

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

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



■ Scrip Code: 522004 ■

11th August, 2016

Dear Sir / Madam,

**Subject: Submission of 72nd Annual Report under Regulation 34 of SEBI
(Listing Obligation and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith 72nd Annual Report for the financial year ended 31st March, 2016 of Batliboi Limited.

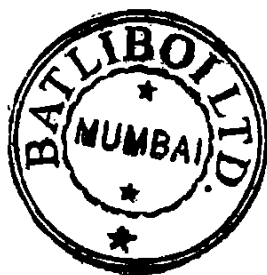
Kindly take on record the above document and acknowledge.

Thanking you

Yours faithfully,
For Batliboi Ltd.

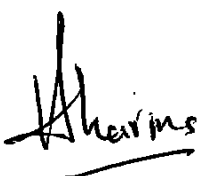


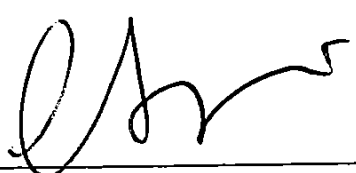
NKThakur

Namita Thakur
Company Secretary

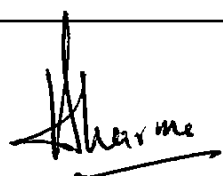
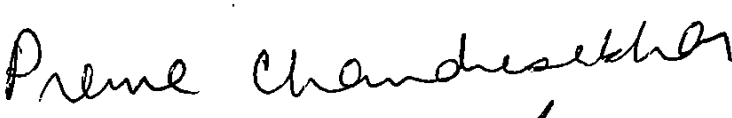
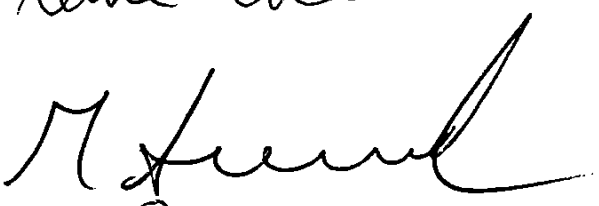
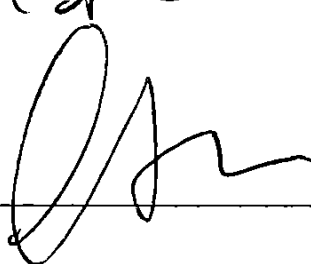


Encl: As above

FORM B

1	Name of the company	Batliboi Limited
2	Annual financial statements for the year ended	31 st March 2016
3	Type of Audit Qualification	Qualified
4	Frequency of Observation	First Time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Remuneration paid to newly appointed Managing Director is in excess of Ceiling under Schedule V of the Companies Act, 2013 by 16.79 lacs.
	Additional comments from the board/audit committee chair:	Response: The Managing Director of the Company Mr. Vivek Sharma was appointed w.e.f. 1 st February, 2016 in the Board Meeting of the Company held on 30 th January, 2016. The Company Proposes his appointment and remuneration for ratification of Members in the ensuing Annual General Meeting of the Company and shall make the necessary application to Central Government subsequently. It is expected that the necessary approval would be in place during the year.
5	Signed by- <ul style="list-style-type: none">➤ Vivek Sharma Managing Director➤ Prema Chandrasekhar Chief Financial Officer➤ V. Sankar Aiyar & Co. Auditor of the Company➤ E. A. Kshirsagar Audit Committee Chairman	   

FORM B

1	Name of the company	Batliboi Limited
2	Annual consolidated financial statements for the year ended	31 st March 2016
3	Type of Audit Qualification	Qualified
4	Frequency of Observation	First Time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Remuneration paid to newly appointed Managing Director of the Holding Company is in excess of Ceiling under Schedule V of the Companies Act, 2013 by 16.79 lacs.
	Additional comments from the board/audit committee chair:	<p>Response:</p> <p>The Managing Director of the Holding Company Mr. Vivek Sharma was appointed w.e.f. 1st February, 2016 in the Board Meeting of the Holding Company held on 30th January, 2016. The holding Company Proposes his appointment and remuneration for ratification of Members in the ensuing Annual General Meeting of the Holding Company and shall make the necessary application to Central Government subsequently. It is expected that the necessary approval would be in place during the year.</p>
5	<p>Signed by-</p> <ul style="list-style-type: none">➤ Vivek Sharma Managing Director➤ Prema Chandrasekhar Chief Financial Officer➤ V. Sankar Aiyar & Co. Auditor of the Company➤ E. A. Kshirsagar Audit Committee Chairman	   



Batliboi Ltd.

» 72nd Annual Report

2015 - 2016



Some of our Products

Products manufactured



"Pre-Fab" Humidification Plant



Vertical Machining Centre



Hardfaced Impeller for abrasive application



ID Fan for Boiler



Turning Centre



Vertical Turret Lathe



Portable Radial Drilling Machine with Universal Head



Spinning Mill - Air Engineering by AESA, France



Bridge Type Double Column Drilling Centres, Quickmill, Canada



Spinning Mills - Air Engineering by Batliboi



Products marketed



Plate Bending Machine & Section / Pipe Bending Machines, DAVI - Promau srl, Italy



CNC Engraving Machine, Jingdiao, China



Squeezer from Ferraro, Italy



Circular Knitting Machine, Mayer & Cie, Germany



Open End Spinning Machine from Saurer, Germany



Stenter Frame from InspirOn Engineering, India



CNC Horizontal Boring & Milling Machine, Skoda, Czech Republic



Yarn Dyeing Machines, Loris Bellini, Italy



Contamination Sorter for Blow Room from Loptex, Italy



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 133*

Corporate Information

BOARD OF DIRECTORS

Mr. Nirmal Bhogilal	Chairman (Re-designated as Executive Chairman w.e.f. 01.02.2016)
Mr. Vivek Sharma	Managing Director (appointed w.e.f. 01.02.2016)
Mr. Ameet Hariani	Director
Mr. E.A. Kshirsagar	Director
Mr. George Verghese	Director
Mrs. Sheela Bhogilal	Director
Mr. Subodh Bhargava	Director
Mr. Ulrich Duden	Director
Mr. Vijay R. Kirloskar	Director

CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal	Chairman
Mr. Vivek Sharma	Managing Director
Mr. Ashok Joshi	Chief Human Resource Officer
Mr. Daniel Vaz	C.E.O. Textile Air Engineering Group
Mr. Bhaskar Dutta	Vice-President Textile Machinery Group
Mr. Pradeep Pradhan	C.E.O. Machine Tool Business, Air Conditioning and Refrigeration Group
Mrs. Prema Chandrasekhar	Chief Financial Officer
Ms. Namita Thakur	Company Secretary (Appointed w.e.f. 02.11.2015)
Mr. Sanjiv Joshi	C.E.O. Environmental Engineering Group

REGISTERED & CORPORATE OFFICE

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

FACTORY

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

STATUTORY AUDITORS

M/s. V. Sankar Aiyar & Co.
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
The Shamrao Vithal Co-op. Bank Ltd.

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NOTICE

NOTICE is hereby given that the Seventy-Second Annual General Meeting of **BATLIBOI LIMITED**, will be held on Tuesday, 9th August, 2016 at 2:00 P.M. IST at Indian Merchants' Chamber, Walchand Hirachand Hall, 4th Floor, 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, 2016, 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, 2016 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Sheela Bhogilal (DIN No. 00173197), who retires by rotation and being eligible, offers herself for re-appointment.
3. **Ratification of Appointment of Statutory Auditors:**

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Messrs V. Sankar Aiyar & Co., Chartered Accountants (Regn. No. 109208W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the said Auditors;

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

SPECIAL BUSINESS:

4. **To approve Remuneration to the 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, Messrs V.J. Talati & Co., Cost Accountants, appointed as the Cost Auditors of the Company by the Board of Directors, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017 be paid the remuneration as set out in the Explanatory Statement annexed to this Notice;

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

5. **Appointment of Mr. Vivek Sharma (DIN No. 01541498), as a Director:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Vivek Sharma (DIN No. 01541498), who was appointed by the Board of Directors as an

Additional Director of the Company with effect from 1st February, 2016 under Section 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Vivek Sharma for the office of Director, be and is hereby appointed as a Director of the Company.”

6. To re-designate Mr. Nirmal Bhogilal (DIN No. 00173168) as Executive Chairman (Whole-Time Director):

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Members be and hereby approve the re-designation of Mr. Nirmal Bhogilal as the Executive Chairman (Whole-Time Director) of the Company for a term of 5 (five) years, from 1st February, 2016 to 31st January, 2021 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee as set out in the explanatory statement annexed to the notice;

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

7. To appoint Mr. George Verghese (DIN No. 00173251), Non-Executive Director of the Company as Independent Director:

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 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. George Verghese (DIN No. 00173251), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. 9th August, 2016 upto 8th August, 2021 and that he shall not be liable to retire by rotation.”

8. Appointment of Mr. Vivek Sharma (DIN No. 01541498), as Managing Director:

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), subject to the approval of Central Government, as may be required, the Members be and hereby approve the appointment of Mr. Vivek Sharma, as the Managing Director of the Company for a term of 5 (five) years, from 1st February, 2016 to 31st January, 2021 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice;

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

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 Headquater (on the left) 86m.
- Turn right onto IMC Marg (Venue will be on Left).

Venue:

Indian Merchants' Chamber ,
Walchand Hirachand Hall, 4th Floor,
Churchgate, Mumbai – 400020

Landmark:

Near Churchgate Railway Station, Mumbai.

Route map showing directions to reach the venue of the 72nd AGM is given at the end of the Report.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 30th July, 2016 to Tuesday, 9th August, 2016 (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 de-mat account. However, any change in particulars in respect of shares held in physical form should be sent to the Company's Share Transfer Agents Datamatics Financial Services Ltd. - Plot No. A/16 & 17, MIDC, Part-B, Cross Lane, Marol, Andheri (E), Mumbai - 400 093. Tel No.: 022-66712151-56 Fax No: 022-66712011 Email: investorsqry@dfssl.com website www.datamaticsbpo.com
6. Additional information in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015) and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
7. The Company has, during the year under review, in compliance with the provisions of erstwhile Section 205C of the Companies Act, 1956 transferred the unclaimed & unpaid Dividend amount of ₹ 3,16,085/- (Rupees Three Lacs Sixteen Thousand and Eighty Five Only) to Investor Education and Protection Fund (IEPF) for the dividend

declared for the financial year 2007-08 which remained unclaimed by the Members of the Company for a period exceeding 7 years from its due date of payment. Pursuant to the provisions of Investor Education and Protection Fund (IEPF) (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 29th July, 2015 (date of last AGM) on the website of the Company (www.batliboi.com) as also on the website of Ministry of Corporate Affairs.

8. 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.
9. 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 is pleased to provide the facility to members to exercise their right to vote by electronic means through e-voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting period will commence at 9:00 A.M. IST on Saturday, 6th August, 2016 and ends at 5:00 P.M. IST on Monday, 8th August, 2016. 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 already 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 – 160607002

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

- (i) The voting period begins at 9:00 A.M. IST on Saturday, 6th August, 2016 and ends at 5:00 P.M. IST on Monday, 8th August, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2nd August, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members holding shares in physical or in demat form as on cut off date shall only be eligible for e-voting.
- (ii) Log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (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. Sequence number is over printed on your ballot form.
	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.
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (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 - 160607002 for Batliboi Limited for 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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(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 on or after 30th June 2016. 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 Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney.

(POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

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

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or you can contact Ms. Namita Thakur, Company Secretary, Batliboi Ltd at 022-66378200 or namita.thakur@batliboi.com.

10. 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 up to and including the date of the Annual General Meeting of the Company.

For and on behalf of the Board of Directors

Mumbai
6th May, 2016

NAMITA THAKUR
Company Secretary

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 Messrs V. J. Talati & Co., Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2017 at a remuneration of ₹ 50,000/- p.a. plus out of pocket expenses incurred, if any in connection with the cost audit. The appointment and the remuneration of the cost auditor are required to be ratified subsequently in accordance to the provisions of the Act and relevant Rules.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way concerned or interested financially or otherwise in the Resolution as set out at Item No. 4 of the Notice except to the extent of their shareholding in the Company.

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

Item No. 5

The Board of Directors in its Meeting held on 30th January, 2016 based on the recommendation of the Nomination and Remuneration Committee Meeting had appointed Mr. Vivek Sharma (DIN No. 01541498) as an Additional Director w.e.f. 1st February, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013.

The Company has received from Mr. Vivek Sharma

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014.
- (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Act.

His brief resume is as under:

Mr. Vivek Sharma is a Bachelor of Electrical Engineering from IIT Roorkee and a Master of Technology in Aircraft Production Engineering from IIT Madras.

He was CEO-BMTG during 2002 to 2006. Since then he has been with Yamazaki Mazak as Managing Director in India and Singapore.

Prior to 2002 he was with the LMW Group for 10 years and before that with Hindustan Aeronautics Ltd for 5 years.

He therefore comes with a rich experience of global business, managing the P&L, production, marketing, product development and R&D.

The other details of Mr. Vivek Sharma in terms of 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, are annexed to this Notice.

Pursuant to Section 161(1) of the Companies Act, 2013, Mr. Vivek Sharma holds office as an Additional Director upto the date of this Annual General Meeting and therefore is eligible for the appointment as a Director.

The Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Mr. Vivek Sharma for the office of Director.

Except Mr. Vivek Sharma, none of the Directors / Key Managerial Personnel of the Company / their relatives is in any way concerned or interested financially or otherwise, in the Resolution as set out at Item No. 5 of the Notice except to the extent of their shareholding in the Company.

The Board recommends for passing of the Ordinary Resolution as set out at Item no. 5 of the Notice for the appointment of Mr. Vivek Sharma as a Director, liable to retire by rotation for the approval of the Members.

Item No. 6

The Company pursuant to its 71st Annual General Meeting held on 29th July, 2015 had made an application to Central Government for the revision in the remuneration to be payable to Mr. Nirmal Bhogilal, Chairman & Managing Director for the period from 1st April, 2015 to 31st March, 2018.

In order to provide more focus on the business as well as to conform to the practices of good corporate governance, Mr. Nirmal Bhogilal had voluntarily decided to step down from the post of Chairman & Managing Director of the Company but he would continue as Executive Chairman (Whole-Time Director) of the Company with effect from 1st February, 2016.

The Company therefore made revised application to the Central Government so that it would be applicable only for the period from 1st April, 2015 to 31st January, 2016.

In view of the above and as per the recommendation of the Nomination and Remuneration Committee at its Meeting held on 30th January, 2016, the Company had entered into agreement with Mr. Nirmal Bhogilal dated 1st February, 2016 for his re-designation as an Executive Chairman (Whole-Time Director) for a period of 5 (five) years commencing from 1st February, 2016 to 31st January, 2021, approved vide Board Resolution passed by the Company at its Board Meeting held on 31st January, 2016 subject to the approval of shareholders in the ensuing Annual General Meeting. The remuneration shall be payable in terms of provisions of Companies Act, 2013, if re-designation is approved by Members.

The details of Mr. Nirmal Bhogilal in terms of 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, are annexed to this Notice.

The terms of the remuneration as detailed in the draft Agreement are as under:

Basic Salary: ₹ 50,000/- per month

Perquisites and allowances: upto ₹ 3,00,000/- per month

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

Other benefits:

He shall also be entitled to use of Company's car or reimbursement of EMI for the car in lieu thereof including all the expenses for maintenance and running of the same including salary of the driver to be borne by the company, telephone(s)/fax at residence and cell phones for official purposes as per the rules of the Company.

The agreement mentioned herein above shall be made available for inspection in physical or in electronic form 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 AGM of the Company at the registered office of the Company.

Except Mr. Nirmal Bhogilal and Mrs. Sheela Bhogilal, none of the Directors / Key Managerial Personnel of the Company / their relatives is in any way concerned or interested financially or otherwise, in the Resolution as set out at Item No. 6 of the Notice except to the extent of their shareholding in the Company.

The Board recommends for passing of the Ordinary Resolution as set out at the Item no. 6 of the Notice for the re-designation of Mr. Nirmal Bhogilal, as an Executive Chairman (Whole-Time Director) for the approval of the Members.

Item No. 7

The Resolution as set out at Item No. 7 of the Notice seeks the approval of the Members in terms of Section 149, 152 and other applicable provisions, if any, of Companies Act, 2013, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. George Verghese (DIN No. 00173251), a non-executive Director of the Company as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years w.e.f. 9th August, 2016 upto 8th August, 2021. Mr. George Verghese, if appointed as Independent Director, shall not be liable to retire by rotation.

In the opinion of the Board of Directors, Mr. George Verghese, has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and who is eligible for appointment.

The Board considers that Mr. George Verghese's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. George Verghese as an Independent Director.

The details of Mr. George Verghese in terms of 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, are annexed to this Notice.

Except Mr. George Verghese, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested financially or otherwise, in the Resolution as set out at Item No. 7 of the Notice except to the extent of their shareholding in the Company.

The Board recommends the Ordinary Resolution set out at Item No. 7 for the approval of the Members.

Item No. 8

Pursuant to provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in its Meeting held on 30th January, 2016 based on the recommendation of the Nomination and Remuneration Committee Meeting approved Appointment and remuneration of Mr. Vivek Sharma (DIN No. 01541498), Additional Director, as the Managing Director of the Company for a term of 5 (five) years, from 1st February, 2016 to 31st January, 2021 on the terms and conditions as detailed in the draft Agreement including remuneration for the period of 3 (three) years from 1st February, 2016 to 31st January, 2019 subject to the approval of Members.

As Managing Director, Mr. Vivek Sharma would be responsible and accountable to grow profitably the operations of Batliboi Ltd, Quickmill Inc. and Aesa Air Engineering by defining and executing growth strategies and increasing market share through enhanced team performance globally.

The other details of Mr. Vivek Sharma in terms of 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, are annexed to this Notice.

The terms of the remuneration as detailed in the draft Agreement are as under:

Basic Salary: ₹ 4,00,000/- (in the scale of ₹ 4,00,000/- p.m. to ₹ 6,00,000/- p.m.)

Perquisites and Allowances: ₹ 5,30,000/- (in the scale of ₹ 5,30,000/- p.m. to ₹ 7,50,000/- p.m.)

The perquisites and allowance payable to him shall include reimbursement of expenses and/or allowance and/or allowances for utilization of gas, electricity, water, utility allowance, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowance, upto the amounts specified above, subject to an overall ceiling of remuneration specified

under schedule V of the Companies Act, 2013. The said perquisites and allowance shall be valued as per the Income Tax Act, 1961 or any rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.

Other benefits:

The Company shall provide furnished accomodation upto value of ₹ 2,00,000/- p.m.

He shall also be entitled to use of Company's car or reimbursement of EMI of upto ₹ 50,000/- p.m. for the car in lieu thereof including all the expenses for maintenance and running of the same including salary of the driver to be borne by the company, telephone(s)/fax at residence and cell phones for official purposes as per the rules of the Company.

Company performance pay:

If Company makes overall profit and Machine Tool Group makes profit then performance pay will be applicabe as per the formula worked out by the Board of Directors.

ESOPs:

He will be eligible for 2,00,000 ESOPs at exercise price of ₹ 15.75 /- per share from the date of joining i.e. 1st February, 2016.

Statement pursuant to Part II, Section II (B) (IV) of Schedule V of the Companies Act, 2013 is annexed herewith.

The agreement mentioned herein above shall be made available for inspection in physical or in electronic form 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 AGM of the Company at the registered office of the Company.

Except Mr. Vivek Sharma, none of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested financially or otherwise, in the Resolution as set out at Item No. 8 of the Notice except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution set out at Item No. 8 for the approval of the Members.

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

(1)	Nature of Industry	1. Manufacturing of Machine Tools, Textile Machinery, Air Conditioning & Humidication Plants & Equipments; 2. Marketing of various kinds of Machine tools, Industrial Machinery & Equipments; 3. Manufacturing and Contracting in the field of Air Conditioning.
(2)	Date or expected date of commencement of commercial production	N.A. As the Company was initially incorporated as Private Company on 6 th December, 1941 and the commercial production is being carried on for more than 60 years.
(3)	In case of new Companies, expected date of commencement of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.

(4)	Financial performance based on given indicators	<p>The financial performance is as detailed below :-</p> <table> <thead> <tr> <th></th><th>2015-16 (₹ In Lacs)</th><th>2014-15 (₹ In Lacs)</th></tr> </thead> <tbody> <tr> <td>Turnover</td><td>10,222.86</td><td>12,151.66</td></tr> <tr> <td>Profit/Loss</td><td>(11.36)</td><td>(725.47)</td></tr> <tr> <td>Net worth</td><td>4,044.80</td><td>3,800.26</td></tr> <tr> <td>Dividend</td><td>Nil</td><td>Nil</td></tr> </tbody> </table>		2015-16 (₹ In Lacs)	2014-15 (₹ In Lacs)	Turnover	10,222.86	12,151.66	Profit/Loss	(11.36)	(725.47)	Net worth	4,044.80	3,800.26	Dividend	Nil	Nil
	2015-16 (₹ In Lacs)	2014-15 (₹ In Lacs)															
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Net worth	4,044.80	3,800.26															
Dividend	Nil	Nil															
(5)	Export performance and net foreign exchange collaborations.	<table> <thead> <tr> <th></th><th>2015-16 (₹ In Lacs)</th><th>2014-15 (₹ In Lacs)</th></tr> </thead> <tbody> <tr> <td>Sale for Export Purposes (indirect Exports)</td><td>994.49</td><td>940.40</td></tr> <tr> <td>Foreign Exchange Collaboration</td><td>Nil</td><td>Nil</td></tr> </tbody> </table>		2015-16 (₹ In Lacs)	2014-15 (₹ In Lacs)	Sale for Export Purposes (indirect Exports)	994.49	940.40	Foreign Exchange Collaboration	Nil	Nil						
	2015-16 (₹ In Lacs)	2014-15 (₹ In Lacs)															
Sale for Export Purposes (indirect Exports)	994.49	940.40															
Foreign Exchange Collaboration	Nil	Nil															
(6)	Foreign Investments or Collaborators, if any	<table> <thead> <tr> <th></th><th>2015-16 (₹ In Lacs)</th><th>2014-15 (₹ In Lacs)</th></tr> </thead> <tbody> <tr> <td>Investment made Foreign Subsidiary</td><td>3,370.46</td><td>3,091.02</td></tr> </tbody> </table>		2015-16 (₹ In Lacs)	2014-15 (₹ In Lacs)	Investment made Foreign Subsidiary	3,370.46	3,091.02									
	2015-16 (₹ In Lacs)	2014-15 (₹ In Lacs)															
Investment made Foreign Subsidiary	3,370.46	3,091.02															

II. Information about the Appointee

(1)	Background details (a) Name (b) Age	Mr. Vivek Sharma 53 Years
(2)	Past Remuneration	₹ 110.00 Lacs
(3)	Recognition or awards	Bachelor of Electrical Engineering from IIT Roorkee and a Master of Technology in Aircraft Production Engineering from IIT Madras.
(4)	Job profile	He would be responsible and accountable to grow profitably the operations of Batliboi Ltd., Quickmill and Aesa by defining and executing growth strategies and increasing market share through enhanced team performance globally.
(5)	Remuneration proposed	<div>₹ (p.m.)</div> <div>Salary ₹ 4,00,000/- (in the scale of ₹ 4,00,000/- to ₹ 6,00,000/- p.m.)</div> <div>Perquisites ₹ 5,30,000/- (in the scale of ₹ 5,30,000/- to ₹ 7,50,000/- p.m.)</div>

(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (it would be w.r.t. the country of his origin)	The remuneration proposed to be paid to Mr. Vivek Sharma is in line with industry average. The nature of Company's business is also very complex with foreign subsidiaries in Canada and France. All these factors justify the payment of said remuneration.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Vivek Sharma has no pecuniary relation neither directly nor indirectly with the Company nor with the managerial personnel except managerial remuneration.
8)	Date of First Appointment on the Board	1 st February, 2016
9)	Shareholding	Nil
10)	Relationship with other Director	Nil
11)	No. of Board Meeting attended during the year 2015-16	-
12)	Other Directorship, Membership and Chairmanship	Other Directorship: Batliboi International Limited Membership and Chairmanship in Committee: Nil

III. Other information

(1)	Reason of loss or inadequate profits	Lower turnover due to global scenario in markets.
(2)	Steps taken or proposed to be taken for improvement	Proposed to consolidate & monetize the assets thus improving the cash flow & profitability.
(3)	Expected increase in productivity and profits in measurable terms	Targeted increase in production and cost rationalization.

For and on behalf of the Board of Directors

Mumbai
6th May, 2016

NAMITA THAKUR
Company Secretary

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

ANNEXURE TO ITEM NOS. 2, 5, 6, 7 & 8 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming 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	Mrs. Sheela Bhogilal (DIN No. 00173197)	Mr. Vivek Sharma (DIN No. 01541498)	Mr. Nirmal Bhogilal (DIN No. 00173168)	Mr. George Verghese (DIN No. 00173251)
Date of Birth	24.03.1955	05.01.1963	14.05.1949	07.12.1949
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	27.08.2014	01.02.2016	06.09.1973	20.12.1999
Qualifications	Course in Management and Finance from Tata Management Institute, Pune and in Gemology from the Gemology Institute of America.	Bachelor of Electrical Engineering from IIT Roorkee and a Master of Technology in Aircraft Production Engineering from IIT Madras.	B.Sc (Engg), Chemical Engg (London University), A.C.G.I. Committee member- CII National Council.	B Tech (Textile Engineering)
Expertise in specific functional Area	She is having 26 years of experience in manufacturing and retail business.	He is having 29 years of experience in managing capital goods industry, especially Machine Tools.	He is having practical experience of 43 years in managing Machine Building & Engineering industry.	Over 20 years of experience in Management - Business (work Experience as CEO & Executive Director in Batliboi Limited) Over 30 years of experience & Technical knowledge in Manufacturing & Project management in Textile Air Engineering, Air Conditioning & Marketing of Textile Machinery and Textile processing.
Number of Shares held in the Company	8,41,022	Nil	1,87,29,713	Nil
Number of Board Meetings attended during the year**	4	-	4	4
List of Directorships held in other Companies*	<ul style="list-style-type: none"> Batliboi Limited Sustime Pharma Limited 	<ul style="list-style-type: none"> Batliboi International Limited Batliboi Limited 	<ul style="list-style-type: none"> Batliboi Limited Eimco Elecon India Limited. 	<ul style="list-style-type: none"> Batliboi Limited Batliboi International Limited
Chairman/Member in the Committee of the Boards of Companies in which he is a Director*	Nil	Nil	<ul style="list-style-type: none"> Batliboi Limited Eimco Elecon India Limited. 	Nil
Relationship between Directors	Mr. Nirmal Bhogilal	Nil	Mrs. Sheela Bhogilal	Nil

*Directorship includes Directorship of other Indian Public Companies and committee memberships includes only Audit Committee and Stakeholders Relationship Committee of Public Limited Companies (Whether Listed or not).

** As the appointment of Mr. Vivek Sharma was w.e.f. 1st February, 2016, no Board Meeting has taken place from the date of appointment till 31st March, 2016.

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Seventy-Second Annual Report together with the Audited Accounts for the financial year ended 31st March, 2016.

1. FINANCIAL RESULTS

(₹ in Lacs)

Particulars	For the Year ended			
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	Standalone	Standalone	Consolidated	Consolidated
Gross Turnover (Including Indirect Sales)	33,903.34	36,076.25	45,080.90	50,492.81
Total Income	10,380.60	12,283.87	21,791.49	26,851.76
PBDIT	(651.92)	(21.96)	(145.48)	50.21
Less: Finance Cost	725.54	605.91	875.39	776.99
Less: Depreciation	215.64	241.64	616.20	671.77
Profit/(Loss) Before Tax & Exceptional Items	(1,593.10)	(869.51)	(1,637.07)	(1,398.55)
Exceptional items: Income/(Expenses)	1,629.61	-	1,629.61	-
PBT	36.51	(869.51)	(7.46)	(1,398.55)
Provision for Taxation : Current Tax	7.00	-	(30.59)	(52.87)
Deferred Tax	45.00	(146.00)	41.54	(146.00)
Mat credit available for set off	(7.00)	-	(7.00)	-
Tax adjustments in respect of earlier years	2.87	1.96	2.87	1.96
PAT	(11.36)	(725.47)	(14.28)	(1,201.64)

2. DIVIDEND

In view of operating losses for the year, your Directors do not recommend any Dividend for the year ended 31st March, 2016.

3. TRANSFER TO RESERVES

The loss for the Year is ₹ 11.36 Lacs. Loss of ₹ 11.36 Lacs is debited to the Profit and Loss account.

4. SHARE CAPITAL

The Paid up Equity Share Capital as on 31st March, 2016 was ₹ 1,435.79 Lacs. 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.

5. REVIEW OF OPERATIONS AND OUTLOOK

During the financial year 2015-16, the turnover of the Textile Engineering Group declined marginally. However, due to the larger under performance of the Machine Group, owing to lower demand and sluggish market conditions, the performance of the Company got adversely affected. As a result, the turnover for the year has declined from ₹ 12,151.66 Lacs to ₹ 10,222.86 Lacs and the gross value of the total turnover handled declined from ₹ 36,076.25 Lacs to ₹ 33,903.34 Lacs.

Though, the turnover of French Subsidiary, AESA Air Engineering is lower by 38%, as compared to previous year, the profit increased to ₹ 184.42 Lacs as compared to previous year loss of ₹ 37.77 Lacs.

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

It is expected that there would be positive sentiments in the market which would trigger higher demand for machine tools in many private and public sector units engaged in vehicle manufacturing, power and infrastructure. 'Make in India' initiative will contribute to this increase in demand for machine tools. The continuation of TUF (Technology up gradation fund), favorable State Government policies for investment in textile sector (state textile policies of Gujarat, Maharashtra, Andhra Pradesh) and increasing demand for yarn will lead to further investments in the textile sector during 2016-17.

The Company is confident of its future prospects.

6. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

SUBSIDIARY COMPANIES

As on 31st March, 2016, the Company has following Subsidiaries:

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 performance of Quickmill in 2015-16 was well below the predicted budget for the year. With the continued slump in the oil and gas sector, large machines sales were still slow to recover in all markets.

Quickmill expects to achieve better performance in financial year 2016-17.

ii) AESA Air Engineering, France

AESA SA 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.

AESA SA performed better in financial year 2015-16 as compared to financial year 2014-15. The pressure on margins in the business remains intense. With the current Company structure at the offices situated in France, China, Singapore and India, Representative offices in Turkey and Indonesia, the Company can execute contracts efficiently.

CONSOLIDATED FINANCIAL STATEMENTS

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

The Ministry of Corporate Affairs had issued a General Circular No. 51/12/2007-CL-III dated 8th February, 2011 granting exemption to the Companies under Section 212 under the Companies Act, 1956. (Corresponding to Section 129 of the Companies Act, 2013). Hence, the Balance Sheet, Statement of Profit & Loss Account, Report of Board of Directors' and Auditors' together with the Notes and Schedules thereon of Subsidiary Companies have not been attached with the Balance Sheet of the Company.

The Annual Accounts of these Subsidiaries and the related detailed information will be made available to any Member of the Company/its Subsidiaries seeking such information at any point of time and are also

available for inspection by any Member of the Company/its Subsidiaries at the Corporate Office of the Company. The Annual Accounts of the said Subsidiaries will also be available for inspection, as specified above at the head offices of the respective Subsidiaries.

A statement containing salient features of the financial statement of each of the subsidiaries included in the Consolidated Financial Statements is given in Form No. AOC-1 at the end of the Annual Report.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Re-appointment of Mrs. Sheela Bhogilal (DIN. No. 00173197)

As per the provisions of Companies Act, 2013, Mrs. Sheela Bhogilal (DIN No. 00173197), Director will retire at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. Your Directors recommends her re-appointment.

ii) Appointment of Mr. Vivek Sharma (Director) (DIN No. 01541498) and Change in designation (Key Managerial Personnel)

During the year under review, the Board of Directors at its Meeting held on 30th January, 2016 appointed Mr. Vivek Sharma (DIN No. 01541498) as an Additional Director of the Company with effect from 1st February, 2016 under Section 161 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office upto the ensuing Annual General Meeting of the Company.

Further as per the recommendation of Nomination and Remuneration Committee at its Meeting held on 30th January, 2016, the Board of Directors at its Meeting held on 30th January, 2016 approved appointment of Mr. Vivek Sharma, Additional Director, as a Managing Director of the Company for a term of 5 (five) years from 1st February, 2016 to 31st January, 2021 subject to the approval of Members at the ensuing Annual General Meeting of the Company.

The brief resume and other details as required under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India are provided in the Notice of the ensuing Annual General Meeting.

Your Directors recommends regularizing appointment of Mr. Vivek Sharma, as a Director of the Company and thereby approving his appointment as a Managing Director of the Company for a term of 5 (five) years from 1st February, 2016 to 31st January, 2021.

iii) Change in Designation of Mr. Nirmal Bhogilal (Key Managerial Personnel) (DIN No. 00173168)

As per the recommendation of Nomination and Remuneration Committee at its Meeting held on 30th January, 2016, the Board of Directors at its Meeting held on 30th January, 2016 approved change in designation of Mr. Nirmal Bhogilal (DIN No. 00173168) from Chairman and Managing Director to Executive Chairman (Whole-Time Director) of the Company for a term of 5 (five) years, from 1st February, 2016 to 31st January, 2021 subject to the approval of members at the ensuing Annual General Meeting.

The brief resume and other details as required under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India are provided in the Notice of the ensuing Annual General Meeting.

Your Directors recommends the abovementioned change in designation of Mr. Nirmal Bhogilal.

iv) Change in Designation of Mr. George Verghese (DIN No. 00173251)

As per the provisions of Companies Act, 2013 read with applicable Rules, your Directors recommend change in designation of Mr. George Verghese (DIN No. 00173251) from Non-Executive Non-Independent

Director to Non-Executive Independent Director of the Company for a term of (5) five consecutive years with effect from 9th August, 2016 subject to the approval of members at the ensuing Annual General Meeting. Mr. George Verghese, if appointed as an Independent Director shall not be liable to retire by rotation. Resolution proposing appointment of Mr. George Verghese, as an Independent Director forms part of the Notice of ensuing Annual General Meeting.

The brief resume and other details as required under the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India are provided in the Notice of the ensuing Annual General Meeting.

v) Company Secretary (Key Managerial Personnel)

During the year under review, following changes took place:

S.No.	Name of Company Secretary	Date of Appointment	Date of Resignation
1.	Mrs. Puneet Kapur	16.05.2014	03.07.2015
2.	Mr. Anand Sharma	29.07.2015	31.10.2015
3.	Ms. Namita Thakur*	02.11.2015	-

*During the year under review, Ms. Namita Thakur was appointed as the Company Secretary & Compliance Officer of the Company by the Board of Directors at its meeting held on 2nd November, 2015.

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 Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) 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. EMPLOYEE STOCK OPTION SCHEME

The Company has implemented Employees Stock Option Plan (ESOP) with a view to encourage the employees to 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 December, 2011. During the year 2015-16, pursuance to the Resolutions passed at the Nomination and Remuneration Committee Meeting held on 12th August, 2015 and 30th January, 2016, the Company has granted 2,50,000 options to the eligible employees in accordance with the ESOP Scheme of the Company at a price of ₹ 15.75 per share, details of which are mentioned in the Corporate Governance Report. During the year, 35,000 Options lapsed which are added back to the available bank and the same will be used for re-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.

10. 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.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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.

12. 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 are in compliance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). 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 are placed before the Audit Committee as also it has to be approved by the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature.

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

Weblink: <http://www.batliboi.com/uploadedfiles/Related-party-transactions.pdf>

13. 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 Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) (erstwhile as per the Listing Agreement) 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 the weblink:

<http://www.batliboi.com/for-investors/codes-policies/vigil-mechanism-whistle-blower-policy.aspx>

14. HUMAN RESOURCE

The total number of employees in the Company were 382 as on 31st March, 2016. 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 and Bangalore operations. The same is reviewed by the Board from time to time and appropriate actions are taken as directed.

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

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during

any financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board. Your Company does not fall under the provisions of aforesaid Section. Therefore, CSR Committee has not been constituted.

16. 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.

17. 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 Board has carried out the annual performance of its own performance, Directors individually and its Committees ("Performance Evaluation").

More details on the same are given in the Corporate Governance Report.

18. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

The policy on Company's familiarization programme for Independent Directors is posted on the Company's website.

Weblink: <http://www.batliboi.com/uploadedfiles/familiarisation-programmes-ind-directors.pdf>

19. NOMINATION AND REMUNERATION POLICY

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

20. MEETINGS

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 convened and held. The details of which are given in Corporate Governance Report that forms part of this Annual Report. The intervening gap between the Meetings was within the prescribed period under the Companies Act, 2013 and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

21. 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's of the Company forms integral part of this Report.

22. AUDITORS' AND THEIR REPORT

The Statutory Auditors Messrs V. Sankar Aiyar & Co., Chartered Accountants, hold office upto the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. They have confirmed their eligibility under Section 141 of the Act, and the rules framed thereunder for re-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 Messrs V. Sankar Aiyar & Co., Chartered Accountants have issued their reports on Standalone & Consolidated Financial Statements for the financial year ended 2015-16.

The Auditors have commented on the payment of remuneration to Managing Director prior to the receipt of approval from the Central Government.

The Board proposes to appoint Mr. Vivek Sharma as Managing Director in the forthcoming Annual General Meeting of the Company and shall make necessary application to Central Government. Subsequently, it is expected that the necessary approval would be in place during the year.

23. COST AUDITORS

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

Your Directors had, on the recommendation of the Audit Committee appointed Messrs V.J.Talati & Co., Cost Auditors to audit the cost accounts of the Company for the financial year 2015-16. As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a Resolution for seeking Members ratification for the remuneration payable to Messrs V.J.Talati & Co., Cost Auditors is included in the Notice convening the Annual General Meeting.

24. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs Ashish Bhatt & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report has been given in the 'Annexure B' to this Report.

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (ii) they have, in the selection of such accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the Company for the year under review;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis;
- (v) that proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

26. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND**UNCLAIMED DIVIDEND**

In terms of the erstwhile provisions of Section 205C of the Companies Act, 1956, the Company is required to transfer any Unpaid or Unclaimed dividend and interest thereon (which remains unclaimed or unpaid for a period of 7 years from the date they become due for payment) to the Investors Education & Protection Fund established by the Central Government.

The Company has, during the year under review, in compliance with the provisions of erstwhile Section 205C of the Companies Act, 1956 deposited the unclaimed & unpaid Dividend amount of ₹ 3,16,085/- (Rupees Three Lacs Sixteen Thousand and Eighty Five Only) to Investor Education and Protection Fund (IEPF) for the dividend declared for the financial year 2007-08 which remained unclaimed by the Members of the Company for a period exceeding 7 years from its due date of payment. 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 may be prescribed by the Central Government in this regard.

27. 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.

28. LISTING

The Company's 2,70,02,550 Equity Shares are presently 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 2016-17.

Further, the Company is in process of Listing 16,80,000 Equity Shares of ₹ 5/- each pursuant to the Scheme of Amalgamation between Batliboi SPM Pvt. Ltd. ("Transferor Company") and Batliboi Ltd. ("Transferee Company") issued and allotted by the Board of directors of the Company at their meeting held on 21st April, 2009 in accordance with provisions of Companies Act, 1956 and listing of 33,333 Equity Shares of ₹ 5/- each fully paid up issued and allotted pursuant to exercise of options granted under the ESOP Scheme in accordance with the Companies Act, 2013 by the Board of Directors at its Meeting held on 27th January, 2015.

29. LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from 1st December, 2015. All listed entities were required to enter into the Listing Agreement within six months from the effective date. Accordingly, during the year under review, the Company has entered into Listing Agreement with BSE Limited.

30. SAFETY AUDIT

As per the Company's practice, safety audit is conducted once in two years. Accordingly, next Safety Audit will be conducted on or before 31st December, 2016 by an Independent Consultant.

31. 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 thereunder, 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 also posted on the website of the Company at Weblink <http://www.batliboi.com/for-investors/codes-policies/anti-sexual-harassment-policy.aspx>

Matters handled by Internal Complaint Committee during the year 2015-16, 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

32. 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, has been given as 'Annexure D' to this Report.

33. 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 impacting the going concern status and the Company's operations in future.

At the beginning of the year, the Company was non-compliant to the Clause 40(a) of Listing Agreement. However, during the year, Company has complied with the requirements of Clause 40(a) of listing agreement as governed by the SEBI Order no. WTM/PS/71/CFD/OCT/2015 dated 19.10.2015. Further there were no 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.

34. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under 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 has been given as 'Annexure E' to this report.

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, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the Report.

35. 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 criteria is also being audited and management has taken effective steps to ensure adequate control over financial reporting.

36. 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.

37. POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) mandated the formulation of certain policies for all listed companies. All our policies are available on website (<http://www.batliboi.com/for-investors/codes-policies.aspx>). The policies are updated based on need and new compliance requirement.

In addition to its Codes and Ethics, Key Policies that have been adopted by the Company are as follows:

Name of the policy	Brief description	Weblink
Whistleblower Policy (Policy on Vigil Mechanism)	The Company has adopted the Whistleblower mechanism with a view to maintain the high standards of transparency in Corporate Governance and to enable the Directors and employees of Company to have direct access to the Managing Director or the Members (Directors) of the Audit Committee.	http://www.batliboi.com/for-investors/codes-policies/vigil-machanism-whistle-blower-policy.aspx
Related Party Transaction policy	The policy regulates all transactions between the Company and its related parties.	http://www.batliboi.com/uploaded files/Related-party-transactions.pdf
Anti-Sexual Harassment policy	The policy has been formulated to provide protection against sexual harassment of women at the workplace and for the prevention and redressal of complaints of sexual harassment and matters connected therewith or incidental thereto.	http://www.batliboi.com/for-investors/codes-policies/anti-sexual-harassment-policy.aspx
Policy for determining material subsidiaries	The policy is used to determine the Material Subsidiaries of the Company and to provide governance framework for such subsidiaries.	http://www.batliboi.com/uploaded files/Policy-for-Determination-of-Materiality-Susidiaries.pdf
Policy for determining materiality of events	The policy is intended to circulate and disseminate such information which in the view of the management and the Regulators is material for the purpose of protecting, safeguarding the interest of the Company thereby enabling and promoting greater transparency and disclosure of all deemed material events to the Stock Exchange.	http://www.batliboi.com/uploaded files/Policy-for-Determination-of-Materiality-of-Events.pdf
Policy for preservation of documents / Archival of documents	The policy governs the maintenance and preservation of documents of the Company as per applicable statutory and regulatory requirements.	http://www.batliboi.com/uploaded files/POLICY-FOR-PRESERVATION-OF-DOCUMENTS.pdf

38. MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR

During the year, the Company has concluded the process of sale of its land situated at Plot no. 25/26, Deonar Ancillary Estate, Off Ghatkopar Mankhurd link Road, Govandi (West), Mumbai-400088, Mumbai.

39. 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.

40. 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

Mumbai
6th May, 2016

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].

Particulars	ESOS
a) Options granted during the year	2,50,000
b) The pricing formula	Exercise price - ₹15.75
c) Options vested	2,50,000
d) Options exercised	Nil
e) The total number of shares arising as a result of exercise of options	Each Option would entitle the holder to subscribe one Equity Share in the Company.
f) Options lapsed	35,000
g) Variation of terms of Options	No
h) Money realized by exercise of Options	N.A
l) Total number of Options in force	12,81,667
j) Employee wise details of Options granted during the year:	
i) Senior managerial personnel:	1) Mr. Bhaskar Dutta 2) Mr. Vivek Sharma
ii) Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year.	None
iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None
k) Diluted Earning Per Share	(0.05)

‘ANNEXURE B’ TO THE DIRECTORS REPORT

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Batliboi Limited
Bharat House, 5th Floor,
104, Bombay Samachar Marg,
Fort, Mumbai 400001

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable to the Company during audit period);

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure I.

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

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

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except the company has paid remuneration to the new Managing Director appointed during the year under review, in excess of the ceiling under schedule V of the Act. The said Managing Director was appointed with effect from February 1, 2016 and the terms and conditions of such appointment and the remuneration payable to him have been approved by the Board of Directors at its meeting held on January 30, 2016 based on the recommendation of the Nomination and Remuneration Committee of the Board on January 30, 2016 but subject to approval of the shareholders in the next general meeting of the company and the Central Government, as specified in the Schedule V of the Act.

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

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

For Ashish Bhatt & Associates

Place: Thane
Date: 6th May, 2016

ASHISH BHATT
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956

Annexure I

List of applicable laws to the Company

Under the Major Group and Head.

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

For **Ashish Bhatt & Associates**

Place: Thane
Date: 6th May, 2016

ASHISH BHATT
Practicing Company Secretary
FCS No: 4650
C.P. No. 2956

‘ANNEXURE C’ TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

Quickmill Inc.

It has replaced man doors in the production and lunch room area towards conservation of energy.

AESA SA

Energy conservation is a continuously on-going topic with developments into low-cost water filter system allowing the use of lower quality water in high pressure washers for a wider usage in Asia, modification of existing older LTG washer systems with new nozzle, spraybank and washer pumps, implementation of chilled water systems with inverter controlled pumps, implementation of fully inverter controlled humidification and a/c-systems for most energy-efficient r.h. and temperature control while keeping same high standards of room cleanliness.

Machine Tool Udhna (MTU)

Power factor improvement: We have installed switchable capacitor banks at foundry and MTU, to take care of minimum to maximum requirement. The power factor is now under control and the benefits derived are @ 0.8 Lac to 1.0 Lac per month (this is in the form of zero penalty due to low power factor). LED lights in MTU are fitted for shop and assembly in place of Mercury. For furnace electricity consumption of heat treatment plant in MTU, started using furnace in minimum frequency, so as to reduce the consumption per month.

B. RESEARCH & DEVELOPMENT (R&D)

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

Textile Air Engineering

New products designed and developed:

- Upgradation of Rotary drum filter
- Reengineering of Loom outlet grilles at Udhna
- Redesign of “V” type filters at Udhna

Quickmill Inc.

The majority of Quickmills’ R&D efforts were directed towards the following projects:

QUICKDRILL 3 - This project was completed this year and readied for sale to the market. Extensive testing, videos and marketing materials were completed and a major marketing effort is underway to get the first machine in the field. With the slump in Oil & gas this affected the clients that were targeted and no sale was obtained due to the slow down. Quickmill is expected to get this machine sold in the coming year.

Low Cost Drilling Machine - Quickmill took major strides this year with 90% of the machine design complete for this product. All major components are purchased off shore with partners in place to supply more volume in the future. This low cost machine will help Quickmill target smaller Heat Transfer & Structural Steel industries where lower cost machines are purchased. Quickmills’ plan is to order a machine through its stock program in the summer of 2016.

Laser Scanner – The product is now working with a client in the Power Generation Sector with updates being made as the client finds better ways to take advantage of the product. This product is ready for sale in certain applications and industry’s that will give Quickmill an advantage in part processing times.

AESA SA

Control system - Chilled water system with inverter driven pumps to reduce energy consumption and Inverter controlled A/C-system for r.h. and temperature control. It is implemented in Indonesia Birla Group. Result: technical solution, sales argument, energy saving.

Water filter system for high pressure washer- Development of a low-cost water filter system allowing the use of lower quality water for high pressure washer as per market requirement. It is implemented in Indonesia Birla Group. Result: technical solution, sales argument, energy saving.

CRK- Use of solar panels for hot water production for heating coils to reduce energy consumption. It is implemented in Indonesia Birla Group. Result: technical solution, sales argument, energy saving.

Machine Tool Udhna (MTU)

During 2015-16, following R & D activities were carried out:

The new models of CNC turning and VMC are introduced namely; Sprint 16 TC linear, Chetak 55+ vertical machining center. This is to match competitor's specifications and to have low cost version to cater to certain market segments.

A4 spindle vertical machining center is designed to suit special requirement from a customer and supplied.

The spindle of all VMC models is redesigned and prototype is now under testing and observations. This is to take care of improving spindle bearing life.

II. Benefits Derived

Better system performance and customer satisfaction

Improved Reliability of product

Optimisation of cost

With the QUICKDRILL 3 now complete and ready for sale in the field, this product will be a great asset for some of our intensive drilling customers and we expect this product to be successful in this niche market.

The low cost drilling machine will allow Quickmill sales to clients in its core fields where low cost offshore machines took these orders.

The laser system will now give Quickmill an advantage in large part processing with automation.

Lower energy consumption

Performance improvement

Cost savings

Sales arguments

The development will result in opportunities for more orders, where competition has better specs and competitive prices.

III. Expenditure on R&D

Total capital expenditure incurred: ₹ 126.84 Lacs (Previous year ₹ 160.00 Lacs).

IV. Development Plans and Technology Absorption, Adaption and Innovation

Textile Air Engineering

Re-engineering of Prefab air washer components

Direct grouting of axial flow fans
Strengthening of Prefab structure for WCS plant
Performance parameter fixing and development of measurement methods
Adding new products to the product basket.

Quickmill Inc.

Quickmill plans to focus on the following R&D projects:

Heavy Duty Rail Machine with Automatic Head: Working in conjunction with Taiwanese partners we intend to develop a heavy rail machine with optional automatic heads to expand our reach into the general purpose machining market.

Investigate the feasibility to adapt a smaller automatic right angle head to our Annihilator machine.

Customer driven R&D: Depending what specific machines are sold our R&D efforts may need to be redirected to customer driven projects.

AESA SA

Washer - Review design of baffle plates for energy & cost saving.

High pressure washer- Design washer with combination of high pressure system and conventional system for market requirement.

TFB- Review of overall TFB design for easier maintenance and reduced cost for market requirement.

FK- Review of overall Fibre Compactor design for reduced cost for Review of overall Fibre Compactor design for reduced cost for market requirement.

Studies to use solar panels for heating purpose where applicable in a/c-systems.

Machine Tool Udhna (MTU)**Development Plans**

We have started projects for casting weight reduction for all medium and heavy castings for various products. This is to match castings' weight nearest to design weight. This will result in large cost savings in casting cost per product.

Twin spindle with twin ATC large size vertical machining centre for application of profile milling of bath fittings. This machine will take care simultaneous machining with both spindle with flexibility of automatic tool changer, thereby increasing productivity.

Horizontal machining centre to be developed with imported carcass for dispatch plan by Sept'16. These are against order from government PSU.

Technology Absorption, Adaption and Innovation

We have refurbished following machines to take care frequent break down and to have additional shop capacities :

Sumitomo slide way grinder

WMW CNC horizontal boring machine.

Chetak 100 VMC

C. Foreign Exchange Earnings and Outgo

During the year ended 31st March, 2016, Foreign Exchange earnings were ₹ 994.49 Lacs (Previous Year ₹ 940.40 Lacs) and the Foreign exchange outgo was ₹ 14.97 Lacs (Previous Year ₹17.00 Lacs). 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, 2016
[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) 66378200/245 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

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
MTU-General Purpose Machine & Computerically Numerically Control Machine	84583090,84592930,84595110, 84595120,94595130, 84669390	34.50%
BTMG-Commission Agents in India for International Textile Machinery Manufacturers and after sale services.	46103	17.07%
TAE - ALU Profile, TAE Fan, Part of Fan, Part of Filter & Fibre Compactors and Semi Centra Unit	76042100,84145930,84149040, 84219900, 84798920	38.62%

III. Particulars of Holding, Subsidiary and Associate Companies

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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Shareholding

Category code	Category of shareholders	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	2,19,83,567	0	2,19,83,567	76.56	2,00,51,567	0	2,00,51,567	69.83	-6.73
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	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	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	2,34,42,567	0	2,34,42,567	81.64	2,15,10,567	0	2,15,10,567	74.91	-6.73
2	Foreign									
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2,34,42,567	0	2,34,42,567	81.64	2,15,10,567	0	2,15,10,567	74.91	-6.73
(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	100	800	900	0.00	0.00
(c)	Central Government	350	0	350	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)	1,050	800	1,850	0.01	700	800	1,500	0.01	0.00
2	Non-institutions									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(a)(i)	Indian	6,32,560	29,050	6,61,610	2.30	24,87,963	29,050	25,17,013	8.77	6.46
(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	25,20,814	5,71,177	30,91,991	10.77	26,56,020	5,61,295	32,17,315	11.20	0.44
(b)(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	6,14,560	0	6,14,560	2.14	5,63,222	0	5,63,222	1.96	-0.18
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
d-i	NRI Rep	43,800	1,100	44,900	0.16	44,033	1,100	45,133	0.16	0.00
d-ii	NRI Non -Rept	11,235	200	11,435	0.04	13,963	200	14,163	0.05	0.01
d-iv	Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
d-v	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	38,22,969	14,48,497	52,71,466	18.36	57,65,201	14,38,615	72,03,816	25.09	6.73
	Total Public Shareholding (B)=(B)(1)+(B)(2)	38,24,019	14,49,297	52,73,316	18.37	57,65,901	14,39,415	72,05,316	25.10	6.73
	Total (A+B)	2,72,66,586	14,49,297	2,87,15,883	100.00	2,72,76,468	14,39,415	2,87,15,883	100.00	0.00
(C)	Custodians for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	2,72,66,586	14,49,297	2,87,15,883	100.00	2,72,76,468	14,39,415	2,87,15,883	100.00	0.00

(ii) Shareholding of Promoters

SL. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Pledge/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Pledge/encumbered to total shares	
1	Nirmal Pratap Bhogilal	2,06,61,713	71.95	0	1,87,29,713	65.22	0	-6.73
2	Sheela Bhogilal	8,41,022	2.93	0	8,41,022	2.93	0	0.00
3	Nirbhag Investments Pvt Ltd	6,18,200	2.15	0	6,18,200	2.15	0	0.00
4	Pramaya Shares and Securities Pvt Ltd	6,00,000	2.09	0	6,00,000	2.09	0	0.00
5	Kabir Bhogilal	4,54,176	1.58	0	4,54,176	1.58	0	0.00
6	Bhagmal Investments Pvt Ltd	2,40,800	0.84	0	2,40,800	0.84	0	0.00
7	Maya Goyel	18,296	0.06	0	18,296	0.06	0	0.00
8	Chitra Ashokkumar	2,680	0.01	0	2,680	0.01	0	0.00
9	Dharini B. Anand	2,680	0.01	0	2,680	0.01	0	0.00
10	Farah Bhogilal	2,000	0.01	0	2,000	0.01	0	0.00
11	Darshana Bhogilal Gupta	1,000	0.01	0	1,000	0.01	0	0.00
	TOTAL	2,34,42,567	81.64	0	2,15,10,567	74.91	0	-6.73

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

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	Nirmal Pratap Bhogilal				
	At the beginning of the year	2,06,61,713	71.95	2,06,61,713	71.95
	Decrease during the year (Transfer of Shares)(18.12.2015)	19,32,000	6.73	1,87,29,713	65.22
	At the end of the Year	0	0.00	1,87,29,713	65.22
2	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
3	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
4	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
5	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
6	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

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
7	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
8	Chitra Ashokkumar				
	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
9	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
10	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
11	Darshana Bhogilal Gupta				
	At the beginning of the year	1,000	0.01	1,000	0.01
	At the end of the Year	0	0.00	1,000	0.01

(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		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 Top 10 Shareholders				
1	L & T INFRASTRUCTURE FINANCE COMPANY LIMITED				
	At the beginning of the year	0	0.00	-	-
	Increase (18.12.2015)	19,32,000	6.73	19,32,000	6.73
	Decrease (19.02.2016)	50,000	0.17	18,82,000	6.55
	Decrease (04.03.2016)	1,00,000	0.35	17,82,000	6.21
	At the end of the Year	0	0.00	17,82,000	6.21
2	NEWPOND MANAGEMENT LTD				
	At the beginning of the year	8,46,970	2.95	8,46,970	2.95
	At the end of the Year	0	0.00	8,46,970	2.95
3	PRANIR INVESTMENTS PRIVATE LIMITED				
	At the beginning of the year	1,10,147	0.38	1,10,147	0.38
	At the end of the Year	0	0.00	1,10,147	0.38
4	SMIT SAGAR TRACON PVT LTD				
	At the beginning of the year	83,910	0.29	83,910	0.29
	At the end of the Year	0	0.00	83,910	0.29
5	PANNA BANKIM				
	At the beginning of the year	57,778	0.20	57,778	0.20
	At the end of the Year	0	0.00	57,778	0.20

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 Top 10 Shareholders				
6	SHASHANK S KHADE				
	At the beginning of the year	67,660	0.24	67,660	0.24
	Decrease(04.03.2016)	10,000	0.04	57,660	0.20
	At the end of the Year	0	0.00	57,660	0.20
7	ANIL BHAVANJI SHAH				
	At the beginning of the year	54,353	0.19	54,353	0.19
	At the end of the Year	0	0.00	54,353	0.19
8	NADIR BARJORJI GODREJ				
	At the beginning of the year	53,648	0.19	53,648	0.19
	At the end of the Year	0	0.00	53,648	0.19
9	MSPL LIMITED				
	At the beginning of the year	46,226	0.16	46,226	0.16
	Increase (10.04.2015)	4,200	0.02	50,426	0.18
	At the end of the Year	0	0.00	50,426	0.18
10	HARENDRA D MEHTA SHARE & STOCK BROKERS PVT LTD				
	At the beginning of the year	50,020	0.17	50,020	0.17
	At the end of the Year	0	0.00	50,020	0.17

(v) Shareholding of Directors and Key Managerial Personnel:

SL. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the Company	No. Of Shares	% of total shares of the Company
	For each of the Directors and KMP				
1	Mr. Nirmal Bhogilal (Director)				
	At the beginning of the year	2,06,61,713	71.95	2,06,61,713	71.95
	Decrease during the year (18.12.2015)	19,32,000	6.73	1,87,29,713	65.22
	At the end of the Year	0	0.00	1,87,29,713	65.22
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	6,080	0.02	6,080	0.02
	Decrease during the year (16.10.2015)	6,080	0.02	0	0.00
	At the end of the Year	0	0.00	0	0.00
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	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
6	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

** No other Director holds any Shares of the Company*

V. INDEBTEDNESS

₹ In Lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,976.85	1,355.28	-	3,332.13
ii) Interest due but not paid	-	191.84	-	191.84
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	1,976.85	1,547.12	-	3,523.97
Change in Indebtedness during the financial year				
Addition	-	236.45	-	236.45
Reduction	258.80	-	-	(258.80)
Net Change	(258.80)	236.45	-	(22.35)
Indebtedness at the end of the financial year				
i) Principal Amount	1,718.05	1,749.28	-	3,467.33
ii) Interest due but not paid	-	34.29	-	34.29
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	1,718.05	1,783.57	-	3,501.62

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/WT/Manager		Total Amount
		Mr. Nirmal Bhogilal 01.04.2015 to 31.03.2016	Mr. Vivek Sharma 01.02.2016 to 31.03.2016	
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	70,76,000	18,60,000	89,36,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	6,66,079	5,06,600	11,72,679
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Comission			
	- as % of Profit	-	-	-
	- others, please specify	-	-	-
5	- others, please specify(Retirement benefit & Annuity)	10,25,000	96,000	11,21,000
	Total (A)	87,67,079	24,62,600	1,12,29,679

B. Remuneration to Other Directors

SL. No.	Particulars of Remuneration	Name of Directors					Total Amount
		(Sitting Fees)					
	Independent Directors	Mr. Vijay R. Kirloskar	Mr. E. A. Kshirsagar	Mr. Subodh Bhargava	Mr. Ameet Hariani	Mr. Ulrich Duden	
	Fee for attending board/committee meetings	80,000	1,50,000	1,50,000	1,50,000	15,000	5,45,000
	Commission	-	-	-	-	-	-
	- others, please specify	-	-	-	-	-	-
	Total(1)	80,000	150000	1,50,000	1,50,000	15,000	5,45,000
	Other Non-Executive Directors	Mr. George Verghese	Mrs. Sheela Bhogilal	-	-	-	-
	(Sitting Fees)						
	Fee for attending board/committee meetings	60,000	60,000	-	-	-	1,20,000
	Commission	-	-	-	-	-	-
	- others, please specify	-	-	-	-	-	-
	Total(2)	60,000	60,000	-	-	-	1,20,000
	Total(B) = (1+2)	-	-	-	-	-	6,65,000
	Total Managerial Remuneration	-	-	-	-	-	6,65,000

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

SL. No.	Particulars of Remuneration	Key Managerial Personnel				
		Company Secretary	Company Secretary	Company Secretary	CFO	Total
		Mrs. Puneet Kapur	Mr. Anand Sharma	Ms. Namita Thakur	Mrs. Prema Chandrasekhar	
	Duration	01.04.2015 to 03.07.2015	29.07.2015 to 31.10.2015	02.11.2015 to 31.03.2016	2015-16	
	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5,63,636	6,31,176	1,93,945	37,10,337	50,99,094
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	8,100	8,100	-	39,600	55,800
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
	Stock option	-	-	-	-	-
	Sweat Equity	-	-	-	-	-
	Commission					
	- as % of Profit	-	-	-	-	-
	- others, please specify	-	-	-	-	-
	- others, please specify	-	-	-	-	-
	Total	5,71,736	6,39,276	1,93,945	37,49,937	51,54,894

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

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.

(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the financial year:

Median remuneration of all the employees of the Company for the Financial year 2016 (Amount in ₹)	4,00,384
Percentage increase in the median remuneration of employees in the Financial year	6.74%
Number of permanent employees on the rolls of the Company as on 31 st March, 2016	299

Name of Director and KMP	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the Financial Year 2016
Executive Chairman Mr.Nirmal Bhogilal	21.90	-27.47%
Independent Directors	-	-
Other KMPs Mr.Vivek Sharma (MD)-proportionate For Feb16 & Mar16	6.15	0%
Mrs.Prema Chandrasekhar	9.81	0%
Ms.Namita Thakur (Company Secretary)	1.31	16.76%

Notes:

- a. The remuneration to the median remuneration is based on the remuneration paid during the period 1st April, 2015 to 31st March, 2016.
- b. Mr.Vivek Sharma joined as MD in the Company on 1st February, 2016. Accordingly, the remuneration is for the proportionate period in the Financial Year 2016.
- c. Mr.Nirmal Bhogilal remained CMD till 31st January, 2016 and continues to be Chairman from 1st February, 2016. Accordingly, the remuneration is for the proportionate periods in the Financial Year 2016.
- d. Median remuneration of other employees excluding Key Managerial Personnel has increased by 6.61%
- e. Increase in average remuneration of employees excluding Key Managerial Personnel is 4.98 %
- f. Remuneration of the Key Managerial Personnel has increased by 16.76 %

(2) Relationship between average increase in remuneration and Company performance:

	31.03.2015	31.03.2016	% increase
Percentage increase in the average remuneration of all employees in the Financial Year	5,92,428	6,14,400	3.71%

Net Revenue of the Company during the Financial Year 2016 declined by 15.87 % at ₹ 10,222.86 Lacs as compared to previous years ₹ 12,151.66 Lacs. The total employee cost during the said period was ₹ 18.95 Crores. The overall performance of the Company was under acute pressure due to challenging economic conditions and slow progress of Auto, Auto Ancillary & Heavy Engineering sectors and Textile sectors. These are explained in more detailed in the Director's Report. Average increase in the remuneration is guided by various factors such as inflation, normal salary revision, talent retention and other external factors.

(3) Comparison of the remuneration of the KMP against the performance of the Company:

Aggregate remuneration of KMP in Financial Year 2016 (₹ in Lacs)	147.00
Total Revenue (₹ in Lacs)	10,380.60
Remuneration of KMPs (as % of Total Revenue)	1.42%
Profit Before Tax (₹ in Lacs)	36.51
Remuneration of KMPs (as % of Profit Before Tax)	403%

(4) Average percentile increase made in the salaries of employees other than the Managerial Personnel and its comparison with the percentile increase in the Managerial Remuneration and justification thereof:

Average percentile increase in the salaries of employees other than Managerial personnel is 9.24% while percentile increase in the Managerial Remuneration is 9.72%. Average increase in the remuneration of the employees other than the Managerial Personnel is in line with the industry practice and is within the normal range.

(5) Comparison of Remuneration of KMP against the performance of the Company:

Sr No.	Particulars of Remuneration	KMP			
		Nirmal Bhogilal	Vivek Sharma	Prema Chandrasekhar	Namita Thakur
		CMD	MD (01.02.16 to 31.03.16)	CFO	Company Secretary
1	Remuneration in F.Y. 2015 (₹ in Crores)	1.11	0	0.39	0.045
2	Remuneration in F.Y. 2016 (₹ in Crores)	0.876	0.246	0.392	0.053
3	Total Revenue - F.Y. 2016 (₹ in Crores)	103.80			
4	Remuneration - F.Y. 2016 (as % of Total Revenue)	0.84%	0.24%	0.38%	0.05%
5	Profit Before Tax - F.Y. 2016 (₹ in Crores)	0.3651			
6	Remuneration-F.Y. 2016 (as % of profit before tax)	239.93%	67.38%	107.37%	14.52%

(6) Key parameters for variable component of remuneration paid to Directors:

Remuneration to the Chairman, Managing Director includes basic salary, allowances, contribution to provident fund, superannuation and gratuity funds and perquisites (including monetary value of taxable perquisites).

Remuneration to Non Executive Directors and Independent Directors involve sitting fees for attending meetings of the Board/Committees. No remuneration /commission is paid to non-executive Directors. Further, there is no variable component of remuneration availed by the Directors.

(7) The ratio of remuneration of the highest paid Director to that of employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

Not applicable, since no employee of the Company receives remuneration in excess of the highest paid Director i.e; MD.

(8) The remuneration is as per the remuneration policy of the company.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

A Report on compliance with the principles of Corporate Governance as prescribed by Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) is given below:

2. BOARD OF DIRECTORS:

The present strength of Board of Directors is Nine (9) comprising of two Executive Directors, two Non-Executive Directors including one Woman Director and five Non-Executive Independent Directors:

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

Name of Director	Category	*No. of other Directorship(s) held in Indian Public Ltd Companies including Batliboi Ltd	No.** of membership of Board Committees	No.* of Board Committees for which Chair-person
Mr. Nirmal Bhogilal (DIN No. 00173168)	Promoter/Executive/Chairman	2	2	0
Mr. Vivek Sharma (DIN No. 01541498)	Executive/Managing Director	2	0	0
Mr. Ameet Hariani (DIN No. 00087866)	Non-Executive/Independent	3	2	2
Mr. Eknath Kshirsagar (DIN No. 00121824)	Non-Executive/Independent	7	2	5
Mr. George Verghese (DIN No. 00173251)	Non-Promoter/Non-Executive	2	0	0
Mrs. Sheela Bhogilal (DIN No. 00173197)	Promoter/Non-Executive	2	0	0
Mr. Subodh Bhargava (DIN No. 00035672)	Non-Executive/Independent	9	3	1
Mr. Ulrich Duden (DIN No. 01646163)	Non-Executive/Independent	1	0	0
Mr. Vijay R Kirloskar (DIN No. 00031253)	Non-Executive/Independent	5	1	0

* excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies;

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

Number of Shares held by Non – Executive Directors:

Mrs. Sheela Bhogilal, Non – Executive Director of the Company holds 8,41,022 Equity Shares of ₹ 5 each which constitutes 2.93% of the total Paid-up Equity Share Capital of the Company.

No other Non – Executive Directors hold any Shares of the Company.

Relationship between Directors:

Mr. Nirmal Bhogilal and Mrs. Sheela Bhogilal, Directors of the Company are related to each other.

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, 2016, Four (4) Board Meetings were held respectively on 9th May, 2015, 29th July, 2015, 2nd November, 2015 and 30th January, 2016.

Details of meetings attended by the Directors are given hereunder:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 29th July, 2015
Mr. Nirmal Bhogilal	4	Present
Mr. Ameet Hariani	3	Present
Mr. E. A. Kshirsagar	4	Present
Mr. George Verghese	4	Present
Mrs. Sheela Bhogilal	4	Present
Mr. Subodh Bhargava	4	Present
Mr. Ulrich H Duden	1	Leave sought
Mr. V. R. Kirloskar	2	Leave sought
Mr. Vivek Sharma*	-	-

* As the appointment of Mr. Vivek Sharma was w.e.f. 1st February, 2016, no Board Meeting has taken place from the date of appointment till 31st March, 2016.

Board procedures

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

Note on Appointment/Re-designation of Directors

During the year under review, following appointment and re-designation of Directors took place:-

- i. Mr. Vivek Sharma, Additional Director was appointed w.e.f. 1st February, 2016 as the Managing Director of the Company. He holds a Bachelors Degree in Electrical Engineering from IIT Roorkee and a Masters Degree in Technology in Aircraft Production Engineering from IIT Madras.

As the Managing Director of the Company he will be responsible and accountable to grow profitably and the operations of the Company by defining and executing growth strategies and increasing market share through enhanced team performance globally.

Prior to this he has been with Yamazaki Mazak as the Managing Director in India and Singapore and before that he was with the LMW Group and Hindustan Aeronautics Ltd.

Thus, he has rich experience of global business, managing the P&L, production, marketing, product

development and R & D.

Mr. Vivek Sharma is not inter-se related to any other Directors of the Company.

Details of Directorship/Membership in other Companies/ Committees held by Mr. Vivek Sharma:

Sr. No.	Name of the Company	Position	Committees of the Board	Chairman/ Member
1.	Batliboi International Limited	Director	Nil	Nil
2.	Batliboi Limited	Director	Nil	Nil

- ii. Mr. Nirmal Bhogilal is re-designated as the Executive Chairman (Whole-Time Director) of the Company from Chairman and Managing Director of the Company w.e.f 1st February, 2016 on considering the recommendation of the Nomination & Remuneration Committee of the Company for a term of 5 years.

Mr. Nirmal Bhogilal is in-charge of overall day to day management of the Company. He has a practical experience of 42 years in managing Machine Building & Engineering industry.

He has been a Director in the Company since 6th September, 1973 and is also a member of Stakeholders Relationship Committee of the Company.

Details of Directorship/Membership in other Companies / Committees held by Mr. Nirmal Bhogilal.

Sr. No.	Name of the Company	Position	Committees of the Board	Chairman/ Member
1.	Batliboi Limited	Chairman	1	Member
2.	Eimco Elecon India Limited	Director	1	Member

Mrs. Sheela Bhogilal, a non-executive director of the Company is a relative of Mr. Nirmal Bhogilal.

- iii. Detailed Profile of the Director who is seeking appointment as Independent Director under Companies Act, 2013:-

Mr. George Verghese, aged 66, has done his Bachelor in Engineering and has over 30 years of experience in Manufacturing & Project Management in Textile Engineering, Air Conditioning & Marketing of Textile Machinery and Textile processing.

He has been a non-executive director of the Company since 20th December, 1999 and does not have any pecuniary interest with the Company other than the Sitting fees which is entitled to him for attending the board meetings of the Company.

No other member of the Board of Director is inter se related to Mr. George Verghese. Further he does not hold any directorship or membership of Committees of Board in any Listed Company apart from Batliboi Limited.

3. COMMITTEES OF BOARD

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

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

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

3.1 AUDIT COMMITTEE:

The Audit Committee of the Company is governed by the provisions of Regulation 18 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) read with Section 177 of the Companies Act, 2013. This Committee assists the Board of Directors in establishing systems and process for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The role / terms of reference of the Committee inter-alia include the following:

Financial Reporting and Related Process

Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchange, regulatory authorities or the public.

Reviewing with the Management the quarterly unaudited financial statements and Auditors' Report thereon before submission to the Board for approval. This would inter-alia, include reviewing changes in the accounting policies and reasons for the same. Major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and/or recommendation, if any, made by the Statutory Auditors in this regard.

Review the Management Discussion & Analysis of financial and operational performance.

Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India.

Review the inter- corporate loans and investments made by the Company.

Internal Financial Controls and Governance Process

Review the adequacy and effectiveness of the Company's system and internal controls.

Review and discuss with the Management, the Company's major financial risk exposure and steps taken by the management to monitor and control such exposure.

To oversee and review the functioning of a vigil mechanism and to review the findings of the investigation into cases of material nature and the actions taken in respect thereof.

Audit

Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.

Review the significant audit findings from the statutory and internal audit carried out, the recommendations and Management's response thereto.

Review and recommend to the Board the appointment / re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.

Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act and payment for such services.

Recommends to the Board the remuneration of Statutory Auditors / Cost Auditors.

Discussion with the Statutory Auditors / Chief Internal Auditor on significant difficulties encountered during the course of the Audit.

Other Duties

To approve the appointment, removal and terms of remuneration of the Chief Internal Auditors and to approve the appointment of Chief Financial Officer.

To grant omnibus approval for related party transactions which are in the ordinary course of business and on arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

All the Members of the Audit Committee possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee Meeting held during the year. The Chief Executive Officer (CEO), Managing Director (MD), and the Chief Financial Officer (CFO) attend the Audit Committee Meetings.

Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

Composition and meetings attended:

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

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

During the year ended 31st March, 2016, Four (4) Audit Committee Meetings were held respectively on 9th May, 2015, 29th July, 2015, 2nd November, 2015 and 30th January, 2016.

The Composition of the Committee and details of meetings attended by the Committee members during the financial year ended 31st March, 2016 are given below:

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

* Mr. E. A. Kshirsagar, the Non-Executive Independent Director of the Board is the Chairman of the Committee who was also present at the Annual General Meeting of the Company held during the Year.

3.2 NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee is governed by the provisions of Regulation 19 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) read with Section 178 of Companies Act, 2013.

The role / terms of reference of the Committee inter-alia include the following:

Succession planning of the Board of Directors and Executive Committee;

Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;

Identifying potential individuals for appointment as Key Managerial Personnel;

Formulate and review from time to time the policy for selection and appointment of Directors and Key Managerial Personnel.

Review the performance of the Board of Directors and Key Managerial Personnel based on certain criteria approved by the Board. In reviewing the overall remuneration of the Board of Directors and Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

Composition and meetings attended:

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

During the year ended 31st March, 2016, Five (5) Nomination & Remuneration Committee meetings were held respectively on 9th May, 2015, 9th July, 2015, 12th August, 2015, 2nd November, 2015 and 30th January, 2016.

The present composition of the Committee and details of meetings attended by the Committee members during the year ended 31st March, 2016 are given below:

Sr. No.	Name of the Member	Designation	No. of Meetings attended
1.	Mr. E. A. Kshirsagar*	Chairman	5
2.	Mr. Subodh Bhargava	Member	5
3.	Mr. Vijay R. Kirloskar	Member	5

3.3 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 (LODR) read with Section 178 of Companies Act, 2013. The Committee consists of two members and is chaired by a Non – Executive Independent Director.

Composition and meetings attended:

During the year ended 31st March, 2016, Four (4) Stakeholders Relationship Committee meetings were held respectively on 17th April, 2015, 4th July, 2015, 12th October, 2015 and 4th January, 2016.

The composition of the Committee and the number of meetings attended by the Committee members during the year ended 31st March, 2016 are given below:

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

Mr. Ameet Hariani, a Non – Executive Independent Director of the Company is the Chairman of the Committee.

Functions:

The Stakeholders Relationship Committee is primarily responsible for considering and resolving

grievances of the shareholders/investors of the Company. The Committee also meets for reviewing and overseeing the transfer / transmission of shares, issue of duplicate share certificates and reviewing the status of investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.

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

Compliance Officer:

The Board has appointed Ms. Namita Thakur, Company Secretary of the Company as the Compliance Officer.

Details of Investor's Complaints received during the year:

There were no complaints pending at the beginning of the year, the Company has received 17 Complaints during the year and resolved all of them during the year under review. There are no outstanding complaints as on 31st March, 2016.

3.4 INTERNAL COMPLAINT COMMITTEE:

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

Matters handled by Internal Complaint Committee during the year 2015-16, 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.

4 REMUNERATION OF DIRECTORS:

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

During the year the Nomination & Remuneration Committee of the Company has recommended terms of appointment and remuneration for re-designation of Mr. Nirmal Bhogilal as the Executive Chairman (Whole-Time Director) of the Company subject to the approval of shareholders and appointment of Mr. Vivek Sharma as the Managing Director of the Company subject to the approval of Shareholders and Central Government are as follows:-

i. Terms of re-designation and remuneration of Mr. Nirmal Bhogilal:

Designation – Executive Chairman (Whole Time Director)

Period of Appointment – 5 years (01.02.2016 to 31.01.2021)

Salary – ₹ 50,000/- per month

Perquisites and allowances - upto ₹ 3,00,000/- per month

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

Other benefits:

He will also be entitled to use of Company's car or reimbursement of EMI for the car in lieu thereof including all the expenses for maintenance and running of the same including salary of the driver to be borne by the company, telephone(s)/fax at residence and cell phones for official purposes as per the rules of the Company.

ii. Terms of appointment and remuneration of Mr. Vivek Sharma:

Designation – Managing Director

Period of Appointment – 5 years (01.02.2016 to 31.01.2021)

Basic Salary - ₹ 4,00,000/- (in the scale of ₹ 4,00,000/- p.m. to ₹ 6,00,000/- p.m.)

Perquisites and allowances - upto ₹ 5,30,000/- (in the scale of ₹ 5,30,000/- p.m. to ₹ 7,50,000/- p.m.)

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

Other benefits

The Company shall provide furnished accommodation upto value of ₹ 2,00,000/- p.m.

He shall also be entitled to use of Company's car or reimbursement of EMI of upto ₹ 50,000/- p.m. for the car in lieu thereof including all the expenses for maintenance and running of the same including salary of the driver to be borne by the company, telephone(s)/fax at residence and cell phones for official purposes as per the rules of the Company.

Company performance pay:

If Company makes overall profit and Machine Tool Group makes profit then performance pay will be applicable as per the formula worked out by the Board of Directors.

ESOPs

He will also be eligible for 2,00,000 ESOPs at exercise price of ₹ 15.75 /- per share from the date of joining i.e. 01.02.2016.

Employees Stock Option Plan

Pursuant to the resolutions passed by the members at the Extra Ordinary General Meeting held in December, 2011, the Company has formulated and introduced Employees Stock Option Plan (ESOP) with a view to encourage the employees to participate in the growth of the Company. Out of 28,68,255 options reserved under the ESOP, the Nomination and Remuneration Committee had granted 13,50,000 Options to the eligible employees till 31st March, 2016.

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

During the year 2015-16 the Company has granted 2,50,000 Options to its eligible employees and 35,000 Options have lapsed and are added back to available bank.

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.

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:-

₹ 15,000/- per Board Meeting.

₹ 10,000/- per Audit Committee Meeting & Nomination and Remuneration Committee Meeting.

₹ 5,000/- per meeting of Stakeholders Relationship Committee & Executive Committee.

The Company also reimburses the 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, 2016:-

(Figures in ₹)

Name of the Director	Salary	Benefits*	Commission	Sitting Fees	Total	Service contract/ Notice period/ Severance fees
Mr. Nirmal Bhogilal	70,76,000	6,66,079	-	-	77,42,079**	Five years contract and Notice Period Six months.
Mr. Vivek Sharma	18,60,000	5,06,600	-	-	23,66,600***	Five years contract and Notice Period Six months.
Mr. V. R. Kirloskar	-	-	-	80,000	80,000	For a term of upto five consecutive years.
Mr. E. A. Kshirsagar	-	-	-	1,50,000	1,50,000	For a term of upto five consecutive years.
Mr. Subodh Bhargava	-	-	-	1,50,000	1,50,000	For a term of upto five consecutive years.
Mr. Ameet Hariani	-	-	-	1,50,000	1,50,000	For a term of upto five consecutive years.
Mr. Ulrich H Duden	-	-	-	15,000	15,000	For a term of upto five consecutive years.
Mrs. Sheela Bhogilal	-	-	-	60,000	60,000	Liable to retire by rotation.
Mr. George Verghese	-	-	-	60,000	60,000	Liable to retire by rotation.
TOTAL	89,36,000	11,72,679	-	6,65,000	1,07,73,679	

* Excluding retiral benefits.

** The remuneration of Mr. Nirmal Bhogilal for the period 1st April, 2015 to 31st January, 2016 was as per the approval obtained from the shareholders and central government, further for the remaining period of the financial year i.e. 1st February, 2016 to 31st March, 2016 the remuneration has been paid in accordance with the minimum amount of remuneration payable to a director pursuant to Schedule V of Companies Act, 2013 for which shareholders approval is being sought.

*** For the period 1st February, 2016 to 31st March, 2016.

5. 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 familiarizes 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 the 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 for Familiarization Programmes for Independent Director which is published on the website of the Company and can be accessed through weblink:-

<http://www.batliboi.com/uploadedfiles/familiarisation-programmes-inddirectors.pdf>

Meeting of Independent Directors:-

During the year, the Independent Directors met on 14th March, 2016, inter-alia, to discuss:

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

The Independent Directors present at the Meeting expressed their satisfaction at the robustness of the evaluation process.

6. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS

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

BOARD MEMBERSHIP CRITERIA

Candidates to be elected to the Board must be able to make a significant contribution to the Board's discussion and decision making concerning the broad array of the complex issues faced by the Company. In assessing potential Board candidates, the Board seeks to consider individuals with broad range of business experience and backgrounds. Potential Board candidates who satisfy the priorities are further evaluated based upon criteria that include:

Their demonstrated commitment to the highest ethical standards and value of the Company;

The ability and willingness to devote sufficient time and energy in carrying out their duties and responsibilities;

Their diversity, professional expertise and global experience which would complement the other Directors on the Board.

POSITIVE ATTRIBUTES:

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

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

7. PERFORMANCE EVALUATION OF THE BOARD

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 the Board as a whole and directors.

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

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.

7.1 PERFORMANCE EVALUATION OF THE CHAIRPERSON

The Independent Directors are responsible for the performance evaluation of the Chairperson.

It was one of the matters which were discussed in Meeting of the Independent Directors held on 14th March, 2016.

8. 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
2012-2013	6 th August, 2013	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.
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.
2014-2015*	29 th July, 2015	Walchand Hirachand Hall, 4 th Floor, Indian Merchant Chamber, Churchgate, Mumbai-400 020.	2:30 P.M.

* In the year 2014-2015, three Special Resolutions were passed:-

- Re-appointment & revision in remuneration of Mr. Nirmal Bhogilal.
- Increase in borrowing powers of the Company pursuant to the Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013.
- Payment of remuneration to Mr. Kabir Bhogilal, Vice-President Corporate Affairs of the Company pursuant to Section 188 of the Companies Act, 2013.

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

During the year under review, no Resolution was passed through the exercise of postal ballot.

9. RELATED PARTY TRANSACTIONS

All the transactions entered into with Related Parties are as defined under the Companies Act, 2013 during the financial year 2015-16 which were in ordinary course of business and pricing was done on arms length basis, therefore, do not attract the provisions of Section 188 of the Companies Act, 2013.

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 also published on the website of the Company.

Weblink:- <http://www.batliboi.com/uploadedfiles/Related-party-transactions.pdf>

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.

10. VIGIL MECHANISM/WHISTLE BLOWER MECHANISM

With a view to maintain the high standards of transparency in Corporate Governance, Stakeholders Responsibility and also to comply with 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 following Policy is 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.

A Committee has been constituted which looks into the complaints raised and has not received any complaint during the financial year 2015-16. The Committee reports to Audit Committee and the Board.

11. SUBSIDIARY COMPANIES

The Company has two 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(c) 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.

Weblink: -<http://www.batliboi.com/uploadedfiles/Policy-for-Determination-of-Materiality-Susidiaries.pdf>

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 Subsidiaries are individually given to all the Directors and are tabled at the subsequent Board Meeting.

12. OTHER DISCLOSURES:

- a. There have been no materially significant related party transactions of the Company which were in potential conflict with the interest of the Company at large.
- b. At the beginning of the year the Company was non-compliant to the Clause 40(a) of Listing Agreement, however during the year Company has now complied with the requirements of clause 40(a) of listing agreement as governed by the 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. The Company has also complied with the mandatory requirement of adoption of Vigil Mechanism / Whistle Blower Policy for its employees and no personnel has been denied access to the Audit Committee. The policy is on the website of the Company which can be accessed through weblink <http://www.batliboi.com/for-investors/codes-policies/vigil-machanism-whistle-blower-policy.aspx>
- d. The web link of policy for determining material subsidiary is <http://www.batliboi.com/uploadedfiles/Policy-for-Determination-of-Materiality-Susidiaries.pdf>
- e. Policy on Related Party Transactions is disclosed on the website of the Company which can be accessed through web link : <http://www.batliboi.com/uploadedfiles/Related-party-transactions.pdf>

- f. 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.
- g. The Company has complied with all the applicable mandatory requirements. The Company has not adopted the non-mandatory requirements of the Listing Regulations except that relating to the appointment of separate post of Chairman and Managing Director.
- h. In the preparation of the Financial Statements, the Company has followed the Accounting Standards referred to Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

13. MEANS OF COMMUNICATION:

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

Year Ended 31 st March, 2015	The Free Press Journal and Nav Shakti
Quarter Ended 30 th June, 2015	The Free Press Journal and Nav Shakti
Quarter / Half year ended 30 th September, 2015	The Free Press Journal and Nav Shakti
Quarter / Nine Months ended 31 st December, 2015	The Free Press Journal and Nav Shakti

- iii) 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
- iv) The Management Discussion and Analysis Report forms part of Annual Report.

14. GENERAL SHAREHOLDER INFORMATION:

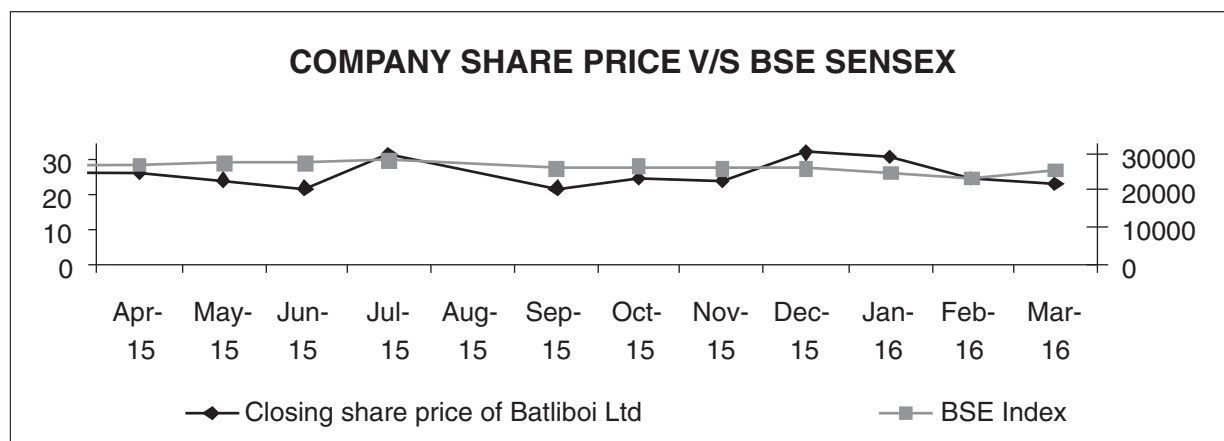
- (i) Registered Office : Bharat House, 5th Floor, 104, Bombay Samachar Marg, Fort, Mumbai - 400 001
- (ii) Annual General Meeting : Date and Time: Tuesday, 9th August, 2016 at 2:00 P.M.
Venue: Indian Merchants' Chamber, Walchand Hirachand Hall, 4th Floor, Churchgate, Mumbai - 400020
- (iii) Financial Year : 12 months ended 31st March, 2016
- (iv) Date of Book Closure : Saturday, 30th July, 2016 to Tuesday, 9th August, 2016 (both days inclusive)
- (v) Dividend Payment date : Nil
- (vi) Listing : Company's Equity shares are listed on BSE Limited
- (vii) Stock Code -BSE : 522004
- (viii) Demat ISIN Number in NSDL / CDSL for Equity Shares : INE 177C01022
- (ix) Market Price Data : During the year ended 31st March, 2016, the highest market price and the lowest price for the Company's equity shares of face value of ₹ 5/- recorded on BSE Limited were as follows:

Price Range

Rate (₹)

Month	BSE	
	High Price	Low Price
April, 2015	26.20	19.25
May, 2015	23.90	18.55
June, 2015	22.00	17.40
July, 2015	31.45	19.55
August, 2015	27.20	16.80
September, 2015	21.95	16.50
October, 2015	24.95	19.70
November, 2015	24.00	18.10
December, 2015	32.05	19.60
January, 2016	30.80	20.40
February, 2016	24.40	19.35
March, 2016	23.00	19.40

(x) **Performance in Comparison to SENSEX**



(xi) **Distribution of Shareholding as on 31st March, 2016**

Range (No. of Shares)		Total Holders	% to No. of Holders	Total Holdings	% of Total Capital
From	To				
1	1000	9,828	95.21	17,98,940	6.27
1001	2000	228	2.21	3,51,272	1.22
2001	4000	117	1.13	3,46,684	1.21
4001	6000	48	0.47	2,43,933	0.85
6001	8000	14	0.14	1,00,707	0.35
8001	10000	19	0.18	1,80,261	0.63
10001	20000	35	0.34	5,09,139	1.77
20001	Above	33	0.32	2,51,84,947	87.70
TOTAL		10,322	100.00	2,87,15,883	100.00

(xii) Shareholding Pattern as on 31st March, 2016 (Face Value ₹ 5/-)

Category	No. of Shares	%
Promoter and Promoters Group	2,15,10,567	74.91
Financial Institution / Banks	900	0.00
Insurance Companies	600	0.00
Bodies Corporate	7,30,383	2.54
Foreign Investors(FIIs/NRIs/OCBs/Foreign Bank/ Foreign Corporate Bodies)	9,06,266	3.16
Directors and their Relatives	0	0.00
Public	55,67,167	19.39
Total	2,87,15,883	100.00

- (xiii) Registrar and Transfer Agent : 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
- (xiv) 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.
- (xv) Dematerialization of Shares : The Shares of the Company have been put on
Compulsory Demat. As on 31st March, 2016, about 95 %
of the total equity shares issued by the Company have
been dematerialized.
- (xvi) Outstanding GDR/ ADR : Nil
- (xvii) Commodity price risk or foreign exchange
risk and hedging activities : Nil
- (xvii) Plant Location : (i) P. O. Fateh Nagar, Surat Navsari Road,
Udhna 394 220
(ii) Veerasandra Industrial Area, Hosur Road,
Bangalore – 560100
- (xviii) Address for Correspondence : Bharat House, 5th Floor
104, Mumbai Samachar Marg
Fort, Mumbai - 400001
Tel: +91 (22) 66378200/245
Fax: +91 (22) 2267 5601
Email: investors@batliboi.com
website: www.batliboi.com

15. PREVENTION OF INSIDER TRADING

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.

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.

Further during the year the Company has also adopted a new Code of Practices and Procedures for fair disclosure of unpublished price sensitive information which is also published on the website of the Company.

16. CEO / CFO CERTIFICATION

The MD and the CFO 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.

17. 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.

18. 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 in this regard is submitted to BSE Limited within the time specified in the regulations and is also placed before the Board of Directors for their noting.

19. 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

Mumbai
6th May, 2016

VIVEK SHARMA
Managing Director
(DIN No. 01541498)

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, 2016 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

Vivek Sharma
Managing Director

Place: Mumbai
Dated: 6th May, 2016

For Batliboi Limited

Prema Chandrasekhar
Chief Financial Officer

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, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchange for the period from 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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 Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. SANKAR AIYAR & CO.,**
Chartered Accountants
Firm Reg. No. 109208W

Place: Mumbai
Dated: 6th May, 2016

ARVIND MOHAN
Partner
Membership No. 124082

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management of Batliboi Limited presents the analysis of segment-wise performance of your Company for the year ended 2015-16 and its outlook for the future. This outlook is based on assessment of the current business environment and the expectations, estimates and projections of the Directors and Management of the Company. It may vary due to future economic and political development, both in the Indian and international economies and due to other factors beyond control.

A. SEGMENTWISE PERFORMANCE AND OUTLOOK:

(I) Batliboi Textile Engineering Group

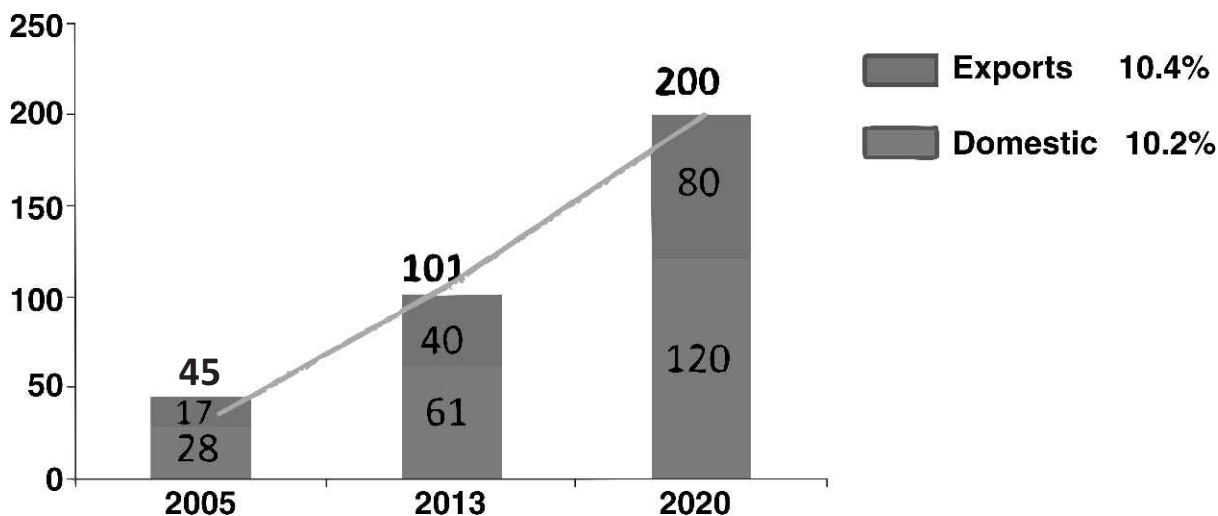
Business Structure

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

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.



Developments and Performance

Textile Air Engineering Group (TAE)

The textile industry in South witnessed a lull period for the year 2015-16. Many mills which were exporting to China market did not get business support last year due to the economic slowdown in China. This made them postpone their proposal of expanding the capacity. Normally southern region contributes about 50% of the business. With the loss in business available in South, performance could not be improved though, West & North region performed to the expected level. However, there was improvement over the previous year's figures in both booking & billing. Large orders for modification jobs from reputed corporate groups in

Northern region fetched reasonable margins. The performance for 2016-17 is expected to be better, considering good enquiry level for spinning and weaving projects and the reasonable level of pending orders.

Textile Machinery Division (TMD)

This division did well in 2015-16 riding on back of a stellar performance from the Knits segment. With a growth of close to 10% both in terms of Billing, GC as well as bottom line. In the coming fiscal, performance is expected to improve especially with the contribution from new agencies that were finalized earlier. Margins are expected to come under pressure due to severe competition from contemporary suppliers of similar machines.

Spinning Machinery:- The overall spinning market remained weak for major part of previous year & continues to remain so due to severe cutback in imports of yarn by China & also an overall Global slowdown. However increased focus on quality products supported the business.

Knitting Machinery:- As mentioned above a strong order book in garment industry and robust growth of the domestic demand in the eastern region kick-started investment in the knitting industry. In other regions gaining of market share primarily among spinners assisted in growth of machine sales. It is expected that the leadership position will be maintained.

Processing Machinery:- This is one sector which so far is yet to realize its full potential as it still remain India's weak link in the manufacturing chain. Tightening of norms for pollution control & costs for adhering to such norms is also another hindrance. However, the focus on widening the product offerings including that in Effluent Treatment will generate growth in the coming fiscal and the future years.

Opportunities, Threats and Outlook

TAE

The near stable price of raw material (cotton) and supportive state Government policies for investment in textile sector is expected to give good results in the current year. Export orders for textile products is expected to be better in this year which will lead to more projects coming up in spinning and weaving sector during 2016-17.

However, the reduction in incentives in the Spinning Sector had reduced the level of fresh investments in some States. Competition is expected to be as fierce as ever which would put pressure on margins.

TMD

Opportunities:

- Improved demand for Knitted garments will spur demand for machines.
- New representations in Processing sector will bring in incremental revenue.
- Increased focus on quality will mean greater demand for quality machines.

Threats:

- Discontinuity of TUF subsidy scheme may lead to projects being deferred / shelved.
- Financial stability of some of the principals in Europe.
- Long delivery for some Machineries.

Outlook:

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

(II) Batliboi Machine Tool Group (BMTG)**Business structure**

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

Manufacturing: Batliboi manufactures range of products from General Purpose Conventional type to Computerised Numerical Control (CNC) type as well as Special Purpose machines (SPM). GPM's include Radial drilling machines from 32 mm to 100 mm capacity, portable and moving column radial drill upto 100 mm, milling machines in Size I, II and III. CNC machines include Turning Centres, Vertical Machining Centres, Double Column Machining and Drilling Centres.

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

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 has not picked up in 2015-16. Order booking and production figures for CNC machines were lower than last year. Conventional machines and SPMs also showed downward trend. This is due to excessive capacity available in Autosector and complete downfall of Oil & Gas industry. The capital investments in General Engineering, power Tractor was lull in 2015-16.

The division performance was reflection of the market. In the last quarter, order booking for CNC machines picked up due to heavy investments for skill development from the educational institute.

Opportunities, Threat & Outlook

2016-17 is expected to be turnaround year in Machine Tools. 'The Make in India' effect will start translating into investments in Capital Goods.

Machine Tool Udhna (MTU) & Special Purpose Machines (SPM), Bengaluru

Heavy investment in Railways and in Defence equipments by Private players will give boost to MTU. SPM should do better because of expected revival in Tractor and Auto industry.

Measures have been taken in Machine Tool & SPM to meet future challenges. The Products and Production facilities are being rationalised. The manufacturing of SPMs will be shifted to Surat, thus giving cost advantage and more focused approach in Product department.

Machine Tool Trading (MTT)

Trading division is being restructured to put more focus on the front end sales. This division is expected to do good in Order booking because of heavy investments are lined-up for heavy engineering, Railways and defence.

(III) Quickmill Inc.

Business Structure

Your Company's wholly owned subsidiary is head quartered in Peterborough, Canada and is engaged in manufacture and sale of large size Gantry, Drilling and Milling Machines. Its customers are mainly from Energy, Structural Steel & Job Shop manufacturing sectors.

Developments and Performance

The performance of Quickmill in 2015-2016 was lower than budget for the year. North America continued with a steady recovery which accounted for the majority of Quickmills business during the year, but the continued slump in the oil and gas sector, large machines sales were slow to recover in all markets.

Quickmill is expected to return to profitability in 2016-2017 with some major orders already in hand for the Aerospace, Job Shop and Transportation Industries. North America will continue to be the major market for Quickmill in with other markets like India, Middle East, South Africa & South America playing smaller roles in Quickmills return to profitability. A continued focus & expansion on Quickmills Social Media & Trade Show Marketing strategy will ensure contained costs and a growing presence with on line users will help with future growth.

Quickmill will launch a new product for the Heat Transfer & Structural sectors in the coming year with a low cost entry level drilling machine. With this product being launched this will allow Quickmill to service the smaller end of the combined markets and obtain orders once lost to low cost off shore competitors.

Opportunities, Threats & Outlook

The company will continue its focus to reduce cost through manufacturing initiatives by importing fabricated products through its offshore supply chains as well as purchase engineering services and design from offshore markets to reduce time & cost in engineering.

The Company will continue to focus on full turn key solutions strategy that separates the Company from much of the Competition. The launch of the new low cost entry level drilling machine will help in gaining new markets.

The Company is spreading its wings into new territory. New agents have been appointed internationally, this will help to get new business in 2016-17.

(IV) AESA Air Engineering SA

Business Structure

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

Developments and Performance

The result in 2015-16 is positive. With the prevailing global down-to-earth business mood it was again possible by an extensive and selective sales activity to secure contracts. The pressure on margins remains, especially in India. With the current company structure at the offices situated in France, China, Singapore and India and Representative Offices in Turkey and Indonesia the company can execute contracts efficiently.

Opportunities, Threats and Outlook

Markets in Bangladesh, Pakistan and Vietnam are active. Also Indonesia seems to recover. Though break through was made in Uzbekistan, contracts have been delayed due to financing. Orders were reserved in China for glass fiber factories. The trend of Asian companies to invest internationally is growing.

R & D activities have been focused on energy and man-power efficient systems, and improvement in product design, cost and quality.

With a reasonable order back-log, the year ahead looks promising.

B. HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The total number of employees in the Company were 382 as on 31st March, 2016.

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 and Bangalore operations. The same is reviewed by the Board from time to time and appropriate actions are taken as directed.

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.

Mumbai
6th May, 2016

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, 2016, 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 has paid remuneration to the new Managing Director in excess of the ceiling under Schedule V of the Companies Act, 2013 by ₹ 16.79 Lacs. 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 at its meeting held on 30th January, 2016 based on the recommendation of the Nomination and Remuneration Committee of the Board on 30th January, 2016 but subject to approval of the shareholders in the next general meeting of the Company and the Central Government 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, 2016, 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 ₹ 6,455.41 Lacs as at 31st March, 2016 and total revenues of ₹ 7,065.60 Lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements of the said branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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.

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

Place: Mumbai
Date: 6th May, 2016

ARVIND MOHAN
Partner
Membership No. 124082

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 2016

- (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 27th 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 thereunder. 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 significant delays 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 Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess were in arrears, as at 31st March 2016 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:-

₹ in Lacs

Forum where dispute is pending	Amount
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 new 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: 6th May, 2016

ARVIND MOHAN
Partner
Membership No. 124082

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 31st March, 2016 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 the 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 31st March, 2016 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: 6th May, 2016

ARVIND MOHAN
Partner
Membership No. 124082

BALANCE SHEET AS AT 31st MARCH, 2016

₹ in Lacs

	NOTE NO.	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,128.27	2,128.27
Reserves and Surplus	2	2,357.54	2,114.51
		4,485.81	4,242.78
Non-Current Liabilities			
Long Term Borrowings	3	1,750.24	1,359.08
Other Long Term Liabilities		562.21	700.21
Long Term Provisions		406.11	532.16
		2,718.56	2,591.45
Current Liabilities			
Short Term Borrowings	4	2,204.25	2,508.81
Trade Payables		1,992.00	2,523.91
Other Current Liabilities		1,994.62	2,220.13
Short Term Provisions		131.06	126.11
		6,321.93	7,378.96
TOTAL		13,526.30	14,213.19
ASSETS			
Non-Current Assets			
Fixed Assets	5		
Tangible Assets		4,617.98	4,817.52
Capital Work In Progress		282.32	282.32
		4,900.30	5,099.84
Non-Current Investments	6	3,567.45	3,288.01
Deferred Tax Assets		96.00	141.00
Long Term Loans and Advances	7	215.01	209.88
Other Non-Current Assets	7	117.46	169.75
Current assets			
Inventories	8	2,347.81	2,263.41
Trade Receivables		1,680.52	2,494.31
Cash and Bank Balances		44.27	60.74
Short Term Loans and Advances		557.48	486.25
		4,630.08	5,304.71
TOTAL		13,526.30	14,213.19
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

ARVIND MOHAN

Partner

Membership No.: 124082

Place : Mumbai

Date : 6th May, 2016

VIVEK SHARMA

Managing Director

DIN No. 01541498

Place : Mumbai

Date : 6th May, 2016

NAMITA THAKUR

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	NOTE NO.	2015-16	2014-15
INCOME			
Revenue from Operations	9	10,222.86	12,151.66
Other Income	10	157.74	132.21
Total Revenue		10,380.60	12,283.87
EXPENDITURE			
Cost of Materials Consumed	11	4,869.99	5,981.12
Purchases of Stock in Trade	11	1,342.71	1,514.69
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	11	(221.74)	(148.87)
Employee Benefit Expenses	12	2,296.01	2,395.67
Financial Costs	13	725.54	605.91
Depreciation	5	215.64	241.64
Other Expenses	14	2,745.55	2,563.22
Total Expenses		11,973.70	13,153.38
Profit / (Loss) Before Exceptional Items & Taxes		(1,593.10)	(869.51)
Exceptional Items - (Expenses) / Income	14 A	1,629.61	-
Profit / (Loss) Before Taxes		36.51	(869.51)
Tax Expenses			
Current Tax		7.00	-
Deferred Tax (Net)		45.00	(146.00)
MAT Credit Available for set off		(7.00)	-
Tax Adjustments in respect of earlier years		2.87	1.96
Profit/(Loss) for the year		(11.36)	(725.47)
Earnings per Share (Basic & Diluted)			
(Face Value of ₹ 5/- per Share)		(0.04)	(2.53)
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

ARVIND MOHAN

Partner

Membership No.: 124082

Place : Mumbai

Date : 6th May, 2016

For and on behalf of the Board of Directors

NIRMAL BHOGILAL

Chairman

DIN No. 00173168

VIVEK SHARMA

Managing Director

DIN No. 01541498

Place : Mumbai

Date : 6th May, 2016

PREMA CHANDRASEKHAR

Chief Financial Officer

NAMITA THAKUR

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	YEAR ENDED 31 MARCH, 2016		YEAR ENDED 31 MARCH, 2015	
I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit / (Loss) Before Tax and Exceptional Items		(1,593.10)		(869.51)
Add Back :				
a) Depreciation	215.64		241.64	
b) Interest	652.66		523.11	
c) Loss on Sale/Disposal of Assets	5.72		1.30	
d) Debit Balances Written off	302.26		58.48	
e) Provision for Doubtful Debts/Other Advances	(96.48)		23.40	
f) Leave Encashment Provision	7.29		(1.18)	
g) Provision for Gratuity	(104.76)		(43.37)	
h) Foreign Exchange Loss	-		4.37	
i) Employee Stock Option Reserve	16.33		9.17	
j) Revaluation Reserve	-	998.66	(1.67)	815.25
Deduct :				
a) Income from Investments (Dividend)	0.61		0.61	
b) Unclaimed Credit Balances Appropriated	106.61		118.49	
c) Excess Provision of Earlier Years Written Back	4.22		4.34	
d) Foreign Exchange Gains	31.03	142.47	-	123.44
Operating Profit Before Working Capital Changes		(736.91)		(177.70)
Deduct :				
a) Increase in Inventories	84.40		186.27	
b) Decrease in Trade and Other Payables	539.29		-	
c) Increase in Trade Receivables & Advances	-	623.69	166.03	352.30
Add :				
a) Decrease in Trade Receivables & Advances	592.10		-	
b) Increase in Trade and Other Payables	-	592.10	113.12	113.12
		(768.50)		(416.88)
Income Taxes Paid/ (Refund)		(20.01)		2.62
Net Cash Inflow / (Outflow) from Operations (A)		(748.49)		(419.50)
II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
Inflow :				
a) Sale of Fixed Assets	1,668.76		3.56	
b) Income from Investments (Dividend)	0.61	1,669.37	0.61	4.17
Deduct :				
Outflow :				
a) Acquisition of Fixed Assets	62.48		56.27	
b) Investment in Foreign Subsidiary	39.87	102.35	33.46	89.73
Net Cash Inflow / (Outflow) in Course of Investing Activities (B)		1,567.02		(85.56)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	YEAR ENDED 31 MARCH, 2016	YEAR ENDED 31 MARCH, 2015
III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:		
Inflow :		
a) Issue of Equity Share Capital	-	5.25
b) Decrease in Bank Deposits	3.40	116.63
c) Increase in Unsecured Loan	394.00	736.50
d) Increase in Working Capital Borrowings	-	166.66
	397.40	1,025.04
Deduct :		
Outflow :		
a) Decrease in Working Capital Borrowings	304.56	-
b) Repayment of Term Loan	115.01	118.67
c) Net Interest Paid	809.43	426.70
	1,229.00	545.37
Net Cash Inflow/(Outflow) in Course of Financing Activities (C)	(831.60)	479.67
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)	(13.07)	(25.39)
Cash/Cash Equivalents at the beginning of the year	36.35	61.74
Cash/Cash Equivalents at the close of the year	23.28	36.35
Net Increase/(Decrease) in Cash/Cash Equivalents	(13.07)	(25.39)

As per our report attached of even date

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

Chartered Accountants

Firm Regn. No :109208W

ARVIND MOHAN

Partner

Membership No.: 124082

Place : Mumbai

Date : 6th May, 2016

For and on behalf of the Board of Directors

NIRMAL BHOGILAL

Chairman

DIN No. 00173168

VIVEK SHARMA

Managing Director

DIN No. 01541498

Place : Mumbai

Date : 6th May, 2016

PREMA CHANDRASEKHAR

Chief Financial Officer

NAMITA THAKUR

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2) USE OF ESTIMATES

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

3) REVENUE RECOGNITION

a) Revenue from Sale of Goods:

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

b) Service Income:

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

c) Revenue from Works Contracts:

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

4) FIXED ASSETS

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

5) DEPRECIATION

a) Depreciation is provided as follows :-

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

SIGNIFICANT ACCOUNTING POLICIES - (Contd.)

- 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. In respect of revalued building of SPM division, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance in such reserve is available.

3) 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.

4) 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.

5) 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.

6) VALUATION OF INVENTORIES

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

7) 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.

SIGNIFICANT ACCOUNTING POLICIES - (Contd.)

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. 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 YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 1 : SHARE CAPITAL		
AUTHORISED		
4,61,70,400 (P.Y. 4,61,70,400) Equity Shares of ₹ 5/- each	2,308.52	2,308.52
6,92,480 (P.Y. 6,92,480) Preference Shares of ₹ 100/- each	692.48	692.48
	3,001.00	3,001.00
ISSUED,SUBSCRIBED AND PAID-UP		
2,87,15,883 (P.Y. 2,87,15,883) Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid	1,435.79	1,435.79
6,92,480 (P.Y. 6,92,480) 5% - 5 Year Redeemable Non- Cumulative Preference Shares of ₹ 100/- each fully paid	692.48	692.48
	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	2015-16	2014-15
Opening Number of Equity Shares	28,715,883	28,682,550
Add: Equity Shares issued under ESOP scheme during the year	-	33,333
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 Shareholder	No. of Shares	No. of Shares
Mr.Nirmal Bhogilal	18,729,713	20,661,713
% Shareholding	65.22%	71.95%
L & T Infrastructure Finance Company Ltd - Trustee of Karunya Trust *	1,782,000	NIL
% Shareholding	6.21%	NIL

Preference Shares

6,92,480 5% Non Cumulative Preference Shares of ₹ 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:

Mr.Nirmal Bhogilal

Particulars	2015-16	2014-15
Opening Number of Preference Shares	692,480	NIL
Add: Transferred during the year	-	692,480
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%

* In compliance with the approval of Securities and Exchange Board of India, Mr. Nirmal Bhogilal has transferred 19,32,000 Equity Shares to L & T Infrastructure Finance Company Ltd - Trustee of Karunya Trust during the year.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
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	442.52	444.19
Less : Amount withdrawn on account of depreciation on revalued assets	1.51 441.01	1.67 442.52
Securities Premium Reserve		
As per last Balance Sheet	396.59	393.01
Add : Premium on Equity Shares issued under ESOP Scheme during the year	- 396.59	3.58 396.59
General Reserve		
As per last Balance Sheet	1,162.92	1,224.39
Less: Depreciation on assets which have completed useful life	- 1,162.92	61.47 1,162.92
Employee stock option Reserve		
As per last Balance Sheet	9.17	-
Add : Accrual of employee compensation cost (Refer Note no-15-XIV)	16.33 25.50	9.17 9.17
Foreign Currency Translation Reserve		
As per last Balance Sheet	(431.41)	-
Less: Exchange Difference during the year	(239.57) (191.84)	431.41 (431.41)
Investment Allowance Reserve Utilised		
As per last Balance Sheet	63.05	63.05
	2,082.83	1,828.44
Surplus		
Opening Balance in Profit & Loss Account	286.07	1,011.54
Add: Profit/(Loss) from Profit & Loss Account	(11.36) 274.71	(725.47) 286.07
Closing Balance in Profit & Loss Account	274.71	286.07
Total	2,357.54	2,114.51

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 3 : NON - CURRENT LIABILITIES		
Long Term Borrowings		
Secured Term Loans		
From Banks		
Car Loan (Secured by Hypothecation of Vehicle)	0.96	3.80
Repayment terms		
Repayable in various EMIs by October 2017		
Unsecured Loans		
Loans & Advances from related parties		
Loan from Director	1,676.20	1,282.20
Repayment terms		
Repayable after one year		
Other Loans	73.08	73.08
Repayment terms		
Repayable after one year		
	1,750.24	1,359.08
Other Long Term Liabilities		
Trade Payables	180.43	206.00
Advances and Deposits from Customers	271.49	230.84
Interest Accrued and Due on Loans from Related Parties	34.29	191.84
Employee Related and Other Liabilities	76.00	71.53
	562.21	700.21
Long Term Provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	246.60	358.95
Provision for Leave Encashment	113.41	113.35
Warranty Provision	46.10	59.86
	406.11	532.16

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016
₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
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)	1,714.25	1,858.04
Unsecured		
Inter Corporate Deposits	490.00	650.77
	2,204.25	2,508.81
Trade Payables		
Due to Micro Small and Medium Enterprises (Refer Note 15 - II)	22.14	38.75
Others	1,969.86	2,485.16
	1,992.00	2,523.91
Other Current Liabilities		
Advances and Deposits from Customers	1,109.85	1,131.52
Unclaimed Dividend *	-	3.17
Current maturities of Long Term Loan - Secured		
Rupee Term Loan from bank	-	111.93
Car Loan (Secured by Hypothecation of Vehicle)	2.84	3.08
Interest Accrued but Not Due on Loans	0.78	-
Statutory, Legal, Employee Related and Other Liabilities	881.15	970.43
	1,994.62	2,220.13
Short Term Provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	63.57	76.30
Provision for Leave Encashment	20.50	13.27
Warranty Provisions	46.99	36.54
	131.06	126.11

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

NOTE : 5 FIXED ASSETS
₹ in Lacs

	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1-Apr-15	Additions/ Adjustments	Deductions/ Adjustments	As at 31-Mar-16	Upto 31-Mar-15	Transferred to Retained Earning (General Reserve)	For the Year	Deductions/ Adjustments**	Upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Tangible Assets											
Land (Freehold)	1,943.60	-	-	1,943.60	-	-	-	-	-	1,943.60	1,943.60
Land (Leasehold) *	434.49	-	-	434.49	-	-	-	-	-	434.49	434.49
Buildings *											
On Freehold Land	1,447.85	2.08	5.18	1,444.75	665.55	-	37.54	3.59	699.50	745.25	782.30
On Leasehold Land	321.86	-	111.63	210.23	243.55	-	12.72	76.83	179.44	30.79	78.31
Plant & Machinery	5,887.75	29.46	18.83	5,898.38	4,438.87	-	115.80	15.99	4,538.68	1,359.70	1,448.88
Office Equipment/ Computers etc.	913.02	28.66	6.87	934.81	878.47	-	32.56	27.94	883.09	51.72	34.55
Furniture,Fixtures,Fans and Electrical Fittings	270.02	2.28	8.22	264.08	201.64	-	12.46	(15.07)	229.17	34.91	68.38
Vehicles	43.73	-	9.81	33.92	16.72	-	4.56	4.88	16.40	17.52	27.01
Total Tangible Assets	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
Intangible Assets-Tech. Know-how	-	-	-	-	-	-	-	-	-	-	-
TOTAL	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
(Previous Year)	(11,219.25)	(55.13)	(12.06)	(11,262.32)	(6,149.01)	(61.47)	(241.64)	(7.32)	(6,444.80)	(4,817.52)	(5,070.24)
Capital Work-in-Progress										282.32	282.32
(Previous Year)										(282.32)	(281.18)
TOTAL										4,900.30	5,099.84
(Previous Year)										(5,099.84)	(5,351.42)

* Includes ₹ 434.49 Lacs value of Land and ₹ 210.23 value of Building acquired under scheme of amalgamation from erstwhile Batliboi SPM Pvt. Ltd.

** Includes ₹ 1.51 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	Numbers 31-Mar-16	Numbers 31-Mar-15	Face Value (Each ₹)	As at 31-Mar-16	As at 31-Mar-15
NOTE 6 : NON - CURRENT INVESTMENTS					
TRADE INVESTMENTS					
Investment in Equity Instruments:					
In fully paid Equity Shares (Un-Quoted):					
Batliboi Environmental Engineering Ltd.	1,908,930	1,908,930	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	15,669,822	15,460,890		2,964.81	2,685.37
NON-TRADE INVESTMENTS					
Investment in Equity Instruments:					
In fully Paid Equity Shares (Quoted)					
Aturia Continental Ltd.	129,032	129,032	10.00	40.00	40.00
The Mysore Kirloskar Ltd.	200,277	200,277	10.00	9.62	9.62
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 Vithal 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				3,617.00	3,337.56
Less: Provision for diminution in value of Investments				49.55	49.55
GRAND TOTAL				3,567.45	3,288.01
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				3,566.94	3,287.50

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 7 : LONG TERM LOANS & ADVANCES AND OTHER NON-CURRENT ASSETS		
Long Term Loans & Advances		
Unsecured Considered Good Unless Specified Otherwise		
Capital Advances	-	-
Security & Other Deposits	68.60	70.11
Considered Doubtful	10.54	16.79
Less : Provision for Doubtful Deposits	10.54 -	16.79 -
SUB TOTAL	68.60	70.11
Other Loans & Advances		
Staff Loans	5.47	7.62
Advances recoverable in cash or in kind or for value to be received	10.62	8.83
SUB TOTAL	16.09	16.45
MAT Credit Available for set off	130.32	123.32
	215.01	209.88
Other Non-Current Assets		
Long Term Trade Receivables		
Unsecured		
Debts outstanding Considered Good	117.46	169.75
Considered Doubtful	68.46	158.69
Less: Provision for Doubtful Debts	68.46 -	158.69 -
	117.46	169.75

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 8 : CURRENT ASSETS		
Inventories (Valued at Lower of Cost or Net Realisable Value)		
Raw Materials	903.57	1,051.02
Work-in-Progress	1,331.43	1,135.18
Stock of Machines (including own manufactured)	81.25	55.76
Stores and Spare Parts	20.97	12.77
Loose Tools	10.59	8.68
	2,347.81	2,263.41
Trade Receivables		
Unsecured		
Debts outstanding for a period exceeding six months, Considered Good	382.11	386.15
Debts outstanding for a period less than six months, Considered Good	1,298.41	2,108.16
	1,680.52	2,494.31
Cash and Bank Balances		
<u>Cash and Cash Equivalents :</u>		
Cash and Cheques on hand and at collection centres	11.43	9.87
<u>Balances with Scheduled Banks :</u>		
In Current Account	11.85	23.31
	23.28	33.18
<u>Other Bank Balances :</u>		
Balances with Banks for Unpaid Dividends	-	3.17
Fixed Deposits with Banks having maturity of less than One Year (towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks))	20.99	24.39
	44.27	60.74
Short Terms Loans and Advances		
Unsecured Considered Good Unless Specified Otherwise		
Advances Recoverable in Cash or in Kind or for Value	336.92	263.73
Staff Loans	22.23	19.18
Deposits	57.11	42.83
Balances with Excise, Sales Tax and Service Tax	88.93	85.34
Taxes Paid in Advance and Deducted at Source (Net of Provision for Tax)	52.29	75.17
	557.48	486.25

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	2015-16		2014-15	
NOTE 9 : REVENUE FROM OPERATIONS				
Sale of Products [Refer Note: 15- V- A(ii) & B]	9,550.65		11,414.55	
Sale of Services [Refer Note: 15- V- C]	1,275.80		1,217.87	
Other Operating Revenue	<u>231.91</u>	<u>11,058.36</u>	<u>378.56</u>	13,010.98
Less : Excise Duty		<u>835.50</u>		<u>859.32</u>
		<u><u>10,222.86</u></u>		<u><u>12,151.66</u></u>
NOTE 10 : OTHER INCOME				
Dividend		0.61		0.61
Exchange Difference Gains		31.03		-
Excess Provision of Earlier Years Written Back		4.22		4.34
Unclaimed Credit Balances Written Back		106.61		118.49
Interest		8.56		7.26
Miscellaneous Receipts		<u>6.71</u>		<u>1.51</u>
		<u><u>157.74</u></u>		<u><u>132.21</u></u>
NOTE 11 : COST OF MATERIALS CONSUMED				
Raw Materials Consumed (Refer Note No. 15-V-A (i))	4,674.22		5,734.60	
Less:Self Consumption for Job Contracts	<u>-</u>	<u>4,674.22</u>	<u>0.90</u>	5,733.70
Cost of Services Rendered		57.98		67.38
Job Work Charges Incurred		<u>137.79</u>		<u>180.04</u>
		<u><u>4,869.99</u></u>		<u><u>5,981.12</u></u>
NOTE 11 : PURCHASE OF STOCK-IN-TRADE				
Purchases of Stock-in-Trade		<u>1,342.71</u>		<u>1,514.69</u>
		<u><u>1,342.71</u></u>		<u><u>1,514.69</u></u>
NOTE 11 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE				
Stock at Close :				
Work-in-Process	1,331.43		1,135.18	
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	<u>81.25</u>	<u>1,412.68</u>	<u>55.76</u>	1,190.94
Less :				
Stock at Commencement :				
Work-in-Process	1,135.18		1,009.96	
Stock of Machines and Own Manufactured Machines (Including Excise Duty)	<u>55.76</u>	<u>1,190.94</u>	<u>32.11</u>	<u>1,042.07</u>
		<u><u>(221.74)</u></u>		<u><u>(148.87)</u></u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	2015-16	2014-15
NOTE 12 : EMPLOYEE BENEFIT EXPENSES		
(Refer Note no. 15 - XI - D)		
Salaries, Wages, Allowances and Bonus	1,926.30	2,019.55
Contribution to Provident and Other Funds	109.15	122.57
Expenses on Employee Stock Option Scheme (ESOP)	16.33	9.17
Payments & Provision for Gratuity	38.17	51.01
Staff Welfare Expenses	206.06	193.37
	2,296.01	2,395.67
NOTE 13 : FINANCE COST		
Interest Expenses	652.66	523.11
Other Borrowing Cost	72.88	82.80
	725.54	605.91
NOTE 14 : OTHER EXPENSES		
Rent	128.28	120.33
Rates and Taxes	27.91	28.56
Power and Fuel	157.69	164.96
Insurance	22.41	24.13
Sales Commission	73.97	126.43
Exhibitions/ Advertisement Expenses	75.83	38.46
Printing and Stationery	19.26	18.41
Travelling and Conveyance	295.52	273.04
Audit, Legal and Professional Charges	222.68	156.29
Vehicle Maintenance	84.42	80.28
Packing and Cartage	97.92	75.39
Stores & Loose Tools Consumed	134.30	159.64
Repairs to Machinery	83.38	50.62
Repairs to Buildings	20.13	15.83
Repairs to Other Assets	14.46	27.11
Outsourced Services	724.21	694.82
Discounts and Allowances to Customers	10.73	12.82
Directors' Sitting Fees	6.76	5.02
Loss on Sale / Assets Written Off	5.72	1.30
Bad Debts	302.26	58.48
Provision for Doubtful Debts/Advances	(96.48)	23.40
Exchange Difference Loss	-	4.37
Miscellaneous Expenses	334.19	403.51
	2,745.55	2,563.22
NOTE 14 A : EXCEPTIONAL ITEMS		
Profit on Sale of Flat	123.41	-
Profit on Sale of Leasehold Land and Building on Leasehold Land	1,506.20	-
Income / (Expenses)	1,629.61	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

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

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

₹ in Lacs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Principal amount due and remaining unpaid	22.14	38.75
Interest due on above and the unpaid interest	2.21	1.25
Interest paid	Nil	Nil
Payment made beyond the appointed day during the year	201.78	334.01
Interest due and payable for the period of delay*	11.06	26.87
Interest accrued and remaining unpaid	2.21	1.25
Amount of further interest remaining due and payable in succeeding years	2.21	1.25

*Not claimed by parties.

III. Contingent Liabilities not provided for in respect of:

- Claims against the Company not acknowledged as debts: ₹ 230.12 Lacs (Previous Year: ₹ 227.85 Lacs).
- Disputed Sales Tax/Excise demands under appeal ₹ 76.30 Lacs (Previous Year: ₹ 76.30 Lacs).
- Corporate Guarantees given to banks & financial institutions for credit facilities/performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party: ₹ 2,290.00 Lacs (Previous year: ₹ 2,290.00 Lacs). Balance outstanding as on 31.03.2016: ₹ 1,543.95 Lacs (Previous Year: ₹ 1,957.11 Lacs).
- Guarantees given on behalf of the Company by its bankers and outstanding ₹ 884.40 Lacs (Previous year: ₹ 1,127.48 Lacs). Out of the above, Guarantees of ₹ 91.78 Lacs (Previous year ₹ 109.56 Lacs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
- Guarantee given by the Company's bankers on behalf of BEEL out of the specific guarantee facility of ₹ 288.00 Lacs ₹ 171.33 Lacs is outstanding as on 31.03.2016.
- 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.

IV. Commitments:

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

V. Details of Manufacturing, Trading and Services:

(A) MANUFACTURING

(i) Consumption of Raw Materials:

₹ In Lacs

Particulars	2015-16	2014-15
a) Aluminum Sheets	19.45	12.61
b) Iron and Steel	592.14	650.30
c) Castings	178.49	368.83
d) Electric Motors	347.86	356.63
e) Scrap	287.14	409.93
f) Other Components	3255.70	3946.16
Sub-Total	4680.78	5744.46
Less: Captive Use	6.56	9.86
Total	4674.22	5734.60

(ii) Manufactured Goods:

₹ In Lacs

Particulars	Sales Value	Closing Inventory	Opening Inventory
a) Machine Tools	4,099.82 (5,784.74)	15.95 (11.50)	11.50 (Nil)
b) Humidification Air Control/Exhaust Fans & Compressors	3,769.58 (3,705.14)	Nil (Nil)	Nil (Nil)
c) Castings	8.34 (15.77)	Nil (Nil)	Nil (Nil)
Total	7,877.74 (9,505.65)	15.95 (11.50)	11.50 (Nil)

(iii) Work-In-Progress:

₹ In Lacs

Particulars	Closing Inventory	Opening Inventory
a) Machine Tools	1,108.76 (966.29)	966.29 (825.96)
b) Humidification Air Control/Exhaust Fans & Compressors	221.73 (161.61)	161.61 (170.65)
c) Castings	0.94 (7.28)	7.28 (13.35)
Total	1,331.43 (1,135.18)	1,135.18 (1,009.96)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

(B) TRADING:

₹ In Lacs

Particulars	Purchase	Sales	Opening Inventory	Closing Inventory
a) Machine Tools	308.61 (391.69)	345.08 (414.16)	Nil (Nil)	Nil (Nil)
b) Humidification Air Control/Exhaust Fans & Compressors	393.87 (523.65)	552.04 (737.43)	5.81 (4.82)	4.84 (5.81)
c) Knitting Oil & Digital Printing Ink	640.23 (599.35)	775.79 (757.31)	38.45 (27.29)	60.46 (38.45)
Total	1,342.71 (1,514.69)	1,672.91 (1,908.90)	44.26 (32.11)	65.30 (44.26)

(C) SERVICES:

₹ In Lacs

Particulars	2015-16	2014-15
a) Commission	1,015.25	954.81
b) Service Charges	260.55	263.06
Total	1,275.80	1,217.87

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

₹ In Lacs

Particulars	2015-16	2014-15
a) Raw Materials and Components	422.47	683.12
b) Purchases for Trading Goods	2.70	-
Total	425.17	683.12

VII. Expenditure in Foreign Currency:

₹ In Lacs

Particulars	2015-16	2014-15
a) Traveling Expenses	14.97	17.00
b) Interest on ECB Loan	Nil	Nil
Total	14.97	17.00

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

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

Particulars	2015-16		2014-15	
	% of Total Consumption	₹ In Lacs	% of Total Consumption	₹ In Lacs
a) Raw Materials & Components				
Imported	12.08%	564.66	15.56%	892.03
Indigenous	87.92%	4,109.56	84.44%	4,842.57
Total	100.00%	4,674.22	100.00%	5,734.60
b) Stores, Spares & Loose Tools				
Imported	0.00%	Nil	0.00%	Nil
Indigenous	100.00%	134.30	100.00%	159.64
Total	100.00%	134.30	100.00%	159.64

IX. Earnings in Foreign Currency:

Particulars	₹ In Lacs	
	2015-16	2014-15
Commission/Other Income	994.49	940.40
Total	994.49	940.40

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

Particulars	2015-16		2014-15	
	Statutory Auditors	Branch Auditors	Statutory Auditors	Branch Auditors
a) Audit Fees	7.50	1.25	7.50	1.25
b) Tax Matters	3.11	0.50	3.31	0.52
c) Certification	2.46	-	2.44	-
d) Reimbursement	-	0.74	-	0.78
e) Other Services	3.00	1.76	-	1.93
Total	16.07	4.25	13.25	4.48

XI-A. Construction Contracts:

I. 1. Method used to determine the Contract Revenue:	₹ In Lacs	
	2015-16	2014-15
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	
	2015-16	2014-15
3. Total Contract Revenue recognized as Revenue during the year	-	4.99
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	7.44	7.44
c. Advances received from Customers	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

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

Exchange Gains/Loss credited/charged to Profit and Loss Account: Exchange Gain ₹ 31.03 Lacs (P.Y Exchange Loss of ₹ 4.37 Lacs).

Exchange Gain of ₹ 239.57 Lacs (P.Y. Exchange Loss of ₹ 431.41 Lacs) on long term investment in wholly owned foreign subsidiary shown under "Foreign Currency Translation Reserve" in Reserves and Surplus.

XI-C. Details of Un-hedged Foreign Currency Exposure:

₹ In Lacs		
Particulars	2015-16	2014-15
Receivables including firm commitments and highly probable forecasted transaction	453.29	502.08
Payable including firm commitments and highly probable forecasted transaction	142.53	287.35
Long Term investment in wholly owned Foreign Subsidiary	2,964.81	2,685.37

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

I- Defined Contribution Plans:

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

₹ In Lacs		
Particulars	2015-16	2014-15
(a) Contribution to Employees Provident Fund i.r.o. employees at manufacturing facilities	37.65	40.66
(b) Contribution to Employees Superannuation Fund	18.65	21.70

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, 2016 (31st March, 2015):

₹ in Lacs				
Particulars		Gratuity	Leave Encashment	Compensated Absence
		Non-funded	Non-funded	Non-funded
•	Changes in the Present Value of Obligation			
a)	Present Value of Obligation as at 1 st April, 2015	435.25 (463.05)	104.22 (114.02)	10.77 (10.66)
b)	Interest Cost	32.06 (37.04)	7.42 (9.12)	0.86 (-)
c)	Service Cost	25.83 (20.72)	26.05 (13.64)	18.40 (-)
d)	Curtailment Cost/(Credit)	-	-	-
e)	Settlement Cost/(Credit)	-	-	-
f)	Benefits Paid	-68.95 (-94.38)	-22.95 (-33.13)	- (-)
g)	Interest guarantee (if relevant)	-	-	-
h)	Actuarial (Gain)/Loss	-114.01 (8.82)	-36.79 (0.57)	-24.43 (0.11)
i)	Present Value of Obligation as at 31 st March, 2016	310.18 (435.25)	77.95 (104.22)	5.60 (10.77)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

₹ In Lacs

Particulars		Gratuity	Leave Encashment	Compensated absence
		Non-funded	Non-funded	Non-funded
•	Changes in the Fair Value of Plan Assets			
a)	Present Value of Plan Assets as at 1 st April, 2015	Nil	Nil	Nil
b)	Expected Return on Plan Assets	NA	NA	NA
c)	Actuarial (Gain)/Loss	Nil	Nil	Nil
d)	Employers' Contributions	68.95	22.94	Nil
e)	Benefits Paid	-68.95	-22.94	NA
f)	Present Value of Obligation as at 31 st March, 2016	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, 2016	310.18 (435.25)	77.95 (104.22)	5.60 (Nil)
b)	Fair Value of Plan Assets as at 31 st March, 2016	Nil	Nil	Nil
c)	Net Liability recognized in the Balance Sheet as at 31 st March, 2016	310.18 (435.25)	77.95 (104.22)	5.60 (NIL)
•	Expenses Recognized in the Profit and Loss Account			
a)	Service Cost	25.83 (20.72)	26.05 (13.64)	18.40 (NIL)
b)	Interest Cost	32.06 (37.04)	7.42 (9.12)	0.86 (NIL)
c)	Expected Return on Plan Assets	Nil	Nil	Nil
d)	Curtailment Cost/(Credit)	Nil	Nil	Nil
e)	Settlement Cost/(Credit)	Nil	Nil	Nil
f)	Net Actuarial (Gain)/Loss	-114.01 (8.82)	-36.79 (0.57)	-24.43 (NIL)
g)	Total Expenses recognized in the Profit and Loss Account	-56.12 (66.58)	-3.32 (23.33)	-5.17 (NIL)
•	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, 2016			
a)	Govt of India Securities	Nil	Nil	Nil
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
	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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

III. Provident fund:

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

XI-E. Segment Reporting:

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

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

The Company has classified its business into the following segments:

- Machine Tool Business Group*, which handles manufacturing and marketing (including trading and agency business) of machine tool and components e.g. CNC and GPM machines, machine castings, machine carcasses, cranes etc.
- Textile Engineering Group*, which deals in manufacturing and marketing of textile air-engineering 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.
- Others*, which covers remaining business i.e., air conditioning equipments, agro-industrial products (e.g. pumps/motors) etc.

i) Primary Segments Reporting (Based on Business Segments)

₹ In Lacs

Particulars	Machine Tools Group		Textile Engineering Group		Un-allocated & Others		Total Company	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment Revenue								
Total Segment Revenue	4,759.71	6,635.26	5,796.30	5,913.44	270.37	316.76	10,826.38	12,865.46
Add: Other un-allocable Revenue	-	-	-	-	-	-	-	-
Sub Total	4,759.71	6,635.26	5,796.30	5,913.44	270.37	316.76	10,826.38	12,865.46
(Less): Inter-segment Sales	(603.37)	(703.55)	(0.15)	(1.58)	-	(8.67)	(603.52)	(713.80)
Segment Revenue from external customers	4,156.34	5,931.72	5,796.15	5,911.85	270.37	308.09	10,222.86	12,151.66
Segment Results								
Profit/(Loss) before Interest & Tax	(1,651.61)	(1,029.24)	511.54	559.51	1,902.12	206.13	762.05	(263.60)
(Less): Interest	-	-	-	-	(725.54)	(605.91)	(725.54)	(605.91)
Total Profit/(Loss) before Tax	(1,651.61)	(1,029.24)	511.54	559.51	1,176.58	(399.78)	36.51	(869.51)
Less:								
Tax Expenses	-	-	-	-	47.87	(144.04)	47.87	(144.04)
Total Profit/(Loss) after Tax	(1,651.61)	(1,029.24)	511.54	559.51	1,128.71	(255.74)	(11.36)	(725.47)
Segment wise Capital Employed								
(Segment Assets Less Segment Liabilities)	2,254.08	2,634.48	680.74	393.24	1,551.02	1,215.06	4,485.84	4,242.78
Segment Assets	4,308.68	5,370.39	1,941.66	1,825.73	7,275.94	7,017.07	13,526.28	14,213.19
Segment Liabilities	2,054.60	2,735.91	1,260.92	1,432.49	5,724.92	5,802.01	9,040.44	9,970.41
Capital Expenditure	-	-	-	-	282.32	282.32	282.32	282.32
Depreciation	113.36	126.27	48.69	49.14	53.59	66.23	215.64	241.64
Non cash expenses other than Depreciation	-	-	-	-	-	-	-	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

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
- 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
- f) Mrs. Puneet Kapur, Chief Corporate Counsel and Company Secretary*
- g) Mr. Anand Sharma, Company Secretary*

*Resigned during Financial Year 2015-16

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

* No transaction with the entities during the year.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

B) Transactions & Outstanding Balances:

₹ In Lacs

Particulars			Subsidiary Companies		Entities		Key Management Personnel & their Relatives	
			2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
I)		Transactions						
	a)	Purchase of goods/ materials/services/ fixed assets/investments	22.08	66.85	447.94	583.85	-	-
	b)	Sale of goods/materials/ services/fixed assets/ investments/recovery of expenses	86.49	236.93	673.37	1,142.54	-	-
	c)	Rent/License Fee Received/(Paid)	-	-	(0.43)	(1.47)	(14.01)	(15.00)
	d)	Interest Paid/(Received)	-	-	15.85	14.67	179.77	104.10
	e)	Loans & Advance Received/ (Refunded)(Net)	-	-	133.34	181.85	494.00	736.50
	f)	Loans & Advances in cash or kind Given /(Refunded) (Net)	-	-	52.31	0.80	100.00	-
	g)	Gross Salary/Remuneration	-	-	-	-	190.36	194.83
II)		Outstanding Balances as at 31.03.16, i.r.o:						
	a)	Loans & Advances-Received	7.51	7.51	153.78	73.08	1,676.20	1,282.20
	b)	Loans & Advances –Given		-	-	0.80	-	-
	c)	Other receivable (for goods, services & other items)	171.13	130.94	620.62	750.42	-	-
	d)	Other payables (for goods, services & other items)	36.93	66.46	278.25	179.82	-	-

C) Disclosure in Respect of Material Transaction with Related Parties

₹ In Lacs

	Particulars	2015-16	2014-15
i)	Purchase of Goods/Materials/Services/Fixed Assets/Investments/ Payment of Expenses		
	Batliboi Environmental Engineering Ltd.	152.36	204.53
	Batliboi International Ltd.	8.77	12.57
	Batliboi Impex Ltd.	190.07	263.84
	Batliboi Enxco Pvt. Ltd.	0.19	3.69
	Spartan Electricals	96.55	99.22
	Aesa Air Engineering Ltd. China	12.39	23.25
	Aesa Air Engineering S.A France	9.69	43.60

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

ii)	Sale of Goods/Material/Services/Fixed Assets/Investments/Recovery of Expenses		
	Batliboi Environmental Engineering Ltd.	330.68	378.03
	Batliboi International Ltd.	281.37	645.55
	Batliboi Enxco Pvt. Ltd.	60.56	60.48
	Spartan Electricals	0.53	28.13
	Aesa Air Engineering Pvt. Ltd.	86.49	232.26
	Quickmill INC	-	4.67
	Batliboi Impex Ltd .	0.23	30.35
iii)	Rent/Licence Fee Received/(Paid)		
	Batliboi Environmental Engineering Ltd.	14.06	12.87
	Batliboi International Ltd.	(10.71)	(14.34)
	Batliboi Enxco Pvt. Ltd.	(3.78)	-
	Nirmal Bhogilal	(5.40)	(5.40)
	Shekama Family Trust	(6.00)	(6.00)
	Kabir Bhogilal	(2.21)	(2.21)
	Puneet Kapur	(0.40)	(1.39)
iv)	Interest Paid/(Received)		
	Batliboi International Ltd.	13.43	14.67
	Hitco Investments Pvt. Ltd.	2.42	-
	Pratap Bhogilal	-	6.92
	Nirmal Bhogilal	174.13	82.07
	Kabir Bhogilal	-	2.47
	Sheela Bhogilal	5.64	5.87
	Maya Bhogilal	-	6.77
v)	Loans & Advances in Cash or Kind Received /(Refunded)		
	Batliboi International Ltd.	93.34	181.85
	Hitco Investments Pvt. Ltd.	40.00	-
	Pratap Bhogilal	-	(222.00)
	Nirmal Bhogilal	494.00	1,033.50
	Kabir Bhogilal	-	(20.00)
	Maya Bhogilal	-	(55.00)
vi)	Loans & Advances in Cash or Kind Given / (Refunded)		
	Batliboi International Ltd.	3.00	-
	Batliboi Impex Ltd.	9.31	0.80
	Hitco Investments Pvt. Ltd.	40.00	-
	Nirmal Bhogilal	100.00	-
vii)	Gross Salary/Remuneration Paid		
	Nirmal Bhogilal	87.67	111.76
	Kabir Bhogilal	26.51	25.70
	Prema Chandrasekhar	37.50	36.76
	Vivek Sharma	24.63	-
	Puneet Kapur	5.72	20.61
	Anand Sharma	6.39	-
	Namita Thakur	1.94	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

XI-G. Earnings Per Share:

Basic & Diluted Earnings per Share:

Workings of EPS		2015-16	2014-15
A.	Profit /(Loss) after Tax Net Profit/(Loss) available for Equity Shareholders: ₹ in Lacs	(11.36)	(725.47)
B.	Weighted average number of Equity shares for computation of Basic & Diluted Earning per Share: Nos.	2,87,15,883	2,86,88,395
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: ₹	(0.04)	(2.53)

XI-H. Taxes on Income:

Deferred Taxes: The major components of Deferred Tax assets and Liabilities are set out below:

₹ In Lacs

	Particulars	31 March, 2016	31 March, 2015
i.	Deferred Tax Assets:		
	Unabsorbed Business Loss/Unabsorbed Depreciation	393.00	427.00
	Provision for Doubtful Debts, Advances, Diminution in Value of Investments and Employee Benefits	96.00	141.00
ii.	Deferred Tax Liabilities:		
	Depreciation on Fixed Assets	393.00	427.00
iii.	Net Deferred Tax Assets/(Liabilities)	96.00	141.00

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

Disclosure for Provisions in terms of AS-29:

₹ In Lacs

Provisions	Opening Amount	Additional Provision	Amount Used	Amount Reversed	Closing Amount
2015-16	196.29	51.05	54.15	10.13	183.06
2014-15	181.78	57.54	17.78	25.25	196.29

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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

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.

XII-A. The Company has incurred operating losses during the year mainly due to under performance of one of its division as it has not been able to execute the orders on time due to stretched working capital owing to overall slowdown in the economy affecting the investment by private parties in the capital intensive sector to which the said division caters to. The Company has taken steps to improve the working capital situation by sale of non-core assets during the year and also subsequent to the year end.

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

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

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

Summary of stock option as on 31.03.2016 is as follows:-

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

In respect of the option granted during the year, the intrinsic value of ₹ 7.45 and ₹ 7.70 per share is treated as discount for 50,000 and 2,00,000 shares respectively and accounted as employee compensation cost over the vesting period. The employee compensation cost accrued as on 31.03.2016 is ₹16.33 Lacs (Previous Year ₹ 9.17 Lacs).

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

ARVIND MOHAN
Partner
Membership No.: 124082
Place : Mumbai
Date : 6th May, 2016

For and on behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman
DIN No. 00173168

VIVEK SHARMA
Managing Director
DIN No. 01541498

Place : Mumbai
Date : 6th May, 2016

PREMA CHANDRASEKHAR
Chief Financial Officer

NAMITA THAKUR
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BATLIBOI LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BATLIBOI LIMITED (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, 2016 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 new Managing Director in excess of the ceiling under Schedule V of the Companies Act, 2013 by ₹16.79 Lacs. 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 at its meeting held on 30th January, 2016 based on the recommendation of the Nomination and Remuneration Committee of the Board on 30th January, 2016 but subject to approval of the shareholders in the next general meeting of the Holding Company and the Central Government 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, 2016 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 nine subsidiaries, whose financial statements reflect total assets of ₹ 5,891.62 Lacs as at 31st March, 2016, total revenues of ₹ 11,436.39 Lacs and net cash flows amounting to ₹ 89.95 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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, 2016 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, 2016 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

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

Place: Mumbai
Date: 6th May, 2016

ARVIND MOHAN
Partner
Membership No. 124082

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, 2016, We have audited the internal financial controls over financial reporting of Batliboi 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 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 31st March, 2016, 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: 6th May, 2016

ARVIND MOHAN
Partner
Membership No. 124082

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

₹ in Lacs

	NOTE NO.	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	2,128.27	2,128.27
Reserves and Surplus	2	2,422.81	2,268.47
		4,551.08	4,396.74
Non-Current Liabilities			
Long Term Borrowings	3	2,238.86	1,962.73
Other Long Term Liabilities		773.28	1,111.07
Long Term Provisions		496.75	597.71
		3,508.89	3,671.51
Current Liabilities			
Short Term Borrowings	4	2,796.50	3,326.96
Trade Payables		4,580.80	5,531.84
Other Current Liabilities		3,630.12	3,637.89
Short Term Provisions		350.53	356.91
		11,357.95	12,853.60
TOTAL		19,417.92	20,921.85
ASSETS			
Non-Current Assets			
Fixed Assets	5		
Tangible Assets		5,809.23	6,046.49
Goodwill on Consolidation		1,562.18	1,409.04
Intangible Assets		1,118.24	1,240.95
Capital Work In Progress		304.30	297.48
		8,793.95	8,993.96
Non-Current Investments	6	196.99	196.99
Deferred Tax Assets		87.92	120.50
Long Term Loans and Advances	7	388.41	366.09
Other Non-Current Assets	7	328.24	308.99
Current assets			
Current Investments	8	52.79	139.70
Inventories		4,577.61	4,163.57
Trade Receivables		3,686.10	5,247.70
Cash and Bank Balances		608.42	714.85
Short Term Loans and Advances		697.49	669.50
		9,622.41	10,935.32
TOTAL		19,417.92	20,921.85
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

ARVIND MOHAN

Partner

Membership No.: 124082

Place : Mumbai

Date : 6th May, 2016

VIVEK SHARMA

Managing Director

DIN No. 01541498

Place : Mumbai

Date : 6th May, 2016

NAMITA THAKUR

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED **31st MARCH, 2016**

₹ in Lacs

	NOTE NO.	2015-16	2014-15
INCOME			
Revenue from Operations	9	21,659.25	26,672.78
Other Income	10	132.24	178.98
Total Revenue		21,791.49	26,851.76
EXPENDITURE			
Cost of Materials Consumed	11	8,606.70	14,045.00
Purchases of Stock in Trade	11	3,038.41	2,202.83
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	11	(379.93)	(174.55)
Employee Benefit Expenses	12	5,013.22	5,226.49
Financial Costs	13	875.39	776.99
Depreciation	5	616.20	671.77
Other Expenses	14	5,658.57	5,501.78
Total Expenses		23,428.56	28,250.31
Profit / (Loss) Before Exceptional Items & Taxes		(1,637.07)	(1,398.55)
Exceptional Items - (Expenses) / Income	14 A	1,629.61	-
Profit Before Taxes		(7.46)	(1,398.55)
Tax Expenses			
Current Tax		(30.59)	(52.87)
Deferred Tax (Net)		41.54	(146.00)
MAT Credit Available for set off		(7.00)	-
Tax Adjustments in respect of earlier years		2.87	1.96
Profit/(Loss) for the year		(14.28)	(1,201.64)
Earnings per Share (Basic & Diluted)			
(Face Value of ₹ 5/- per Share)		(0.05)	(4.18)
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

ARVIND MOHAN

Partner

Membership No.: 124082

Place : Mumbai

Date : 6th May, 2016

For and on behalf of the Board of Directors

NIRMAL BHOGILAL

Chairman

DIN No. 00173168

VIVEK SHARMA

Managing Director

DIN No. 01541498

Place : Mumbai

Date : 6th May, 2016

PREMA CHANDRASEKHAR

Chief Financial Officer

NAMITA THAKUR

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	YEAR ENDED 31 MARCH, 2016		YEAR ENDED 31 MARCH, 2015	
I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit Before Tax and Exceptional Items		(1,637.07)		(1,398.55)
Add Back :				
a) Depreciation	616.20		671.77	
b) Interest	716.67		583.20	
c) Loss on Sale/Disposal of Assets	5.72		1.30	
d) Debit Balances Written off	302.70		63.11	
e) Foreign Exchange Loss	29.32		4.37	
f) Provision for Doubtful Debts/Other Advances	(88.53)		25.27	
g) Leave Encashment Provision	1.31		(10.42)	
h) Difference in Translation Resrve	(0.92)		25.09	
i) Employee Stock Option Reserve	16.33		9.17	
j) Provision for Gratuity	(120.69)	1,478.11	91.22	1,464.08
Deduct :				
a) Income from Investments (Dividend)	0.61		0.61	
b) Surplus on Sale of Assets	-		41.27	
c) Unclaimed Credit Balances Appropriated	106.61		118.49	
d) Excess Provision of Earlier Years Written Back	4.22	111.44	4.34	164.71
Operating Profit Before Working Capital Changes		(270.40)		(99.18)
Deduct :				
a) Increase in Inventories	414.03		-	
b) Increase in Trade Receivables & Advances	-		569.37	
c) Decrease in Trade and Other Payables	1,372.20	1,786.23	1,106.03	1,675.40
Add :				
a) Decrease in Inventories			50.41	
b) Decrease in Trade Receivables & Advances	1,714.42		-	
c) Increase in Trade and Other Payables	-	1,714.42	-	50.41
		(342.21)		(1,724.17)
Income Taxes Paid/ (Refund)		(97.48)		166.20
Net Cash Inflow / (Outflow) from Operations (A)		(244.73)		(1,890.37)
II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
Inflow :				
a) Sale of Fixed Assets	1,673.58		156.85	
b) Income from Investments (Dividend)	0.61	1,674.19	0.61	157.46
Deduct :				
Outflow :				
a) Acquisition of Fixed Assets	312.72	312.72	(32.85)	(32.85)
Net Cash Inflow / (Outflow) in Course of Investing Activities (B)		1,361.47		190.31

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	YEAR ENDED 31 MARCH, 2016	YEAR ENDED 31 MARCH, 2015	
III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:			
Inflow :			
a) Issue of Equity Share Capital	-	5.25	
b) Decrease in Bank Deposits	3.40	116.63	
c) Increase in Unsecured Loan	394.00	736.50	
d) Increase in Working Capital Borrowings	-	981.18	1,839.56
Deduct :			
Outflow :			
a) Repayment of Term Loan	212.48	378.09	
b) Decrease in Working Capital Borrowings	530.47	-	
c) Net Interest Paid	874.22	486.80	864.89
Net Cash Inflow/(Outflow) in Course of Financing Activities (C)	(1,219.77)	974.67	
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)	(103.03)	(725.39)	
Cash/Cash Equivalents at the beginning of the year	690.46	1,415.85	
Cash/Cash Equivalents at the close of the year	587.43	690.46	
Net Increase/(Decrease) in Cash/Cash Equivalents	(103.03)	(725.39)	

As per our report attached of even date

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

Chartered Accountants

Firm Regn. No :109208W

ARVIND MOHAN

Partner

Membership No.: 124082

Place : Mumbai

Date : 6th May, 2016

For and on behalf of the Board of Directors

NIRMAL BHOGILAL

Chairman

DIN No. 00173168

VIVEK SHARMA

Managing Director

DIN No. 01541498

Place : Mumbai

Date : 6th May, 2016

PREMA CHANDRASEKHAR

Chief Financial Officer

NAMITA THAKUR

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF CONSOLIDATION

The Consolidated Financial Statements relates 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, 2016.
- (ii) The Consolidated Financial Statements have been prepared under the historical cost convention (except for certain fixed assets of the parent and one of the subsidiaries which have been revalued) in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of The Companies (Accounts) Rules, 2014.

B) Principles of Consolidation:

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

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

- C)** The subsidiary companies which are included in consolidation and the percentage of ownership interest therein of the Parent as on 31st March, 2016 are as under:

S. No.	Name of the Subsidiary	% of Ownership interest as on 31.03.2016	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

SIGNIFICANT ACCOUNTING POLICIES

2) USE OF ESTIMATES

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

3) REVENUE RECOGNITION

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

4) FIXED ASSETS

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

5) DEPRECIATION

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

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
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%	-

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

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
Vehicles/Transport Equipment	30% on written down value		1-4 years
Intangible Assets	Impairment Test		4-10 years

*Aesa Air-engineering, SA France and its subsidiaries

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

SIGNIFICANT ACCOUNTING POLICIES

- 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. In respect of revalued building of SPM, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance in such reserve is available.

6) IMPAIRMENT OF ASSETS

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

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

7) INTANGIBLE ASSETS

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

8) INVESTMENTS

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

9) VALUATION OF INVENTORIES

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

10) EMPLOYEE BENEFITS

A) Short Term Employee Benefits

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

B) Post-Employment Benefits

a) Defined Contribution Plans:

The Holding Company has defined contribution plans for post employment benefits in the form of Superannuation Fund for Managers/Officers which is administered by Life Insurance Corporation of India (LIC). Provident Fund for employees at manufacturing facility administered by Regional Provident Fund Authorities, besides ESIC and Labour Welfare Fund. The Holding Company's contributions to Defined Contribution Plans are charged to 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

SIGNIFICANT ACCOUNTING POLICIES

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

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH, 2016**

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 1 : SHARE CAPITAL		
AUTHORISED		
4,61,70,400 (P.Y. 4,61,70,400) Equity Shares of ₹ 5/- each	2,308.52	2,308.52
6,92,480 (P.Y. 6,92,480) Preference Shares of ₹ 100/- each	692.48	692.48
	3,001.00	3,001.00
ISSUED,SUBSCRIBED AND PAID-UP		
2,87,15,883 (P.Y.2,87,15,883) Equity Shares of ₹ 5/- (P.Y. ₹ 5/-) each fully paid	1,435.79	1,435.79
6,92,480 (P.Y. 6,92,480) 5% - 5 Year Redeemable Non- Cumulative Preference Shares of ₹ 100/- each fully paid	692.48	692.48
	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	2015-16	2014-15
Opening Number of Equity Shares	28,715,883	28,682,550
Add: Equity Shares issued under ESOP scheme during the year	-	33,333
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 Shareholder	No of Shares	No of Shares
Mr.Nirmal Bhogilal	18,729,713	20,661,713
% Shareholding	65.22%	71.95%
L & T Infrastructure Finance Company Ltd - Trustee of Karunya Trust *	1,782,000	NIL
% Shareholding	6.21%	NIL

Preference Shares

6,92,480 5% Non Cumulative Preference Shares of ₹ 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:

Mr.Nirmal Bhogilal

Particulars	2015-16	2014-15
Opening Number of Preference Shares	692,480	NIL
Add: Transferred during the year	-	692,480
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%

* In compliance with the approval of Securities and Exchange Board of India, Mr. Nirmal Bhogilal has transferred 19,32,000 Equity Shares to L & T Infrastructure Finance Company Ltd - Trustee of Karunya Trust during the year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
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	114.73	116.40
Less : Amount withdrawn on account of depreciation on revalued assets	1.51	1.67
	113.22	114.73
Securities Premium Reserve		
As per last Balance Sheet	396.59	393.01
Add : Premium on Equity Shares issued under ESOP Scheme during the year	-	3.58
	396.59	396.59
General Reserve		
As per last Balance Sheet	1,162.92	1,224.39
Less: Depreciation on assets which have completed useful life	-	61.47
	1,162.92	1,162.92
Employee stock option Reserve		
As per last Balance Sheet	9.17	-
Add : Accrual of employee compensation cost (Refer Note no-15-12)	16.33	9.17
	25.50	9.17
Investment Allowance Reserve Utilised		
As per last Balance Sheet	63.05	63.05
Foreign Currency Translation Reserve		
As per last Balance Sheet	(459.19)	(157.55)
Less: Exchange Difference during the year	153.80	(301.64)
	(305.39)	(459.19)
	1,641.49	1,472.87
Surplus		
Opening Balance in Profit & Loss Account	795.60	1,997.24
Add: Profit/(Loss) from Profit & Loss Account	(14.28)	(1,201.64)
	781.32	795.60
Closing Balance in Profit & Loss Account	781.32	795.60
Total	2,422.81	2,268.47

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH, 2016**

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 3 : NON CURRENT LIABILITIES		
Long Term Borrowings		
Secured Term Loans		
From Banks		
Car Loan (Secured by Hypothecation of Vehicle)	0.96	3.80
Repayment terms		
Repayable in various EMIs by October 2017		
Foreign Currency Term Loan	488.62	603.65
Repayment terms		
1 Repayable in Quarterly Instalments of Euro 4,787.56 by August 2017		
2 Repayable in monthly Instalments of CAD 15,166 by July 2017		
[Security : Refer Note 15 - 1c]		
Unsecured Loans		
Loans & Advances from related parties		
Loan from Director	1,676.20	1,282.20
Repayment terms		
Repayable after one year		
Other Loans	73.08	73.08
Repayment terms		
Repayable after one year		
	2,238.86	1,962.73
Other Long term Liabilities		
Trade Payables	336.84	544.29
Advances and Deposits from Customers	326.15	230.84
Interest Accrued and Due on Loans	34.29	191.84
Employee Related and Other Liabilities	76.00	144.10
	773.28	1,111.07
Long Term Provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	274.65	394.24
Provision for Leave Encashment	125.01	113.35
Warranty Provisions	97.09	90.12
	496.75	597.71

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 4 : CURRENT LIABILITIES		
Short Term Borrowings		
Secured		
Loans repayable on demand		
From Banks		
Cash Credit and Working Capital Borrowings	2,306.50	2,676.19
[Security :- Refer Note 15 - 1 a & b]		
Unsecured		
Inter Corporate Deposits	490.00	650.77
	2,796.50	3,326.96
Trade Payables		
Due to Micro, Small and Medium Enterprises	22.14	38.75
Others	4,558.66	5,493.09
	4,580.80	5,531.84
Other Current Liabilities		
Advances and Deposits from Customers	1,812.75	1,757.73
Unclaimed Dividend *	-	3.17
Current maturities of Long Term Loan		
Rupee Term Loan from bank	-	111.93
Foreign Currency Term loan	162.64	145.33
(Security :- Refer Note 15 - 1c)		
Car Loan (Secured by Hypothecation of Vehicle)	2.84	3.08
Interest Accrued but Not Due on Loans	0.78	-
Statutory, Legal, Employee Related and Other Liabilities	1,651.11	1,616.65
	3,630.12	3,637.89
Short Term Provisions		
Provisions for Employee Benefits:		
Provision for Gratuity	165.51	186.92
Provision for Leave Encashment	68.34	78.68
Warranty Provisions	116.68	91.31
	350.53	356.91

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTE 5 : FIXED ASSETS

₹ in lacs

	GROSS BLOCK				DEPRECIATION/AMORTISATION							NET BLOCK	
	As at 1-Apr-15	Additions/ Adjustments	Deductions/ Adjustments	Exchange Difference	As at 31-Mar-16	Upto 31-Mar-15	Transferred to retained earning	For the Year	Deductions/ Adjustments **	Exchange Difference	Upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15
Tangible Assets													
Land (Freehold)	2,058.39	-	-	12.48	2,070.87	-	-	-	-	-	-	2,070.87	2,058.39
Land (Leasehold)*	434.49	-	-	-	434.49	-	-	-	-	-	-	434.49	434.49
Buildings*													
On Freehold Land	1,447.85	2.08	5.18	-	1,444.75	665.56	-	37.54	3.59	-	699.51	745.24	782.29
On Leasehold Land	2,016.43	9.31	113.12	128.96	2,041.58	1,133.68	-	69.11	78.28	84.25	1,208.76	832.82	882.75
Plant & Machinery	6,801.21	30.98	19.63	35.01	6,847.57	5,125.24	-	162.52	16.77	27.39	5,298.38	1,549.19	1,675.97
Office equipment/ computers etc.	1,689.47	47.80	26.40	46.60	1,757.47	1,593.25	-	59.54	46.02	43.34	1,650.11	107.36	96.22
Furniture,Fixtures,Fans and Electrical Fittings	490.62	3.17	9.95	10.07	493.91	404.24	-	16.68	(13.48)	9.44	443.84	50.07	86.38
Vehicles	73.67	-	26.32	3.25	50.60	43.67	-	4.55	19.74	2.93	31.41	19.19	30.00
Total Tangible Assets	15,012.13	93.34	200.60	236.37	15,141.24	8,965.64	-	349.94	150.92	167.35	9,332.01	5,809.23	6,046.49
Intangible Assets- Tech. Know-how													
	3,245.09	107.32	163.27	161.63	3,350.77	2,004.14	-	266.26	163.27	125.40	2,232.53	1,118.24	1,240.95
T O T A L	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
(Previous Year)	(19,225.03)	(291.10)	(279.28)	(-979.63)	(18,257.22)	(11,051.21)	(61.47)	(671.77)	(162.40)	(-652.26)	(10,969.78)	(7,287.44)	(8,173.82)
Capital Work-in-Progress													
(Previous Year)												304.30	297.48
												(297.48)	(294.26)
T O T A L												7,231.77	7,584.92
(Previous Year)												(7,584.92)	(8,467.88)

* Includes ₹ 434.49 Lacs value of Land and ₹ 210.23 value of Building acquired under scheme of amalgamation from erstwhile Batliboi SPM Pvt. Ltd.

** Includes ₹ 1.51 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	Numbers 31-Mar-16	Numbers 31-Mar-15	Face Value (Each ₹)	As at 31-Mar-16	As at 31-Mar-15
NOTE 6 - NON CURRENT INVESTMENTS					
TRADE INVESTMENTS					
Investment in Equity Instruments:					
In fully paid Equity Shares (Un-Quoted):					
Batliboi Environmental Engineering Ltd.	1,908,930	1,908,930	10.00	191.21	191.21
NON-TRADE INVESTMENTS					
Investment in Equity Instruments:					
In fully Paid Equity Shares (Quoted)					
Aturia Continental Ltd.	129,032	129,032	10.00	40.00	40.00
The Mysore Kirloskar Ltd.	200,277	200,277	10.00	9.62	9.62
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 Vithal 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.	5.00	5.00	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
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				196.48	196.48

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH, 2016**

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 7 : LONG TERM LOANS & ADVANCES AND OTHER NON CURRENT ASSETS		
Long Term Loans & Advances		
Unsecured Considered Good Unless Specified Otherwise		
Capital Advances	-	-
Security & Other Deposits	204.92	70.84
Considered Doubtful	47.62	50.24
Less : Provision for Doubtful Deposits	47.62	50.24
SUB TOTAL	204.92	70.84
Other Loans & Advances		
Staff Loans	5.47	7.62
Advances recoverable in cash or in kind or for value to be received	47.70	164.31
SUB TOTAL	53.17	171.93
MAT Credit Available for set off	130.32	123.32
	388.41	366.09
Other Non-Current Assets		
Long Term Trade Receivables		
Unsecured		
Debts Outstanding Considered Good	328.24	308.99
Considered Doubtful	199.85	277.68
Less: Provision for Doubtful Debts	199.85	277.68
	328.24	308.99

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	AS AT 31 MARCH, 2016	AS AT 31 MARCH, 2015
NOTE 8 : CURRENT ASSETS		
Current Investments		
Investments in Mututal Funds in France	52.79	139.70
	52.79	139.70
Inventories (Valued at Lower of Cost or Net Realisable Value)		
Raw Materials	2,013.88	1,989.88
Work-in-Progress	2,450.92	2,096.48
Stock of Machines (including own manufactured)	81.25	55.76
Stores and Spare Parts	20.97	12.77
Loose Tools	10.59	8.68
	4,577.61	4,163.57
Trade Receivables		
Unsecured		
Debts outstanding for a period exceeding six months Considered Good	2,088.50	2,600.78
Debts outstanding for a period less than six months Considered Good	1,597.60	2,646.92
	3,686.10	5,247.70
Cash and Bank Balances		
<u>Cash and Cash Equivalents:</u>		
Cash and Cheques on hand and at collection centres	56.08	28.14
<u>Balances with Scheduled Banks:</u>		
In Current Account	531.35	659.15
	587.43	687.29
<u>Other Bank Balances:</u>		
Balances with Banks for unpaid Dividends	-	3.17
Fixed Deposits with Banks having maturity of more than 3 Months but less than one year (towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks))	20.99	24.39
	608.42	714.85
Short Terms Loans and Advances		
Unsecured Considered Good Unless Specified Otherwise		
Advances recoverable in cash or in kind or for value to be received	420.42	324.34
Staff Loans	22.22	19.18
Deposits	68.35	54.65
Balances with Excise, Sales Tax and Service Tax	88.93	95.05
Taxes paid in advance and deducted at source (Net of Provision for tax)	97.57	176.28
	697.49	669.50

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH, 2016**

₹ in Lacs

	2015-16		2014-15	
NOTE 9 : REVENUE FROM OPERATIONS				
Sale of Products	20,674.63		25,825.24	
Sale of Services	1,329.38		1,251.78	
Other Operating Revenue	490.74	22,494.75	455.07	27,532.09
Less : Excise Duty		835.50		859.31
		21,659.25		26,672.78
NOTE 10 : OTHER INCOME				
Dividend		0.61		0.61
Profit on Sale of Fixed Assets		-		41.27
Excess Provision of Earlier Years Written Back		4.22		4.34
Unclaimed Credit Balances Written Back		106.61		118.49
Interest		14.10		12.76
Miscellaneous Receipts		6.70		1.51
		132.24		178.98
NOTE 11 : COST OF MATERIALS CONSUMED				
Raw Materials Consumed	8,451.42		13,281.97	
Less:Self Consumption for Job Contracts	-	8,451.42	0.90	13,281.07
Cost of Job Contracts (includes self Consumption)		(40.49)		516.50
Cost of Services Rendered		57.98		67.39
Job Work Charges Incurred		137.79		180.04
		8,606.70		14,045.00
NOTE 11 : PURCHASE OF STOCK-IN-TRADE				
Purchases of Stock-in-Trade		3,038.41		2,202.83
		3,038.41		2,202.83
NOTE 11 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK-IN-TRADE				
Stock at close :				
Work-in-Process	2,450.92		2,096.48	
Stock of Machines and Own Manufactured Machines (Including excise duty)	81.25	2,532.17	55.76	2,152.24
Less :				
Stock at Commencement :				
Work-in-Process	2,096.48		1,945.58	
Stock of Machines and Own Manufactured Machines (Including excise duty)	55.76	2,152.24	32.11	1,977.69
		(379.93)		(174.55)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

₹ in Lacs

	2015-16	2014-15
NOTE 12 : EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Allowances and Bonus	4,279.04	4,534.77
Contribution to Provident and Other Funds	473.62	438.17
Payments & Provision for Gratuity	38.17	51.01
Staff Welfare Expenses	206.06	193.37
Expenses on Employee Stock Option Scheme (ESOP)	16.33	9.17
	5,013.22	5,226.49
NOTE 13 : FINANCE COST		
Interest Expenses	716.67	583.20
Other Borrowing cost	158.72	193.79
	875.39	776.99
NOTE 14 : OTHER EXPENSES		
Rent	291.48	278.98
Rates and Taxes	113.77	108.85
Power and Fuel	208.47	190.09
Insurance	101.14	97.94
Sales Commission	495.23	722.90
Exhibitions/ Advertisement Expenses	167.75	110.80
Printing and Stationery	57.87	41.59
Travelling and Conveyance	823.94	745.37
Audit, Legal and Professional Charges	364.53	290.11
Vehicle Maintenance	84.42	80.28
Packing and Cartage	626.91	767.26
Stores & Loose Tools Consumed	198.24	237.05
Repairs to Machinery	90.52	52.58
Repairs to Buildings	43.31	43.69
Repairs to Other Assets	43.44	52.41
Outsourced Services	724.21	694.82
Discounts and Allowances to Customers	10.73	13.17
Directors' Sitting Fees	32.92	28.36
Donation	1.89	1.55
Loss on Sale / Assets Written Off	5.72	1.30
Bad Debts	302.70	63.11
Provision for Doubtful Debts/Advances	(88.53)	25.27
Exchange Difference Loss	29.32	108.93
Miscellaneous Expenses	928.59	745.37
	5,658.57	5,501.78
NOTE 14 A : EXCEPTIONAL ITEMS		
Profit on Sale of Flat	123.41	-
Profit on Sale of Leasehold Land and Building on Leasehold Land	1,506.20	-
Income / (Expenses)	1,629.61	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH, 2016****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 and Hosur Road Bangalore. Credit facilities including sub-limits extended by consortium banks to Batliboi Environmental Engineering Limited (BEEL), are secured by second pari-passu charge on the fixed assets of the Company (both present and future) at Udhana, Surat and Hosur Road Bangalore.

b) Working Capital Credit facilities of Quickmill Inc. include four operating loans ranging from CAD 400,000 to CAD 1.25M with interest ranging from the TD prime rate plus 1.50% to 1.75%. In addition the Quickmill Inc. has available letter of Credit/ Guarantees of upto CAD 1.5M with interest at 1.5%. It has drawn CAD 661,720 (P.Y. CAD 784,093) against the available CAD 1.5M. Advances on the loans are based on qualifying accounts receivables, inventory and deposits, as well as Export Development Canada insured work in process financing.

The demand loans are secured by a general security agreement and assignment of fire insurance proceeds. In addition, there is a postponement and assignment of the amount due to related company in the amount of CAD 150,000 and a subordination agreement in place whereby Business Development Bank of Canada subordinates its security interest in the company in favour of Toronto-Dominion Bank.

c) The term loan of Quickmill Inc. is secured by a general security agreement and assignment of fire insurance proceeds. In addition, there is a postponement and assignment of the amount due to related company in the amount of CAD 150,000 and a subordination agreement in place whereby Business Development Bank of Canada subordinates its security interest in the company in favour of Toronto-Dominion Bank.

2. Contingent liabilities not provided for in respect of:

- a) Claims against the Company not acknowledged as debts: ₹ 230.12 Lacs (Previous Year: ₹ 227.85 Lacs).
- b) Disputed sales tax/Excise demands under appeal ₹ 76.30 Lacs (Previous Year: ₹ 76.30 Lacs)
- c) Corporate Guarantees given to banks & financial institutions for credit facilities/performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party: ₹ 2,290.00 Lacs (Previous year: ₹ 2,290.00 Lacs). Balance outstanding as on 31.03.2016 ₹ 1,543.95 Lacs (Previous Year: ₹ 1,957.11 Lacs).
- d) Guarantees given on behalf of the Company by its bankers and outstanding ₹ 884.40 Lacs (Previous year: ₹ 1,127.48 Lacs). Out of the above, Guarantees of ₹ 91.78 Lacs (Previous year ₹ 109.56 Lacs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
- e) Guarantee given by the company's banker on behalf of BEEL out of the specific guarantee facility of ₹ 288.00 Lacs ₹ 171.33 Lacs is outstanding as on 31.03.2016.
- 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) Guarantees given on behalf of the subsidiaries by their bankers and outstanding ₹ 394.38 Lacs (Previous year ₹ 865.84 Lacs).
- h) Quickmill Inc. has provided a general security agreement in support of the borrowings of 760 Rye Street Inc. to the Business Development Bank of Canada. The general security agreement is subject to the Toronto-Dominion Bank's first charge on assets of the Quickmill Inc. The outstanding balance on 760 Rye Street Inc.'s borrowings from the Business Development Bank amounted to current year CAD 0.973 Million equivalent to ₹ 491.67 Lacs (P.Y. CAD 0.998 Million equivalent to ₹ 497.50 Lacs)

3. Commitments:

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

4. The Effect of Change in Foreign Exchange Rates:

Exchange Gains/Loss credited/charged to Profit and Loss Accounts:
Exchange Loss of ₹ 29.32 Lacs (P.Y. Exchange Loss ₹ 108.93 Lacs).

Exchange Gain of ₹153.74 Lacs (P.Y. Exchange Loss ₹ 301.64 Lacs) due to exchange differences shown under the head "Foreign Currency Translation Reserve" in Reserves and Surplus.

5. Details of Un-hedged Foreign Currency Exposure:

Particulars	₹ In Lacs	
	2015-16	2014-15
Receivables including firm commitments and highly probable forecasted transaction	403.78	508.11
Payable including firm commitments and highly probable forecasted transaction	68.21	241.15

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 ₹150.15 Lacs (PY ₹ 153.63 Lacs) 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:

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

i) Primary Segments Reporting (Based on Business Segments)

Particulars	Machine Tools Group		Textile Engineering Group		Others & Un-allocated		Total Company	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment Revenue								
Total Segment Revenue	9,044.94	10,661.91	12,947.49	16,315.46	270.34	304.65	22,262.77	27,282.02
(Less): Inter-segment Sales	(603.37)	(703.55)	(0.15)	(1.58)	-	(8.67)	(603.52)	(713.80)
Segment Revenue from external customers	8,441.57	9,958.36	12,947.34	16,313.88	270.34	295.98	21,659.25	26,568.22

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

Particulars	Machine Tools Group		Textile Engineering Group		Others & Un-allocated		Total Company	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment Results								
Profit/(Loss) before Interest & Tax	(1,812.60)	(1,455.45)	732.11	594.97	1,948.42	238.92	867.93	(621.56)
(Less): Finance cost	-	-	-	-	(875.39)	(776.99)	(875.39)	(776.99)
Total Profit/(Loss) before Tax	(1,812.60)	(1,455.45)	732.11	594.97	1,073.03	(538.07)	(7.46)	(1,398.55)
Less: Tax Expenses	-	-	-	-	6.82	(196.91)	6.82	(196.91)
Total Profit/(Loss) after Tax	(1,812.60)	(1,455.45)	732.11	594.97	1,066.21	(341.16)	(14.28)	(1,201.64)
Segment wise Capital Employed								
(Segment Assets Less Segment Liabilities)	5,205.89	6,053.13	231.58	(194.62)	2,117.78	1,785.80	7,555.25	7644.31
Segment Assets	8,400.07	9,308.55	5,288.48	5,717.98	7,885.08	5,895.33	21,573.63	20,921.86
Segment Liabilities	3,194.18	3,255.42	5,056.90	5,912.60	5,767.30	4,109.53	14,018.38	13,277.55
Capital Expenditure	-	-	-	-	304.30	297.48	304.30	297.48
Depreciation	442.26	479.24	100.46	105.29	73.48	87.24	616.20	671.77
Non cash expenses other than Depreciation	-	-	-	-	-	-	-	-

ii) Secondary Segment Reporting:

The geographic segments considered for disclosure are as follows:

₹ in Lacs

Particulars	2015-16			2014-15		
	Indian Operations	Foreign Operations	Total	Indian Operations	Foreign Operations	Total
Revenue by Geographic Market	10,353.24	11,306.01	21,659.25	12,955.84	13,612.38	26,568.22
Addition to Fixed Assets and Intangible Assets	62.90	137.76	200.66	57.80	233.28	291.08
Carrying Amount of Segment Assets	13,896.63	5,521.28	19,417.91	14,917.71	6,004.15	20,921.86

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:

- Mr. Nirmal Bhogilal, Chairman
- Mr. Vivek Sharma, Managing Director
- Mrs. Sheela Bhogilal, Director
- Mrs. Prema Chandrasekhar, Chief Financial Officer
- Ms. Namita Thakur, Company Secretary
- Mrs. Puneet Kapur, Chief Corporate Counsel and Company Secretary*
- Mr. Anand Sharma, Company Secretary*

*Resigned during Financial Year 2015-16

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

- 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
 - 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

* No transaction with the entities during the year.

B) Transactions & Outstanding Balances:

₹ in Lacs

Particulars			Entities		Key Management Personnel & their Relatives	
			2015-16	2014-15	2015-16	2014-15
I)		Transactions				
	a)	Purchase of goods/materials/services/fixed assets/ investments	584.73	1,151.54	-	-
	b)	Sale of goods/materials/services/fixed assets/ investments/recovery of expenses	673.37	1,167.56	-	-
	c)	Rent/License Fee Received/(Paid)	(0.43)	(1.47)	(14.01)	(15.00)
	d)	Interest Paid(Received)	15.85	14.67	179.77	104.10
	e)	Loans & Advance in cash or kind Received/ (Refunded)(Net)	133.34	181.85	494.00	736.50
	f)	Loans & Advances in cash or kind Given /(Refunded)	52.31	0.80	100.00	-
	g)	Gross Salary/Remuneration	-	-	190.36	194.83
II)		Outstanding Balances as at 31.03.16, i.r.o:				
	a)	Loans & Advances-Received	153.78	73.08	1,676.20	1,282.20
	b)	Loans & Advances –Given	-	0.80	-	-
	c)	Other receivable (for goods, services & other items)	620.62	775.44	-	-
	d)	Other payables (for goods, services & other items)	325.18	305.16	-	-

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH, 2016**

NOTE 15 : (Contd.)

C) Disclosure in respect of material transaction with related parties:

₹ In Lacs

		2015-16	2014-15
i)	Purchase of Goods/Materials/Services/Fixed Assets/Investments/ Payment of Expenses		
	Batliboi Environmental Engineering Ltd.	152.36	204.53
	Batliboi International Ltd.	132.99	551.66
	Batliboi Impex Ltd.	202.64	292.44
	Batliboi Enxco Pvt. Ltd.	0.19	3.69
	Spartan Electricals	96.55	99.22
ii)	Sale of Goods/Material/Services/Fixed Assets/Investments/ Recovery of Expenses		
	Batliboi Environmental Engineering Ltd.	330.68	378.03
	Batliboi International Ltd.	281.37	670.57
	Batliboi Enxco Pvt. Ltd.	60.56	60.48
	Spartan Electricals	0.53	28.13
	Batliboi Impex Ltd.	0.23	30.35
iii)	Rent/Licence Fee Received/(Paid)		
	Batliboi Environmental Engineering Ltd.	14.06	12.87
	Batliboi International Ltd.	(10.71)	(14.34)
	Batliboi Enxco Pvt. Ltd.	(3.78)	-
	Nirmal Bhogilal	(5.40)	(5.40)
	Shekama Family Trust	(6.00)	(6.00)
	Kabir Bhogilal	(2.21)	(2.21)
	Puneet Kapur	(0.40)	(1.39)
iv)	Interest Paid/(Received)		
	Batliboi International Ltd.	13.43	14.67
	Hitco Investments Pvt. Ltd.	2.42	-
	Pratap Bhogilal	-	6.92
	Nirmal Bhogilal	174.13	82.07
	Kabir Bhogilal	-	2.47
	Sheela Bhogilal	5.64	5.87
	Maya Bhogilal	-	6.77
v)	Loans & Advances in Cash or Kind Received / (Refunded)		
	Batliboi International Ltd.	93.34	181.85
	Hitco Investments Pvt. Ltd.	40.00	-
	Pratap Bhogilal	-	(222.00)
	Nirmal Bhogilal	494.00	1033.50
	Kabir Bhogilal	-	(20.00)
	Maya Bhogilal	-	(55.00)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

		2015-16	2014-15
vi)	Loans & Advances in Cash or Kind Given / (Refunded)		
	Batliboi International Limited	3.00	-
	Batliboi Impex Ltd.	9.31	0.80
	Hitco Investments Pvt. Ltd.	40.00	-
	Nirmal Bhogilal	100.00	-
vii)	Gross Salary/Remuneration Paid/(Received)		
	Nirmal Bhogilal	87.67	111.76
	Kabir Bhogilal	26.51	25.70
	Prema Chandrasekhar	37.50	36.76
	Vivek Sharma	24.63	-
	Puneet Kapoor	5.72	20.61
	Anand Sharma	6.39	-
	Namita Thakur	1.94	-

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	2015-16	2014-15
A.	Profit computation for both Basic and Diluted Earnings Per Share of ₹ 5/- each: Net Profit/(Loss) available for Equity Shareholders: (₹ In Lacs)	(14.28)	(1201.64)
B.	Weighted average number of Equity shares for computation of Basic & Diluted Earnings per Share: Nos.	2,87,15,883	2,86,88,395
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: ₹	(0.05)	(4.18)

10. Taxes on Income:

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

₹ In Lacs

	Particulars	31 March, 2016	31 March, 2015
i.	Deferred Tax Assets:		
	Unabsorbed Business Loss/Unabsorbed Depreciation	393.00	427.00
	Provision for Doubtful Debts, Advances, Diminution in Value of Investments and Employee Benefits	96.00	141.00
ii.	Deferred Tax Liabilities:		
	Depreciation on Fixed Assets	401.08	447.50
iii.	Net Deferred Tax Assets/(Liabilities)	87.92	120.50

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

11. i. The Holding Company has incurred operating losses during the year mainly due to under performance of one of its division as it has not been able to execute the orders on time due to stretched working capital owing to overall slowdown in the economy affecting the investment by private parties in the capital intensive sector to which the said division caters to. The Holding Company has taken steps to improve the working capital situation by sale of non-core assets during the year and also subsequent to the year end.
- ii. The Holding Company has investment in its subsidiary Aesa Air Engineering SA- France whose accumulated losses are greater than the net worth. In the opinion of the Management, having regard to the long term interest of the Company in the said subsidiary and considering the sizeable order books and cash flow projections of the subsidiary, there is no impairment in the value of the goodwill on consolidation.

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

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

Summary of stock option as on 31.03.2016:

Year of Grant	2011-12 1 st Lot	2012-13 2 nd Lot	2014-15 3 rd Lot	2015-16 4 rd Lot
No. of Options Granted	10,00,000	1,00,000	3,50,000	2,50,000
No. of Options Lapsed	(2,75,000)	(1,00,000)	(10000)	-
No. of Options Vested	5,00,000	-	-	-
No. of Options Exercised	33,333	-	-	-
Option vested - to be exercised in future	4,66,667	-	-	-
Options to be vested	2,25,000	-	3,40,000	2,50,000

In respect of the option granted during the year, the intrinsic value of ₹ 7.45 and ₹ 7.70 per share is treated as discount for 50,000 and 2,00,000 shares respectively and accounted as employee compensation cost over the vesting period. The employee compensation cost accrued as on 31.03.2016 is ₹ 16.33 Lacs (Previous Year ₹ 9.17 Lacs).

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)	
	%	₹ in Lacs	%	₹ in Lacs
Total	100.00%	4,551.08	100.00%	(14.28)
Batliboi Ltd	57.89%	2,634.50	79.55%	(11.36)
Foreign Subsidiaries				
Queen Projects Mauritius Ltd., Mauritius	0.06%	2.73	18.21%	(2.60)
Vanderma Holdings Ltd., Cyprus	-0.17%	(7.72)	106.96%	(15.27)
Pilatus View Holding, AG, Switzerland	-0.19%	(8.74)	148.04%	(21.13)
Quickmill Inc., Canada	50.33%	2,290.41	1,231.58%	(175.82)
AESA AIR ENGINEERING SA, France	-10.46%	(475.60)	-1,291.82%	184.42
760, Rye Street, CANADA	2.54%	115.50	-192.52%	27.48
Total Foreign Subsidiaries	42.11%	1,916.58	20.45%	(2.92)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE 15 : (Contd.)

14. 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 **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Regn. No :109208W

ARVIND MOHAN

Partner

Membership No.: 124082

Place : Mumbai

Date : 6th May, 2016

For and on behalf of the Board of Directors

NIRMAL BHOGILAL

Chairman

DIN No. 00173168

VIVEK SHARMA

Managing Director

DIN No. 01541498

Place : Mumbai

Date : 6th May, 2016

PREMA CHANDRASEKHAR

Chief Financial Officer

NAMITA THAKUR

Company Secretary

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

Name of Subsidiary	Financial period ended	Exchange rate	Share Capital	Reserve & Surplus	Total assets	Total liabilities (excluding share capital and reserve and surplus)	Investments	Turnover	₹ In lacs except % of shareholding and exchange rate			
									Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	% of shareholding
Queen Projects (Mauritius) Ltd	31-Mar-16	1 MUR = ₹ 1.892	2,970.88	(110.36)	2,947.40	86.88	-	-	(2.61)	-	(2.61)	100%
Vanderama Holding Ltd	31-Mar-16	1 CAD = ₹ 50.51	2.63	2,624.83	2,887.09	259.64	-	-	(15.69)	-	(15.69)	100%
Pilatus View Holding, AG, Switzerland	31-Mar-16	1 CHF = ₹ 67.96	2,454.38	(24.85)	2,449.30	19.77	-	-	(20.83)	0.33	(21.15)	100%
Quickmill Inc. Canada	31-Mar-16	1 CAD = ₹ 50.51	1,557.02	1,985.71	5,388.96	1,846.23	-	4,402.01	(138.54)	(49.12)	(89.42)	100%
Aesa Air Engineering SA, France	31-Mar-16	1 EURO = ₹ 74.16	433.84	(889.96)	3,346.82	3,802.94	52.79	6,973.86	151.86	(3.45)	155.31	70%
760, RYE STREET INC.	31-Mar-16	1 CAD = ₹ 50.51	0.00	115.50	624.82	509.32	-	-	38.40	10.17	28.23	100%

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

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

ARVIND MOHAN
Partner
Membership No. : 124082

Place : Mumbai
Date : 6th May, 2016

NIRMAL BHOGILAL
Chairman
DIN No. 00173168

VIVEK SHARMA
Managing Director
DIN No. 01541498

Place : Mumbai
Date : 6th May, 2016

PREMA CHANDRASEKHAR
Chief Financial Officer

NAMITA THAKUR
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

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 :

Signature

Date :

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

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

[illegible]

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



72nd Annual General Meeting - 9th August, 2016

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. / DP ID_Client ID.	

I/We.....
 of..... in the district of
 being Member/Members of abovenamed Company hereby appoint Mr.....
 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 72nd Annual General Meeting of the Company to be held at Indian Merchants' Chamber, Walchand Hirachand Hall, 4th Floor, Churchgate, Mumbai - 400 020 on Tuesday, 9th August, 2016 at 2:00 P.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, 2016, 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, 2016 and the Report of the Auditors thereon.
2	To appoint a Director in place of Mrs. Sheela Bhogilal (DIN No. 00173197), who retires by rotation and being eligible, offers herself for re-appointment.
3	To approve appointment of Statutory Auditors.
4	To approve ratification of Remuneration to the Cost Auditors.
5	To approve appointment of Mr. Vivek Sharma (DIN No. 01541498), as a Director.
6	To approve re-designation of Mr. Nirmal Bhogilal (DIN No. 00173168) as Executive Chairman (Whole-Time Director).
7	To approve appointment of Mr. George Verghese (DIN No. 00173251), Non-Executive Director of the Company as Independent Director.
8	To approve appointment of Mr. Vivek Sharma (DIN No. 01541498), as Managing Director.

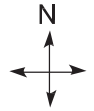
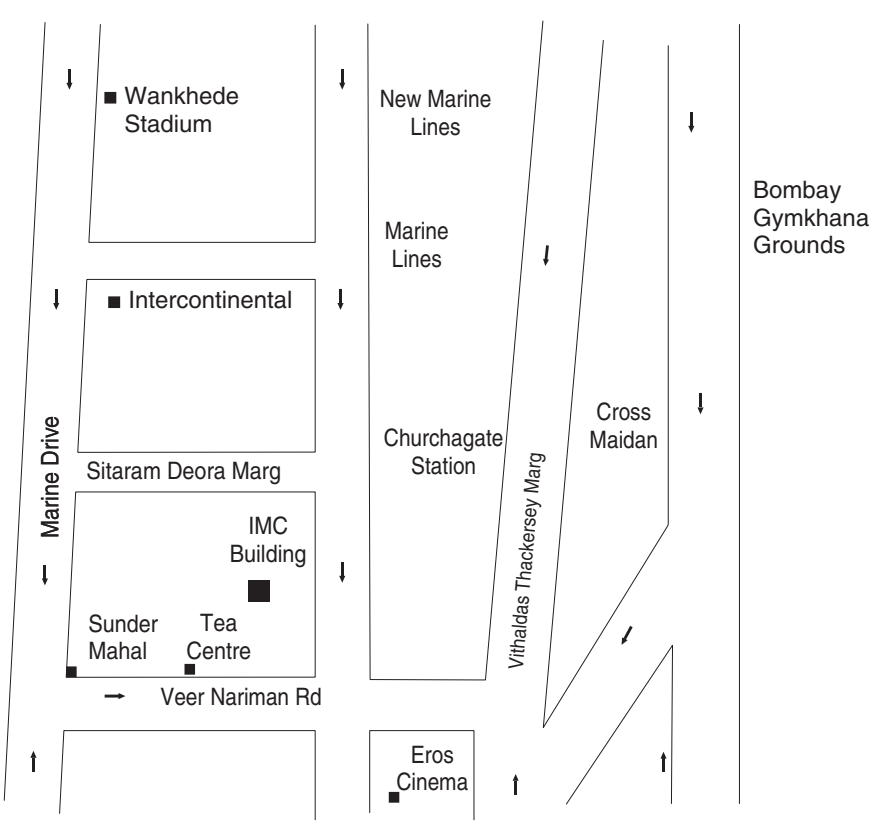
Signed thisday of2016.

Signature.....

One
Rupee
Revenue
stamp

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



Indian Merchants' Chamber,
Walchand Hirachand Hall,
4th Floor,
Churchgate,
Mumbai – 400020

Map not necessarily to scale



www.batliboi.com

Our Network

Corporate Office:

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

Manufacturing facilities:

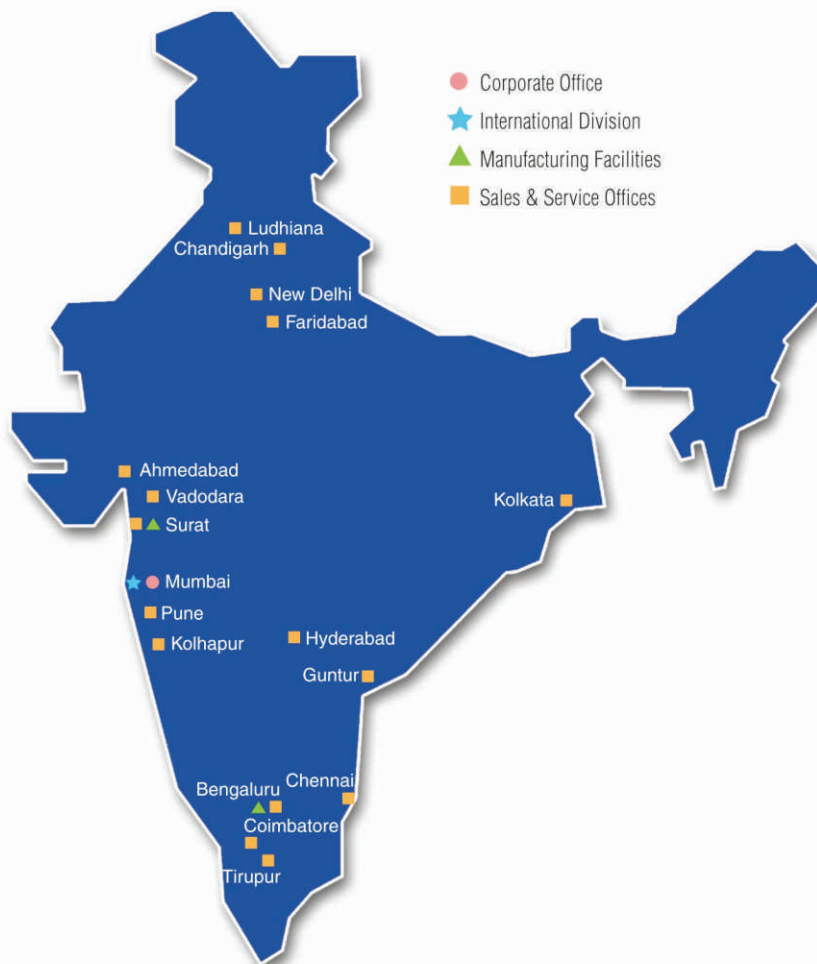
- Surat Navsari Road
Udhna – 394 220, Surat
Tel : +91 261 289 0551, 289 0435
Fax : +91 261 289 0832
E-mail : mtusales.udh@batliboi.com
- Plot No. 24, III Main,
Veerasandra Industrial Area
Hosur Road, Bengaluru – 560 100
Tel : +91 80 2783 3216, 2783 4203
Fax : +91 80 2783 3218
E-mail : info.spm@batliboi.com

Subsidiaries:

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

Subsidiaries of AESA

- India • Singapore • China • Indonesia
- Turkey



Book-Post



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