Directors (NEDs).

Sitting Fees for attending Board Meeting and various Committee Meetings of the Company:-

Particulars	Board Meeting	Audit Committee Meeting and Nomination and Remuneration Committee	Stakeholders Relationship Committee and Executive Committee
Sitting Fees	Rs. 15,000	Rs. 10,000	Rs. 5,000

The Company also reimburses out of pocket expenses incurred by the Directors for attending meetings.

Pecuniary Relationship with the Non – Executive Directors:

None of the Non - Executive Directors have any pecuniary relationship or transaction with the Company.

Details of Remuneration and Sitting fees paid to the Directors during the year Ended 31st March, 2017:-

(Figures in Rs.)

Name of the Director	Salary including perquisites	*Benefits	Commission	Sitting Fees	Total	Service contract/ Notice period/ Severance fees
Mr. Nirmal Bhogilal	35,58,245	7,81,755	-	-	43,40,000	Five years contract and Notice Period Six months.
Mr. Vivek Sharma	1,11,60,000	36,15,600	-	-	1,49,75,600	Five years contract and Notice Period Six months.
Mr. Vijay Kirloskar	-	-	-	40,000	40,000	For a term of five consecutive years.
Mr. Eknath Kshirsagar	-	-	-	1,10,000	1,10,000	For a term of five consecutive years.
Mr. Subodh Bhargava	-	-	-	1,10,000	1,10,000	For a term of five consecutive years.

Name of the Director	Salary including perquisites	*Benefits	Commission	Sitting Fees	Total	Service contract/ Notice period/ Severance fees
Mr. Ameet Hariani	-	-	-	1,65,000	1,65,000	For a term of five consecutive years.
Mrs. Sheela Bhogilal	-	-	-	60,000	60,000	Liable to retire by rotation.
Mr. George Verghese	-	-	-	60,000	60,000	For a term of five consecutive years.

Note : * Including retiral benefits.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is governed by the provisions of Regulation 20 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Functions:

The Committee meets to approve inter alia, transfer / transmission of shares, issue of duplicate share certificates and for considering and resolving the grievances of security holders of the company including redressal of investor complaints such as transfer or credit of securities, non - receipt of exchange certificate, non - receipt of dividend / notice /annual reports, etc. and all other securities-holders related matters.

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.

The Committee consists of three members and is chaired by a Non – Executive Independent Director.

Composition and meetings attended:

The Composition of the Committee and the number of meetings attended by the Committee members during the year ended 31.03.2017 are given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the financial Year 2016 - 2017	
			Held	Attended
1.	Mr. Ameet Hariani	Chairman	4	4
2.	Mr. Nirmal Bhogilal	Member	4	4
3.	* Mr. Vivek Sharma	Member	4	1

Note : *Mr. Vivek Sharma has been appointed as member of Stakeholders Relationship Committee at Board meeting dated 25th October, 2016.

During the year ended 31st March, 2017, Four (4) Stakeholders Relationship Committee meetings were held. The days on which the said meetings were held are as follows:

April 13, 2016; July 26, 2016; October 3, 2016 and January 16, 2017.

Statement of various complaints received and resolved during the financial year 2016-17 are as follows:

Nature of Complaint	Opening balance as on April 01, 2016	Received during the year.	Resolved during the year	Closing Balance as on 31.03.2017
Non Receipt of Exchange certificate	NIL	8	8	NIL

Compliance Officer:

The Board has appointed Mrs. Sarika Singh, Company Secretary of the Company as the Compliance Officer.

D. EXECUTIVE COMMITTEE

The Executive Committee was reconstituted on 25th October, 2016.

Terms of Reference of the Executive Committee:

- a. To borrow money / Inter - Corporate Deposits.
- b. To invest the funds of the company.
- c. To grant loans or give guarantee or provide security in respect of loans.
- d. To give authorization to execute/register the agreement/document of any nature.
- e. To issue Power of Attorney.
- f. To authorize to appear, file, submit, execute any prescribed document/agreement to statutory/regulatory/judicial or equivalent authorities.
- g. To allot shares and issue share certificates.
- h. To authorize to apply/execute for any kind of regulatory/statutory licenses/approvals.
- i. To authorize to transfer unpaid dividend to IEPF.
- j. To authorize officials to appear before court / tribunal or any other authority on behalf of the company.
- k. Any other matter which can be delegated to the Executive Committee.

The Committee consists of three members and is chaired by Executive Director.

Composition and meetings attended:

The Composition of the Committee and the number of meetings attended by the Committee members during the year ended 31st March, 2017 are given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the financial Year 2016 - 2017	
			Held	Attended
1.	Mr. Nirmal Bhogilal	Chairman	9	9
2.	Mr. Ameet Hariani	Member	9	9
3.	*Mr. Vivek Sharma	Member	9	2

*Mr. Vivek Sharma has been appointed as member of Executive Committee with effect from 25th October, 2016.

During the year ended 31st March, 2017, Nine (9) Executive Committee meetings were held. The days on which the said meetings were held are as follows:

April 13, 2016; May 2, 2016; June 21, 2016; July 26, 2016; August 26, 2016; October 3, 2016; November 16, 2016; January 16, 2017 and February 28, 2017.

4. INDEPENDENT DIRECTORS

Independent Directors play an important role in the governance process of the Board. They bring together their expertise and experience on the deliberations of the Board which enriches the decision making process of the Board with different point of view and experiences and prevents conflict of interest in the decision making process.

Familiarisation Programmes for Independent Directors:-

The Company familiarises its independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. by putting in place various programmes which is in line with Regulation 25(7) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

The Company has also formulated a policy on Familiarisation Programmes for Independent Director which is published on the website of the Company and can be accessed through the website www.batliboi.com

Meeting of Independent Directors:-

The meeting of Independent Directors was held on 14th March, 2017 inter-alia to,

- Review the performance of Non - independent directors and Board of director as a whole; (including committees of the Board.
- Review the performance of the Chairperson.
- Assess the quality, quantity and timeliness of flow of information between management and board of directors;

Mr. Eknath Kshirsagar, Mr. Ameet Hariani and Mr. George Verghese were present in the meeting.

Assessment of Independent directors was shared with the Chairman of the Board, who had one to one feedback session with them.

5. PERFORMANCE EVALUATION OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Board has carried out the annual performance evaluation of independent directors in the Board meeting held on 16th May, 2017. A structured questionnaire was prepared after taking inputs received from the Directors, covering 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 for the performance evaluation of Independent directors.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation of Independent Directors in its Meeting held on 16th May, 2017 and expressed overall satisfaction on the

performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

6. SUBSIDIARY COMPANIES

The Company has two operational subsidiaries, Quickmill. Inc, Canada and AESA Air Engineering SA, France out of these two companies Quickmill. Inc is a material subsidiary as its net worth exceeds 20% of the consolidated net worth of the Holding Company in the immediately preceding accounting year.

Pursuant to the Regulation 16 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) the Company has adopted a policy for determining "material subsidiary" which is published on the website of the Company at www.batliboi.com.

Further the Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings and also the Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary are tabled at the subsequent Board Meeting.

7. GENERAL BODY MEETINGS

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

Financial Year	Date	Location of the Meeting	Time
*2015-2016	9 th August, 2016	Walchand Hirachand Hall, 4 th Floor, Indian Merchant Chamber, Churchgate, Mumbai-400 020	2.00 P. M.
2014-2015	29 th July, 2015	Walchand Hirachand Hall, 4 th Floor, Indian Merchant Chamber, Churchgate, Mumbai-400 020	2.30 P. M.
2013-2014	1 st August, 2014	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 th Floor, 12K Dubash Marg, Fort, Mumbai 400 001.	2.30 P. M

Note : * In the year 2015-2016, One Special Resolution was passed pertaining to the appointment of Mr. Vivek Sharma (DIN No. 01541498) as Managing Director.

No Extraordinary General Meeting was held during the period under review.

8. POSTAL BALLOT

Members' approval was sought vide the following Postal Ballot Notice under Section 110 of the Act, details of which are detailed below:

A] Postal Ballot Notice dated 9th August, 2016, pertaining to the following matter:-

Special Resolution	Votes cast in favour		Votes cast against	
	No. of votes	%	No. of votes	%
Special resolution for making loan(s) and/or giving any guarantee(s)/providing any security(ies) and / or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate in excess of the limits prescribed under Section 186 of Companies Act, 2013.	2,15,41,242	75.02	300	0

Note: Voting is based on voting rights of Equity Shares.

Scrutinizer for the Postal Ballot	Cut-off Record Date for reckoning Members eligible to receive Notice and vote.	Cut-off date and time for voting.	Result Announcement Date and Time.
M/s. Ashish Bhatt & Associates, Practicing Company Secretaries	18 th October, 2016	Friday, 30 th September, 2016 (05:00 P.M. IST).	Friday, 18 th November, 2016 (05:00 P.M. IST).

9. MEANS OF COMMUNICATION:

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

Year Ended 31 st March 2017	The Free Press Journal and Nav Shakti
Quarter / Nine Months ended 31 st December, 2016	The Free Press Journal and Nav Shakti
Quarter / Half year ended 30 th September, 2016	The Free Press Journal and Nav Shakti
Quarter Ended 30 th June, 2016	The Free Press Journal and Nav Shakti

- iii) Website of the Company;

The separate section of investor relation on the Companies website www.batliboi.com has been provided, where information on quarterly, half yearly and yearly compliances are available. The Annual Report is also available on website of the Company.

10. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

All the transactions entered into with Related Parties are as defined under the Companies Act, 2013 during the financial year 2016-17 which were in ordinary course of business and pricing was done on arms length basis. Therefore, the provisions of Section 188 of the Companies Act, 2013 are not applicable.

Pursuant to the Regulation 23 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Company has formulated a policy on Related Party Transactions which is published on the website of the Company at www.batliboi.com

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 to the financial statements.

- b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

The Company was non-compliant to Clause 40(a) of Listing Agreement, in the year 2015 which was subsequently complied as per SEBI Order No. WTM/PS/71/CFD/OCT/2015 dated 19.10.2015. Further, there were no other strictures or penalties which has been imposed on the Company by the Stock Exchange or the board or any statutory authority, on any matter related to Capital Market.

- c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;**

With a view to maintain the high standards of transparency in Corporate Governance and in compliance with the Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Whistle blower policy has been formulated to enable the Directors and employees to have direct access to the Chairman, 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 at www.batliboi.com

A Committee has been constituted which looks into the complaints raised and has not received any complaint for the financial year 2016-17. The Committee reports to the Audit Committee and the Board.

- d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all the mandatory requirement relating to Corporate Governance under Listing Regulations.

The status of adoption of Non - mandatory requirement provided under Schedule II (E) of the Listing Regulation is as below;

- i. The Board**

This Clause is not applicable to the Company as the Chairman of the Board is an Executive Director.

- ii. Shareholder Rights**

The Company publishes its quarterly/half yearly and annual financial results in English and Marathi newspapers. The financial results and significant events, if any, are communicated by the Company to the Stock Exchange and are also uploaded on its website i.e. www.batliboi.com.

- iii. Modified opinion(s) in audit report**

The Auditors report is with modified opinion which was replied in the Director Report

- iv. **Separate posts of Chairman and Chief Executive Officer (CEO)**
The Company is having Executive Chairman Mr. Nirmal Bhogilal and Mr. Vivek Sharma as Managing Director.
- v. **Reporting of Internal Auditor**
The Company has appointed M/s Aneja & Associates Chartered accountant as internal Auditor of the Company report directly to the Audit Committee of the Company
- e. 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. Further there are no disclosures to be made with regards to commodity price risks and commodity hedging activities.
- f. The Quarterly Report on Corporate Governance Report, Statement of Investor Complaints, Shareholding pattern and financial results are posted on the Company's website www.batliboi.com

11. GENERAL SHAREHOLDER INFORMATION:

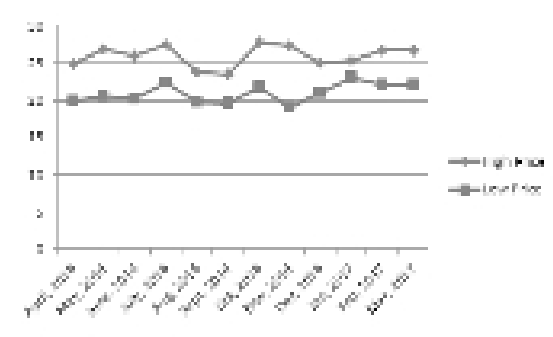
- (i) **Annual General Meeting** : Date and Time: Thursday, 29th June, 2017 at 11.00 a.m.
Venue: Walchand Hirachand Hall, 4th Floor, Indian Merchant Chambers , Churchgate, Mumbai-400020
- (ii) **Financial Year** : 12 months ended 31st March, 2017.
- (iii) **Dividend Payment date** : NIL
- (iv) **Stock Exchange** : BSE Ltd.
P. J. Towers, Dalal Street, Mumbai - 400001
- (v) **Stock Code** : 522004
- (vi) **Registered Office** : Bharat House, 5th Floor, 104, Bombay Samachar Marg, Fort, Mumbai - 400 001.
- (vii) **Date of Book Closure** : Friday, 23rd June, 2017 to Thursday, 29th June, 2017 (both days inclusive).
- (viii) **Listing** : Company's Equity shares are listed on BSE Ltd.
P. J. Towers, Dalal Street, Mumbai - 400001
- (ix) **Demat ISIN Number in NSDL / CDSL for Equity Shares** : INE 177C01022
- (x) **Scores** : The Company is registered with SEBI Scores
- (xi) **Market Price Data** : During the year ended 31st March, 2017, the highest market price and the lowest price for the Company's equity shares of face value of Rs.5/- recorded on BSE Ltd. were as follows:

Price Range

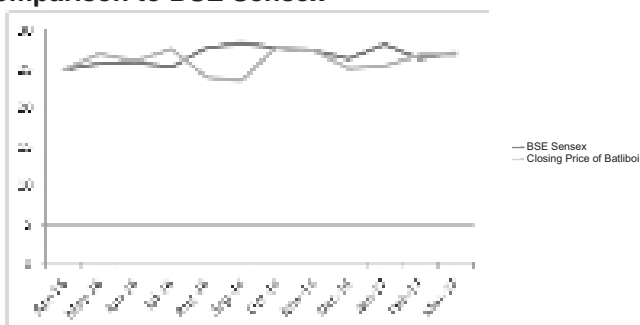
Rate (Rs.)

Month	BSE	
	High Price	Low Price
April, 2016	24.90	20.00
May, 2016	26.95	20.60
June, 2016	25.95	20.25
July, 2016	27.50	22.50
Aug, 2016	23.90	19.85
Sept, 2016	23.50	19.70
Oct, 2016	27.90	21.80
Nov, 2016	27.40	19.00
Dec, 2016	25.00	21.10
Jan, 2017	25.35	23.00
Feb, 2017	26.80	22.05
Mar, 2017	26.75	22.15

(xii) Monthly high low (with BSE)



(xiii) Performance in comparison to BSE Sensex



(xiv) Distribution of Shareholding as on 31st March, 2017

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. Of Holders
	From	To				
1	1	1000	18,52,555	6.45	9757	94.43
2	1001	2000	4,05,066	1.41	254	2.46
3	2001	4000	4,18,882	1.46	144	1.39
4	4001	6000	3,40,147	1.19	67	0.65
5	6001	8000	1,26,254	0.44	18	0.17
6	8001	10000	1,98,484	0.69	21	0.20
7	10001	20000	5,32,811	1.86	37	0.36
8	20001	9999999999	2,48,41,684	86.51	35	0.34
TOTAL			2,87,15,883	100.00	10333	100.00

(xv) Shareholding Pattern as on 31st March 2017 (Face Value Rs.5/-)

Category	No. of Shares	%
Promoter and Promoters Group	2,15,10,567	74.91
Financial Institution / Banks	800	0.00
Insurance Companies	600	0.00
Bodies Corporate	7,67,912	2.67
Foreign Investors(FIIs/NRIs/OCBs/Foreign Bank/ Foreign Corporate Bodies)	9,14,570	3.18
Directors and their Relatives	0	0.00
Public	55,21,434	19.24
Total	2,87,15,883	100.00

(xvi) 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

(xvii) Share Transfer System

: Transfer of Shares held in Physical form is processed by Datamatics Financial Services Ltd. and approved by the Managing Director or the Company Secretary pursuant to powers delegated by the Board of Directors.

- (xviii) Dematerialization of Shares : The entire shareholding of promoters are in dematerialised form as on 31st March, 2017. 4.98% shares are in physical form .
- (xix) Outstanding GDR/ ADR : NIL
- (xx) Commodity price risk or foreign exchange risk and hedging activities : NIL
- (xxi) Plant Location : P. O. Fateh Nagar, Surat Navsari Road, Udhna 394 220.
- (xxii) Address for Correspondence : Bharat House, 5th Floor
104, Mumbai Samachar Marg
Fort, Mumbai 400001
Email id:- investors@batliboi.com
Telephone: +91 (22) 66378200 / 256
Fax : +91 (22) 22675601
Email id:- investors@batliboi.com
Website:- www.batliboi.com

12. PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) notified SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from 15th May, 2015. Pursuant thereto, the Board of Directors of the Company has approved and adopted a new Code of Conduct for Prevention of Insider Trading which is posted on Company's website at www.bataliboi.com.

This code prohibits the purchase or sale of Company's shares by the Director's, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company when the trading window is closed.

All the Board of Directors, designated employees and connected persons have affirmed their compliance with the Code.

13. CEO / CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have submitted their Compliance Certificate to the Board of Directors in terms of Regulation 17(8) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) which is provided in this report.

14. 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.

15. RECONCILIATION OF SHARE CAPITAL AUDIT

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Reconciliation of Share Capital Audit Report in terms of Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 obtained from M/s. Ashish Bhatt and Associates, Practicing Company Secretaries, Thane is filed with BSE Limited within the time specified in the Regulations and is also placed before the Board of Directors for their noting.

16. 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. As per the requirement of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) the Board Members and Senior Management have affirmed compliance with the Code of Conduct.

The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in work place, in business practices and in dealing with stakeholders.

For and on behalf of the Board of Directors

Vivek Sharma
Managing Director
(DIN No. 01541498)

Place: Mumbai

Date: 16th May, 2017

To
The Board of Directors,
Batliboi Limited

CERTIFICATE
(Pursuant to Regulation 17(8) of SEBI (LODR), Regulations, 2015)

We, the undersigned in our respective capacities as Managing Director and the Chief Financial Officer of Batliboi Limited ("the Company") to the best of our knowledge and belief hereby certify that:

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative to the Code of Conduct adopted by the Company.
- c. We hereby declare that all the members of the Board of Directors have confirmed compliance with the Code of Conduct of the Company.
- d. We are responsible for establishing and managing internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting of the Company and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours Faithfully,
For **Batliboi Limited**

For **Batliboi Limited**

Vivek Sharma
Managing Director

Prema Chandrasekhar
Chief Financial Officer

Place: Mumbai
Date: 16th May, 2017

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Batliboi Limited ("the Company") for the year ended 31st March, 2017, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') for the period from 1st April, 2016 to 31st March, 2017.

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. It is neither an audit nor an expression of opinion on the financial statements of 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 the above mentioned Listing Regulations.

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 Regn. No. 109208W

Place: Mumbai
Dated: 16th May, 2017

G. Sankar
Partner
Membership No. 046050

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 31st March, 2017, 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 of 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 there under.

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 judgment, 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. 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.

Basis for Qualified Opinion

The Company paid remuneration to the Managing Director in excess of the ceiling under Schedule V of the Companies Act, 2013 by Rs. 80.69 Lakhs from 1st February 2016 to 12th September 2016. The said Managing Director was appointed with effect from 1st February, 2016 and the terms and conditions of such appointment and the remuneration payable to him have been approved by the Board of Directors, the Nomination and Remuneration Committee of the Board and by shareholders in the general meeting of the Company but subject to the approval of Central Government (for which application has been made and is pending) as specified in the Schedule V of the Companies Act, 2013.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 31st March, 2017, and its loss and its cash flows for the year ended on that date.

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 Rs. 6,718.52 Lakhs as at 31st March, 2017 and total revenues of Rs. 7,318.60 Lakhs 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 the branch, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure I" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
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. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 branch 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 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 branch not

visited by us.

- e. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. The qualification relating to payment of remuneration to the Managing Director in excess of the limits specified in Schedule V of the Companies Act, 2013 is as stated in the Basis for Qualified Opinion paragraph above.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
- i. 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 has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in the financial statements, as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016 and such disclosures are in accordance with the books of accounts maintained by the Company – Refer Note 15-XV to the financial statements.

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm's Registration No.109208W

Place: Mumbai
Date: 16th May, 2017

G. Sankar
Partner
Membership No. 046050

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF BATLIBOI LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017.

Annexure referred to in our report of even date to the members of Batliboi Limited on the accounts for the year ended 31st March 2017.

- (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.;
- c. According to the information and explanations given to us and based on verification of records, the title deeds of immovable properties are held in the name of the Company;
- (ii) 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. 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, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security during the year to which provisions of Section 185 and 186 of the Act apply.

The Company has given guarantees to banks for credit facilities/ performance guarantees extended by them to BEEL, a related party. The Company has strategic business relationship with the party and the party has extended reciprocal guarantee/ financial assistance on behalf of / to the Company, the terms and conditions of the guarantees are not prima facie prejudicial to the interest of the Company. The said guarantees were approved by the Company by a resolution passed at the Board Meeting dated 27 January, 2012 and in accordance with provisions of the section 372 of the Companies Act, 1956.

- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Section 73 to 76 or any other relevant provisions of the Act and rules framed there under. No order has been passed by the Company Law Board or 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 on several occasions in depositing undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added*

Tax, Cess and Excise Duty with 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 PF, ESIC, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess were in arrears, as at 31st March 2017 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 (Rs. Lakhs)
Sales Tax Appellate / Revisional Authority-up to Commissioner Level	53.62
Sales Tax Appellate Authority-Tribunal	25.53
Central Excise Appellate Tribunal	1.23

- (viii) 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 government or by way of issue of debentures.
- (ix) The Company has not raised any money from public and also has not taken any term loan during the year.
- (x) 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 by the Company or on the Company by its officers or employees having a material misstatement on the financial statements has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on verification of records, the Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013, except in case of the remuneration paid to the Managing Director which is in excess of the ceiling under Schedule V of the Companies Act, 2013 (Refer Basis for Qualified Opinion paragraph in the Auditor's Report).
- (xii) The Company is not a Nidhi company and hence reporting under clause (xii) of the order does not arise;
- (xiii) According to the information and explanations given to us and based on verification of records and approvals of the Board of Directors, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him;



- (xvi) According to the information and explanations given to us, the Company is not a Non Banking Finance Company and therefore is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm's Registration No.109208W

Place: Mumbai
Date: 16th May, 2017

G. Sankar
Partner
Membership No. 046050

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BATLIBOI LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Batliboi Limited (“the Company”) as of March 31st, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm's Registration No.109208W

Place: Mumbai
Date: 16th May, 2017

G. Sankar
Partner
Membership No. 046050

BALANCE SHEET AS AT 31st MARCH, 2017

		Rs. In Lakhs	
	Note No.	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,128.27	2,128.27
Reserves and Surplus	2	1,572.82	2,357.54
		3,701.09	4,485.81
Non-Current Liabilities			
Long Term Borrowings	3	2,184.14	1,750.24
Other Long Term Liabilities		674.28	562.21
Long Term Provisions		381.13	406.11
		3,239.55	2,718.56
Current Liabilities			
Short Term Borrowings	4	2,320.60	2,204.25
Trade Payables		1,797.26	1,992.00
Other Current Liabilities		1,734.74	1,994.62
Short Term Provisions		116.61	131.06
		5,969.21	6,321.93
TOTAL		12,909.85	13,526.30
ASSETS			
Non-Current Assets			
Fixed Assets	5		
Tangible Assets		4,121.04	4,617.98
Capital Work In Progress		289.37	282.32
		4,410.41	4,900.30
Non-Current Investments	6	3,504.81	3,567.45
Deferred Tax Assets		91.50	96.00
Long Term Loans and Advances	7	226.40	215.01
Other Non-Current Assets	7	154.60	117.46
Current assets			
Inventories	8	2,022.13	2,347.81
Trade Receivables		1,881.92	1,680.52
Cash and Bank Balances		81.20	44.27
Short Term Loans and Advances		536.88	557.48
		4,522.13	4,630.08
TOTAL		12,909.85	13,526.30

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
DIN No. 00173168

PREMA CHANDRASEKHAR
Chief Financial Officer

G. SANKAR
Partner
Membership No.: 046050

VIVEK SHARMA
Managing Director
DIN No.: 01541498

SARIKA SINGH
Company Secretary

Place : Mumbai
Dated :16th May, 2017

Place : Mumbai
Dated :16th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

		Rs. In Lakhs	
	Note No.	2016-17	2015-16
INCOME			
Revenue from Operations	9	10,522.82	10,222.86
Other Income	10	153.06	157.74
Total Revenue		10,675.88	10,380.60
EXPENDITURE			
Cost of Materials Consumed	11	4,664.15	4,869.99
Purchases of Stock in Trade	11	1,281.15	1,342.71
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	11	329.67	(221.74)
Employee Benefit Expenses	12	2,375.48	2,296.01
Financial Costs	13	515.81	725.54
Depreciation	5	216.69	215.64
Other Expenses	14	2,585.46	2,745.55
Total Expenses		11,968.41	11,973.70
Profit / (Loss) Before Exceptional Items & Taxes		(1,292.53)	(1,593.10)
Exceptional Items - (Expenses) / Income	14 A	593.95	1,629.61
Profit / (Loss) Before Taxes		(698.58)	36.51
Tax Expenses			
Current Tax		-	7.00
Deferred Tax (Net)		4.50	45.00
MAT Credit Available for set off		-	(7.00)
Tax Adjustments in respect of earlier years		-	2.87
Profit/(Loss) for the year		(703.08)	(11.36)
Earnings per Share (Basic & Diluted) (Face Value of Rs.5/- per Share)		(2.45)	(0.04)
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.: 046050

Place : Mumbai
Dated : 16th May, 2017

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman
DIN No. 00173168

VIVEK SHARMA
Managing Director
DIN No.: 01541498

Place : Mumbai
Dated : 16th May, 2017

PREMA CHANDRASEKHAR
Chief Financial Officer

SARIKA SINGH
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2017
Rs. In Lakhs

	Period Ended 31 MARCH, 2017		Period Ended 31 MARCH, 2016	
I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit / (Loss) Before Tax and Exceptional Items		(1,292.53)		(1,593.10)
Add Back :				
a) Depreciation	216.69		215.64	
b) Interest	460.62		652.66	
c) Loss on Sale/Disposal of Assets	0.76		5.72	
d) Debit Balances Written off	92.85		302.26	
e) Provision for Doubtful Debts/Other Advances	-		(96.48)	
f) Leave Encashment Provision	(5.45)		7.29	
g) Provision for Gratuity	(35.51)		(104.76)	
h) Foreign Exchange Loss	21.43		-	
i) Employee Stock Option Reserve	15.16	766.55	16.33	998.66
Deduct :				
a) Income from Investments /(Dividend)	0.60		0.61	
b) Unclaimed Credit Balances Appropriated	131.97		106.61	
c) Excess Provision of Earlier Years Written Back	-		4.22	
d) Foreign Exchange Gains	-	132.57	31.03	142.47
Operating Profit Before Working Capital Changes		(658.55)		(736.91)
Deduct :				
a) Increase in Inventories	-		84.40	
b) Decrease in Trade and Other Payables	267.09		539.29	
c) Increase in Trade Receivables & Advances	337.73	604.82	-	623.69
Add :				
a) Decrease in Trade Receivables & Advances	-		592.10	
b) Decrease in Inventories	325.68	325.68	-	592.10
		(937.69)		(768.50)
Income Taxes Paid/ (Refund)		(3.13)		(20.01)
Net Cash Inflow / (Outflow) from Operations (A)		(934.56)		(748.49)
II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
Inflow :				
a) Sale of Fixed Assets	1,055.07		1,668.76	
b) Income from Investments /(Dividend)	0.60	1,055.67	0.61	1,669.37
Deduct :				
Outflow :				
a) Acquisition of Fixed Assets	189.35		62.48	
b) Investment in Foreign Subsidiary	33.49	222.84	39.87	102.35
Net Cash Inflow/(Outflow) in Course of Investing Activities (B)		832.83		1,567.02

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	Period Ended 31 MARCH, 2017		Period Ended 31 MARCH, 2016	
III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
Inflow :				
a) Increase in Working Capital Borrowings	116.35		-	
b) Decrease in Bank Deposits	-		3.40	
c) Increase in Unsecured Loan	429.00		394.00	
d) Increase in Term Loan	7.54	552.89	-	397.40
Deduct :				
Outflow :				
a) Decrease in Working Capital Borrowings	-		304.56	
b) Increase in Bank Deposits	5.29		-	
c) Repayment of Term Loan	-		115.01	
d) Net Interest Paid	405.22	410.51	809.43	1,229.00
Net Cash Inflow/(Outflow) in Course of Financing Activities (C)		142.38		(831.60)
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)		40.65		(13.07)
Cash/Cash Equivalents at the beginning of the year		23.28		36.35
Cash/Cash Equivalents at the close of the year		63.93		23.28
Net Increase/(Decrease) in Cash/Cash Equivalents		40.65		(13.07)

As per our report attached of even date

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

G. SANKAR
Partner
 Membership No.: 046050

Place : Mumbai

 Dated :16th May, 2017

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman
 DIN No. 00173168

VIVEK SHARMA
Managing Director
 DIN No.: 01541498

Place : Mumbai

 Dated :16th May, 2017

PREMA CHANDRASEKHAR
Chief Financial Officer
SARIKA SINGH
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 :-

Assets	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

SIGNIFICANT ACCOUNTING POLICIES

Asset	Useful life	Method	Residual value	Justification if useful life different from Schedule II to the Companies Act 2013
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	WDV	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.
- 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.

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

SIGNIFICANT ACCOUNTING POLICIES

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 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.
- 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 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.

SIGNIFICANT ACCOUNTING POLICIES

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 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 PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	As at 31 MARCH, 2017	As at 31 MARCH, 2016
NOTE 1 : SHARE CAPITAL		
AUTHORISED		
4,61,70,400 (P.Y. 4,61,70,400) Equity Shares of Rs.5/- each	2,308.52	2,308.52
6,92,480 (P.Y. 6,92,480) Preference Shares of Rs. 100/- each	692.48	692.48
	3,001.00	3,001.00
ISSUED,SUBSCRIBED AND PAID-UP		
2,87,15,883 (P.Y.2,87,15,883) Equity Shares of Rs.5/- (P.Y. Rs.5/-) each fully paid	1,435.79	1,435.79
6,92,480 (P.Y. 6,92,480) 5% - 5 Year Redeemable Non- Cummulative Preference Shares of Rs. 100/- each fully paid	692.48	692.48
	2,128.27	2,128.27

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	2016-17	2015-16
Opening Number of Equity Shares	28,715,883	28,715,883
Add: Equity Shares issued under ESOP scheme during the year	-	-
Closing Number of Equity Shares	28,715,883	28,715,883

The details of Shareholder holding more than 5% Equity Shares is as under:

Name of Share holder	No. of Shares	No. of Shares
Mr. Nirmal Bhogilal	14,229,713	18,729,713
% Shareholding	49.55%	65.22%
Bhogilal Family Trust	45,00,000	-
% Shareholding	15.67%	-
L & T Infrastructure Finance Company Ltd - Trustee of Karunya Trust	1,382,000	1,782,000
% Shareholding	4.81%	6.21%

Preference Shares

6,92,480 5% Non Cumulative Preference Shares of Rs. 100 each (4,78,000 redeemable on 27th March, 2021 and 2,14,480 redeemable on 19th June, 2021)

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

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

Mr.Nirmal Bhogilal

Particulars	2016-17	2015-16
Opening Number of Preference Shares	692,480	692,480
Add: Transferred during the year	-	-
Closing Number of Preference Shares	692,480	692,480

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

Particulars	No. of Shares	No. of Shares
Mr. Nirmal Bhogilal	692,480	692,480
% Shareholding	100%	100%

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 2 : RESERVES AND SURPLUS		
Capital Reserves		
As per last Balance Sheet	25.00	25.00
Capital Redemption Reserve		
As per last Balance Sheet	160.60	160.60
Revaluation Reserve		
As per last Balance Sheet	441.01	442.52
Less : Amount withdrawn on account of Depreciation on revalued assets	0.67	1.51
Less : Transferred to General Reserve on Disposal	440.34	-
		441.01
Securities Premium Reserve		
As per last Balance Sheet	396.59	396.59
Add : Premium on Equity Shares issued under ESOP Scheme during the year	-	-
	396.59	396.59
General Reserve		
As per last Balance Sheet	1,162.92	1,162.92
Add: Transferred from Revaluation Reserve	440.34	-
	1,603.26	1,162.92
Employee stock option Reserve		
As per last Balance Sheet	25.50	9.17
Add : Accrual of employee compensation cost (refer Note no. - 15 - XIV)	15.16	16.33
	40.66	25.50
Foreign Currency Translation Reserve		
As per last Balance Sheet	(191.84)	(431.41)
Less: Exchange Difference during the year	96.13	(239.57)
	(287.97)	(191.84)

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
Investment Allowance Reserve Utilised		
As per last Balance Sheet	63.05	63.05
	<u>2,001.19</u>	<u>2,082.83</u>
Surplus		
Opening Balance in Profit & Loss Account	274.71	286.07
Add: Profit/(Loss) from Profit & Loss Account	(703.08) (428.37)	(11.36) 274.71
Closing Balance in Profit & Loss Account	(428.37)	274.71
Total	<u>1,572.82</u>	<u>2,357.54</u>

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 3 : NON - CURRENT LIABILITIES		
Long Term Borrowings		
Secured Term Loans		
From Banks		
Car Loan (Secured by Hypothecation of Vehicle)	5.86	0.96
Repayment terms		
Repayable in various EMIs by May 2019		
Unsecured Loans		
Loans & Advances from Related Parties		
Loan from Director	1,996.20	1,676.20
Repayment terms		
Repayable after one year		
Other Loans	182.08	73.08
Repayment terms		
Repayable after one year		
	<u>2,184.14</u>	<u>1,750.24</u>
Other Long Term Liabilities		
Trade Payables	192.53	180.43
Advances and Deposits from Customers	313.51	271.49
Interest accrued and due on loans from related parties	90.47	34.29
Employee Related and Other Liabilities	77.77	76.00
	<u>674.28</u>	<u>562.21</u>

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	As at 31-Mar-17	As at 31-Mar-16
Long Term Provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	252.88	246.60
Provision for Leave Encashment	113.20	113.41
Warranty Provision	15.05	46.10
	381.13	406.11
NOTE 4 : CURRENT LIABILITIES		
Short Term Borrowing		
Secured		
Loans repayable on demand		
From Banks		
Cash Credit and Working Capital Borrowings (Security : Refer Note 15 - I)	1,920.60	1,714.25
Unsecured		
Inter Corporate Deposits	400.00	490.00
	2,320.60	2,204.25
Trade Payables		
Due to Micro Small and Medium Enterprises (Refer Note 15 - II)	74.17	22.14
Others	1,723.09	1,969.86
	1,797.26	1,992.00
Other Current Liabilities		
Advances and Deposits from Customers	931.44	1,109.85
Current maturities of Long Term Loan - Secured		
Car Loan (Secured by hypothecation of Vehicle)	5.48	2.84
Interest accrued but not due on loans	-	0.78
Statutory, Legal, employee related and Other liabilities	797.82	881.15
	1,734.74	1,994.62
Short Term Provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	62.86	63.57
Provision for Leave Encashment	15.26	20.50
Warranty Provisions	38.49	46.99
	116.61	131.06

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

NOTE : 5 FIXED ASSETS

Rs. In Lakhs

Particulars	G R O S S B L O C K			D E P R E C I A T I O N / A M O R T I S A T I O N				N E T B L O C K		
	As at 01-Apr-16	Additions/ Adjustments	Deductions/ Adjustments	As at 31-Mar-17	Upto 31-Mar-16	For the Year	Deductions/ Adjustments	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Tangible Assets										
Land (Freehold)	1,943.60	-	-	1,943.60	-	-	-	-	1,943.60	1,943.60
Land (Leasehold)	434.49	-	434.49	-	-	-	-	-	-	434.49
Buildings	1,444.75	21.02	-	1,465.77	699.50	38.37	-	737.87	727.90	745.25
On Freehold Land	210.23	0.00	210.23	-	179.44	4.70	184.14	-	-	30.79
On Leasehold Land	5,898.38	26.22	2.33	5,922.27	4,538.68	125.74	2.21	4,662.21	1,260.06	1,359.70
Plant & Machinery	934.81	29.75	22.13	942.43	883.09	21.03	22.05	882.07	60.36	51.72
Office Equipment/ Computers etc.	264.08	88.39	10.77	341.70	229.17	21.62	9.02	241.77	99.93	34.91
Furniture, Fixtures, Fans and Electrical Fittings	33.92	16.92	0.39	50.45	16.40	5.23	0.37	21.26	29.19	17.52
Total Tangible Assets	11,164.26	182.30	680.35	10,666.22	6,546.28	216.69	217.79	6,545.18	4,121.04	4,617.98
Intangible Assets-Tech. Know-how	-	-	-	-	-	-	-	-	-	-
T O T A L	11,164.26	182.30	680.35	10,666.22	6,546.28	216.69	217.79	6,545.18	4,121.04	4,617.98
(Previous Year)	(11,262.32)	(62.48)	(160.54)	(11,164.26)	(6,444.80)	(215.64)	(114.16)	(6,546.28)	(4,617.98)	(4,817.52)
Capital Work-in- Progress	282.32	7.05	-	289.37	-	-	-	-	289.37	282.32
(Previous Year)									(282.32)	(282.32)
T O T A L	11,446.58	189.35	680.35	10,955.59	6,546.28	216.69	217.79	6,545.18	4,410.41	4,900.30
(Previous Year)									(4,900.30)	(5,099.84)

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	Numbers 31-Mar-17	Numbers 31-Mar-16	Face Value (Each Rs.)	As at 31-Mar-17	As at 31-Mar-16
NOTE 6 : NON - CURRENT INVESTMENTS					
TRADE INVESTMENTS					
Investment in Equity Instruments:					
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	405.65
Investment in Preference Instruments:					
In fully paid Shares of Wholly Owned Subsidiary Company (Un-Quoted):					
Queen Project Mauritius Ltd.					
Preference Shares of MUR 10 each	1,58,40,924	1,56,69,822		2,902.17	2,964.81
NON TRADE INVESTMENTS					
Investment in Equity Instruments:					
In fully Paid Equity Shares (Quoted)					
Aturia Continental Ltd.	1,29,032	1,29,032	10.00	40.00	40.00
The Mysore Kirloskar Ltd.	2,00,277	2,00,277	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				50.05	50.05
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
Shamrao Vitthal Co.op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
SUB-TOTAL				5.27	5.27

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	Numbers 31-Mar-17	Numbers 31-Mar-16	Face Value (Each Rs.)	As at 31-Mar-17	As at 31-Mar-16
Investment in Preference Instruments: 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				0.01	0.01
TOTAL				3,554.36	3,617.00
Less: Provision for diminution in value of Investments				49.55	49.55
GRAND TOTAL				3,504.81	3,567.45
Aggregate value of Quoted Investments				50.06	50.06
Less: Provision for diminution in value of Investments				49.55	49.55
Net Value of Quoted Investments				0.51	0.51
Market Value of Quoted Investment				-	-
Aggregate value of Un-Quoted Investments				3,504.30	3,566.94

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 7 : LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS		
Long Term Loans & Advances		
Unsecured Considered Good Unless Specified Otherwise		
Security & Other Deposits	80.47	68.60
Considered Doubtful	9.65	10.54
Less : Provision for doubtful deposits	9.65	10.54
SUB TOTAL	80.47	68.60
Other Loans & advances		
Staff Loans	2.53	5.47
Advances recoverable in cash or in kind or for value to be received	13.08	10.62
SUB TOTAL	15.61	16.09

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
MAT Credit Available for set off	130.32	130.32
	<u>226.40</u>	<u>215.01</u>
Other Non-Current Assets		
Long Term Trade Receivables		
Unsecured		
Debts outstanding Considered Good	145.59	117.46
Considered Doubtful	68.18	68.46
Less: Provision for Doubtful Debts	68.18	68.46
	<u>145.59</u>	<u>117.46</u>
Cash and Cash Equivalents		
Fixed Deposits with Banks having maturity of more than one Year	9.01	-
(towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks))	<u>9.01</u>	<u>-</u>
	<u>154.60</u>	<u>117.46</u>

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 8 : CURRENT ASSETS		
Inventories (valued at Lower of Cost or Net Realisable Value)		
Raw Materials	906.98	903.57
Work-in-Progress	1,015.26	1,331.43
Stock of Machines, including own manufactured	67.75	81.25
Stores and Spare Parts	18.26	20.97
Loose Tools	13.88	10.59
	<u>2,022.13</u>	<u>2,347.81</u>
Trade Receivables		
Unsecured		
Debts outstanding for a period exceeding six months, Considered Good	203.23	382.11
Debts outstanding for a period less than six months, Considered Good	1,678.69	1,298.41
	<u>1,881.92</u>	<u>1,680.52</u>

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
Cash and Bank Balances		
<u>Cash and Cash Equivalents :</u>		
Cash and Cheques on hand and at collection centres	5.50	11.43
<u>Balances with Scheduled Banks :</u>		
In Current Account	58.43	11.85
	63.93	23.28
<u>Other Bank Balances :</u>		
Fixed Deposits with Banks having maturity of less than one Year (towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks))	17.27	20.99
	81.20	44.27
Short Terms Loans and Advances		
Unsecured Considered Good Unless Otherwise Stated		
Advances Recoverable in Cash or in Kind or for Value	354.06	336.92
Staff Loans	11.54	22.23
Deposit	48.66	57.11
Balances with Excise, Sales Tax and Service Tax	73.46	88.93
Taxes Paid in Advance and Deducted at Source (Net of Provision for Tax)	49.16	52.29
	536.88	557.48

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	2016-17		2015-16	
NOTE 9 : REVENUE FROM OPERATIONS				
Sale of Products [Refer Note: 15- V- A(ii) & B]	9,912.18		9,550.65	
Sale of Services [Refer Note: 15- V- C]	1,237.72		1,275.80	
Other Operating Revenue	232.60	11,382.50	231.91	11,058.36
Less : Excise Duty		859.68		835.50
		10,522.82		10,222.86
NOTE 10 : OTHER INCOME				
Dividend		0.60		0.61
Exchange Difference Gains		-		31.03
Profit on Sale of Fixed Assets		0.08		-
Excess Provision of Earlier Years Written Back		-		4.22
Unclaimed Credit Balances Written Back		131.97		106.61
Interest		10.28		8.56
Miscellaneous Receipts		10.13		6.71
		153.06		157.74
NOTE 11 : COST OF MATERIALS CONSUMED				
Raw Materials Consumed (Refer Note No. 15-V-A (i))	4,431.38		4,674.22	
Less:Self Consumption for Job Contracts	-	4,431.38	-	4,674.22
Cost of Services Rendered		60.14		57.98
Job Work Charges Incurred		172.63		137.79
		4,664.15		4,869.99
NOTE 11 : PURCHASE OF STOCK IN TRADE				
Purchases of Stock in Trade		1,281.15		1,342.71
		1,281.15		1,342.71

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	2016-17		2015-16	
NOTE 11 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE				
Stock at Close :				
Work-in-Process	1,015.26		1,331.43	
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	67.75	1,083.01	81.25	1,412.68
Less :				
Stock at Commencement :				
Work-in-Process	1,331.43		1,135.18	
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	81.25	1,412.68	55.76	1,190.94
		329.67		(221.74)
NOTE 12 : EMPLOYEE BENEFIT EXPENSES (Refer Note no. 15 - XI - D)				
Salaries, Wages, Allowances and Bonus		1,963.52		1,926.30
Contribution to Provident and Other Funds		104.43		109.15
Expenses on Employee Stock Option Scheme (ESOP)		15.16		16.33
Payments & Provision for Gratuity		70.93		38.17
Staff Welfare Expenses		221.44		206.06
		2,375.48		2,296.01
NOTE 13 : FINANCE COST				
Interest Expenses		460.62		652.66
Other Borrowing Cost		55.19		72.88
		515.81		725.54

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	2016-17	2015-16
NOTE 14 : OTHER EXPENSES		
Rent	119.25	128.28
Rates and Taxes	21.60	27.91
Power and Fuel	126.20	157.69
Insurance	17.61	22.41
Sales Commission	103.23	73.97
Exhibitions/ Advertisement Expenses	114.72	75.83
Printing and Stationery	19.43	19.26
Travelling and Conveyance	302.47	295.52
Audit, Legal and Professional Charges	218.74	222.68
Vehicle Maintenance	76.13	84.42
Packing and Cartage	95.03	97.92
Stores & Loose Tools Consumed	135.24	134.30
Repairs to Machinery	79.57	83.38
Repairs to Buildings	22.50	20.13
Repairs to Other Assets	20.16	14.46
Outsourced Services	642.27	724.21
Discounts and Allowances to Customers	26.20	10.73
Directors' Sitting Fees	5.61	6.76
Loss on Sale / Assets Written Off	0.84	5.72
Bad Debts	92.85	302.26
Provision for Doubtful Debts/Advances	-	(96.48)
Exchange Difference Loss	21.43	-
Miscellaneous Expenses	324.38	334.19
	2,585.46	2,745.55
NOTE 14 A : EXCEPTIONAL ITEMS		
Profit on Sale of Flat	-	123.41
Profit on Sale of Leasehold Land and Building on Leasehold Land	593.95	1,506.20
Income / (Expenses)	593.95	1,629.61

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15

I. Borrowings and Securities:

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. Credit facilities including sub-limits extended by consortium banks to Batliboi Environmental Engineering Limited (BEEL), are secured by 2nd pari-passu charge on the fixed assets of the Company (both present and future) at Udhana, Surat.

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

Rs. in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016
Principal amount due and remaining unpaid	74.17	22.14
Interest due on above and the unpaid interest	4.42	2.21
Interest Paid	Nil	Nil
Payment made beyond the appointed day during the year	140.61	201.78
Interest due and payable for the period of delay*	14.69	11.06
Interest accrued and remaining unpaid	4.42	2.21
Amount of further interest remaining due and payable in succeeding years	4.42	2.21

*Not claimed by parties.

III. Contingent Liabilities not provided for in respect of:

- a) Claims against the Company not acknowledged as debts: Rs 187.40 Lakhs (Previous Year: Rs. 230.12 Lakhs).
- b) Disputed Sales Tax/Excise demands under appeal Rs. 76.30 Lakhs (Previous Year: Rs 76.30 Lakhs).
- 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: Rs 2,070.00 Lakhs (Previous year: Rs 2,290.00 Lakhs). Balance outstanding as on 31.03.2017: Rs 1,753.14 Lakhs (Previous Year: Rs. 1,543.95 Lakhs).
- d) Guarantees given on behalf of the Company by its bankers and outstanding Rs 796.09 Lakhs (Previous year: Rs. 884.40 Lakhs). Out of the above, Guarantees of Rs 73.78 Lakhs (Previous year Rs. 91.78 Lakhs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
- e) Guarantee given by the company's bankers on behalf of BEEL out of the specific guarantee facility of Rs. 288.00 Lakhs Rs. 171.33 Lakhs is outstanding as on 31.03.2017.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE NO. 15 : (Contd.)

- f) 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.
- g) Standby letter of Credit of CAD 1.52 million equivalent to Rs. 728.53 Lakhs issued by the Company's banker out of the working capital limit to the banker of Quickmill Inc., a step-down subsidiary of the Company.

IV. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account not provided for: Rs 19.07 Lakhs (Previous Year: Rs. Nil Lakhs).
- b) The Company does not have any other commitment.

V. Details of Manufacturing, Trading and Services:
(A) MANUFACTURING
(i) Consumption of Raw Materials:

Particulars	Rs. In Lakhs	
	2016-17	2015-16
a) Aluminum Sheets	5.89	19.45
b) Iron and Steel	553.64	592.14
c) Castings	59.17	178.49
d) Electric Motors	329.46	347.86
e) Scrap	129.34	287.14
f) Other Components	3,353.88	3,255.70
Sub-Total	4,431.38	4,680.78
Less: Captive Use	Nil	6.56
Total	4,431.38	4,674.22

(ii) Manufactured Goods:

Particulars	Rs. In Lakhs		
	Sales Value	Closing Inventory	Opening Inventory
a) Machine Tools	4,235.85 (4,099.82)	26.39 (15.95)	15.95 (11.50)
b) Humidification Air Control/ Exhaust Fans & Compressors	3,630.89 (3,769.58)	NIL (Nil)	NIL (Nil)
c) Castings	21.04 (8.34)	NIL (Nil)	Nil (Nil)
Total	7,887.78 (7,877.74)	26.39 (15.95)	15.95 (11.50)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15 : (Contd.)

(iii) Work In Progress:

Particulars	Rs. In Lakhs	
	Closing Inventory	Opening Inventory
a) Machine Tools	879.66 (1,108.76)	1,108.76 (966.29)
b) Humidification Air Control/Exhaust Fans & Compressors	129.39 (221.73)	221.73 (161.61)
c) Castings	6.21 (0.94)	0.94 (7.28)
Total	1,015.26 (1,331.43)	1,331.43 (1,135.18)

(B) TRADING

Particulars	Purchase	Sales	Rs. In Lakhs	
			Closing Inventory	Opening Inventory
a) Machine Tools	440.26 (308.61)	712.63 (345.08)	Nil (Nil)	Nil (Nil)
b) Humidification Air Control/Exhaust Fans & Compressors	327.83 (393.87)	601.75 (552.04)	3.86 (4.84)	4.84 (5.81)
c) Knitting Oil & Digital Printing Ink	513.06 (640.23)	710.02 (775.79)	37.50 (60.46)	60.46 (38.45)
Total	1,281.15 (1,342.71)	2,024.40 (1,672.91)	41.36 (65.30)	65.30 (44.26)

(C) SERVICES

Particulars	Rs. In Lakhs	
	2016-17	2015-16
a) Commission	975.44	1015.25
b) Service Charges	262.28	260.55
Total	1237.72	1275.80

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE NO. 15 : (Contd.)
VI. C.I.F. Value of Imported Items:

Particulars	Rs. In Lakhs	
	2016-17	2015-16
a) Raw Materials and Components	441.54	422.47
b) Purchases for Trading Goods	Nil	2.70
Total	441.54	425.17

VII. Expenditure in Foreign Currency:

Particulars	Rs. In Lakhs	
	2016-17	2015-16
Traveling Expenses	11.35	4.97
Total	11.35	14.97

VIII. Consumption of Imported and Indigenous Raw Materials, Components, Stores and Spares:

Particulars	Rs. In Lakhs			
	2016-17		2015-16	
	% of Total Consumption	Rs. Lakhs	% of Total Consumption	Rs. Lakhs
a) Raw Materials & Components				
Imported	12.40%	549.32	12.08%	564.66
Indigenous	87.60%	3,882.06	87.92%	4109.56
Total	100.00%	4,431.38	100.00%	4674.22
b) Stores, Spares & Loose Tools				
Imported	0.00%	Nil	0.00%	Nil
Indigenous	100.00%	135.24	100.00%	134.30
Total	100.00%	135.24	100.00%	134.30

IX. Earnings in Foreign Currency:

Particulars	Rs. In Lakhs	
	2016-17	2015-16
Commission/Other Income	961.11	994.49
Total	961.11	994.49

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15 : (Contd.)

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

Rs. In Lakhs

Particulars	2016-17		2015-16	
	Statutory Auditors	Branch Auditors	Statutory Auditors	Branch Auditors
a) Audit Fees	7.25	1.25	7.50	1.25
b) Tax Matters	3.00	0.50	3.11	0.50
c) Certification	3.06	-	2.46	-
d) Reimbursement	-	0.03	-	0.74
e) Other Services	3.00	2.41	3.00	1.76
Total	16.31	4.19	16.07	4.25

XI-A. Construction Contracts:

Rs. In Lakhs

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	
	2016-17	2015-16
3. Total Contract Revenue recognized as Revenue during the year	0.00	0.00
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	Nil	Nil
b. Amount due from/(to) customers	Nil	7.44
c. Advances received from customers	-	-

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

Exchange Gains/Loss credited/charged to Profit and Loss Account: Exchange Loss in Rs 21.43 Lakhs (P.Y Exchange Gain of Rs.31.03 Lakhs).

Exchange Loss of Rs. 96.13 Lakhs (P.Y. exchange gain of Rs. 239.57 Lakhs) on long term investment in wholly owned foreign subsidiary shown under "Foreign Currency Translation Reserve" in Reserves and Surplus.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE NO. 15 : (Contd.)
XI-C. Details of un-hedged foreign Currency exposure:

Particulars	Rs. In Lakhs	
	2016-17	2015-16
Receivables including firm commitments and highly probable forecasted transaction	696.49	453.29
Payable including firm commitments and highly probable forecasted transaction	198.25	142.53
Long Term investment in wholly owned Foreign Subsidiary	2,902.17	2,964.81

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:

Particulars	Rs. In Lakhs	
	2016-17	2015-16
a) Contribution to Employees Provident Fund i.r.o. employees at manufacturing facilities	33.28	37.65
b) Contribution to Employees Superannuation Fund	16.60	18.65

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 31st March, 2017 (31st March, 2016):

Particulars	Rs. In Lakhs		
	Gratuity Non-funded	Leave Encashment Non-funded	Compensated absence Non-funded
• Changes in the Present Value of Obligation			
a) Present Value of Obligation as at 1 st April, 2016	310.18 (435.25)	77.95 (104.22)	5.60 (10.77)
b) Interest Cost	18.95 (32.06)	4.51 (7.42)	0.42 (0.86)
c) Service Cost	24.08 (25.83)	24.41 (26.05)	1.78 (18.40)
d) Curtailment Cost/(Credit)	-	-	-
e) Settlement Cost/(Credit)	-	-	-
f) Benefits Paid	-112.41 (-68.95)	-34.96 (-22.95)	- (-)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15 : (Contd.)

Particulars		Gratuity	Leave	Compensated
		Non-funded	Encashment Non-funded	absence Non-funded
	g) Interest guarantee (if relevant)	-	-	-
	h) Actuarial (Gain) / Loss	74.94 (-114.04)	-13.35 (-36.79)	-1.69 (-24.43)
	i) Present Value of Obligation as at 31 st March, 2017	315.74 (310.18)	58.56 (77.95)	6.11 (5.60)
• Changes in the Fair Value of Plan Assets				
	a) Present Value of Plan Assets as at 1 st April, 2016	NIL	NIL	NIL
	b) Expected Return on Plan Assets	NA	NA	NA
	c) Actuarial (Gain)/Loss	NIL	NIL	NIL
	d) Employers' Contributions	112.41	34.96	NIL
	e) Benefits Paid	-112.41	-34.96	NIL
	f) Present Value of Obligation as at 31 st March, 2017	NIL	NIL	NIL
• Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
	a) Present Value of Defined Benefit Obligation as at 31 st March, 2017	315.74 (310.18)	58.56 (77.95)	6.11 (5.60)
	b) Fair Value of Plan Assets as at 31 st March, 2017	NIL	NIL	NIL
	c) Net Liability recognized in the Balance Sheet (as at 31 st March, 2017)	315.74 (310.18)	58.56 (77.95)	6.11 (5.60)
• Expenses Recognized in the Profit and Loss Account				
	a) Service Cost	24.08 (25.83)	24.41 (26.05)	1.78 (18.40)
	b) Interest Cost	18.95 (32.06)	4.51 (7.42)	0.42 (0.86)
	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	74.94 (-114.01)	-13.35 (-36.79)	-1.69 (-24.43)
	g) Total Expenses recognized in the Profit and Loss Account	117.97 (-56.12)	15.57 (-3.32)	0.51 (-5.17)
• Actual Return on Plan Assets				
• Estimated Contribution to be made in the next annual year				
• The Composition of Plan Assets: i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31st March, 2017				
		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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE NO. 15 : (Contd.)

	Total	NA	NA	NA
• Actuarial Assumptions				
	Retirement age	58 years for employees at manufacturing facilities at Udhana and 60 years at other locations.		
	Discount rate	7.46% 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.

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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15 : (Contd.)

i) Primary Segments Reporting (Based on Business Segments)

Rs. in Lakhs

Particulars	Machine Tools Group		Textile Engineering Group		Un-allocated & Others		Total Company	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue								
Total Segment Revenue	5,281.48	4,759.71	5,610.75	5,796.30	274.65	270.37	11,166.88	10,826.38
Add: Other un-allocable Revenue	-	-	-	-	-	-	-	-
Sub Total	5,281.48	4,759.71	5,610.75	5,796.30	274.65	270.37	11,166.88	10,826.38
(Less): Inter-segment Sales	(644.06)	(603.37)	-	(0.15)	-	-	(644.06)	(603.52)
Segment Revenue from external customers	4,637.42	4,156.34	5,610.75	5,796.15	274.65	270.37	10,522.82	10,222.86
Segment Results								
Profit/(Loss) before Interest & Tax	(1,217.10)	(1,651.61)	299.31	511.54	735.02	1,902.12	(182.77)	762.05
(Less): Interest	-	-	-	-	(515.81)	(725.54)	(515.81)	(725.54)
Total Profit/(Loss) before Tax	(1,217.10)	(1,651.61)	299.31	511.54	219.21	1,176.58	(698.58)	36.51
Less:								
Tax Expenses	-	-	-	-	4.50	47.87	4.50	47.87
Total Profit/(Loss) after Tax	(1,217.10)	(1,651.61)	299.31	511.54	214.71	1,128.71	(703.08)	(11.36)
Segment wise Capital Employed (Segment Assets Less Segment Liabilities)								
Segment Assets	1,746.26	2,254.08	311.31	680.74	1,643.52	1,551.02	3,701.09	4,485.84
Segment Liabilities	3,887.18	4,308.68	1,719.24	1,941.66	7,305.36	7,275.94	12,911.78	13,526.28
Capital Expenditure	2,140.92	2,054.60	1,407.93	1,260.92	5,661.84	5,724.92	9,210.69	9,040.44
Depreciation	-	-	-	-	289.37	282.32	289.37	282.32
Depreciation	103.97	113.36	54.01	48.69	58.71	53.59	216.69	215.64
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.

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**NOTE NO. 15 : (Contd.)**

- g) Aesa Air Engineering Ltd.-China
- h) Aesa Air Engineering Pvt. Ltd.-India
- i) 760 Rye Street Inc, Canada

ii) Key Management Personnel:

- a) Mr. Nirmal Bhogilal, Chairman
- b) Mr. Vivek Sharma, Managing Director
- c) Mrs. Sheela Bhogilal, Director
- d) Mrs. Prema Chandrasekhar, Chief Financial Officer
- e) Ms. Namita Thakur, Company Secretary (Up to 31/08/2016)
- f) Ms. Sarika Singh (from 25/10/2016)

iii) Relatives of Key Management Personnel:

- a) Mr. Kabir Bhogilal, Vice President-Corporate Strategy
- b) Mrs. Maya Bhogilal

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
- d) Bhogilal Family Trust

* No transaction with the entities during the year.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15 : (Contd.)

B) Transactions & Outstanding Balances:

Rs. In Lakhs

Particulars		Subsidiary Companies		Entities		Key Management Personnel & their Relatives	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
I)	Transactions						
a)	Purchase of goods/materials/services/fixed assets/ investments	3.80	22.08	525.04	447.94	-	-
b)	Sale of goods/materials/services/fixed assets/ investments/recovery of expenses	122.73	86.49	975.95	673.37	-	-
c)	Rent/License fee received(paid)	-	-	2.67	(0.43)	(14.09)	(14.01)
d)	Interest Paid(Received)	-	-	10.25	15.85	40.51	179.77
e)	Loans & Advance Received/ (Refunded)(Net)	-	-	173.52	133.34	520.00	494.00
f)	Loans & Advances in cash or kind Given / (refunded) (Net)	-	-	50.00	52.31	200.00	100.00
g)	Gross Salary/Remuneration	-	-	-	-	263.57	190.36
h)	Outstanding Guarantee	728.53	-	2,070.00	2,290.00	-	-
II)	Outstanding Balances as at 31.03.17, i.r.o:						
a)	Loans & Advances-Received		7.51	182.08	153.78	1,996.20	676.20
b)	Other receivable (for goods, services & other items)	351.14	171.13	1,124.91	620.62	-	-
c)	Other payables (for goods, services & other items)	47.70	36.93	448.44	278.25	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE NO. 15 : (Contd.)
C) Disclosure in respect of material transaction with related parties

		Rs. In Lakhs	
	Particulars	2016-17	2015-16
i)	Purchase of goods/materials/services/fixed assets/investments/ payment of expenses		
	Batliboi Environmental Engineering Ltd.	268.60	152.36
	Batliboi International Ltd.	11.68	8.77
	Batliboi Impex Ltd.	150.71	190.07
	Batliboi Enxco Pvt. Ltd.	-	0.19
	Spartan Electricals	94.05	96.55
	Aesa Air Engineering Ltd. China	3.80	12.39
	Aesa Air Engineering S.A France	-	9.69
ii)	Sale of goods/material/services/fixed assets/investments/recovery of expenses		
	Batliboi Environmental Engineering Ltd.	488.05	330.68
	Batliboi International Ltd.	413.01	281.37
	Batliboi Enxco Pvt. Ltd.	63.71	60.56
	Spartan Electricals	1.24	0.53
	Aesa Air Engineering Pvt. Ltd.	76.25	86.49
	Quickmill Inc.	46.48	-
	Batliboi Impex Ltd.	9.94	0.23
iii)	Rent/Licence Fee Received/(Paid)		
	Batliboi Environmental Engineering Ltd.	14.19	14.06
	Batliboi International Ltd.	(8.67)	(10.71)
	Batliboi Enxco Pvt. Ltd.	(1.17)	(3.78)
	Nirmal Bhogilal	(5.40)	(5.40)
	Spartan Electricals	(1.68)	-
	Shekama Family Trust	(6.00)	(6.00)
	Kabir Bhogilal	(2.69)	(2.21)
	Puneet Kapur	-	(0.40)
iv)	Interest Paid/(Received)		
	Batliboi International Ltd.	8.77	13.43
	Hitco Investments Pvt. Ltd.	1.48	2.42
	Nirmal Bhogilal	32.70	174.13
	Sheela Bhogilal	7.81	5.64
v)	Loans & Advances in Cash or Kind Received		
	Batliboi International Ltd.	55.21	93.34
	Batliboi Impex Ltd.	9.31	-
	Hitco Investments Pvt. Ltd.	109.00	40.00
	Nirmal Bhogilal	500.00	494.00
	Sheela Bhogilal	20.00	-
vi)	Loans & Advances in Cash or Kind Given		
	Batliboi International Ltd.	-	3.00
	Batliboi impex Ltd.	-	9.31
	Hitco Investments Pvt. Ltd.	-	40.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15 : (Contd.)

	Nirmal Bhogilal Batliboi Environmental Engineering Ltd.	200.00 50.00	100.00 -
vii)	Gross Salary/Remuneration Paid		
	Nirmal Bhogilal	41.90	87.67
	Kabir Bhogilal	35.18	26.51
	Prema Chandrasekhar	39.32	37.50
	Vivek Sharma	141.99	24.63
	Puneet Kapur	-	5.72
	Anand Sharma	-	6.39
	Namita Thakur	2.13	1.94
	Sarika Singh	3.05	-
viii)	Guarantee / Collateral Security Given During The Year		
	Quickmill Inc.	728.53	-
	Batliboi Environmental Engineering Ltd.	2070.00	2290.00

XI-G. Earnings Per Share:

Basic & Diluted Earnings per Share:

Workings of EPS	2016-17	2015-16
A. Profit /(Loss) after tax		
Net Profit/(Loss) available for Equity Shareholders: Rs. In Lakhs	(703.08)	(11.36)
B. Weighted average number of Equity shares for computation of Basic & Diluted Earning per Share: Nos.	2,87,15,883	2,87,15,883
C. Basic & Diluted Weighted Average Earning/(Loss) Per Share: Rs.	(2.45)	(0.04)

XI-H. Taxes on Income:

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

Rs. In Lakhs

Particulars	31 March, 2017	31 March ,2016
i. Deferred Tax Assets:		
Unabsorbed business loss/unabsorbed depreciation	339.00	393.00
Provision for Doubtful Debts, Advances, Diminution in Value of Investments and Employee Benefits	91.50	96.00
ii. Deferred Tax Liabilities:		
Depreciation on Fixed Assets	339.00	393.00
iii. Net Deferred Tax Assets/(Liabilities)	91.50	96.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
NOTE NO. 15 : (Contd.)
XI-I. Provisions, Contingent Liabilities and Contingent Assets:

Disclosure for Provisions in terms of AS-29:

					Rs. In Lakhs
Provisions	Opening Amount	Additional Provision	Amount Used	Amount Reversed	Closing Amount
2016-17	183.06	15.05	13.58	0.28	184.25
2015-16	196.29	51.05	54.15	10.13	183.06

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 and Deposits 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 owing to overall slowdown in the economy affecting the investment by private parties and government sectors in the capital intensive sector. The Company has taken steps to improve the working capital situation by sale of non-core assets during the year and also has a satisfactory order book position as on date.

- 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 Rs.191.21 Lakhs. 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 Rs. 15.75.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE NO. 15 : (Contd.)

Summary of stock option as on 31.03.2017 is as follows:-

Year of Grant	2011-12	2012-13	2014-15	2015-16	Total
	1st Lot	2nd Lot	3rd Lot	4rd Lot	Lot
No of Options Granted	10,00,000	1,00,000	3,50,000	2,50,000	17,00,000
No of Options Lapsed	(3,25,000)	(1,00,000)	(40,000)	(50,000)	(5,15,000)
No of Options Vested	6,75,000	-	-	-	6,75,000
No of Options Exercised	33,333	-	-	-	33,333
Option vested - to be exercised in future	6,41,667	-	-	-	6,41,667
Options to be vested	-	-	3,10,000	2,00,000	5,10,000

In respect of the option granted to the employees, compensation cost accrued for the period 16 - 17 is **Rs.15.16** Lakhs (Previous Year Rs. 16.33 Lakhs).

XV. The Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 in the Table below :-

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in Hand as on 08/11/2016	2,92,000.00	4,06,773.00	6,98,773.00
(+) Permitted receipts	1,74,500.00	18,16,378.00	19,90,878.00
(-) Permitted payments	2,22,000.00	16,74,211.00	18,96,211.00
(-) Amount Deposited in Banks	2,44,500.00	-	2,44,500.00
Closing Cash in hand as on 30/12/2016	-	5,48,940.00	5,48,940.00

XVI. Exceptional item of Rs. 593.95 Lakhs represents profit on sale of Bangalore property being the difference between sale value and the revalued amount. The amount standing to the credit of Revaluation reserve of Rs. 440.34 Lakhs has been transferred to General reserve on disposal.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**NOTE NO. 15 : (Contd.)**

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

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
DIN No. 00173168

PREMA CHANDRASEKHAR

Chief Financial Officer

G. SANKAR

Partner
Membership No. 046050

VIVEK SHARMA

Managing Director
DIN No. 01541498

SARIKA SINGH

Company Secretary

Place: Mumbai
Dated: 16th May 2017

Place : Mumbai
Dated: 16th May 2017

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 (hereinafter referred to as “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 31st March, 2017 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 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 there under.

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.

Basis for Qualified Opinion

The Holding Company has paid remuneration to the Managing Director in excess of the ceiling under Schedule V of the Companies Act, 2013 by Rs 80.69 Lakhs from 1st February 2016 to 12th September 2016. The said Managing Director was appointed with effect from 1st February, 2016 and the terms and conditions of such appointment and the remuneration payable to him have been approved by the Board of Directors and by the Nomination and Remuneration Committee of the Board and by the shareholder shareholders in the general meeting of the Company but subject to the approval of the Central Government (for which application has been made and is pending) as specified in the Schedule V of the Companies Act, 2013.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

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.

Our opinion is not modified in respect of this matter.

Other Matters

We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of Rs 3,503.19 Lakhs as at 31st March, 2017, total revenues of Rs.9,953.27 Lakhs and net cash flows amounting to Rs. 64.94 Lakhs 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.

We have relied on the unaudited financial statements of one intermediate step down subsidiary whose financial statements reflect total assets of Rs. 216.06 Lakhs as at 31st March 2017, total revenue of Rs. Nil Lakhs and Net cash flow of Rs. 0.77 Lakhs for the year then ended on that date. These financial statements as approved by the Board of Directors of the said subsidiary have been furnished to us by the management and our report in so far as it relates to the amount included in respect of the said subsidiary is based solely on such approved unaudited financial statements. We all informed that as per the local laws of the country where the subsidiary is situated audit of the financial statement of the subsidiary is not mandatory.

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

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. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 31st March, 2017 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. The qualification relating to payment of remuneration to the Managing Director in excess of the limits specified in Schedule V of the Companies Act, 2013 is as stated in the Basis for Qualified Opinion paragraph above.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and one subsidiary which is incorporated in India the operating effectiveness of such controls, refer to our separate Report in "Annexure".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - iv. The Group has provided requisite disclosures in the financial statements, as regards its holding and dealing in Specified Bank Notes as defined in the notification S. O. 3407 (E) dated 8th November, 2016 of the Ministry of Finance during the period from 8th November, 2016 to 30th December, 2016, in respect of the holding company and a subsidiary incorporated in India, and such disclosures are in accordance with the books of account maintained by the said companies - Refer Note 15 - 14 to the consolidated financial statements

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm's Registration No.109208W

Place: Mumbai
Date: 16th May, 2017

G. SANKAR
Partner
Membership No. 046050

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BATLIBOI LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, We have audited the internal financial controls over financial reporting of Batliboi Company Limited (hereinafter referred to as "the Holding Company") and one subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and one subsidiary company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the said companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and one subsidiary company which is incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of

the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the said companies' internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the said companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of the company incorporated in India.

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm's Registration No.109208W

Place: Mumbai

Date: 16th May, 2017

G. SANKAR

Partner

Membership No. 046050

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Rs. In Lakhs

	Note No.	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,128.27	2,128.27
Reserves and Surplus	2	1,614.56	2,422.81
		3,742.83	4,551.08
Non-Current Liabilities			
Long Term Borrowings	3	2,794.53	2,238.86
Other Long Term Liabilities		674.28	773.28
Long Term Provisions		409.00	496.75
		3,877.81	3,508.89
Current Liabilities			
Short Term Borrowings	4	2,661.59	2,796.50
Trade Payables		2,950.08	4,580.80
Other Current Liabilities		3,037.90	3,630.12
Short Term Provisions		358.90	350.53
		9,008.47	11,357.95
TOTAL		16,629.11	19,417.92
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	5	5,126.13	5,809.23
Goodwill on Consolidation		1,434.74	1,562.18
Intangible Assets		868.94	1,118.24
Capital Work In Progress		311.74	304.30
		7,741.55	8,793.95
Non-Current Investments	6	196.99	196.99
Deferred Tax Assets		87.19	87.92
Long Term Loans and Advances	7	399.93	388.41
Other Non-Current Assets	7	245.59	328.24
Current assets			
Current Investments	8	88.54	52.79
Inventories		3,494.95	4,577.61
Trade Receivables		2,625.47	3,686.10
Cash and Bank Balances		620.34	608.42
Short Term Loans and Advances		1,128.56	697.49
		7,957.86	9,622.41
TOTAL		16,629.11	19,417.92
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.: 046050

Place : Mumbai
Dated :16th May, 2017

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman
DIN No. 00173168

VIVEK SHARMA
Managing Director
DIN No.: 01541498

Place : Mumbai
Dated :16th May, 2017

PREMA CHANDRASEKHAR
Chief Financial Officer

SARIKA SINGH
Company Secretary

CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

		Rs. In Lakhs	
	Note No.	2016-17	2015-16
INCOME			
Revenue from Operations	9	20,476.09	21,659.25
Other Income	10	184.14	132.24
Total Revenue		20,660.23	21,791.49
EXPENDITURE			
Cost of Materials Consumed	11	7,526.41	8,606.70
Purchases of Stock in Trade	11	2,858.78	3,038.41
Changes in Inventories of finished goods, work in progress & stock in trade	11	878.51	(379.93)
Employee benefit expenses	12	5,056.98	5,013.22
Financial Costs	13	801.45	875.39
Depreciation	5	551.16	616.20
Other Expenses	14	4,742.64	5,658.57
Total Expenses		22,415.93	23,428.56
Profit / (Loss) Before Exceptional Items & Taxes		(1,755.70)	(1,637.07)
Exceptional Items - (Expenses) / Income	14 A	593.95	1,629.61
Profit Before Taxes		(1,161.75)	(7.46)
Tax expenses			
Current Tax		(25.30)	(30.59)
Deferred Tax (Net)		4.50	41.54
MAT Credit Available for set off		0.00	(7.00)
Tax Adjustments in respect of earlier years		0.00	2.87
Profit/(Loss) for the year		(1,140.95)	(14.28)
Earnings per Share (Basic & Diluted) (Face Value of Rs.5/- per Share)		(3.97)	(0.05)
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.: 046050

Place : Mumbai
Dated :16th May, 2017

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman
DIN No. 00173168

VIVEK SHARMA
Managing Director
DIN No.: 01541498

Place : Mumbai
Dated :16th May, 2017

PREMA CHANDRASEKHAR
Chief Financial Officer

SARIKA SINGH
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED
31ST MARCH 2017**

Rs. In Lakhs

	Period Ended 31 MARCH, 2017		Period Ended 31 MARCH, 2016	
I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Exceptional Items		(1,755.70)		(1,637.07)
Add Back :				
a) Depreciation	551.16		616.20	
b) Interest	504.72		716.67	
c) Loss on Sale/Disposal of Assets	0.84		5.72	
d) Debit Balances Written Off	96.20		302.70	
e) Foreign Exchange Loss	23.44		29.32	
f) Provision for Doubtful Debts/Other Advances	-		(88.53)	
g) Leave Encashment Provision	(13.15)		1.31	
h) Difference in Translation Reserve	127.44		(0.92)	
i) Employee Stock Option Reserve	15.16		16.33	
j) Provision for Gratuity	(32.63)	1,273.18	(120.69)	1,478.11
Deduct :				
a) Income from Investments (Dividend)	0.60		0.61	
b) Unclaimed Credit Balances Appropriated	158.76		106.61	
c) Excess Provision of Earlier Years Written Back	-	159.36	4.22	111.44
Operating Profit Before Working Capital Changes		(641.88)		(270.40)
Deduct :				
a) Increase in Inventories			414.03	
b) Decrease in Trade and Other Payables	2,131.17	2,131.17	1,372.20	1,786.23
Add :				
a) Decrease in Inventories	1,082.66		-	
b) Decrease in Trade Receivables & Advances	788.19	1,870.85	1,714.42	1,714.42
		(902.20)		(342.21)
Income Taxes Paid/ (Refund)		13.58		(97.48)
Net Cash Inflow / (Outflow) from Operations (A)		(915.78)		(244.73)
II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
Inflow :				
a) Sale of Fixed Assets	1,077.95		1,673.58	
b) Income from Investments (Dividend)	0.60	1,078.55	0.61	1,674.19
Deduct :				
Outflow :				
a) Acquisition of Fixed Assets	111.04	111.04	312.72	312.72
Net Cash Inflow / (Outflow) in Course of Investing Activities (B)		967.51		1,361.47

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED
31ST MARCH 2017**
Rs. In Lakhs

	Period Ended 31 MARCH, 2017		Period Ended 31 MARCH, 2016	
III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:				
Inflow :				
a) Decrease in Bank Deposits	-		3.40	
b) Increase in Term Loan	129.31		-	
c) Increase in Unsecured Loan	429.00	558.31	394.00	397.40
Deduct :				
Outflow :				
a) Increase in Bank Deposits	45.98		-	
b) Repayment of Term Loan	4.88		212.48	
c) Decrease in Working Capital Borrowings	134.91		530.47	
d) Net Interest Paid	449.32	635.09	874.22	1,617.17
Net Cash Inflow/(Outflow) in Course of Financing Activities (C)		(76.78)		(1,219.77)
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)		(25.05)		(103.03)
Cash/Cash Equivalents at the beginning of the year		587.43		690.46
Cash/Cash Equivalents at the close of the year		562.38		587.43
Net Increase/(Decrease) in Cash/Cash Equivalents		(25.05)		(103.03)

As per our report attached of even date

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

G. SANKAR
Partner
Membership No.: 046050

Place : Mumbai
Dated :16th May, 2017

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman
DIN No. 00173168

VIVEK SHARMA
Managing Director
DIN No.: 01541498

Place : Mumbai
Dated :16th May, 2017

PREMA CHANDRASEKHAR
Chief Financial Officer

SARIKA SINGH
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. 31st March, 2017.
- (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

SIGNIFICANT ACCOUNTING POLICIES

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 31st March 2017 are as under:

S.No.	Name of the Subsidiary	% of Ownership interest as on 31.03.2017	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 S.A.	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

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 are 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) 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

SIGNIFICANT ACCOUNTING POLICIES

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 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	WDV	5%	-

b) In case of subsidiaries, Leasehold improvements are amortized over the remaining period of the primary lease or the useful life, whichever is earlier.

c) Depreciation on assets of the overseas subsidiaries is provided over its useful economic life determined by the management of the respective subsidiaries, as under:

Assets	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

SIGNIFICANT ACCOUNTING POLICIES

	Quickmill Inc., Canada	760 Rye Street INC, Canada	Aesa Air-Engineering, SA France*
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

- d) 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.
- e) 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.

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.

SIGNIFICANT ACCOUNTING POLICIES

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 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 Labor Welfare Fund. The Holding Company's contributions to Defined Contribution Plans are charged to 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.

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

SIGNIFICANT ACCOUNTING POLICIES

charged to 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 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 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.

SIGNIFICANT ACCOUNTING POLICIES

- 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 PERIOD ENDED
31ST MARCH 2017**

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 1 : SHARE CAPITAL		
AUTHORISED		
4,61,70,400 (P.Y. 4,61,70,400) Equity Shares of Rs.5/- each	2,308.52	2,308.52
6,92,480 (P.Y. 6,92,480) Preference Shares of Rs. 100/- each	692.48	692.48
	3,001.00	3,001.00
ISSUED,SUBSCRIBED AND PAID-UP		
2,87,15,883 (P.Y.2,87,15,883) Equity Shares of Rs.5/- (P.Y. Rs.5/-) each fully paid	1,435.79	1,435.79
6,92,480 (P.Y. 6,92,480) 5% - 5 Year Redeemable Non- Cummulative Preference Shares of Rs. 100/- each fully paid	692.48	692.48
	2,128.27	2,128.27

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	2016-17	2015-16
Opening Number of Equity Shares	28,715,883	28,715,883
Add: Equity Shares issued under ESOP scheme during the year	-	-
Closing Number of Equity Shares	28,715,883	28,715,883

The details of Shareholder holding more than 5% Equity Shares is as under:

Name of Share holder	No. of Shares	No. of Shares
Mr.Nirmal Bhogilal	14,229,713	18,729,713
% Shareholding	49.55%	65.22%
Bhogilal Family Trust	45,00,000	-
% Shareholding	15.67%	-
L & T Infrastructure Finance Company Ltd - Trustee of Karunya Trust	1,382,000	1,782,000
% Shareholding	4.81%	6.21%

Preference Shares

 6,92,480 5% Non Cumulative Preference Shares of Rs. 100 each (4,78,000 redeemable on 27th March, 2021 and 2,14,480 redeemable on 19th June, 2021)

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

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

Mr.Nirmal Bhogilal

Particulars	2016-17	2015-16
Opening Number of Preference Shares	692,480	692,480
Add: Transferred during the year	-	-
Closing Number of Preference Shares	692,480	692,480

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

Particulars	No. of Shares	No. of Shares
Mr. Nirmal Bhogilal	692,480	692,480
% Shareholding	100%	100%

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 2 : RESERVES AND SURPLUS		
Capital Reserves		
As per last Balance Sheet	25.00	25.00
Capital Redemption Reserve	160.60	160.60
Revaluation Reserve		
As per last Balance Sheet	441.01	442.52
Less : Amount withdrawn on account of depreciation on revalued assets	0.67	1.51
Less : Transfer to General reserve on disposal	440.34	-
Securities Premium Reserve		
As per last Balance Sheet	396.59	396.59
Add : Premium on equity shares issued under ESOP Scheme during the year	-	-
General Reserve		
As per last Balance Sheet	1,162.92	1,162.92
Add: Transferred from Revaluation Reserve	440.34	-
Employee stock option Reserve		
As per last Balance Sheet	25.50	9.17
Add : Accrual of employee compensation cost (Refer Note no-15-12)	15.16	16.33
Investment Allowance Reserve Utilised		
As per last Balance Sheet	63.05	63.05

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

Rs. In Lakhs

	AS AT 31 MARCH, 2017		AS AT 31 MARCH, 2016	
Foreign Currency Translation Reserve				
As per last Balance Sheet	(633.18)		(786.96)	
Less: Exchange Difference during the year	318.21	(314.97)	153.78	(633.18)
		1,974.19		1,641.49
Surplus				
Opening Balance in Profit & Loss Account	781.32		795.60	
Add: Profit/Loss from Profit & Loss a/c	(1,140.95)	(359.63)	(14.28)	781.32
Closing Balance in Profit & Loss Account		(359.63)		781.32
Total		1,614.56		2,422.81

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 3 : NON - CURRENT LIABILITIES		
Long Term Borrowings		
Secured Term Loans		
From Banks		
Car Loan (Secured by hypothecation of Vehicle)	5.86	0.96
Repayment terms		
Repayable in various EMIs by May 2019		
Foreign Currency Term Loan	610.39	488.62
Repayment terms		
Repayable in monthly Instalments of CAD 5660 with interest by July 2036.		
[Security :- Refer Note 15 - 1b]		
Unsecured Loans		
Loans & Advances from related parties		
Loan from Director	1,996.20	1,676.20
Repayment terms		
Repayable after one year		
Other Loans	182.08	73.08
Repayment terms		
Repayable after one year		
	2,794.53	2,238.86

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

Rs. In Lakhs

	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
Other Long term Liabilities		
Trade Payables	192.53	336.84
Advances and Deposits from Customers	313.51	326.15
Interest accrued and due on loans	90.47	34.29
Employee Related and Other Liabilities	77.77	76.00
	674.28	773.28
Long Term Provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	252.88	274.65
Provision for Leave Encashment	113.20	125.01
Warranty Provisions	42.92	97.09
	409.00	496.75
NOTE 4 : CURRENT LIABILITIES		
Short Term Borrowings		
Secured		
Loans repayable on demand From Banks		
Cash Credit and Working Capital Borrowings [Security :- Refer Note 15 -1 a & b]	2,261.59	2,306.50
Unsecured		
Inter Corporate Deposits	400.00	490.00
	2,661.59	2,796.50
Trade Payables		
Due to Micro Small and Medium Enterprises	74.17	22.14
Others	2,875.91	4,558.66
	2,950.08	4,580.80
Other Current Liabilities		
Advances and Deposits from Customers	1,805.49	1,812.75
Current maturities of Long Term Loan		
Foreign Currency Term loan [Security :- Refer Note 15 - 1b]	38.99	162.64
Car Loan (Secured by hypothecation of Vehicle)	5.48	2.84
Interest accrued but not due on loans	-	0.78
Statutory,Legal, employee related and Other Liabilities	1,187.94	1,651.11
	3,037.90	3,630.12

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

	Rs. In Lakhs	
	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
Short Term provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	195.73	165.51
Provision for Leave Encashment	66.99	68.34
Warranty Provisions	96.18	116.68
	358.90	350.53

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2017

NOTE : 5 FIXED ASSETS

Rs. In Lakhs

Particulars	G R O S S B L O C K					D E P R E C I A T I O N / A M O R T I S A T I O N					N E T B L O C K	
	As at 01-Apr-16	Additions/ Adjustments	Deductions/ Adjustments	Exchange Difference	As at 31-Mar-17	Upto 31-Mar-16	For the Year	Deductions/ Adjustments	Exchange Difference	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Tangible Assets Land (Freehold)	2,070.87	-	-	(10.39)	2,060.48	-	-	-	-	-	2,060.48	2,070.87
Land (Leasehold)	434.49	-	434.49	-	-	-	-	-	-	-	-	434.49
Buildings On Freehold Land	1,444.75	21.02	-	-	1,465.77	699.51	38.37	-	-	737.88	727.89	745.24
On Leasehold Land	2,041.58	24.58	233.01	(125.44)	1,707.71	1,208.76	61.21	185.54	(80.47)	1,003.96	703.75	832.82
Plant & Machinery	6,847.57	26.35	32.57	(49.83)	6,791.52	5,298.38	159.68	21.91	(41.64)	5,394.51	1,397.01	1,549.19
Office equipment/ computers etc.	1,757.47	37.46	30.69	(50.58)	1,713.66	1,650.11	41.04	30.76	(48.25)	1,612.14	101.52	107.36
Furniture, Fixtures, Fans and Electrical Fittings	493.91	89.43	11.05	(12.77)	559.52	443.84	26.50	3.35	(12.23)	454.76	104.76	50.07
Vehicles	50.60	16.92	0.45	(1.37)	65.70	31.41	5.23	0.42	(1.24)	34.98	30.72	19.19
Total Tangible Assets	15,141.24	215.76	742.26	(250.38)	14,364.36	9,332.01	332.03	241.98	(183.83)	9,238.23	5,126.13	5,809.23
Intangible Assets-Tech. Know-how	3,350.77	-	111.02	(193.16)	3,046.59	2,232.53	219.13	126.46	(147.55)	2,177.65	868.94	1,118.24
T O T A L	18,492.01	215.76	853.28	(443.54)	17,410.95	11,564.54	551.16	368.44	(331.38)	11,415.88	5,995.07	6,927.47
(Previous Year)	(18,257.22)	(200.66)	(363.87)	(398.00)	(18,492.01)	(10,969.78)	(616.20)	(314.19)	(292.75)	(11,564.54)	(6,927.47)	(7,287.44)
Capital Work-in-Progress											311.74	304.30
(Previous Year)											(304.30)	(297.48)
T O T A L											6,306.81	7,231.77
(Previous Year)											(7,231.77)	(7,584.92)

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2017

Rs. In Lakhs

	Numbers 31-Mar-17	Numbers 31-Mar-16	Face Value (Each Rs.)	As at 31-Mar-17	As at 31-Mar-16
NOTE 6 : NON - CURRENT INVESTMENTS					
TRADE INVESTMENTS					
Investment in Equity Instruments:					
In fully paid Equity Shares (Un-Quoted):					
Batliboi Environmental Engineering Ltd.	19,08,930	19,08,930	10.00	191.21	191.21
NON TRADE INVESTMENTS					
Investment in Equity Instruments:					
In fully Paid Equity Shares (Quoted)					
Aturia Continental Ltd.	1,29,032	1,29,032	10.00	40.00	40.00
The Mysore Kirloskar Ltd.	2,00,277	2,00,277	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				50.05	50.05
In fully paid Equity Shares (Un-Quoted):					
Andhra Pradesh State Financial Corporation	5	5	100.00	0.01	0.01
Precision Tooling Systems Ltd.	1500	1500	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
Shamrao Vitthal Co.op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
SUB-TOTAL				5.27	5.27
Investment in Preference Instruments:					
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				0.01	0.01
TOTAL				246.54	246.54
Less: Provision for diminution in value of Investments				49.55	49.55
GRAND TOTAL				196.99	196.99

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

	Rs. In Lakhs	
	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
Cash and Cash Equivalents		
Fixed Deposits with Banks having maturity of more than oneYear (towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks))	9.01	-
	<u>9.01</u>	<u>-</u>
	<u>245.59</u>	<u>328.24</u>

	Rs. In Lakhs	
	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
NOTE 8 : CURRENT ASSETS		
Current Investments		
Investments in Mututal Funds in France	88.54	52.79
	<u>88.54</u>	<u>52.79</u>
Inventories (valued at lower of Cost or Net Realisable value)		
Raw Materials	1,809.39	2,013.88
Work-in-Progress	1,585.67	2,450.92
Stock of machines (including own manufactured)	67.75	81.25
Stores and Spare Parts	18.26	20.97
Loose Tools	13.88	10.59
	<u>3,494.95</u>	<u>4,577.61</u>
Trade Receivables		
Unsecured		
Debts outstanding for a period exceeding six months Considered Good	665.44	2,088.50
Debts outstanding for a period less than six months Considered Good	1,960.03	1,597.60
	<u>2,625.47</u>	<u>3,686.10</u>
Cash and Bank Balances		
<u>Cash and Cash Equivalents</u>		
Cash and Cheques on hand and at collection centres	50.34	56.08
<u>Balances with Scheduled Banks :</u>		
In Current Account	512.04	531.35
	<u>562.38</u>	<u>587.43</u>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

	Rs. In Lakhs	
	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
<u>Other Bank Balances</u>		
Fixed Deposits with Banks having maturity of more than 3 Months but less than oneYear (towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks)	57.96	20.99
	620.34	608.42
Short Terms Loans and Advances		
Unsecured Considered Good Unless Otherwise Stated		
Advances recoverable in cash or in kind or for value	850.07	420.42
Staff Loans	11.54	22.22
Deposit	61.25	68.35
Balances with Excise, Sales Tax and Service Tax	73.02	88.93
Taxes paid in advance and deducted at source (Net of Provision for tax)	132.68	97.57
	1,128.56	697.49

	Rs. In Lakhs			
	2016-17		2015-16	
NOTE 9 : REVENUE FROM OPERATIONS				
Sale of Products	19,691.15		20,674.63	
Sale of Services	1,257.17		1,329.38	
Other Operating Revenue	387.45	21,335.77	490.74	22,494.75
Less : Excise Duty		859.68		835.50
		20,476.09		21,659.25
NOTE 10 : OTHER INCOME				
Dividend		0.60		0.61
Profit on Sale of Fixed Assets		2.20		-
Excess Provision of earlier years written back		-		4.22
Unclaimed Credit Balances written back		158.76		106.61
Interest		12.45		14.10
Miscellaneous Receipts		10.13		6.70
		184.14		132.24

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

Rs. In Lakhs

	2016-17	2015-16
NOTE 11 : COST OF MATERIALS CONSUMED		
Raw Materials Consumed	7,205.16	8,451.42
Less:Self Consumption for Job Contracts	-	-
	7,205.16	8,451.42
Cost of Job Contracts (includes self Consumption)	88.48	(40.49)
Cost of Services Rendered	60.14	57.98
Job Work Charges Incurred	172.63	137.79
	7,526.41	8,606.70
NOTE 11 : PURCHASE OF STOCK IN TRADE		
Purchases of Stock in Trade	2,858.78	3,038.41
	2,858.78	3,038.41
NOTE 11 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE		
Stock at close :		
Work-in-Process	1,585.91	2,450.92
Stock of Machines and Own Manufactured Machines (Including excise duty)	67.75	81.25
	1,653.66	2,532.17
Less :		
Stock at Commencement :		
Work-in-Process	2,450.92	2,096.48
Stock of Machines and Own Manufactured Machines (Including excise duty)	81.25	55.76
	2,532.17	2,152.24
	878.51	(379.93)
NOTE 12 : EMPLOYEE BENEFIT EXPENSES		
Salaries, wages, Allowances and Bonus	4,346.37	4,279.04
Contribution to Provident and Other Funds	403.08	473.62
Payments & Provision for Gratuity	70.93	38.17
Staff Welfare Expenses	221.44	206.06
Expenses on Employee Stock Option Scheme (ESOP)	15.16	16.33
	5,056.98	5,013.22

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2017**

Rs. In Lakhs

	2016-17	2015-16
NOTE 13 : FINANCE COST		
Interest Expenses	504.72	716.67
Other Borrowing cost	296.73	158.72
	801.45	875.39
NOTE 14 : OTHER EXPENSES		
Rent	283.70	291.48
Rates and Taxes	102.91	113.77
Power and Fuel	177.02	208.47
Insurance	88.01	101.14
Sales Commission	542.26	495.23
Exhibitions/ Advertisement Expenses	180.80	167.75
Printing and Stationery	53.40	57.87
Travelling and Conveyance	748.92	823.94
Audit, Legal and Professional Charges	336.42	364.53
Vehicle Maintenance	76.13	84.42
Packing and Cartage	457.46	626.91
Stores & Loose Tools Consumed	174.96	198.24
Repairs to Machinery	82.52	90.52
Repairs to Buildings	56.52	43.31
Repairs to Other Assets	39.81	43.44
Outsource Services	642.27	724.21
Discounts and Allowances to Customers	26.20	10.73
Directors' Sitting Fees	16.42	32.92
Donation	0.92	1.89
Loss on Sale / Assets Written Off	0.84	5.72
Bad Debts	96.20	302.70
Provision for Doubtful Debts/Advances	-	(88.53)
Exchange Difference Loss	23.44	29.32
Miscellaneous Expenses	535.51	928.59
	4,742.64	5,658.57
NOTE 14 A : EXCEPTIONAL ITEMS		
Profit on Sale of Flat	-	123.41
Profit on Sale of Leasehold Land and Building on Leasehold Land	593.95	1,506.20
Income / (Expenses)	593.95	1,629.61

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE : 15

1. Borrowings and Securities:

- a) 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 . Credit facilities including sub-limits extended by consortium banks to Batliboi Environmental Engineering Limited (BEEL), are secured by 2nd pari-passu charge on the fixed assets of the Company (both present and future) at Udhana, Surat .
- b) The Quickmill Inc., a subsidiary company, has drawn CAD 7,11,429 equivalent to Rs. 340.98 Lakhs against the available CAD 1.6 million ICICI bank demand loan facility. The company has available letters of credit / guarantee of up to an additional CAD 1.52 million against which nil has been drawn in 2017.

The demand loan is secured by a general security arrangement representing a priority interest over all of the assets and undertakings of the company and assignments of property insurance proceed.

2. Contingent liabilities not provided for in respect of:

- a) Claims against the Company not acknowledged as debts: Rs 187.40 Lakhs (Previous Year: Rs. 230.12 Lakhs).
- b) Disputed sales tax/Excise demands under appeal Rs. 76.30 Lakhs (Previous Year: Rs 76.30 Lakhs)
- 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: Rs 2,070.00 Lakhs (Previous year: Rs 2,290.00 Lakhs). Balance outstanding as on 31.03.2017 Rs 1,753.14 Lakhs (Previous Year: Rs. 1,543.95 Lakhs).
- d) Guarantees given on behalf of the Company by its bankers and outstanding Rs 796.09 Lakhs (Previous year: Rs. 884.40 Lakhs). Out of the above, Guarantees of Rs 73.78 Lakhs (Previous year Rs. 91.78 Lakhs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
- e) Guarantee given by the company's banker on behalf of BEEL out of the specific guarantee facility of Rs. 288.00 Lakhs Rs. 171.33 Lakhs is outstanding as on 31.03.2017.
- f) 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.
- g) Guarantee given on behalf of the subsidiaries by their bankers and outstanding Rs.684.85 Lakhs (Previous year Rs.394.38 Lakhs)
- 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 ICICI 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 1.34 Million equivalent

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

to Rs. 642.26 Lakhs (P.Y. CAD 0.973 Million equivalent to Rs. 491.67 Lakhs)

3. Commitments:

- a) Estimated amount of contracts remaining to be executed on capital account not provided for Rs. 19.07 Lakhs (Previous Year Rs. Nil)
- b) The Company does not have any other commitment.

4. The Effect of Change in Foreign Exchange Rates:

Exchange Gains/Loss credited/charged to Profit and Loss Accounts:
Exchange Loss of Rs. 23.44 Lakhs (P.Y. Exchange Loss 29.32 Lakhs).

Exchange gain of Rs. 318.21 Lakhs (P.Y. Exchange gain Rs. 153.78 Lakhs) due to exchange differences shown under the head Foreign Currency translation Reserve.

5. Details of un-hedged Foreign Currency exposure:

Particulars	Rs in Lakhs	
	2016-17	2015-16
Receivables including firm commitments and highly probable forecasted transaction	556.85	403.78
Payable including firm commitments and highly probable forecasted transaction	132.63	68.21

6. Intangible Assets:

In respect of Quickmill Inc.:

The Intangible Assets relate to the proprietary right to the Company's products, manufacturing processes, trademarks, customer contracts and related customer relationships acquired by its subsidiary which are amortized over 15 years. Accordingly, a sum of Rs 154.47 Lakhs (PY Rs. 150.15 Lakhs) has been charged to the Consolidated Profit and Loss Account.

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:

- a) *Machine Tool Business Group*, which handles manufacturing and marketing (including trading and

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 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.
- 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)

Rs. In Lakhs

Particular	Machine Tools Group		Textile Engineering Group		Others & Un-allocated		Total Company	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue								
Total Segment Revenue	8,659.65	9,044.94	12,185.84	12,947.49	274.65	270.34	21,120.14	22,262.77
Less Intersegment sales	(644.05)	(603.37)	-	(0.15)	-	-	(644.05)	(603.52)
Segment Revenue from external customers	8,015.60	8,441.57	12,185.84	12,947.34	274.65	270.34	20,476.09	21,659.25
Segment Results								
Profit/(Loss) before Interest & Tax	(1,581.86)	(1,812.60)	451.96	732.11	769.60	1,948.42	(360.30)	867.93
(Less): Finance cost	-	-	-	-	801.45	875.39	801.45	875.39
Total Profit/(Loss) before Tax	(1,581.86)	(1,812.60)	451.96	732.11	(31.85)	1,073.03	(1,161.75)	(7.46)
Less : Tax Expenses	-	-	-	-	(20.80)	6.82	(20.80)	6.82
Total Profit/(Loss) after Tax	(1,581.86)	(1,812.60)	451.96	732.11	(11.05)	1,066.21	(1,140.95)	(14.28)
Segment wise Capital Employed								
(Segment Assets Less Segment Liabilities)	4,181.71	5,205.89	118.38	231.58	2,378.98	2,117.78	6,679.07	7,555.25
Segment Assets	7,005.02	8,400.07	3,834.54	5,288.48	8,075.26	7,885.08	18,914.82	21,573.63
Segment Liabilities	2,823.31	3,194.18	3,716.16	5,056.90	5,696.28	5,767.30	12,235.75	14,018.38
Capital Expenditure	-	-	-	-	311.74	304.30	311.74	304.30
Depreciation	372.47	442.26	100.15	100.46	78.54	73.48	551.16	616.20
Non cash expenses other than Depreciation	-	-	-	-	-	-	-	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

ii) Secondary Segment Reporting:

The geographic segments considered for disclosure are as follows:

Rs. in Lakhs

	2016-17			2015-16		
	Indian Operations	Foreign Operations	Total Company	Indian Operations	Foreign Operations	Total Company
Revenue by Geographic Market	10,671.77	9,804.32	20,476.09	10,353.24	11,306.01	21,659.25
Addition to Fixed Assets and Intangible Assets	183.70	32.05	215.75	62.90	137.76	200.66
Carrying Amount of Segment Assets	13,025.92	3,603.19	16,629.11	13,896.63	5,521.28	19,417.91

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
- b) Mr. Vivek Sharma, Managing Director
- c) Mrs. Sheela Bhogilal, Director
- d) Mrs. Prema Chandrasekhar, Chief Financial Officer
- e) Mrs. Namita Thakur, Company Secretary (Up to 31/08/2016)
- f) Ms. Sarika Singh (from 25/10/2016)

ii) Relatives of Key Management Personnel:

- a) Mr. Kabir Bhogilal, Vice President-Corporate Strategy
- b) Mrs. Maya Bhogilal

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

- 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*

iv) Entities in which management personnel are trustees

- a) Bhogilal Leherchand Foundation*
- b) Leherchand Uttamchand Trust Fund*
- c) Shekhama Family Trust
- d) Bhogilal Family Trust

* No transaction with the entities during the year.

B) Transactions & Outstanding Balances:

Rs. In Lakhs

	Particulars	Entities		Key Management Personnel & their Relatives	
		2016-17	2015-16	2016-17	2015-16
I)	Transactions				
a)	Purchase of goods/materials/services/fixed assets/ investments	525.57	584.73	-	-
b)	Sale of goods/materials/services /fixed assets/ investments/recovery of expenses	1,261.64	673.37	-	-
c)	Rent/License fee received /(paid)	2.66	(0.43)	(14.09)	(14.01)
d)	Interest Paid/(Received)	10.25	15.85	40.51	179.77
e)	Loans & Advances in cash or kind received / (Refunded) (Net)	173.52	133.34	520.00	494.00
f)	Loans & Advances in cash or kind given /(refunded)	50.00	52.31	200.00	100.00
g)	Gross Salary/Remuneration	-	-	263.57	190.36
h)	Outstanding Guarantee	2,070.00	2,290.00	-	-
II)	Outstanding Balances as at 31.03.17, i.r.o:				
a)	Loans & Advances received	182.08	153.78	1,996.20	1,676.20
b)	Other receivable (for goods, services & other items)	1,277.91	620.62	-	-
c)	Other payables (for goods, services & other items)	500.67	325.18	-	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2017**

C) Disclosure in respect of material transaction with related parties

Rs. In Lakhs

		2016-17	2015-16
i)	Purchase of goods/materials/services/fixed assets/investments/payment of expenses		
	Batliboi Environmental Engineering Ltd.	268.60	152.36
	Batliboi International Ltd.	11.68	132.99
	Batliboi Impex Ltd.	151.24	202.64
	Batliboi Enxco Pvt. Ltd.	-	0.19
	Spartan Electricals	94.05	96.55
ii)	Sale of goods/material/services/fixed assets/investments/recovery of exp.		
	Batliboi Environmental Engineering Ltd.	488.05	330.68
	Batliboi International Ltd.	698.70	281.37
	Batliboi Enxco Pvt. Ltd.	63.71	60.56
	Spartan Electricals	1.24	0.53
	Batliboi Impex Ltd.	9.94	0.23
iii)	Rent/Licence Fee Received/(Paid)		
	Batliboi Environmental Engineering Ltd.	14.19	14.06
	Batliboi International Ltd.	(8.67)	(10.71)
	Batliboi Enxco Pvt. Ltd.	(1.17)	(3.78)
	Nirmal Bhogilal	(5.40)	(5.40)
	Shekama Family Trust	(6.00)	(6.00)
	Kabir Bhogilal	(2.69)	(2.21)
	Puneet Kapur	-	(0.40)
	Spartan Electricals	(1.68)	-
iv)	Interest Paid/(Received)		
	Batliboi International Ltd.	8.77	13.43
	Hitco Investments Pvt. Ltd.	1.48	2.42
	Nirmal Bhogilal	32.70	174.13
	Sheela Bhogilal	7.81	5.64
v)	Loans & Advances in Cash or Kind Received		
	Batliboi International Ltd.	55.21	93.34
	Hitco Investments Pvt. Ltd.	109.00	40.00
	Batliboi Impex Ltd.	9.31	-
	Nirmal Bhogilal	500.00	494.00
	Sheela Bhogilal	20.00	-
vi)	Loans & Advances in Cash or Kind Given		
	Batliboi International Limited	-	3.00
	Batliboi Impex Ltd.	-	9.31
	Hitco Investments Pvt. Ltd.	-	40.00
	Nirmal Bhogilal	200.00	100.00
	Batliboi Environmental Engineering Ltd.	50.00	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2017**

		2016-17	2015-16
vii)	Gross Salary/Remuneration Paid		
	Nirmal Bhogilal	41.90	87.67
	Kabir Bhogilal	35.18	26.51
	Prema Chandrasekhar	39.32	37.50
	Vivek Sharma	141.99	24.63
	Puneet Kapoor	-	5.72
	Anand Sharma	-	6.39
	Namita Thakur	2.13	1.94
	Sarika Singh	3.05	-
viii)	Guarantee / Collateral Security Given During The Year		
	Batliboi Environmental Engineering Ltd.	2,070.00	2,290.00

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	2016-17	2015-16
A.	Profit computation for both Basic and Diluted Earnings Per Share of Rs.5/- each:	(1,140.95)	(14.28)
	Net Profit/(Loss) available for Equity Shareholders:		
B.	Weighted average number of Equity shares for computation of Basic & Diluted Earnings per Share: Nos.	2,87,15,883	2,87,15,883
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: Rs.	(3.97)	(0.05)

10. Taxes on Income:

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

	Particulars	31.03.2017	31.03.2016
i.	Deferred Tax Assets:		
	Unabsorbed business loss/unabsorbed depreciation	339.00	393.00
	Provision for Doubtful Debts, Advances, Diminution in Value of Investments, and Employee Benefits	91.50	96.00

Rs in Lakhs

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2017**

Rs in Lakhs

	Particulars	31.03.2017	31.03.2016
ii.	Deferred Tax Liabilities:		
	Depreciation on Fixed Assets	343.31	401.08
iii.	Net Deferred Tax Assets/(Liabilities)	87.19	87.92

11. i. The Holding Company has reduced operating losses. The main reason is starting of the turnaround of machine tool division. The Canadian subsidiary, Quickmill Inc. has increased losses due to lower sales, the reason is lower oil prices and therefore less demand of machinery requirement in America and Middle East.
- 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 Rs.191.21 Lakhs. 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 Rs.15.75.

Summary of stock option as on 31.03.2017:

Year of Grant	2011-12 1st Lot	2012-13 2nd Lot	2014-15 3rd Lot	2015-16 4rd Lot	Total Lot
No of Options Granted	10,00,000	1,00,000	3,50,000	2,50,000	17,00,000
No of Options Lapsed	(3,25,000)	(1,00,000)	(40,000)	(50,000)	(5,15,000)
No of Options Vested	6,75,000	-	-	-	6,75,000
No of Options Exercised	33,333	-	-	-	33,333
Option vested - to be exercised in future	6,41,667	-	-	-	6,41,667
Options to be vested	-	-	3,10,000	2,00,000	5,10,000

In respect of the option granted to the employees, compensation cost accrued for the period 16 - 17 is **Rs. 15.16 Lakhs** (Previous year 16.33 Lakhs)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

13. 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)	
	%	Rs in Lakhs	%	Rs in Lakhs
Total	100.00%	3,742.83	100.00%	(1,140.95)
Batliboi Ltd	48.84%	1,828.01	61.62%	(703.08)
Foreign Subsidiaries				
Queen Projects Mauritius Ltd., Mauritius	0.04%	1.49	0.89%	(10.15)
Vanderma Holdings Ltd., Cyprus	-0.12%	(4.57)	1.23%	(13.98)
Pilatus View Holding, AG, Switzerland	-0.33%	(12.19)	1.17%	(13.32)
Quickmill, Inc., Canada	91.31%	3,417.41	38.14%	(435.24)
AESA AIR ENGINEERING SA, France	-37.96%	(1,420.68)	-1.62%	18.48
760, Rye Street, CANADA	-1.78%	(66.64)	-1.43%	16.34
Total Foreign Subsidiaries	51.16%	1,914.82	38.38%	(437.87)

14. The Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 in the Table below :-

Particulars	SBNs	Other Denomination notes	Total
Closing Cash in Hand as on 08/11/2016	3,27,000.00	4,42,122.00	7,69,122.00
(+) Permitted receipts	1,74,500.00	21,78,250.00	23,52,750.00
(-) Permitted payments	2,22,000.00	19,82,760.00	22,04,760.00
(-) Amount Deposited in Banks	2,79,500.00	-	2,79,500.00
Closing Cash in hand as on 30/12/2016	-	6,37,612.00	6,37,612.00

15. Exceptional item of Rs. 593.95 Lakhs represents profit on sale of Bangalore property being the difference between sale value and the revalued amount. The amount standing to the credit of Revaluation reserve of Rs. 440.34 Lakhs has been transferred to General reserve on disposal.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2017**

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

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

DIN No. 00173168

PREMA CHANDRASEKHAR

Chief Financial Officer

G. SANKAR

Partner

Membership No. 046050

VIVEK SHARMA

Managing Director

DIN No. 01541498

SARIKA SINGH

Company Secretary

Place: Mumbai

Dated: 16th May 2017

Place: Mumbai

Dated: 16th May 2017

Form No. AOC - 1

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing the salient features of the financial statement of subsidiaries
Part "A" : Subsidiaries**

Rs. In Lakhs except % of shareholding and exchange rate

Sr. No.	Name of the Subsidiary Company	Date since when subsidiary was acquired	Financial period ended	Exchange rate	Share Capital	Reserves	Total assets (INR)	Total liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of share holding	Country
1	Queen Project (Mauritius) Ltd.	10-Apr-07	31-Mar-17	1 MUR = 1.832	2,908.05	(116.74)	2,854.02	62.72	2,847.94	-	(1.09)	-	(1.09)	-	100%	Mauritius
2	Vanderma Holdings Ltd.	10-Apr-07	31-Mar-17	1 CAD = 47.93	2.49	2,477.51	2,717.38	237.38	2,667.27	-	(13.25)	-	(13.25)	-	100%	Cyprus
3	Pilatius View Holdings AG	10-Apr-07	31-Mar-17	1 CHF = 63.78	2,303.41	(36.06)	2,290.27	22.92	2,063.99	-	(12.43)	0.32	(12.74)	-	100%	Switzerland
4	Quickmill Inc.	12-Apr-07	31-Mar-17	1 CAD = 47.93	1,477.48	1,682.48	4,451.79	1,291.82	-	3,200.70	(229.97)	(28.16)	(201.81)	-	100%	Canada
5	AESA Air Engineering S. A.	06-Jul-07	31-Mar-17	1 EUR = 68.11	388.44	(591.37)	2,115.32	2,308.24	88.54	6,204.23	38.83	(1.71)	40.54	-	70%	France
6	AESA Air Engineering Private Limited	06-Jul-07	31-Mar-17	1 INR = 1	20.00	(53.57)	570.06	603.63	0.60	1,021.49	(53.34)	(3.45)	(49.89)	-	70%	India
7	AESA Air Engineering Limited	06-Jul-07	31-Mar-17	1 CNY = 9.39	100.04	(523.98)	374.70	798.64	-	1,453.86	19.57	-	19.57	-	70%	China
8	Aesa Air Engineering Pte Limited	06-Jul-07	31-Mar-17	1 SGD = 45.7	45.70	166.54	231.95	19.71	-	295.36	21.80	-	21.80	-	70%	Singapore
9	760 Rye Street Inc.	15-Apr-09	31-Mar-17	1 CAD = 47.93	0.00	125.08	768.22	643.15	-	-	21.05	5.57	15.48	-	100%	Canada

Notes :

- Subsidiaries which are yet to commence operation is nil.
- Subsidiaries which have been liquidated or sold during the year is nil.

For and On Behalf of the Board of Directors

G. SANKAR
 Partner
 Membership No.: 046050
 Place: Mumbai
 Dated : 16th May, 2017

NIRMAL BHOGILAL
 Chairman
 DIN No. 00173168

NIRMAL BHOGILAL
 Chairman
 DIN No. 00173168

G. SANKAR
 Partner
 Membership No.: 046050
 Place: Mumbai
 Dated : 16th May, 2017

VIVEK SHARMA
 Managing Director
 DIN No.: 01541498
 Place: Mumbai
 Dated : 16th May, 2017

SARIKA SINGH
 Company Secretary

**BATLIBOI LIMITED**

Registered Office: Bharat House, 5th Floor, 104, B.S.Marg, Fort, Mumbai 400 001.
 CIN No. L52320MH1941PLC003494 Tel: +91 (22) 66378200/245 Fax: +91 (22) 2267 5601
 Email: investors@batliboi.com website: www.batliboi.com

73rd Annual General Meeting to be held on 29th June, 2017

**FORM NO MGT-11
 PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s)	
Registered Address	
Email	
Folio No. / Client ID.	
DP ID	

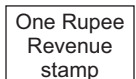
I/We of..... in the district of being Member/Members of above named Company hereby appoint Mr. /Mrs..... of..... in the district of..... or failing him, Mr. of..... in the district of.....

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 73rd Annual General Meeting of the Company to be held at Walchand Hirachand Hall, 4th Floor, Indian Merchant Chamber, Churchgate, Mumbai - 400 020 on Thursday, 29th June, 2017 at 11:00 a.m. IST and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sr. No.	Resolutions
1	To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 st March, 2017, together with the Reports of the Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 st March, 2017 and the Report of the Auditors thereon.
2	Re-appointment of Mr. Nirmal Bhogilal- Chairman & Whole Time Director (DIN No.00173168) as a Director liable to retire by rotation.
3	To approve appointment of Statutory Auditors
4.	To approve Remuneration of Cost Auditors.

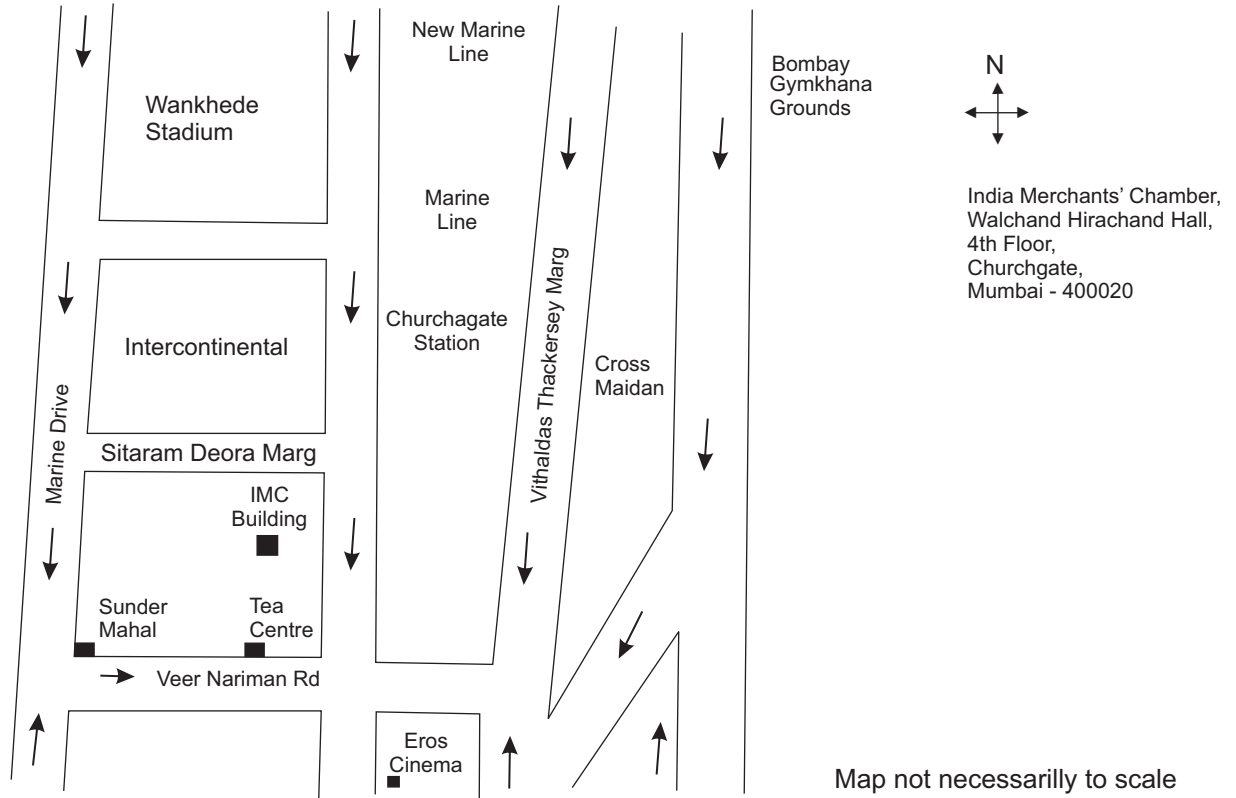
One Rupee Revenue stamp Signed thisday of2017.

Signature.....



Note: This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

ROUTE MAP FOR AGM VENUE





BATLIBOI LIMITED

Registered Office: Bharat House, 5th Floor, 104, B.S.Marg, Fort, Mumbai 400 001.
CIN No. L52320MH1941PLC003494 Tel: +91 (22) 66378200/245 Fax: +91 (22) 2267 5601
Email: investors@batliboi.com website: www.batliboi.com

Dear Member,

The Ministry of Corporate Affairs (“MCA”) vide its Circulars dated 21st April, 2011 and 29th 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 :
Date :

Signature

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 LIMITED

Registered Office: Bharat House, 5th Floor, 104, B.S.Marg, Fort, Mumbai 400 001. CIN No. L52320MH1941PLC003494 Tel: +91 (22) 66378200/245 Fax: +91 (22) 2267 5601 Email: investors@batliboi.com
website: www.batliboi.com

Form No. MGT-12

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

Name of the member(s)	
Postal Address	
Email	
Folio No. / *Client ID. No. (*Applicable to Investor holding shares in dematerialized form)	
Number Of Shares Held	

I/We hereby exercise my/our vote in respect of the Resolution(s), as specified in the Notice of AGM of the Company dated 16th May, 2017, to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

Sr. No.	Resolutions	Assent (For)	Dissent (Against)
1.	To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 st March, 2017, together with the Reports of the Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 st March, 2017 and the Report of the Auditors thereon.		
2.	Re-appointment of Mr. Nirmal Bhogilal- Chairman & Whole Time Director (DIN No.00173168) as a Director liable to retire by rotation.		
3.	To approve appointment of Statutory Auditors		
4.	To approve Remuneration of Cost Auditors.		

Place:

Date:

(Signature of the shareholder)

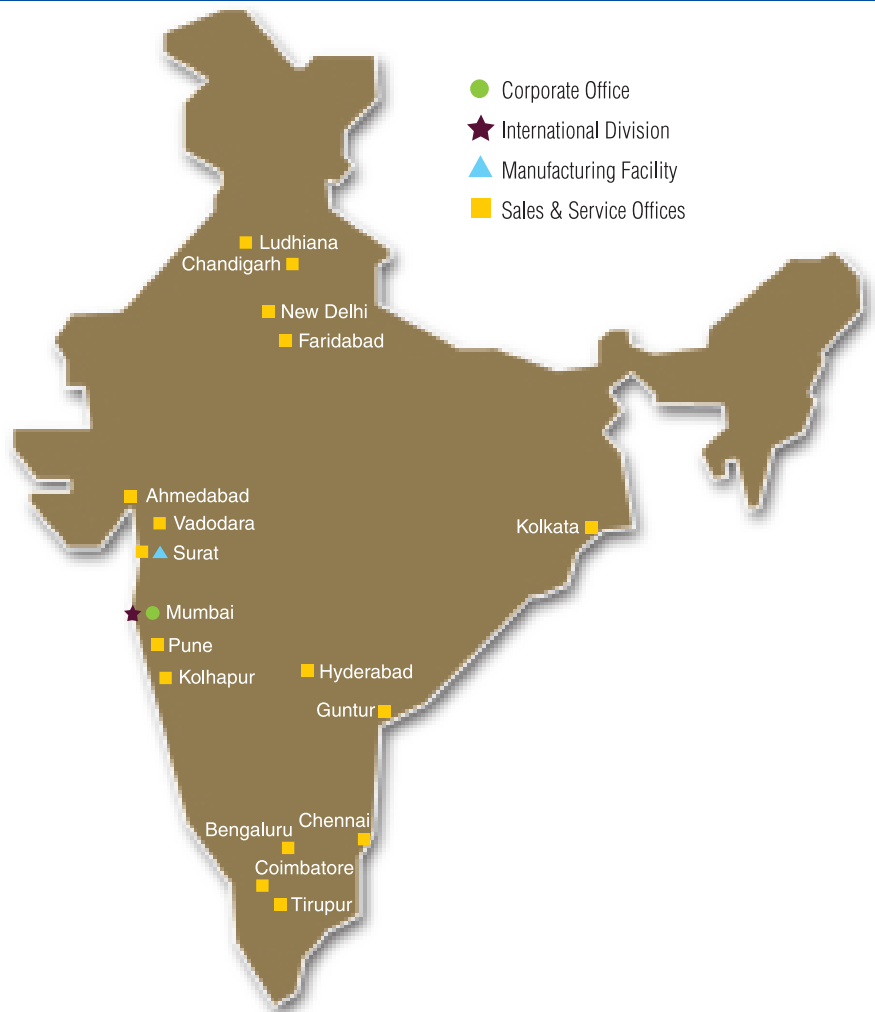
INSTRUCTIONS

1. A Member desiring to exercise vote by ballot form may complete this ballot form by entering the number of shares FOR or AGAINST the particular resolution and send it to Mr. Ashish Bhatt, a Practicing Company Secretary, the Scrutinizer appointed by the Company C/o Datamatics Financial Services Limited, Plot no. B-5, Part B, Cross Lane, MIDC, Marol, Andheri (East), Mumbai – 400 093.
2. Duly completed ballot form should reach the Scrutinizer on or before 5.30 p.m. on Wednesday, 28th June, 2017.
3. In case of shares held by companies, trusts, societies etc., the duly completed ballot form should be accompanied by a certified true copy of Board Resolution/Authority Letter.
4. Unsigned ballot forms will be rejected.
5. The Scrutinizer's decision on the validity of a ballot form will be final.



Our Network

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 Facility:

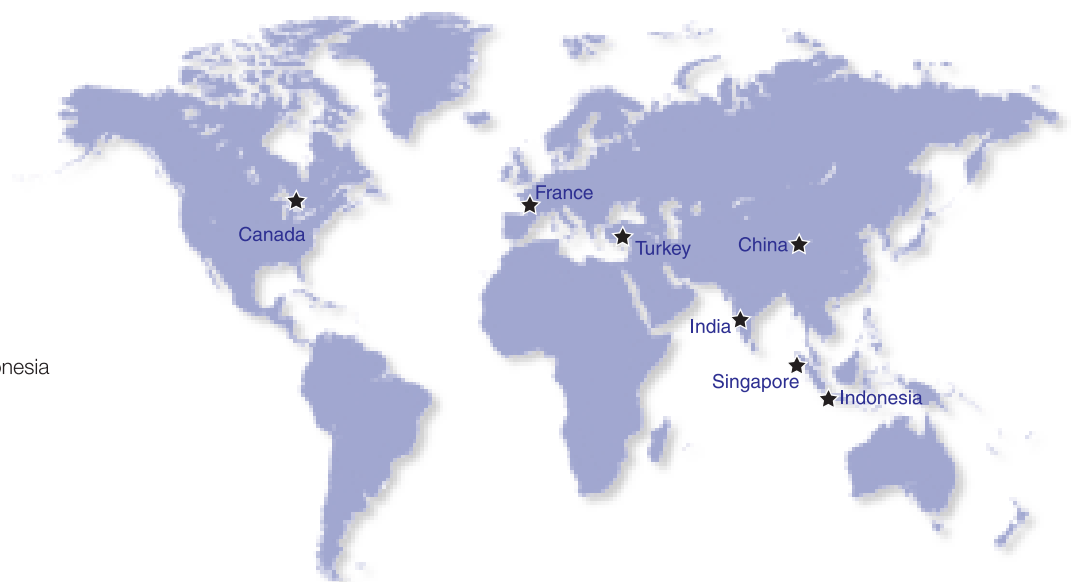
- Surat Navsari Road
Udhna – 394 220, Surat
Tel : +91 261 289 0551, 289 0435
Fax : +91 261 289 0832
E-mail : mtusales.udh@batliboi.com

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

Offices of AESA

- India • Singapore • China • Indonesia
- Turkey



Book-Post



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