

## Batliboi Ltd.

Legal & Secretarial Department

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

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](mailto:legal@batliboi.com)

Web : [www.batliboi.com](http://www.batliboi.com)

CIN : L52320MH1941PLC003494



**Scrip Code: 522004**

Date: 12<sup>th</sup> August, 2020

Dear Sir/Madam,

**Sub: 76<sup>th</sup> AGM Notice, Annual Report 2019-20, Book Closure and E-voting Details**

This is to inform you that the 76<sup>th</sup> Annual General Meeting of **BATLIBOI LIMITED** will be held on Thursday, 03<sup>rd</sup> September, 2020 at 3:00 p.m. IST through Video Conference ('VC') / other audio visual means ('OAVM').

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent to the members through electronic mode.

Further, we would like to inform you that pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 28<sup>th</sup> August, 2020 to Thursday, 03<sup>rd</sup> September, 2020 (both days inclusive) for the purpose of Annual General Meeting.

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing e-voting facility to its members. The members holding shares as on the cut-off date i.e. 27<sup>th</sup> August, 2020 may cast their vote electronically to transact the business set out in the Notice of AGM.



The details of e-voting, required under Rule 20 of the Companies (Management and Administration) Rules, 2014, are given hereunder:

1. Cut-off date for E-voting: 27<sup>th</sup> August, 2020.
2. Date and time of commencement of e-Voting: Monday, 31<sup>st</sup> August, 2020 at 9.00 A.M. IST.
3. Date and time of end of e-Voting: Wednesday, 02<sup>nd</sup> September, 2020 at 5.00 P.M. IST.
4. E-Voting shall not be allowed beyond 5.00 P.M. IST on Wednesday, 02<sup>nd</sup> September, 2020.
5. The Notice of AGM and Annual Report is available on Company's website [www.batliboi.com](http://www.batliboi.com).
6. Name of the Agency providing E-voting Platform: Central Depository Services (India) Ltd (CDSL)
7. In case of any queries regarding e-voting, members may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Please take a note of the same.

Thanking You,

Yours Faithfully,

For **Batliboi Ltd**

**Ganpat Sawant**  
**Company Secretary**

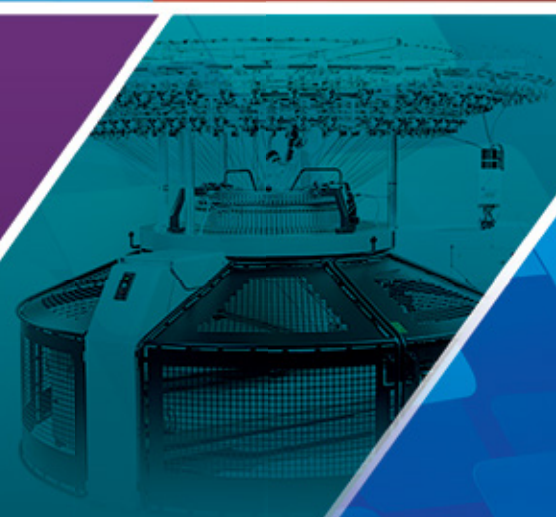
**Encl: as above**



Batliboi Ltd.



76<sup>th</sup>  
Annual Report  
2019 - 2020







# Some of our Products

## Products manufactured

### Machine Tools



CNC Vertical Machining Centers

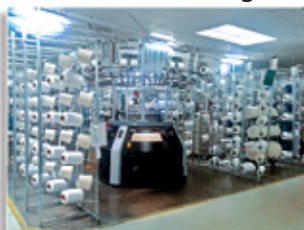


CNC Turning Center

### Air Engineering solutions for :



Spinning



Knitting



Weaving



Man-made Fibres



Tyre



Food



Glass Fibre



Paper

## Products marketed

### Textile Machinery



Circular Knitting Machine, Mayer & Cie, Germany



Compacting Machine, Ferraro, Italy



"BD" Open End Spinning Machine, Burer, Switzerland



Yarn and Fibre Dyeing Machine, Bellini, Italy

### Machine Tool Marketing



CNC Horizontal Boring & Milling Machine, SKODA MACHINE TOOL CO, Czech Republic



Plate Bending Machine, AVI-Promat, 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 199

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Nirmal Bhogilal	Chairman & Whole Time Director
Mr. Vivek Sharma	Managing Director
Mr. E.A. Kshirsagar	Independent Director
Mr. Subodh Bhargava	Independent Director
Mr. Ameet Hariani	Independent Director
Mr. Vijay Kirloskar	Independent Director
Mr. George Verghese	Independent Director
Mrs. Sheela Bhogilal	Non Executive Director

### CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal	Chairman & Whole Time Director
Mr. Vivek Sharma	Managing Director
Mr. Ketan Vyas	Chief Financial Officer
Mr. Daniel Vaz	C.E.O Textile Air Engineering Group
Mr. Abhay Sidham	C.E.O BTMG
Mr. Ganpat Sawant	Company Secretary

### REGISTERED & CORPORATE OFFICE

Bharat House, 5<sup>th</sup> Floor, 104, Bombay Samachar Marg, Fort, Mumbai-400 001

### CIN

L52320MH1941PLC003494

### FACTORY

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

### AUDITORS

#### Statutory Auditors

M/s Mukund M. Chitale & Co.  
Chartered Accountants

#### Cost Auditor

M/s Talati & Associates  
Cost Accountants

### REGISTRAR & SHARE TRANSFER AGENT

#### Datamatics Business Solutions Limited

Plot No. B-5, Part-B Cross Lane, MIDC, Andheri (E),  
Mumbai- 400 093.

### BANKERS

Bank of Baroda  
Punjab National Bank  
Canara Bank  
Indusind Bank Limited  
State Bank of India

## Contents

Particulars	Page No.
Notice	3
Directors' Report	11
Management Discussion & Analysis Report	40
Corporate Governance Report	43
Auditors' Certificate on Corporate Governance	63
Auditors' Report	65
Balance Sheet	76
Statement of Profit and Loss	77
Cash Flow Statement	79
Notes forming part of the Financial Statements	81
Auditors' Report on Consolidated Accounts	131
Consolidated Balance Sheet	140
Consolidated Statement of Profit & Loss	141
Consolidated Cash Flow Statement	143
Notes forming part of the Consolidated Financial Statements	145
AOC - 1	199

## NOTICE

**NOTICE** is hereby given that the 76<sup>th</sup> Annual General Meeting of **BATLIBOI LIMITED**, will be held on Thursday, 03<sup>rd</sup> September, 2020 at 03:00 p.m. IST through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility 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 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the Report of the Auditors thereon.
2. Re-appointment of Mr. Nirmal Bhogilal-Chairman & Whole Time Director (DIN: 00173168) as a Director liable to retire by rotation.

### **SPECIAL BUSINESS:**

#### **3. To ratify the Remuneration of Cost Auditors for the financial year 2020-21.**

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 such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of 60,000/- (Rupees Sixty Thousand), as recommended by the Audit Committee and approved by the Board of Directors payable to M/s. Talati & Associates, Cost Auditors (Firm Registration No. 97) as Cost Auditors to conduct the audit of the relevant Cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for the financial year ending 31<sup>st</sup> March, 2021 be and is hereby ratified and confirmed."

**RESOLVED FURTHER THAT** Board of Directors and Company Secretary be and are hereby authorized to give effect to this resolution and to do all such deeds and things as may be necessary to give effect to this resolution".

#### **4. To create security by way of charge, mortgage, hypothecation or pledge of the moveable or immovable assets or properties of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the "Act") and any other applicable provisions, if any of the Act, or any amendment or modifications thereof and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to sell, lease or dispose of in any manner including but not limited to mortgaging, hypothecating, pledging or in any manner creating charge on all or any part of the present and future moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company of every nature and kind whatsoever (hereinafter referred to as the "Assets") and/or creating a floating charge on the Assets to or in favour

of banks, financial institutions, investors, debenture trustees or any other lenders to secure the amount borrowed by the Company or subsidiary(ies) of the Company from time to time for the due re-payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of the said borrowings provided that the aggregate indebtedness so secured by the Assets do not at any time exceed the value of limits approved under Section 180(1)(c) of the Act.”

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, negotiating and finalizing the terms of sale, lease, creation of security or any other dispositions, filing of necessary forms, returns, applications, submissions under the Act.”

## NOTES:

1. The details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Director seeking re-appointment and the Explanatory Statement in respect of appointment of Director is annexed hereto.
2. The Register of Members will remain closed from Friday, 28<sup>th</sup> August, 2020 to Thursday, 03<sup>rd</sup> September, 2020 (both days inclusive). Thursday, 27<sup>th</sup> August, 2020 shall be the cut-off date as on which the right of voting of the Members shall be reckoned and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
3. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in dematerialized form and with the Company in case the shares are held by them in physical form.
4. As per Regulation 40 of SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
5. CDSL e-Voting system – for remote e-Voting
  - i) As you are aware, in view of the situation arising due to Covid-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The ensuing AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  - ii) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a Member using remote e-Voting will be provided by CDSL.
  - iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
  - iv) The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more



shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- v) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- vi) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as body corporate can attend the AGM through VC/OAVM and cast their votes through e-Voting.
- vii) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM and the Annual Report for the financial year 2019-20 has been uploaded on the website of the Company at [www.batliboi.com](http://www.batliboi.com). The Notice can also be accessed on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- viii) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

## 6. Instructions for Shareholders for remote e-Voting are as under:

- i) **The voting period begins on Monday, 31<sup>st</sup> August, 2020 at 9.00 a.m. and ends on Wednesday, 02<sup>nd</sup> September, 2020 at 5.00 p.m.**

During this period, Shareholders of the Company holding shares either in physical or dematerialized form, as on the cut-off date (record date) of 27<sup>th</sup> August, 2020 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

- ii) The Board of Directors has appointed Jayshree Dagli & Associates, Practising Company Secretaries, as the Scrutiniser for scrutinising the e-Voting process in a fair and transparent manner.
- iii) **The Shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).**
- iv) Click on "Shareholders" module and enter your User ID a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, c. Shareholders 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](http://www.evotingindia.com) and voted on an earlier e-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:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Shareholders who have not updated their PAN are requested to use the sequence number in the PAN field.
Dividend Bank Details OR Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders 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 Shareholders 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 of 'BATLIBOI LIMITED'.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**7. Process for those Shareholders whose email addresses are not registered with the depositories, for obtaining login credentials for e-Voting for the resolutions proposed in this Notice:**

- i) For Physical Shareholders - please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to [investorsqry@datamaticsbpm.com](mailto:investorsqry@datamaticsbpm.com)/[investors@batliboi.com](mailto:investors@batliboi.com).
- ii) For Demat Shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL- 16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to [investorsqry@datamaticsbpm.com](mailto:investorsqry@datamaticsbpm.com)/[investors@batliboi.com](mailto:investors@batliboi.com).
- iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned Shareholders.

**8. Instructions for Shareholders attending the AGM through VC/OAVM are as under:**

- i) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.

Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/ Members login by using the remote e-Voting credentials.

The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of Company will be displayed.

- ii) Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- iii) Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v) **Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors@batliboi.com](mailto:investors@batliboi.com).**
- vi) The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [investors@batliboi.com](mailto:investors@batliboi.com). These queries will be replied to by the company suitably by email.
- vii) Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

**9. Instructions for Shareholders for e-Voting during the AGM are as under:-**

- i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-Voting.
- ii) Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- iii) If any Votes are cast by the Shareholders through the e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the meeting.
- iv) Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**10. Note for Non-Individual Shareholders and Custodians**

- i) Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

- ii) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
  - iii) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - iv) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - v) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - vi) Alternatively Non-Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Company at the email address: investors@batliboi.com, if they have voted from individual tab and not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.
11. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at HYPERLINK "<http://www.evotingindia.com>" [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to HYPERLINK "<mailto:helpdesk.evoting@cdslindia.com>" [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533 or +91-22-23058542 or +91-22-23058543 or +91-22-23058738.
12. The Statutory Registers and documents in accordance with the Companies Act, 2013 will be available for inspection in electronic mode.
13. The result of the voting shall be displayed on the Notice Board of the Company at its Registered Office and Corporate Office. The result along with the Scrutiniser's Report shall also be placed on the website of the Company [www.batliboi.com](http://www.batliboi.com) and of CDSL.
14. Members may also write to the Company Secretary in case of grievances connected with voting by electronic means at the mail id: [investors@batliboi.com](mailto:investors@batliboi.com).

**By order of Board of Directors**

**Ganpat Sawant**  
**Company Secretary**

Place : Mumbai  
Date : 18.07.2020

**Registered Office:**

Bharat House, 5<sup>th</sup> Floor,  
104, Bombay Samachar Marg,  
Fort, Mumbai - 400 001.  
[www.batliboi.com](http://www.batliboi.com)



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

#### Item No. 3

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

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. Talati & Associates, Cost Accountant to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at a remuneration of ₹ 60,000/- p.a. plus out of pocket expenses incurred, if any in connection with the cost audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditor for the financial year 2020-21.

The Board recommends the Ordinary Resolution as set out at Item No. 3 of the Notice for the approval of the Members.

#### Item No. 4

The Company may be required to create security by way of charge, mortgage, hypothecation or pledge of the moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company (hereinafter referred to as the "Assets") in favour of the lenders as per the terms agreed with them in the course of borrowing of funds from time to time to support the business operations, general corporate purposes and capital expenditure.

As per the provisions of Section 180(1)(a) of the Act, consent of members by way of Special Resolution is required to sell, lease or otherwise dispose of the Assets of the Company. The approval of the members shall be required to enable disposition; or creation of security over the Assets as stated above in favour of the lenders to secure the borrowings of the Company to the extent of the approved borrowing limits under Section 180(1)(c) as covered in agenda Item no. 4.

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

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

**By order of Board of Directors**

**Ganpat Sawant**  
**Company Secretary**

Place : Mumbai  
Date : 18.07.2020

#### Registered Office:

Bharat House, 5<sup>th</sup> Floor,  
104, Bombay Samachar Marg,  
Fort, Mumbai - 400 001.  
[www.batliboi.com](http://www.batliboi.com)



**ANNEXURE TO ITEM NO. 2 OF THE NOTICE**

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

Name of the Director	Mr. Nirmal Bhogilal (DIN: 00173168)		
Date of Birth	14.05.1949		
Nationality	Indian		
Date of first appointment on the Board	06.09.1973		
Qualifications	B.Sc (Engg), Chemical Engg (London University), A.C.G.I. Committee member-CII National Council.		
Expertise in specific functional Area	He is having practical experience of 47 years in managing Machine Building & Engineering Industry.		
Number of Shares held in the Company	11,729,713		
Number of Board Meetings attended during the year	4		
List of Directorships held in other Companies*	<ul style="list-style-type: none"><li>• Batliboi Limited</li><li>• Eimco Elecon India Limited.</li><li>• Solara Active Pharma Sciences Limited</li></ul>		
Chairman/Member in the Committee of the Boards of Companies in which he is a Director*	Batliboi Limited	Stakeholders Relationship Committee	Member
	Eimco Elecon India Limited	Audit Committee	Member
	Solara Active Pharma Sciences Limited	Audit Committee	Member
	Solara Active Pharma Sciences Limited	Stakeholders Relationship Committee	Chairman
Relationship between Directors inter-se	Mrs. Sheela Bhogilal is wife of Mr. Nirmal Bhogilal, Chairman and Whole - Time Director.		

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

## DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 76<sup>th</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2020.

### 1. FINANCIAL RESULTS

(₹ In Lakhs)

Particulars	For the Year ended			
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Standalone	Standalone	Consolidated	Consolidated
Revenue from operations	10,930.18	11,641.85	19,527.09	24,891.83
Other Income	495.10	446.14	405.43	645.62
<b>Total Income</b>	<b>11,425.28</b>	<b>12,087.99</b>	<b>19,932.52</b>	<b>25,537.45</b>
<b>PBDIT</b>	<b>93.94</b>	<b>140.09</b>	<b>(279.01)</b>	<b>1,121.22</b>
Less: Finance Cost	731.28	561.28	899.84	772.28
Less: Depreciation	346.49	300.05	574.49	412.08
<b>Profit/(Loss) Before Tax &amp; Exceptional Items</b>	<b>(983.83)</b>	<b>(721.24)</b>	<b>(1753.34)</b>	<b>(63.14)</b>
Exceptional items: Income/(expenses)	-	-	-	-
<b>PBT</b>	<b>(983.83)</b>	<b>(721.24)</b>	<b>(1753.34)</b>	<b>(63.14)</b>
Provision of Taxation : Current Tax	-	-	-	-
Deferred Tax	230.87	1,431.52	239.36	1,435.42
<b>Mat credit available for set off</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Year &amp; Earlier Year Tax</b>	<b>0.46</b>	<b>0.15</b>	<b>72.84</b>	<b>(84.46)</b>
Other Comprehensive Income	(8.43)	(28.36)	(89.29)	1.78
Tax adjustments in respect of earlier years	0	0	0	0
<b>PAT</b>	<b>(760.93)</b>	<b>682.07</b>	<b>(1,676.11)</b>	<b>1,289.60</b>

### 2. REVIEW OF OPERATIONS AND OUTLOOK

The 4<sup>th</sup> quarter results were affected due to lockdown in March 20 because of Covid-19. This had an impact on overall performance of the company in 19-20. The standalone company's performance has also been affected due to higher interest cost.

The spread of Covid-19 has severely impacted the economy world over.

The Canadian subsidiary Quickmill has improved its sales as compared to previous year and has been profitable. The French subsidiary Aesa, which has operations in Europe, China, Africa and South East Asia has been affected by the pandemic in Q4 and is the reason for the lower top line and a higher loss on a consolidated basis.

The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature, the company has taken suitable measures to tackle this challenge.

### 3. DIVIDEND

In view of the operating loss, your Directors do not recommend any Dividend for the year ended 31<sup>st</sup> March, 2020.

## 4. TRANSFER TO RESERVE

The loss for the Year is ₹ 624.58 Lakhs is debited to the Profit and Loss account.

## 5. SHARE CAPITAL

During the financial year 2019-20, there is no change in the Authorized, Issued, Subscribed and Paid-up share capital of the Company. As on 31<sup>st</sup> March, 2020, the Company is having Authorized share capital of ₹ 30.01 Crores comprising of 4,61,70,400 Equity Shares of ₹ 5 each and 6,92,480 Preference shares of ₹ 100 each. The Issued, Subscribed and Paid-Up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2020 is ₹ 14.36 Crores and the Issued, Subscribed and Paid-Up Preference Share Capital of the Company as on 31<sup>st</sup> March, 2020 is ₹ 6.92 Crores.

During the year under review, the Company has issued neither shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) neither to the employees nor to Directors of the Company, under any Scheme.

## 6. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

### SUBSIDIARY COMPANIES

#### i) Quickmill Inc., Canada

Quickmill Inc. headquartered in Peterborough, Ontario, Canada is engaged in the Design, Manufacturing, as well as Sell and Service a line of large size Gantry Drilling and Milling Machines globally. Customers are mainly from Energy, Heat Transfer, Steel Service Centers & Job Shop manufacturing sectors.

There is a marginal improvement of 3.5% in the top line in 19-20 as compared to previous year. The company is moving into the new fiscal year 2020-21 with a healthy order backlog, but the Covid-19 impact and the resulting slowing down of global economic could pose major challenge.

#### ii) AESA Air Engineering, France

AESA SA is head quartered in France with subsidiaries in China, Singapore and India. It is engaged in the business of Air Conditioning and filtration in textile, tobacco, non-woven and glass fiber industries.

The company had made loss in 2019-20. Due to Covid-19, the business activity was severely impacted in China starting in Jan-20 and subsequently in all other offices.

In Jul-20, due to the crippling impact of Covid-19 pandemic, the company has decided to initiate 'Redressement Judiciaire' under the relevant French Law.

### CONSOLIDATED FINANCIAL STATEMENTS

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

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

## **7. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

During the year under review, Mr. Ameet Hariani, Mr. Subodh Bhargava, Mr. Vijay Kirloskar & Mr. Eknath Kshirsagar were re-appointed as Independent Directors of the Company for a second term of 5 (five) consecutive years w.e.f. 1<sup>st</sup> August, 2019 upto 31<sup>st</sup> July, 2024

## **8. INDEPENDENT DIRECTORS DECLARATION**

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

## **9. BOARD EVALUATION**

In compliance with the Companies Act, 2013 and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the annual performance evaluation of the Non-Independent Directors, Chairman and the Board as a whole (including its Committees) was carried out in the separate meeting of Independent Directors.

Independent Directors, in their separate meeting, held on 12<sup>th</sup> February, 2020 reviewed performance of the Non Independent Directors, Board as a whole including committees, the same was shared with the Board on its meeting held on 18<sup>th</sup> July, 2020. All the directors present participated in the discussion & suggested areas of improvement/ changes. Assessment of Independent directors was shared with the Chairman of the Board, who had one to one feedback session with them. Independent Directors, in their separate meeting, also reviewed the performance of the Chairman after taking into account the views of all the Directors.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation of Independent Directors in its Meeting held on 18<sup>th</sup> July, 2020 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

## **10. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

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

The policy on Company's familiarization program for Independent Directors is posted on the Company's website. [www.batliboi.com](http://www.batliboi.com).

## **11. NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration policy is posted on the Company's website [www.batliboi.com](http://www.batliboi.com). The more details about the Nomination and Remuneration policy is provided in corporate governance report.

## 12. NUMBER OF MEETINGS OF THE BOARD

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

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

## 13. CORPORATE GOVERNANCE

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

## 14. EMPLOYEE STOCK OPTION SCHEME

The Company has implemented Employees Stock Option Plan (ESOP) with a view to encourage, reward and retain the employees and to give them an opportunity to participate in the growth of the Company in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 [applicable till October 27, 2014] and SEBI (Share Based Employee Benefits) Regulations, 2014 [applicable from October 28, 2014] duly approved by the Members at their Extra Ordinary General Meeting held on 13<sup>th</sup> December, 2011. During the year 2019-20, 1,08,334 Options were lapsed, which have been 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.

## 15. FIXED DEPOSITS

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

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

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

## 17. RELATED PARTY TRANSACTIONS

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



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

Your Company has formulated a policy on related party transactions, which is also available on Company's website. [www.batliboi.com](http://www.batliboi.com).

## **18. AUDIT COMMITTEE COMPOSITION**

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

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

In accordance with the provisions of Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted vigil mechanism policy in place to enable the Directors and employees to have direct access to the Chairman / Managing Director or the Members of the Audit Committee. The details of the vigil mechanism is explained in the Corporate Governance Report and also posted on the website of the Company at [www.batliboi.com](http://www.batliboi.com).

## **20. HUMAN RESOURCE**

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 its Health, Safety and Environment policy. The same is reviewed by the Board from time to time and appropriate actions are taken as directed.

All the employees of the company have supported the Company in implementing its strategy to overcome the difficult situation arisen due to Covid-19. Company appreciates their effort and thank them for their wholehearted support.

The implementation of Covid-19 protocols for working in factory and offices are fully implemented and all the employees have shown proactive disciplined approach. Many of the team members are working from homes and are in touch with Customers, Suppliers and other business related partners to quickly bring business back to normal.

## **21. CORPORATE SOCIAL RESPONSIBILITIES (CSR)**

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

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

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

## 23. AUDITORS

### Statutory Auditors and Statutory Audit Report

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members at the Annual General Meeting of the Company held on 29<sup>th</sup> June, 2017 appointed Mukund M. Chitale & Co., Chartered Accountants (Firm registration no 106655W), as statutory auditors of the Company from the conclusion of Seventy Third Annual General Meeting till the conclusion of Seventy Eighth Annual General Meeting covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7<sup>th</sup> May 2018, ratification of auditors' appointment is no longer required.

The Statutory Auditors Mukund M. Chitale & Co., Chartered Accountants have issued their reports on Standalone & Consolidated Financial Statements for the financial year 2019-20.

The statutory audit report for the year 2019-20 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

No frauds have been reported by the Statutory Auditors during the financial year 2019-20 pursuant to the provisions of Section 143(12) of the Companies Act, 2013.

### Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board has, on the recommendation of the Audit Committee, appointed M/s. Talati & Associates. at a remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) plus taxes as applicable and reimbursement of out of pocket expenses as may be incurred for conducting the Cost Audit for the financial year 2020-21. Prof. V.J Talati is having Fellow Membership no. is 2203. Their Firm Registration No.97.

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

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained. The Company has filed the Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2019 submitted by M/s. Talati & Associates, on 25<sup>th</sup> September, 2019 The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2020 will be filed in due course.

### Secretarial Auditors and Secretarial Audit Report

M/s. Jayshree Dagli & Associates, Company Secretaries, were appointed as Secretarial Auditors of your Company to conduct a Secretarial Audit of records and documents of the Company for financial year ended 31<sup>st</sup> March, 2020. Secretarial Audit Report is provided in **Annexure-B** to this Report. They have made certain comments which includes our response to them.

## 24. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company confirms compliance with the applicable requirements of Secretarial Standards 1 and 2.

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

In terms of the erstwhile provisions of Section 205C of the Companies Act, 1956, the Company had transferred Unpaid or Unclaimed dividend and interest thereon which remained unclaimed or unpaid for a period of 7 years from the date it become due for payment to the Investors Education & Protection Fund (IEPF) established by the Central Government. The list of Unclaimed Dividend transferred to IEPF is uploaded on Company's website at [www.batliboi.com](http://www.batliboi.com). As on 31<sup>st</sup> March, 2020, the Company do not have any unpaid dividend due to be transferred to Investor Education and Protection Fund.

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

**26. 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.

**27. LISTING**

Presently, 2,87,15,883 Equity Shares are listed on BSE Limited, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (Scrip Code: 522004) and the Company has paid the Annual listing fees for the financial year 2020-21.

**28. SAFETY AUDIT**

As per the Company's practice, safety audit is conducted once in a year. Accordingly, Safety Audit will be conducted by an Independent Consultant

**29. DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

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

Matters handled by Internal Complaint Committee during the year 2019-20, 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

**30. EXTRACT OF ANNUAL RETURN**

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

## 31. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## 32. PARTICULARS OF EMPLOYEES

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

In terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employees are in receipt of remuneration in excess of the limits set out in the said Rules. Statement showing the names of the top ten employees in terms of remuneration drawn is annexed to this report as '**Annexure F**'.

## 33. INTERNAL FINANCIAL CONTROL

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

## 34. 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.

## 35. MATERIAL CHANGES AND COMMITMENTS DURING THE YEAR

There is no material change and commitment during the year.

## 36. 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:-

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for year ended 2020;
- c) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the Annual Accounts on a going concern basis;

- e) that proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

### **37. 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.

### **38. 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**

**Nirmal Bhogilal**  
**Chairman & Whole Time Director**  
**(DIN: 00173168)**

**Vivek Sharma**  
**Managing Director**  
**(DIN: 01541498)**

**Place : Mumbai**  
**Date : 18.07.2020**



**ANNEXURE 'A'**
**Details of ESOP (Batliboi Stock option Plan through Direct Allotment Route)**
**I. Date of shareholders approval for the ESOP is 13<sup>th</sup> December, 2011**

Total Number of options approved under ESOP is 28,68,255

Exercise price for the below option is ₹ 15.75 per shares.

<b>Year of Grant</b>	<b>2011-12 1<sup>st</sup> Lot</b>	<b>2012-13 2<sup>nd</sup> Lot</b>	<b>2014-15 3<sup>rd</sup> Lot</b>	<b>2015-16 4<sup>th</sup> Lot</b>	<b>2017-18 5<sup>th</sup> Lot</b>	<b>2018-19 6<sup>th</sup> Lot</b>	<b>Total</b>
Total No of Options Approved / Granted	10,00,000	1,00,000	3,50,000	2,50,000	1,00,000	4,50,000	22,50,000
Vesting Requirement	The Options granted would vest in to the eligible employee in three (3) Installments, 1/3 of option granted will vest after 36 Months from the date of grant of option and 1/3 after 48 Months and remaining 1/3 after 60 Months from the date of grant of option.						
Exercise Price or Pricing Formula	The exercise price shall be the closing price of the Company's Equity shares quoted on the Stock Exchange immediately prior to the date of Grant of the Options, which for this purpose shall be the date on which the Remuneration/Compensation committee meets to make its recommendations for the grant of Options. The Committee may, at its sole discretion, consider a discount to such closing price.						
Source of shares	Primary						
Maximum Term of Option Granted	5 years from vesting of option						
Variations in the terms of Options	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Method used to account for ESOS	Fair Value						
Number of options outstanding at the beginning of the options	391667	NIL	200000	200000	100000	400000	1291667
No of options granted during the year	N.A	NA	N.A	N.A	N.A	N.A	N.A
No of Options Forfeited/ Lapsed during the year	(108334)	NIL	NIL	NIL	NIL	NIL	(108334)
No of Options Vested during the year	NIL	NIL	66666	66667	NIL	NIL	100000
No of Options Exercised during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
No of shares arising as results of exercise of option	N.A	NA	N.A	N.A	NA	N.A	N.A
Money realized by exercise of options (INR), if scheme is implemented directly by the company	N.A	NA	N.A	N.A	NA	N.A	N.A
Option vested - to be exercised in future	283333	NIL	200000	133333	NIL	NIL	616666
Options to be vested	NIL	NIL	NIL	66667	100000	400000	566667
Number of options outstanding at the end of the year	283333	NIL	200000	200000	100000	400000	1183333

**II. Option movement during the Year**

<b>Year of Grant</b>	<b>2011-12 1<sup>st</sup> Lot</b>	<b>2012-13 2<sup>nd</sup> Lot</b>	<b>2014-15 3<sup>rd</sup> Lot</b>	<b>2015-16 4<sup>th</sup> Lot</b>	<b>2017-18 5<sup>th</sup> Lot</b>	<b>2018-19 6<sup>th</sup> Lot</b>	<b>Total</b>
Number of options outstanding at the beginning of the options	391667	NIL	200000	200000	100000	400000	1291667
No of options granted during the year	N.A	NA	N.A	N.A	N.A	N.A	N.A
No of Options Forfeited/ Lapsed during the year	(108334)	NIL	NIL	NIL	NIL	NIL	(108334)
No of Options Vested during the year	NIL	NIL	66666	66667	NIL	NIL	133333
No of Options Exercised during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
No of shares arising as results of exercise of option	N.A	NA	N.A	N.A	NA	N.A	N.A
Money realized by exercise of options (INR), if scheme is implemented directly by the company	N.A	NA	N.A	N.A	NA	N.A	N.A
Option vested - to be exercised in future	283333	NIL	200000	133333	NIL	NIL	616666
Options to be vested	NIL	NIL	NIL	66667	100000	400000	566667
Number of options outstanding at the end of the year	283333	NIL	200000	200000	100000	400000	1183333

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

<b>Name of Employee</b>	<b>Designation</b>	<b>Number of Options granted during the year</b>	<b>Exercise Price (₹)</b>
NIL	NIL	NIL	NIL

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

- the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;
- the method used and the assumptions made to incorporate the effects of expected early exercise;
- how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
- whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.

**ANNEXURE 'B'**

**Date: July 18, 2020.**

To,  
The Members,  
**BATLIBOI LIMITED**  
Mumbai.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **JAYSHREE DAGLI & ASSOCIATES**  
**COMPANY SECRETARIES**  
**Unique Code: S1995MH013400**

**JAYSHREE S. JOSHI**  
**F.C.S.1451 C.P.487**  
**UDIN: F001451B000472702**

**PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date.**

**Form No. MR-3****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020**

*[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**  
Mumbai.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BATLIBOI LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, 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:

**(A)** We have examined the books, papers, minutes books, forms and returns filed and other records maintained by **BATLIBOI LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) & the Rules made there under to the extent applicable; and circulars, notifications, clarifications, Removal of Difficulties Orders or such other relevant statutory material issued by Ministry of Corporate Affairs from time to time;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under as amended;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under as amended;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under as on date to the extent applicable;
5. 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 as amended;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/guidelines issued thereunder, as amended;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014 as amended;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

6. Based on the nature of business activities of the Company, the following specific Acts / Laws / Rules / Regulations are applicable to the Company:

- (a) Environment (Protection) Act, 1981
- (b) Air (Prevention and Control of Pollution) Act, 1981
- (c) Water (Prevention and Control of Pollution) Act, 1974
- (d) Hazardous Wastes (Management and Handling) Rules, 1989
- (e) Labour Laws to the extent applicable
- (f) Factories Act, 1948
- (g) Industries (Development & Regulation) Act, 1951
- (h) Trade Marks Act 1999
- (i) The Legal Metrology Act, 2009
- (j) Competition Act, 2002
- (k) The Bombay Shop & Establishment Act, 1948

**(B)** We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS – 1) and for General Meetings (SS – 2).

It may please be noted that the compliance of applicable financial laws including Direct and Indirect Tax Laws; maintenance of Financial Records and Books of Accounts etc. by the Company has not been reviewed by us for the purpose of this Audit since the same has been subject matter of review by the Statutory Auditors and / or other designated professionals. Further, we have also relied upon the certificates / reports/ legal opinions, as the case may be, issued by the Statutory Auditors and / or other designated professionals, wherever applicable.

During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the year under review, the provisions of the following Regulations (as enumerated in the prescribed format of Form MR - 3) were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended;
- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended;
- (v) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013



**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the year under review.

Adequate notice had been given to all Directors to schedule the Board Meetings. **However, it was observed that Agenda and detailed notes on agenda were NOT SENT at least seven days in advance as required under clause 1.3.7 of SS-1 i.e. Secretarial Standard on meeting of meetings of the Board of Directors.** In cases where shorter notice/s were given for Committee Meetings, at least one Independent Director was present at such meeting/s and that the system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Unanimous decisions were carried through as there were no cases of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in place in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to herein above **subject to certain technical/ procedural lapses as given in enclosed 'Annexure-I' which forms integral part hereof.**

**We further report that** the Company had no specific events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **JAYSHREE DAGLI & ASSOCIATES**  
COMPANY SECRETARIES  
Unique Code: S1995MH013400

**JAYSHREE S. JOSHI**

Place : MUMBAI  
Date : July 18, 2020

Membership No. : F.C.S. 1451 ; CP No. : 487  
UDIN: F001451B000472702

**DISCLAIMER:**

*The attached Secretarial Audit Report (pursuant to Section 204 of the Companies Act, 2013) is furnished based on those documents provided by the Secretarial / Compliance Team of the Company i.e. **BATLIBOI LIMITED** in electronic / digital form i.e. by way of scan copy provided through emails and is also based on the information and clarification provided telephonically. On account of Nationwide Lockdown due to COVID-19 pandemic, we were not able to conduct the verification of the relevant physical documents. We therefore considered that those documents / information provided electronically by the Company are true copy of the original documents maintained by / available with the Company as confirmed accordingly by the Management vide their Representation Letter dated July 16, 2020.*

*Further, certain relevant records / documents like newspaper advertisement for notice of Board Meeting/Financial Results/ Dispatch of Annual Report, Compliance certificate given by the Company Secretary complying various laws applicable to the Company, Certificate furnished by the Managing Director and Chief Financial Officer pursuant to Regulation 33(2) of the SEBI (LODR) Regulations, 2015, Disclosure of Interest received from the Director(s) of the Company, dispatch proof of sending draft minutes and signed minutes, etc. could not be provided to us for verification as the same were in physical form and were lying in the Registered Office premises of the Company hence the same could not be accessed on account of Nationwide Lockdown due to COVID-19 pandemic. The Management has assured us to provide the same soon after the Lockdown is completely lifted and normalcy of Company's working is resumed.*

**ANNEXURE 'I'**

- 1. In respect of agenda for recommendation of re-appointment of Independent Directors of the Company at the meeting of Nomination and Remuneration Committee held on May 24, 2019, there was no adequate quorum present. However, the Board at its meeting held on May 24, 2019 approved the said re-appointment subject to approval of members. The members of the Company had subsequently approved the said re-appointment at the 75<sup>th</sup> Annual General Meeting held on July 31, 2019.*
- 2. Certain Related Party Transactions entered into by the Company have been ratified by the Audit Committee instead of granting prior approval. However, subsequently those transactions have been ratified by the Board of the Directors at respective Board Meetings in accordance with provisions of the Companies Act, 2013. Further, the Management had assured to implement necessary system to ensure non-recurrence of such lapse in future.*
- 3. The Company is required to enter in to agreement with the persons with whom UPSI is shared to maintain confidentiality and non-disclosure obligations. However, the Company has not entered into such confidentiality and non-disclosure agreement(s). It is suggested to execute such agreements hence forth to keep UPSI confidential and also in line with the SEBI regulations. Further, the Management had assured to implement necessary system to ensure non-recurrence of such lapse in future.*
- 4. The Board was required to ensure that the Company maintains structured database containing details of the persons with whom UPSI is shared along with such other details, the same is not complied by the Company. It is therefore suggested to the Board of Company to ensure maintenance of structured digital database with adequate internal controls. Further, the Management had assured to implement necessary system to ensure non-recurrence of such lapse in future.*

**ANNEXURE 'C'****A. CONSERVATION OF ENERGY**

Manufacturing facilities at UDHNA

The steps taken by the company for utilizing alternate sources of energy; LED lights are installed in shop and assembly.

**B. TECHNOLOGY ABSORPTION**

I. Efforts made towards Technology Absorption:

Company made efforts in introducing new technologies and developed new Products for Machine Tools and Air Engineering.

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

**MACHINE TOOLS**

- New model of Turning Centres, Vertical Machining Centres and Vertical Turning Lathes are designed and introduced in market. This will improve the market share.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year ended 31<sup>st</sup> March, 2020, Foreign Exchange earnings were ₹ 1381.17 Lakhs and the Foreign exchange outgo was ₹ 202.16 Lakhs.

**ANNEXURE 'D'****Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON  
31<sup>ST</sup> MARCH, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN L52320MH1941PLC003494
- ii. Registration Date 06/12/1941
- iii. Name of the Company BATLIBOI LIMITED
- iv. Category / Sub-Category of the Company Company limited by shares
- v. Address of the Registered office and contact details Address: Bharat House, 5<sup>th</sup> Floor, 104, Bombay Samachar Marg, Fort, Mumbai - 400 001.  
Tel: +91 (22) 66378200/246  
Fax: +91 (22) 2267 5601  
Email: investors@batliboi.com  
Website: www.batliboi.com
- vi. Whether listed company Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any **Datamatics Business Solutions Ltd.,**  
Plot No. B-5, Part B Cross Lane, MIDC, Andheri (East),  
Mumbai 400093.  
Tel No.: 022-66712151-56  
Fax No: 022-66712011  
Email: investorsqry@datamaticsbpm.com  
Website: www.datamaticsbpm.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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product service	% to total turnover of the company
1	MTU-General Purpose Machine & Computerically Numerically Control Machine	84592930, 84595110, 84595120, 84595130, 84669390	34.78%
2	BTMG-Commission Agents in India for International Textile Machinery Manufacturers and after sale services, Textile Manufacturing Service.	46103, 998821	22.20%
3	TAE - ALU Profile, TAE Fan, Part of Fan, Part of Filter & Fiber Compactors and Semi Central Unit	84145930, 84799090, 84213920, 84145930, 84798920, 84213920,	36.54%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	<b>Queen Projects (Mauritius) Ltd</b> , Les Cascades Building Cavell street, Port Louis Republic of Mauritius	Foreign Company	Subsidiary	100%	2 (87)
2.	<b>Vanderma Holdings Ltd.</b> 35, Thekla Lysioti street Eagle Star House, 6 <sup>th</sup> Floor 3030 limassol Cyprus	Foreign Company	Subsidiary	100%	2 (87)
3.	<b>Pilatus View holdings AG</b> , Switzerland C/o Urs Kuchler treuhand AG, brunigstrasse 256055 AlpnachDorf	Foreign Company	Subsidiary	100%	2 (87)
4.	<b>QUICKMILL INC.</b> 760 Rye Street, Peterborough, Ontario, Canada K9J 6W9.	Foreign Company	Subsidiary	100%	2 (87)
5.	<b>AESA Air Engineering SA</b> , 78 Faubourg des Vosges -BP 80135, 68804, THANN CEDEX - FRANCE	Foreign Company	Subsidiary	70%	2 (87)
6.	<b>AESA Air Engineering Private Limited</b> , 357, 2 <sup>nd</sup> Floor, Patparganj FIE Industrial Estate -Delhi-110092	U74899DL1994PTC063732	Subsidiary	70%	2 (87)
7.	<b>AESA Air Engineering Limited</b> 50, Bukit Batok Street 23# 06-16 Midview Building, Singapore 659578	Foreign Company	Subsidiary	70%	2 (87)
8.	<b>AESA Air Engineering Pte Limited</b> #609-611 B&H Plaza, Nanhai Rd, shekou, nanshan District, Shenzhen, China 518067	Foreign Company	Subsidiary	70%	2 (87)
9.	<b>760 Rye Street Inc</b> , 760 Rye Street, Peterborough, Ontario, Canada K9J 6W9	Foreign Company	Subsidiary	100%	2 (87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of the year Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	13051567	0	13051567	45.45	13051567	0	13051567	45.45	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	1459000	0	1459000	5.08	1459000	0	1459000	5.08	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of the year Shares held at the end of the year				% Change during
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other..	7000000	0	7000000	24.38	7000000	0	7000000	24.38	0.00
<b>Sub-total (A)(1):-</b>	<b>21510567</b>	<b>0</b>	<b>21510567</b>	<b>74.91</b>	<b>21510567</b>	<b>0</b>	<b>21510567</b>	<b>74.91</b>	<b>0.00</b>
<b>2) Foreign</b>									
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 Corp.	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) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>21510567</b>	<b>0</b>	<b>21510567</b>	<b>74.91</b>	<b>21510567</b>	<b>0</b>	<b>21510567</b>	<b>74.91</b>	<b>0.00</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	800	800	0.00	79	800	879	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(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) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>600</b>	<b>800</b>	<b>1400</b>	<b>0.00</b>	<b>679</b>	<b>800</b>	<b>1479</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	557509	28550	586059	2.04	491990	19050	511040	1.78	-0.26
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4340668	512135	4852803	16.90	4353945	501731	4855676	16.91	0.01
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	824861	0	824861	2.87	901450	0	901450	3.14	0.27
c) Qualified foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
d-i) NRI Rep	921325	1100	922425	3.21	909320	1100	910420	3.17	-0.04
d-ii) NRI Non –Rept	17468	300	17768	0.06	24951	300	25251	0.09	0.02
d-iii) Foreign bodies	0	0	0	0.00	0	0	0	0.00	0.00
d-iv) Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>6661831</b>	<b>542085</b>	<b>7203916</b>	<b>25.09</b>	<b>6681656</b>	<b>522181</b>	<b>7203837</b>	<b>25.09</b>	<b>-0.00</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>	<b>6662431</b>	<b>542885</b>	<b>7205316</b>	<b>25.09</b>	<b>6682335</b>	<b>522981</b>	<b>7205316</b>	<b>25.09</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>28172998</b>	<b>542885</b>	<b>28715883</b>	<b>100.00</b>	<b>28192902</b>	<b>522981</b>	<b>28715883</b>	<b>100.00</b>	<b>0.00</b>



**ii. Shareholding of Promoters**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Bhogilal Family Trust	7000000	24.38	0	7000000	24.38	0	0
2.	Nirmal Bhogilal	11729713	40.85	0	11729713	40.85	0	0
3.	Sheela Bhogilal	841022	2.93	0	841022	2.93	0	0
4.	Nirbhag Investments Pvt Ltd	618200	2.15	0	618200	2.15	0	0
5.	Pramaya Shares and Securities Pvt Ltd	600000	2.09	0	600000	2.09	0	0
6.	Kabir Bhogilal	454176	1.58	0	454176	1.58	0	0
7.	Bhagmal Investments Pvt Ltd	240800	0.84	0	240800	0.84	0	0
8.	Maya Bhogilal	18296	0.06	0	18296	0.06	0	0
9.	Chitra Ashokkumar	2680	0.01	0	2680	0.01	0	0
10.	Dharini B. Anand	2680	0.01	0	2680	0.01	0	0
11.	Farah Bhogilal	2000	0.01	0	2000	0.01	0	0
12.	Darshana Bhogilal Gupta	1000	0.00	0	1000	0.00	0	0
	<b>TOTAL</b>	<b>21510567</b>	<b>74.91</b>	<b>0</b>	<b>21510567</b>	<b>74.91</b>	<b>0</b>	<b>0</b>

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

Sl. No.	Promoters' Shareholding	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
	At the beginning of the year	21510567	74.91	21510567	74.91
	Date wise increase/ Sale in No Change promoters' shareholding during the year specifying the reasons for increase/Sale (e.g. allotment/transfer/bonus/ sweat equity etc.) No Change	No Change	No Change	No Change	
	At the end of the year	21510567	74.91	21510567	74.91

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Paryank Ramesh Shah</b>				
	At the beginning of the Year	846970	2.949	846970	2.949
	At the END of the Year	0	0.000	846970	2.949
<b>2.</b>	<b>Smit Sagar Tracon Pvt Ltd</b>				
	At the beginning of the Year	135610	0.472	135610	0.472
	At the END of the Year	0	0.000	135610	0.472
<b>3.</b>	<b>YEDLAPALLI VENKATA GANESHWARA RAO</b>				
	At the beginning of the Year	89373	0.311	89373	0.311
	Purchase	3497	0.012	92870	0.323
	Purchase	6937	0.024	99807	0.348
	Purchase	3625	0.013	103432	0.360
	Purchase	7226	0.025	110658	0.385
	Purchase	1738	0.006	112396	0.391
	Purchase	0	0.000	112396	0.391
<b>4.</b>	<b>PRANIR ADVISORS LLP</b>				
	At the beginning of the Year	110147	0.384	110147	0.384
	At the END of the Year	0	0.000	110147	0.384
<b>5.</b>	<b>SHOBHA JANE PERES BHATT</b>				
	At the beginning of the Year	0	0.000	0	0.000
	Purchase	18814	0.066	18814	0.066
	Purchase	30636	0.107	49450	0.172
	Purchase	1975	0.007	51425	0.179
	Purchase	1000	0.003	52425	0.183
	Purchase	7430	0.026	59855	0.208
	Purchase	3232	0.011	63087	0.220
	Purchase	7081	0.025	70168	0.244
	Purchase	236	0.001	70404	0.245
	Purchase	6621	0.023	77025	0.268

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Purchase	12371	0.043	89396	0.311
	Sale	9414	0.033	79982	0.279
	At the END of the Year	0	0.000	79982	0.279
<b>6.</b>	<b>Chirayush Pravin Vakil</b>				
	At the beginning of the Year	60017	0.209	60017	0.209
	Purchase	485	0.002	60502	0.211
	Purchase	5000	0.017	65502	0.228
	At the END of the Year	0	0.000	65502	0.228
<b>7.</b>	<b>Kashmira Manish Mehta</b>				
	At the beginning of the Year	59171	0.206	59171	0.206
	At the END of the Year	0	0.000	59171	0.206
<b>8.</b>	<b>Anil Bhavanji Shah</b>				
	At the beginning of the Year	54353	0.189	54353	0.189
	At the END of the Year	0	0.000	54353	0.189
<b>9.</b>	<b>Nadir Barjorji Godrej</b>				
	At the beginning of the Year	53648	0.187	53648	0.187
	At the END of the Year	0	0.000	53648	0.187
<b>10.</b>	<b>Patel LilabenVasubhai</b>				
	At the beginning of the Year	50000	0.174	50000	0.174
	At the END of the Year	0	0.000	50000	0.174
<b>11.</b>	<b>Naga Raja Rao Somanchi</b>				
	At the beginning of the Year	64785	0.226	64785	0.226
	Sale	64785	0.226	0	0.000
	At the END of the Year	0	0.000	0	0.000

**Note:** The shares of the Company are traded on a daily basis and hence the date-wise increase/decrease in shareholding are not indicated.

## v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Nirmal Bhogilal (Whole Time Director)</b>				
	At the beginning of the year	11729713	40.85	11729713	40.85
	At the End of the year	0	0.00	11729713	40.85
<b>2.</b>	<b>Mrs. Sheela Bhogilal (Director)</b>				
	At the beginning of the year	841022	2.93	841022	2.93
	At the End of the year	0	0.00	841022	2.93
<b>3.</b>	<b>Mr. Ameet Hariani (Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
<b>4.</b>	<b>Mr. Vivek Sharma (Managing Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
<b>5.</b>	<b>Mr. Subodh Bhargava (Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
<b>6.</b>	<b>Mr. E.A.Kshirsagar (Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
<b>7.</b>	<b>Mr. George Verghese (Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
<b>8.</b>	<b>Mr. Vijay R. Kirloskar</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Key Managerial Personnel (KMP's)</b>				
<b>9.</b>	<b>Mr. Ketan Vyas (CFO)</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00
<b>10.</b>	<b>Mr. Ganpat Sawant (Company Secretary)</b>				
	At the beginning of the year	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured	Deposits	Total
<b>Loans</b>				
<b>Indebtedness</b>				
Indebtedness at the beginning of the financial year				
i) Principal Amount	1815.79	3460.01	-	5275.80
ii) Interest due but not paid	-	125.96	-	125.96
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1815.79</b>	<b>3585.98</b>	<b>-</b>	<b>5401.77</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	693.72	-	693.72
- Reduction	132.66	-	-	132.65
<b>Net Change</b>	<b>(132.66)</b>	<b>693.72</b>	<b>-</b>	<b>561.07</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1683.14	4209.70	-	5892.84
ii) Interest due but not paid	-	70.00	-	70.00
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1683.14</b>	<b>4279.70</b>	<b>-</b>	<b>5962.84</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Mr. Nirmal Bhogilal (Whole-Time Director)	Mr. Vivek Sharma (Managing Director)	
		01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	3633704	11760000	15393704
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	541296	2562000	3103296
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5.	Retirement benefits & Annuity	150000	576000	726000
6.	<b>Total (A)</b>	<b>4325000</b>	<b>15198000</b>	<b>19223000</b>

### B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount
	Mr. Vijay Kirloskar	Mr. E.A. Kshirsagar	Mr. George Verghese	Mr. Subodh Bhargava	Mr. Ameet Hariani	
<b>Independent Directors</b>						
• Fee for attending board/ committee meetings	15000	110000	60000	110000	120000	415000
• Commission						
• Other, please specify						
<b>Total (1)</b>	<b>15000</b>	<b>110000</b>	<b>60000</b>	<b>110000</b>	<b>120000</b>	<b>415000</b>
<b>Other Non-Executive Directors</b>	<b>Mrs. Sheela Bhogilal</b>					
• Fee for attending board/ committee meetings						
• Commission						
• Other, please specify	45000					45000
<b>Total (2)</b>	<b>45000</b>					<b>45000</b>
<b>Total (B)=(1+2)</b>	<b>60000</b>	<b>110000</b>	<b>60000</b>	<b>110000</b>	<b>120000</b>	<b>460000</b>
<b>Total Managerial Remuneration</b>	<b>60000</b>	<b>110000</b>	<b>60000</b>	<b>110000</b>	<b>120000</b>	<b>460000</b>

**C. Remuneration to Key Managerial Personnel Other than MD /Manager /WTD**

Sl. No.	Particulars of Remuneration	CS	CFO
		Mr. Ganpat Sawant	Mr. Ketan Vyas
		01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	759326	4459403
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		32400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		
	- as % of profit		-
	- others, specify...		-
5.	Others (PF, Gratuity etc.)	21600	140472
6.	<b>Total</b>	<b>780926</b>	<b>4632275</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other Officers In Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



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

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year 2019-20:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Ratio</b>	<b>Percentage increase in remuneration</b>
Mr. Nirmal Bhogilal	Chairman & Whole-Time Director	11.82:1	-
Mr. Vivek Sharma	Managing Director	41.55:1	-
Mr. E. A. Kshirsagar	Non-Executive Independent Director	-	-
Mr. Subodh Bhargava	Non-Executive Independent Director	-	-
Mr. Ameet Hariani	Non-Executive Independent Director	-	-
Mrs. Sheela Bhogilal	Non-Executive Non Independent Director	-	-
Mr. George Verghese	Non-Executive Independent Director	-	-
Mr. V.R. Kirloskar	Non-Executive Independent Director	-	-
Mr. Ketan Vyas	Chief Financial Officer	NA	8.44%
Mr. Ganpat Sawant	Company Secretary	NA	-

2. The percentage increase in the median remuneration of employees in the financial year : 4.57 %
3. The number of permanent employees on the rolls of company : 356
4. Affirmation that the remuneration is as per the remuneration policy of the company:  
The remuneration is as per the remuneration policy of the company.

**For and on behalf of the Board of Directors**

**Vivek Sharma**  
**Managing Director**  
**(DIN 01541498)**

**Place : Mumbai**  
**Date : 18.07.2020**

# ANNEXURE 'F'

Statement pursuant to Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Name Of the Employee	Designation of the Employee	Remuneration received In ₹	Nature of Employment Weather contractual or otherwise	Qualification and Experience of the employee	Total Experience. (years)	Date of Commence-ment of Employment	Age of em- ployee	The last employment held by such employee before joining the company	the percent of equity shares held by the employee in the company with the meaning of clause (iii) of sub rule (2)	Weather such employee is a relative of any director or manager of the company, if so name of the director or manager
1	NIRMAL BHOGILAL	Chairman	43,25,000.00	As per agreement	B.Sc. Engg. London University ACGI	47	01/01/1984	71	-	1,17,29,713 Shares (40.85%)	Yes Kabir Bhogilal (Son of Nirmal Bhogilal & Sheela Bhogilal)
2	VIVEK SHARMA	Managing Director	1,51,98,000.00	As per agreement	B.E.(Electrical), M.Tech (Aircraft Prod Engineer)	32	01/02/2016	57	Yamazaki Mazak India.	NIL	NO
3	KABIR BHOGILAL	CXO-Corporate Strategy	41,01,293.00	Permenant	B.A	16	01/08/2007	39	Associates Consultant	4,54,176 Shares (1.58%)	Yes Nirmal Bhogilal & Sheela Bhogilal (Parents of Kabir Bhogilal)
4	KETAN VYAS	CFO	46,32,275.00	Permenant	B Com.(1996) / CA(1999) / MBA (Finance)(2012)	18	16/05/2017	44	Arcelor Mittal Projects	NIL	NO
5	DANIEL VAZ	CEO-TAE	55,99,989.00	Permenant	B.Tech [Aeronautical] (1985) / P-G Dip. in Mktg. Mgt.(1995) / Dip. in International Trade(1988)	35	02/01/2003	59	Kilburn Engineering	NIL	NO
6	RAKESH BAGGA	Vice President-BTMG	30,51,110.00	Permenant	B Tech. (Textile) (1982)	39	03/12/1990	60	New standard Engg.	NIL	NO
7	AHUJA JAI GOPAL	General Manager	22,29,750.00	Permenant	B Tech. (Textile) (1983)	36	29/11/1999	59	-	NIL	NO
8	SIDHAM A.V.	CEO-BTMG	37,42,699.00	Permenant	Dip. in Engg. (Textile) (1986)	33	22/01/1990	55	Prakash Cottan Mill	NIL	NO
9	K M DHILAWALA	Vice President-MTU	21,92,628.00	Permenant	BE Mechanical	37	18/10/1982	62	-	NIL	NO
10	MANISH KAPOOR	Vice President-TAE	30,17,871.00	Permenant	BE Electronics, Diploma in Management	23	01/08/2018	48	Aesa Air Engineering Private Limited	NIL	NO

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Batliboi Limited presents the analysis of performance of your Company for the year ended 2019-20 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. PERFORMANCE AND OUTLOOK

#### **Batliboi Textile Engineering Group**

##### **Business Structure**

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

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

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

##### **Air Engineering Group:**

##### **Industry structure and developments**

The Spinning industry is already faced with over supply and hence project spends by players are few and most are having a wait and watch approach. Due to fewer projects, the competitive situation is getting worse and continues to put our margins under pressure.

##### **Opportunities and threats**

##### **Opportunities:**

We are in a niche market catered to by 2 - 3 players and our experience and standing with over 25 years in the business, puts us in a good position. Air Engineering is expanding into other than Textile areas viz. Food, Tobacco and Tyres.

##### **Threats:**

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

##### **Outlook**

With the Covid-19 Pandemic, the economic outlook is unpredictable. We have a healthy order book for H1 and are currently looking at modernisation, retrofit, spares, auto controls etc. to provide revenue for the coming year. There are a few large projects and we are hopeful of managing our revenue and bottom line for the current FY.

##### **Risks and concerns**

Due to growing competition for limited business, the market price levels are becoming tough and could impact margins.

##### **Textile Machinery Group**

The Division did well in 19-20. Major contributor was Knitting followed by Spinning and Processing.

In the coming fiscal, due to Covid-19, capital goods industry would be largely affected. We expect the margins to come under pressure due to low order booking.

The focus will be on developing new areas of direct trading products viz. consumables and new Principals for Technical Textile, Home Textiles machinery markets.

**Opportunities, Threats and Outlook:****Opportunities:**

- Expected investments in areas of Technical textile, Home textiles, Active wear for both domestic market as well export opportunities.
- Increased focus on high productive automated sustainable technologies.

**Threats:**

- Worldwide slow-down due to pandemic situation and investment decisions will be deferred
- Weak demand

**Outlook:**

In given situation we expect demand for capital goods will be weak, we remain cautiously optimistic in fast changing market situation.

**2. Batliboi Machine Tool Group (BMTG)****Business Structure**

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

**Manufacturing:** Batliboi manufactures CNC machines viz. Turning Centers, Vertical Machining Center, Vertical Turning Lathes and Double Column Machining Centers.

**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 CNC machines market contracted in 19-20 as compared to previous year. The division was also affected but not as severely as the market and other players. This is a good sign of our machines acceptance in the market.

**Opportunities, Threats & Outlook**

The slowdown of economy due to Covid-19 is a major concern. The post Covid-19 revival of the Machine Tool demand could be faster than expected because of the cyclic nature of market, which had sluggish last year.

**3. Quickmill Inc.****Business Structure**

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

**Developments & Performance**

The company entered into new technology area of 5-axes machining.

The company made profit and its performance was satisfactory.

## Opportunities, Threats & Outlook

The pending order booking is healthy and the company is expected to make headway due to introduction of new Product in post Covid-19 scenario.

## 4. AESA Air Engineering SA

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

## Business Structure, Developments and Performance

The company had made loss in 2019-20. Due to Covid-19, the business activity was severely impacted in China starting in Jan-20 and subsequently in all other offices.

## Opportunities, Threats & Outlook

In Jul-20, due to the crippling impact of Covid-19 pandemic, the company has decided to initiate '*Redressement Judiciaire*' under the relevant French Law.

## B. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The total number of employees in the Company was 356 as on 31<sup>st</sup> March, 2020 (190 Employees in Udhana factory including union employees).

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

Sr No	Details of Training In Year 2019-20	Dates
1	General Health Talk	18.04.2019
2	Material Run Test. Process M/C Test, SPC & SQC,5-s	07.05.2019
3	Revision of Latest Version Excel Training	05.07.2019
4	Revision of Latest Version Excel Training	06.07.2019
5	Safety Awareness, Industrial Safety & Health	22.08.2019
6	Health & Safety	20.09.2019
7	Cloudy System , ERP,5-s FMBA(NetSuit)	16.12.2019
8	First Aid , Health & Safety	16.01.2020
9	Safety Awareness, Industrial Safety & Health	18.02.2020

## CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2020 containing, inter-alia, the matters as specified in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is presented hereunder:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

### 2. BOARD OF DIRECTORS

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

The Board comprises of an optimum combination of Executive, Non - Executive, Independent and Women Director as required under Companies Act, 2013 and Listing Regulations. As on 31<sup>st</sup> March, 2020, the Board comprises of eight (8) Directors, out of which Five (5) are Non - Executive Independent Directors, one (1) is non - executive woman director and two (2) are Executive Directors. The Chairman of the Board is an Executive Director.

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

Name of Director	Category	*Directorship(s) held in other Indian Public Ltd Companies including Batliboi Ltd	**No. of membership of Board Committees	**No. of Board Committees for which Chair-person	No. of Shares held
Mr. Nirmal Bhogilal (DIN: 00173168)	Promoter/Executive/ Chairman	3	3	1	11729713
Mr. Vivek Sharma (DIN: 01541498)	Executive/Managing Director	2	1	0	-
Mr. Subodh Bhargava (DIN: 00035672)	Non-Executive/ Independent	3	1	0	-
Mr. Ameet Hariani (DIN: 00087866)	Non-Executive/ Independent	7	4	2	-
Mr. Eknath Kshirsagar (DIN: 00121824)	Non-Executive/ Independent	4	0	4	-

Name of Director	Category	*Directorship(s) held in other Indian Public Ltd Companies including Batliboi Ltd	**No. of membership of Board Committees	**No. of Board Committees for which Chair-person	No. of Shares held
Mrs. Sheela Bhogilal (DIN: 00173197)	Promoter/ Non-Executive	2	0	0	841022
Mr. George Verghese (DIN: 00173251)	Non-Executive/ Independent	2	0	0	-
Mr. Vijay R Kirloskar (DIN: 00031253)	Non-Executive/ Independent	4	1	0	-

**Note:** \*Excludes directorship in Private Companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

\*\*For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered including Batliboi Limited. Committee Membership(s) & Chairmanship are counted separately.

Name of other listed entities where Directors of the Company are Directors and the category of Directorship:

Sr. No	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr. Nirmal Bhogilal (DIN: 00173168)	Solara Active Pharma Sciences Ltd	Non-Executive Independent Director
		Eimco Elecon (India) Ltd	Non-Executive Independent Director
2	Mr. Vivek Sharma (DIN: 01541498)	-	-
3	Mr. Subodh Bhargava (DIN: 00035672)	Larsen & Toubro Ltd.	Non-Executive Independent Director
4	Mr. Ameet Hariani (DIN: 00087866)	Ras Resorts & Apart Hotels Ltd.	Non-Executive Independent Director
		Mahindra Lifespace Developers Ltd.	Non-Executive Independent Director
5	Mr. Eknath Kshirsagar (DIN: 00121824)	Hawkins Cookers Ltd.	Non-Executive Independent Director
		JM Financial Ltd.	Non-Executive Independent Director
6	Mrs. Sheela Bhogilal (DIN: 00173197)	-	-
7	Mr. George Verghese (DIN: 00173251)	-	-
8	Mr. Vijay R Kirloskar (DIN: 00031253)	MRF Ltd	Non-Executive Independent Director
		Kirloskar Electric Company Ltd	Executive Director-Chairperson

No Director is inter-se, related to any other director on the Board except Mr. Nirmal Bhogilal and Mrs. Sheela Bhogilal, who are related to each other as spouse. No Director holds directorship in more than 20 companies or in more than 10 public companies.



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

During the year ended 31<sup>st</sup> March, 2020, Four (4) Meetings of the Board of Director were held respectively on 24<sup>th</sup> May, 2019, 31<sup>st</sup> July, 2019, 08<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020.

Details of attendance of the directors at Board Meeting held in F.Y. 2019-20 and last Annual General Meeting held on 31<sup>st</sup> July, 2019.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Board Meetings attended</b>	<b>AGM held on 31<sup>st</sup> July, 2019</b>
1.	Mr. Nirmal Bhogilal	4	Present
2.	Mr. Vivek Sharma	4	Present
3.	Mr. Ameet Hariani	4	Present
4.	Mr. EknathKshirsagar	4	Present
5.	Mr. Subodh Bhargava	4	Present
6.	Mr.George Verghese	4	Present
7.	Mrs.Sheela Bhogilal	3	Present
8.	Mr. Vijay R Kirloskar	1	Absent

**Skills / Expertise / Competencies of the Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values), major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business

Given below is a list of core skills, expertise and competencies of the individual Directors:

Sr. No.	Name of Director	Knowledge on Company's businesses, policies and culture knowledge of the industry	Behavioral skills	Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,	Financial and Management	Technical / Professional skills
1.	Mr. Nirmal Bhogilal	√	√	√	√	√
2.	Mr. Vivek Sharma	√	√	√	√	√
3.	Mr. Ameet Hariani	√	√	√	√	√
4.	Mr. EknathKshirsagar	√	√	√	√	√
5.	Mr. Subodh Bhargava	√	√	√	√	√
6.	Mr. George Verghese	√	√	√	√	√
7.	Mrs. Sheela Bhogilal	√	√	√	√	√
8.	Mr. Vijay R Kirloskar	√	√	√	√	√

## Board procedures

Before each meeting, the Company sends to the Board of Directors, Agenda for the meeting, along with Minutes of Board/ Committee meetings, comprehensive notes and information which is material for facilitating effective discussion and decision making at their meetings. 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.

## 3. 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.

The Independent Directors of the Company have been re-appointed for the consecutive period of five years commencing from 1<sup>st</sup> August, 2019 except Mr. George Verghese have been appointed for the consecutive period of five years commencing from 9<sup>th</sup> August, 2016. All the Independent Directors have furnished declarations stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management. The terms and conditions for appointment of independent directors and a sample letter of appointment issued to them are posted on the Company's website: [www.batliboi.com](http://www.batliboi.com).

### Familiarization Program for Independent Directors:-

The Company familiarises its independent directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The Company

has also formulated a policy on Familiarisation Program for Independent Director which is published on the website of the Company and can be accessed through the website [www.batliboi.com](http://www.batliboi.com).

#### **Meeting of Independent Directors:-**

The meeting of Independent Directors was held on 12<sup>th</sup> February, 2020 inter-alia to,

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

Mr. Eknath Kshirsagar, Mr. Ameet Hariani, Mr. Subodh Bhargava, Mr. Vijay Kirloskar and Mr. George Verghese were present in the meeting.

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

## **4. COMMITTEES OF THE BOARD**

### **A. AUDIT COMMITTEE**

Audit Committee of the Company comprises of three Independent Directors. The Company Secretary of the Company acts as a Secretary to the Committee. The Composition of the Audit Committee and the details of meetings attended by the Committee members during the financial year ended 31<sup>st</sup> March, 2020 are given below:

Sr. No.	Name of the Member	Nature of membership	No. of Meetings during the financial Year 2019-2020	
			Held	Attended
1.	Mr. E. A. Kshirsagar	Chairman	4	4
2.	Mr. Subodh Bhargava	Member	4	4
3.	Mr. Ameet Hariani	Member	4	4

The Committee invites the Managing Director, Whole Time Director, Chief Financial officer Statutory Auditor and Internal Auditor to attend the meeting. The members of the Audit Committee are financially literate and have experience in financial management. During the year ended 31<sup>st</sup> March, 2020, four (4) Audit Committee meetings were held on 24<sup>th</sup> May, 2019, 31<sup>st</sup> July, 2019, 08<sup>th</sup> November, 2019 and 12<sup>th</sup> February, 2020. The Company Secretary acts as the Secretary to the Audit Committee.

The terms of reference of the Audit Committee includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial Information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. To carry out any other function as is mentioned in the terms of reference of the audit committee.

The Audit committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
  - (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (3) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
  - (4) Internal audit reports relating to internal control weaknesses; and
  - (5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - (6) Statement of deviations:
    - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision

## **B. 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.

The terms of reference of the Committee includes the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity In respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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

## Composition and meetings attended:

The Composition of the Committee and the number of meetings attended by the Committee members during the year ended 31<sup>st</sup> March, 2020 are given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the financial Year 2019-20	
			Held	Attended
1.	Mr. Ameet Hariani	Chairman	4	4
2.	Mr. Nirmal Bhogilal	Member	4	4
3.	Mr. Vivek Sharma	Member	4	4

During the year ended 31<sup>st</sup> March, 2020, Four (4) Stakeholders Relationship Committee meetings were held. The days on which the said meetings were held are as follows:

10<sup>th</sup> May, 2019, 22<sup>nd</sup> July, 2019, 18<sup>th</sup> October, 2019 and 30<sup>th</sup> January, 2020

Statement of various complaints received and resolved during the financial year 2019-20 is as follows:

Nature of Complaint	Opening balance as on April 01, 2019	Received during the year.	Resolved during the year	Closing Balance as on March 31, 2020
Non receipt of share certificates sent for Transfer, Demat, Deletion of name, Transmission, Transposition, Consolidation of folios & Share certificates / Non Receipt of Exchange certificates/dividend warrants	NIL	7	7	NIL

## Compliance Officer:

Mr. Ganpat Sawant, Company Secretary of the Company acts as the Compliance Officer of the Company.

## C. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of three Independent Directors.

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

Sr. No.	Name of the Member	Designation	No. of Meetings held during the financial Year 2019-20	
			Held	Attended
1.	Mr. E. A. Kshirsagar	Chairman	1	1
2.	Mr. Subodh Bhargava	Member	1	1
3.	Mr. Vijay R. Kirloskar	Member	0	0

During the year ended 31<sup>st</sup> March, 2020, One (1) Nomination and Remuneration Committee meetings were held on 24<sup>th</sup> May, 2019.

The broad terms of reference of the nomination and remuneration committee includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommending a policy to the Board, relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- Devise a policy on Board diversity.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
- Oversee familiarization programmes for directors.
- Grant of stock option to the eligible employees
- Administering the Employee Stock option Plan of the Company.
- Exercising the powers and performing the duties as prescribed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### **Nomination & Remuneration Policy**

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

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

The Main objective of the Nomination & Remuneration policy is:

- Determining qualifications, positive attributes required for appointment of Directors, Key Managerial Personnel and Senior Management and also the criteria for determining the independence of a Director;
- Appointment, tenure, removal/retirement of Directors, Key Managerial Personnel and Senior Management;
- Determining remuneration (fixed and performance linked) payable to the Directors, Key Managerial Personnel and Senior Management; and
- Evaluation of the performance of the Board and its constituents. The key principles governing this Remuneration Policy are, as follows:

### **Employees Stock Option Plan**

Pursuant to the resolution passed by the members at the Extra-Ordinary General Meeting held on 13<sup>th</sup> December, 2011, the Company had formulated 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 22,50,000 Options and 1,08,334 options lapsed which were added back to the option reserved under ESOP. Option to be vested in future as on 31<sup>st</sup> March, 2020 is 5,66,667. No shares have been allotted under ESOP in the Financial Year 2019-20.



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

Company only pays sitting fees to its Non-Executive Directors (NEDs). Sitting Fees for attending Board Meeting and various Committee Meetings of the Company:

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

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

## Pecuniary Relationship with the Non-Executive Directors:

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

Details of Remuneration and Sitting fees paid to the Directors during the financial year ended 31<sup>st</sup> March, 2020 are given below:-

(Figures in ₹)

Name of the Director	Salary including perquisite*	Benefits	Commission	Sitting Fees	Total	Service contract/ Notice \period/ Severance fees
Mr. Nirmal Bhogilal	3783704	541296	-	-	4325000	Five years contract and Notice Period Six months.
Mr. Vivek Sharma	12336000	2562000	-	-	15198000	Five years contract and Notice Period Six months.
Mr. Vijay Kirloskar	-	-	-	15000	15000	For a term of five consecutive years.
Mr. Eknath Kshirsagar	-	-	-	110000	110000	For a term of upto five consecutive years
Mr. Subodh Bhargava	-	-	-	110000	110000	For a term of upto five consecutive years.
Mr. Ameet Hariani	-	-	-	120000	120000	For a term of upto five consecutive years.
Mr. George Verghese	-	-	-	60,000	60,000	For a term of upto five consecutive years.
Mrs. Sheela Bhogilal	-	-	-	45,000	45,000	Liable to retire by rotation.

\* The perquisites include retirement benefits also.

## Performance Evaluation of the Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Board has carried out the annual performance evaluation of independent directors in the Board meeting held on 18<sup>th</sup> July, 2020. A structured questionnaire was prepared after taking inputs received from the Directors, covering various aspects of the Board's

functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance for the performance evaluation of Independent directors.

The Nomination and Remuneration Committee reviewed the results of the annual performance evaluation of Independent Directors in its Meeting held on 18<sup>th</sup> July, 2020 and expressed overall satisfaction on the performance of the Independent Directors, Non-Independent Directors, Chairman and the Board as a whole (including its Committees).

#### **D. EXECUTIVE COMMITTEE**

The Composition of the Committee and the number of meetings attended by the Committee members during the year ended 31<sup>st</sup> March, 2020 are given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the financial Year 2019 - 20	
			Held	Attended
1.	Mr. Nirmal Bhogilal	Chairman	14	14
2.	Mrs. Sheela Bhogilal	Member	14	13
3.	Mr. Vivek Sharma	Member	14	12
4.	Mr. K. K. Shah	Member	14	14

During the year ended 31<sup>st</sup> March, 2020, Fourteen (14) Executive Committee meetings were held. The days on which the said meetings were held are as follows:

01<sup>st</sup> April, 2019, 09<sup>th</sup> May, 2019, 24<sup>th</sup> May, 2019, 27<sup>th</sup> June, 2019, 11<sup>th</sup> July, 2019, 01<sup>st</sup> August, 2019, 31<sup>st</sup> August, 2019, 17<sup>th</sup> September, 2019, 03<sup>rd</sup> October, 2019, 05<sup>th</sup> November, 2019, 30<sup>th</sup> November, 2019, 03<sup>rd</sup> January, 2020, 11<sup>th</sup> February, 2020 & 07<sup>th</sup> March, 2020.

Terms of Reference of the Executive Committee:

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

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

**5. 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
2018-19	31 <sup>st</sup> July, 2019	Maharashtra Chamber of Commerce, Industry & Agriculture, Babasaheb Dahanukar Hall, Orion House, 6 <sup>th</sup> Floor, 12, K Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400001	3.00 P.M
2017-18	10 <sup>th</sup> August, 2018	Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchant Chamber, Churchgate, Mumbai-400020	3.00 P.M
2016-17	29 <sup>th</sup> June, 2017	Walchand Hirachand Hall, 4 <sup>th</sup> Floor, Indian Merchant Chamber, Churchgate, Mumbai-400020	11.00 A.M

- During the year under review, following Special Resolutions were passed:
  1. Special Resolution for Re-appointment of Mr. Ameet Hariani (DIN:00087866) as an Independent Director of the Company for a term w.e.f. 1<sup>st</sup> August, 2019 upto 31<sup>st</sup> July, 2024.
  2. Special Resolution for Re-appointment of Mr. Eknath Kshirsagar (DIN:00121824) as an Independent Director of the Company for a term w.e.f. 1<sup>st</sup> August, 2019 upto 31<sup>st</sup> July, 2024.
  3. Special Resolution for Re-appointment of Mr. Subodh Bhargava (DIN:00035672) as an Independent Director of the Company for a term w.e.f. 1<sup>st</sup> August, 2019 upto 31<sup>st</sup> July, 2024.
  4. Special Resolution for Re-appointment of Mr. Vijay Kirloskar (DIN:00031253) as an Independent Director of the Company for a term w.e.f. 1<sup>st</sup> August, 2019 upto 31<sup>st</sup> July, 2024.
- No Extraordinary General Meeting was held during the period under review.
- In the year 2018-19, following resolutions were passed by way of Postal Ballot:
  1. Special Resolution for continuation of Mr. E. A. Kshirsagar as Non-Executive, Independent Director of the Company aged 75 years and above, from 01<sup>st</sup> April, 2019 till the completion of his present term (i.e. up to 31<sup>st</sup> July, 2019).
  2. Special Resolution for continuation of Mr. Subodh Bhargava as Non-Executive, Independent Director of the Company aged 75 years and above, from 01<sup>st</sup> April, 2019 till the completion of his present term (i.e. upto 31<sup>st</sup> July, 2019).
  3. Special Resolution for continuation of Mr. Nirmal Bhogilal as Chairman & Whole Time Director upon attaining the age of 70 years on May 14, 2019.
  4. Special Resolution for revision in terms of Remuneration of Mr. Vivek Sharma, Managing Director of the Company.

## 6. MEANS OF COMMUNICATION:

The quarterly, half-yearly and annual results are uploaded on the stock exchange website and also on the website of the Company [www.batliboi.com](http://www.batliboi.com). The results are also published in newspaper as under:

Year Ended 31 <sup>st</sup> March 2020	The Free Press Journal and Navshakti
Quarter / Nine Months ended 31 <sup>st</sup> December, 2019	The Free Press Journal and Navshakti
Quarter / Half year ended 30 <sup>th</sup> September, 2019	The Free Press Journal and Navshakti
Quarter Months ended 30 <sup>th</sup> June, 2019	The Free Press Journal and Navshakti

Website of the Company;

The separate section of investor relation on the Company's website [www.batliboi.com](http://www.batliboi.com) has been provided, where information on quarterly, half yearly and yearly compliances are available. The Annual Report is also available on website of the Company.

## 7. GENERAL SHAREHOLDER INFORMATION:

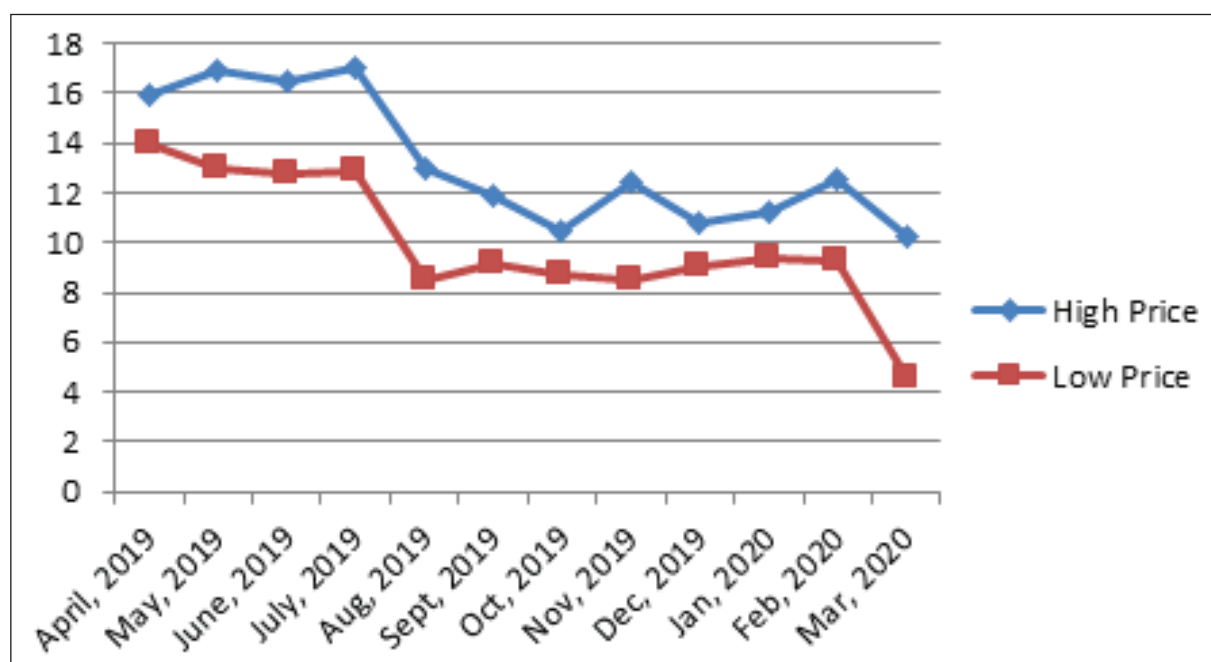
- |  |   |  |
|--|---|--|
| i) Annual General Meeting                                  | : | Date and Time: 03 <sup>rd</sup> September, 2020 at 03:00 p.m.<br>Though video conferencing   |
| ii) Financial Year   | : | 12 months ended 31 <sup>st</sup> March, 2020   |
| iii) Dividend Payment date                                 | : | N.A  |
| iv) Stock Exchange   | : | BSE Limited<br>P. J. Towers, Dalal Street, Mumbai - 400001.  |
| v) Stock Code  | : | 522004   |
| vi) Registered Office                                      | : | Bharat House, 5 <sup>th</sup> Floor, 104, Bombay<br>Samachar Marg, Fort, Mumbai –<br>400 001.  |
| vii) Date of Book Closure                                  | : | Friday, 28 <sup>th</sup> August, 2020 to Thursday, 03 <sup>rd</sup> September, 2020  |
| viii) Listing  | : | Company's Equity shares are listed on<br>BSE Ltd.P. J. Towers, Dalal Street, Mumbai - 400001.  |
|  | : | The Company has paid Annual Listing fees to BSE Limited and<br>Annual Custodian fees to National Securities<br>Depository Limited (NSDL) and Central Depository<br>Services (India) Limited CDSL for the Financial<br>Year ended 31 <sup>st</sup> March, 2020. |
| ix) Demat ISIN Number in NSDL / CDSL<br>for Equity Shares. | : | INE 177C01022  |
| x) Scores  | : | The Company is registered with SEBI  |

xi) Market Price Data : During the year ended 31<sup>st</sup> March, 2020, the highest market price and the lowest price for the Company's equity shares of face value of ₹ 5/- recorded on BSE Ltd. were as follows:

## Price Range

BSE Month	High Price	Low Price	Rate (₹)
April, 2019	15.9	14	
May, 2019	16.95	13	
June, 2019	16.45	12.75	
July, 2019	17	12.86	
Aug, 2019	12.99	8.5	
Sept, 2019	11.9	9.16	
Oct, 2019	10.5	8.75	
Nov, 2019	12.39	8.5	
Dec, 2019	10.75	9	
Jan, 2020	11.25	9.4	
Feb, 2020	12.5	9.28	
Mar, 2020	10.2	4.56	

## Monthly high low (BSE)



**xii) Distribution of Shareholding as on 31<sup>st</sup> March, 2020**

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% to total
	From	To				
1	1	1000	2014996	7.02	9944	91.99
2	1001	2000	614972	2.14	387	3.58
3	2001	4000	643791	2.24	221	2.04
4	4001	6000	513854	1.79	101	0.93
5	6001	8000	215313	0.75	31	0.29
6	8001	10000	306866	1.07	33	0.31
7	10001	20000	831314	2.90	56	0.52
8	20001	And above	23574777	82.10	37	0.34
	<b>TOTAL</b>	<b>28715883</b>	<b>100.00</b>	<b>10810</b>	<b>100.00</b>	

**xiii) Shareholding Pattern as on 31<sup>st</sup> March 2020 (Face Value ₹ 5/-)**

Category	No. of Shares	%
Promoter and Promoters Group	2,15,10,567	74.91
Financial Institution / Banks	879	0.00
Insurance Companies	600	0.00
Bodies Corporate	5,11,040	1.78
Foreign Investors(FIIs/NRIs/OCBs/Foreign Bank/ Foreign Corporate Bodies)	935671	3.26
Directors and their Relatives	0	0.00
Public	57,57,126	20.05
<b>Total</b>	<b>2,87,15,883</b>	<b>100.00</b>

- xiv) Registrar and Transfer Agents : Datamatics Business Solution Ltd.,  
Plot No. A/16 & 17, MIDC Part B, Cross Lane,  
Marol, Andheri (East)  
Mumbai 400093.  
Tel no: 66712151 to 56
- xv) Share Transfer System : Transfer of Shares held in Physical form is processed by Datamatics Business Solution Ltd and approved by the Managing Director or the Company Secretary pursuant to powers delegated by the Board of Directors.
- xvi) Dematerialization of Shares : The Shares of the Company have been put on Compulsory Demat. As on 31<sup>st</sup> March 2020, 1.82% shares are in physical form.
- xvii) Outstanding GDR/ ADR : NIL
- xviii) Commodity price risk or foreign exchange risk and hedging activities : NO

- xix) Plant Location : P. O. Fateh Nagar, Surat Navsari Road, Udhna 394 220.
- xx) Address for Correspondence : Bharat House, 5<sup>th</sup> Floor  
104, Mumbai Samachar Marg  
Fort, Mumbai - 400001.  
Email id:- investors@batliboi.com  
Telephone: 66378200 / 256  
Fax : +91 (22) 22675601  
Email id:- investors@batliboi.com  
Website:- www.batliboi.com

## 8. OTHER DISCLOSURES:

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

All the transactions entered during the financial year 2019-20 were in ordinary course of business and pricing was done on arms length basis.

The Audit Committee, during the financial year 2019-20 has approved the related party transaction along with granting omnibus approval in line with the related party policy approved.

The Audit Committee reviews on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval granted. 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 Transaction which is published on the website of the Company at [www.batliboi.com](http://www.batliboi.com).

There were no materially significant transactions with related parties during the year which were in conflict with the interest of the Company. Suitable disclosure has been made in the notes to the financial statements.

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

There were no strictures or penalties were imposed on the Company by the Stock Exchange or the board or any statutory authority, on any matter related to Capital Market.

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

With a view to maintain the high standards of transparency in Corporate Governance and in compliance with the Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Company has adopted Whistle blower policy and effective vigil mechanism system.

The Whistle blower mechanism enables 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. [www.batliboi.com](http://www.batliboi.com).

A Committee has been constituted which looks into the complaints raised and has not received any complaint for the financial year 2019-20. The Committee reports to Audit Committee and the Board.



**d. Subsidiary Companies**

The Company has 9 subsidiaries and two are operational subsidiaries, Quickmill. Inc, Canada and AESA Air Engineering SA, France.

Pursuant to the Regulation 24 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) the Company has adopted a policy for determining "material subsidiary" which is published on the website of the Company at [www.batliboi.com](http://www.batliboi.com).

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

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

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

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

**i. The Board**

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

**ii. Shareholder Rights**

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

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

The Auditors report is with unmodified opinion.

**iv. Separate posts of Chairman and Chief Executive Officer (CEO)**

The Company is having Executive Chairman Mr. Nirmal Bhogilal and Mr. Vivek Sharma as Managing Director.

**v. Reporting of Internal Auditor**

The Company has appointed M/s CNK & Associates LLP, Chartered accountant as internal Auditor of the Company report directly to the Audit Committee of the Company

**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 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](http://www.batliboi.com)**

- h. A certificate from a Company Secretary in practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- i. During the year, details of fees paid/payable to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part, by the Company and its subsidiaries, are given below:

(in Lakhs)

Particulars	By the Company*	By the Subsidiaries*	Total Amount
Audit Fees	78.17	-	78.17
Tax Matters	0.64	-	0.64
Certification	4.08	-	4.08
Reimbursement	1.41	-	1.41
Other Services	11.60	-	11.60
<b>Total</b>	<b>95.92</b>	<b>-</b>	<b>95.92</b>

\*The above fees are exclusive of applicable tax.

- j. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has complied with the applicable provisions of the aforesaid Act and the Rules framed thereunder, including constitution of the Internal Complaints Committee (ICC). The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at [www.batliboi.com](http://www.batliboi.com).

Status of complaints as on 31<sup>st</sup> March 2020:

1. Number of complaints filed during the financial year : NIL
2. Number of complaints disposed off during the financial year : NIL
3. Number of complaints pending at the end of the financial year : NIL

- k. **The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.**

## 9. PREVENTION OF INSIDER TRADING

The Securities and Exchange Board of India (SEBI) notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which came into effect from 01<sup>st</sup> April, 2019. Pursuant thereto, the Board of Directors of the Company has approved and adopted a new Code of Conduct for Prevention of Insider Trading which is posted on Company's website at [www.bataliboi.com](http://www.bataliboi.com).

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

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

**10. 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.

**11. 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.

**12. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

As required by Schedule V of the Listing Regulations, the Auditor certificate on corporate governance is attached to this report.

**13. 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 76 of SEBI (Depositories and Participants) Regulations, 2018 obtained from M/s. Jayshree Dagli and Associates, Practicing Company Secretaries, Mumbai is filed with BSE Limited within the time specified in the regulations and is also placed before the Board of Directors for their noting.

**14. CODE OF CONDUCT**

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company which is posted on the website of the Company. As per the requirement of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) the Board Members and Senior Management have affirmed compliance with the Code of Conduct.

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

**For and on behalf of the Board of Directors**

**VIVEK SHARMA**

**Managing Director  
(DIN: 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 31<sup>st</sup> March, 2020 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**  
**Date : 18.07.2020**

**For Batliboi Limited**

**Ketan Vyas**  
**Chief Financial Officer**

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members  
The Batliboi Limited.

### **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement with The Batliboi Limited. ('the Company').
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2020, as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (the 'Listing Regulations').

### **MANAGEMENTS' RESPONSIBILITY**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **AUDITOR'S RESPONSIBILITY**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **OPINION**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 (the 'Listing Regulations') subject to certain related party transactions entered into by the Company have been ratified by the Audit Committee instead of granting prior approval. However, subsequently those transactions have been ratified by the Board of the Directors at respective Board Meetings in accordance with provisions of the Companies Act, 2013. The management had assured to implement necessary system to ensure non-recurrence of such lapse in future.

9. We 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 **Mukund M. Chitale & Co**

Chartered Accountants

Firm Reg. No. 106655W

**A. V. Kamat**

Partner

M. No. - 039585

Place: Mumbai

Date: 18th July 2020

UDIN: 20039585AAAAFG3359

## INDEPENDENT AUDITOR'S REPORT

To the Members of Batliboi Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### 1. Opinion

We have audited the Standalone Ind AS financial statements of Batliboi Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the loss and total other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Standalone Ind AS financial statements.

#### 3. Emphasis of Matter

We draw attention to Note 37 of the standalone financial statement, as regards the management's assessment of the financial impact due to restrictions and conditions related to COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our Opinion is not modified in respect of this matter.

#### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Evaluation of Impairment of Investment made in Subsidiary –</p> <p>The Company has made investment in equity and preference shares of its wholly owned subsidiary Queen Project Mauritius Limited.</p> <p>It had impaired the investment in the subsidiary on the date of transition to Ind AS in view of the losses in its subsidiaries. The management has tested the impairment of its investment in subsidiaries as per Ind AS 109 -Financial Instruments as on 31<sup>st</sup> March 2020. Based on internal analysis and estimation of the projected cash flow. The Company has not made any further impairment to the carrying amount of the investment value as on 31<sup>st</sup> March 2020.</p>	<p>We have followed the following audit procedures to test the impairment of investment and checked the recognition, measurement and disclosure in respect of the same –</p> <ul style="list-style-type: none"> <li>a) Focused our testing on the impairment of investment in subsidiary and the key assumptions and estimates made by management.</li> <li>b) Audit procedures included an assessment of the controls over the impairment assessment process, evaluated the design of internal controls relating to the testing of impairment of assets and also tested the operating effectiveness of the aforesaid controls.</li> <li>c) Obtained understanding of management's estimation of recoverable amount of investment in subsidiary which have been determined by value in use.</li> <li>d) Verified and tested the future projected cash flow estimated by management to determine the value in use and recoverable amounts including assessment of the key cash flow assumptions based on historical performance and industry information.</li> <li>e) Assessed the appropriateness of the recognition, measurement and related disclosures of investment in Queens Projects Mauritius Limited.</li> </ul>
2)	<p>Physical Inventory verification at year end –</p> <p>During the year, the management of the Company has done physical verification of the inventory and as on 31<sup>st</sup> March 2020 the physical verification of inventory was carried out subsequent to year end due to restrictions and lockdown imposed amid outbreak of COVID -19.</p>	<p>We have followed the following audit procedures:</p> <ul style="list-style-type: none"> <li>a) We have performed alternative procedures which includes reviewing the reports of cyclical counts performed by the management during the year, roll forward procedures, checking the documentation with respect to purchase, consumption and sale of inventory if any, to audit the existence of Inventory as per the guidance provided in SA-501 – “Audit Evidence Specific Consideration for Selected Items” and have obtained sufficient audit evidence.</li> <li>b) During the year, the management of the Company had carried out physical verification of inventory and for inventory as on 31<sup>st</sup> March 2020 verification was carried out subsequent to the year end. We have relied on the physical verification reports shared by the management for all the locations where the physical verification was conducted subsequent to the year end.</li> <li>c) We have also performed analytical procedures for reasonableness of the value of stock at the year end.</li> </ul>



3)	<p><b>Evaluation of Contingent Liabilities –</b></p> <p>The Company has disclosed the contingent liability on account of sales tax, excise duty, TDS and claims not acknowledged as debts made in courts against the company relating to various business operations and human resource cases. The management has applied significant judgment to determine the possible outcome of these disputes and no provision relating to these liabilities has been taken in the financial statement as on 31<sup>st</sup> March 2020.</p> <p>Refer note 24 of the Standalone Ind AS Financial Statements for disclosure of Contingent Liabilities.</p>	<p>We have followed the following audit procedures:</p> <ul style="list-style-type: none"> <li>a) Evaluated the design and tested the operating effectiveness of the relevant controls, through combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls to assess how the Company monitors the disputed tax liabilities, court cases, related developments and their assessment of the potential impact on the Company.</li> <li>b) For uncertain disputed taxes and court cases, obtained details of tax assessments, appeal order, court status, court orders and demands from management.</li> <li>c) Evaluated the management's underlying assumptions of the validity and adequacy of provisions for uncertain disputed taxes, court cases and evaluating the basis of determination of the possible outcome of the disputes. Also considered legal precedence and other rulings and read, where applicable, external advice sought by the Company for these uncertain disputed taxes, court cases and reviewed related correspondence in evaluating management's position on these uncertain disputed taxes and court cases.</li> </ul>
----	--	---

## 5. Information other than the Standalone Ind AS financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Corporate Governance Report and Management Discussion and Analysis, but does not include the Standalone Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

## 6. Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **7. Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **8. Report on Other Legal and Regulatory Requirements**

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii) 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 of Standalone Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian 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 as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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 B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - 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 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 standalone Ind AS financial statements – Refer Note 24 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Mukund M. Chitale & Co**  
Chartered Accountant  
Firm Reg. No. 106655W

**A. V. Kamat**  
(Partner)

Place : Mumbai  
Date : 18<sup>th</sup> July 2020

M. No. – 039585  
UDIN - 20039585AAAAFD6762

### **Annexure A to the Independent Auditor's Report**

Annexure referred to in para 8(i) of the Independent Auditors' Report of even date to the members of Batliboi Limited on the Standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2020, we report that;

- i) a) As per information and explanations given to us, the Company has maintained proper Fixed Assets Register, including quantitative details and situation of fixed assets.
- b) As per information and explanations given to us the Fixed Assets have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and on the basis of explanations received no material discrepancies were noticed during the verification.
- c) According to the information and explanation given to us and the records of immovable properties of land and building verified by us, we report that title deed of immovable property are held in the name of Company.
- ii) As per information and explanations given to us, during the year the management of the Company has carried out physical verification of inventory. For inventory as on 31<sup>st</sup> March 2020 the management was unable to carry out physical verification of inventory on 31<sup>st</sup> March 2020 due to restrictions imposed amid outbreak of COVID -19. The management had carried out the physical verification of inventory as on 31<sup>st</sup> March 2020 subsequent to year end. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its business. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with.
- iii) According to the information and explanations given to us, the Company has not granted any loans or advances, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) (d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and 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) According to the records of the Company, during the year there have been delays on several occasions in depositing undisputed statutory dues such as provident fund, investor education and protection fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and other statutory dues applicable to the Company with the appropriate authorities for certain part of the year. There were no undisputed amounts payable which are outstanding as on 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.
- b) There are no dues of income tax, sales tax, service tax and duty of excise which have not been deposited on account of any dispute except the amount mentioned in the table given below :

Name of the Statute	Nature of Dues	Disputed Amount (In Lakhs)	Period to which it pertains	Forum where pending
Sales Tax Act of various states (Refer Note Below)	Sales Tax	65.23	F.Y. 1987 to F.Y. 2000	Sales Tax Appellate/ Revisiona Authority-up to Commissioner Level
	Sales Tax	53.08	-----"-----	Sales Tax Appellate Tribunal
Central Excise Act 1941 (Refer Note Below)	Excise Duty	2.47	F.Y 1995-97	Central Excise Appellate Tribunal
Income Tax Act 1961	TDS	115.36	Prior to F.Y. 2015-16 to F.Y. 2019-20	Reflecting on TDS CPC website
<b>Total Rs</b>		<b>236.14</b>		

Note - The Company has filed appeals against the respective order and has paid Rs. 40.40 Lakhs against the dispute.

- viii) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank.
- ix) The Company has not raised any money from public and also has not taken any term loan during the year.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company 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 Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) As the company is not a Nidhi company clause 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act and details of such transactions have been disclosed in the standalone Ind AS financial statements 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.
- xv) According to the records of the Company examined by us and information and explanations given to us, the company has not entered into non cash transactions with the directors or persons connected with them.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Mukund M. Chitale & Co**  
Chartered Accountant  
Firm Reg. No. 106655W

**A. V. Kamat**  
(Partner)

Place : Mumbai  
Date : 18<sup>th</sup> July 2020

M. No. – 039585  
UDIN - 20039585AAAAFD6762

## **Annexure B to the Independent Auditor's Report**

Annexure referred to in para 8(ii)(f) to the Independent Auditor's Report of even date to the members of Batliboi Limited on the Standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2020.

### **Report on the Internal Financial Control 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 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 31<sup>st</sup> March , 2020, 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 **Mukund M. Chitale & Co**  
Chartered Accountant  
Firm Reg. No. 106655W

**A. V. Kamat**  
(Partner)

Place : Mumbai  
Date : 18<sup>th</sup> July 2020

M. No. – 039585  
UDIN - 20039585AAAAFD6762



**This Page is Intentionally Left Blank**

## BALANCE SHEET AS AT 31ST MARCH, 2020

		(₹ In Lakhs)	
Particulars	Notes	As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	5	18,838.13	19,083.03
(b) Capital work-in-progress	5	9.47	9.07
(c) Right of use assets	6	116.40	-
(d) Other Intangible assets	5	7.17	7.28
(e) Intangible Assets under development	5	12.97	-
(f) Financial Assets			
i. Investments	7	598.04	611.96
ii. Trade receivables	8.1	212.13	200.36
iii. Loans	8.2	1.44	3.13
(g) Other non-current assets	8.3	110.01	106.26
<b>Total Non current Assets</b>		<b>19,905.76</b>	<b>20,021.09</b>
<b>2 Current assets</b>			
(a) Inventories	9.1	1,904.58	2,247.70
(b) Financial Assets			
i. Trade receivables	9.2	1,069.39	1,096.99
ii. Cash and cash equivalents	9.3	41.57	16.94
iii. Bank balances other than (ii) above	9.4	91.99	87.28
iv. Loans	10.1	7.96	8.30
v. Others	10.2	376.19	217.29
(c) Current Tax Assets (Net)	10.3	50.04	77.02
<b>Total current Assets</b>		<b>3,541.72</b>	<b>3,751.52</b>
<b>3 Non Current Asset Held for Sale</b>	11	1,779.39	1,779.39
<b>Total Assets</b>		<b>25,226.87</b>	<b>25,552.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	12.1	1,435.79	1,435.79
(b) Other Equity	12.2	10,893.01	11,640.06
<b>Total Equity</b>		<b>12,328.80</b>	<b>13,075.85</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	13.1	3,351.91	2,620.14
ii. Lease Liability	34	83.18	-
iii. Trade payables			
Total outstanding dues of micro enterprises and small enterprises (	13.2	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	13.2	480.81	534.66
iv. Other financial liabilities	13.3	182.88	230.82
(b) Provisions	13.4	436.62	386.77
(c) Deferred tax liabilities (Net)	14	1,183.08	1,416.91
<b>Total Non-current liabilities</b>		<b>5,718.48</b>	<b>5,189.30</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	15.1	2,752.66	3,318.88
ii. Lease Liability	34	47.44	-
iii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	15.2	34.58	86.03
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	1,768.92	2,064.47
(b) Other current liabilities	15.3	2,516.77	1,715.35
(c) Provisions	15.4	59.22	102.12
<b>Total Current liabilities</b>		<b>7,179.59</b>	<b>7,286.85</b>
<b>Total Equity and Liabilities</b>		<b>25,226.87</b>	<b>25,552.00</b>

The Notes on Accounts form integral part of Financial Statements 1 to 38

As per our report of even date

For **Mukund M. Chitale & CO.**  
Chartered Accountants  
Firm Reg. No : 106655W

**A.V. Kamat**  
(Partner)  
M. No. 039585

Place : Mumbai  
Date : 18<sup>th</sup> July, 2020

For and On Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman  
DIN No. 00173168

**VIVEK SHARMA**  
Managing Director  
DIN No. 01541498

**KETAN VYAS**  
Chief Financial Officer

**GANPAT SAWANT**  
Company Secretary



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ In Lakhs)			
Particulars	Notes	Year ended 31-03-2020	Year ended 31-03-2019
<b>INCOME</b>			
I Revenue From Operations	16	10,930.18	11,641.85
II Other Income	17	495.10	446.14
<b>III Total Income (I+II)</b>		<b>11,425.28</b>	<b>12,087.99</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	18.1	4,183.93	5,104.45
Purchases of Stock-in-Trade	18.2	1,710.94	1,674.74
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	18.3	171.64	(224.45)
Employee benefits expense	19	2,584.75	2,413.50
Finance costs	20	731.28	561.28
Depreciation and amortization expense	5 & 6	346.49	300.05
Other expenses	21	2,680.08	2,979.66
<b>Total expenses (IV)</b>		<b>12,409.11</b>	<b>12,809.23</b>
<b>V Profit(loss) before exceptional items and tax (III-IV)</b>		<b>(983.83)</b>	<b>(721.24)</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit(loss) before tax (V-VI)</b>		<b>(983.83)</b>	<b>(721.24)</b>
<b>VIII Tax expense:</b>			
(1) Current tax		-	-
(2) Earlier year tax		0.46	0.15
(3) Deferred tax credit / (charge)	14	230.87	1,431.52
<b>IX Profit (Loss) for the year</b>		<b>(752.50)</b>	<b>710.43</b>
<b>X Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		(11.39)	(38.33)
(ii) Income tax relating to items that will not be reclassified to profit or loss	14	2.96	9.97
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XI Total Comprehensive Income for the year (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		<b>(760.93)</b>	<b>682.07</b>
<b>XII Earnings per equity share:</b>	28		
(1) Basic		(2.62)	2.47
(2) Diluted		(2.62)	2.47

The Notes on Accounts form integral part of Financial Statements 1 to 38

As per our report of even date

For **Mukund M. Chitale & CO.**  
Chartered Accountants  
Firm Reg. No : 106655W

**A.V. Kamat**  
(Partner)  
M. No. 039585

Place : Mumbai  
Date : 18<sup>th</sup> July, 2020

For and On Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman  
DIN No. 00173168

**VIVEK SHARMA**  
Managing Director  
DIN No. 01541498

**KETAN VYAS**  
Chief Financial Officer

**GANPAT SAWANT**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**
**A) Equity Share Capital**

(₹ In Lakhs)

Particulars	Note	Amounts
<b>As at 1<sup>st</sup> April 2018</b>		<b>1,435.79</b>
Changes in Equity Share capital during the year		-
<b>As at 31<sup>st</sup> March 2019</b>		<b>1,435.79</b>
Changes in Equity Share capital during the year		-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>12.1</b>	<b>1,435.79</b>

**B) Other Equity**

(₹ In Lakhs)

Particulars	Reserves and Surplus								Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Option Reserve	Investment Allowance Reserve	Other Comprehensive Income	Retained Earnings	
<b>As at 1<sup>st</sup> April 2018</b>	<b>25.00</b>	<b>160.60</b>	<b>396.59</b>	<b>1,162.92</b>	<b>36.61</b>	<b>63.05</b>	<b>(20.70)</b>	<b>9,120.54</b>	<b>10,944.61</b>
Profit / (Loss) for the year	-	-	-	-	-	-	-	710.43	710.43
Accrual of Employee Compensation cost	-	-	-	-	13.38	-	-	-	13.38
Total Comprehensive Income for the year	-	-	-	-	-	-	(28.36)	-	(28.36)
<b>As at 31<sup>st</sup> March 2019</b>	<b>25.00</b>	<b>160.60</b>	<b>396.59</b>	<b>1,162.92</b>	<b>49.99</b>	<b>63.05</b>	<b>(49.06)</b>	<b>9,830.97</b>	<b>11,640.06</b>
Profit / (Loss) for the year	-	-	-	-	-	-	-	(752.50)	(752.50)
Accrual of Employee Compensation cost	-	-	-	-	13.88	-	-	-	13.88
Total Comprehensive Income for the year	-	-	-	-	-	-	(8.43)	-	(8.43)
<b>As at 31<sup>st</sup> March 2020</b>	<b>25.00</b>	<b>160.60</b>	<b>396.59</b>	<b>1,162.92</b>	<b>63.87</b>	<b>63.05</b>	<b>(57.49)</b>	<b>9,078.47</b>	<b>10,893.01</b>

The Notes on Accounts form integral part of Financial Statements 1 to 38

As per our report of even date

For and On Behalf of the Board of Directors

 For **Mukund M. Chitale & CO.**  
 Chartered Accountants  
 Firm Reg. No : 106655W

**NIRMAL BHOGILAL**  
 Chairman  
 DIN No. 00173168

**KETAN VYAS**  
 Chief Financial Officer

**A.V. Kamat**  
 (Partner)  
 M. No. 039585

**VIVEK SHARMA**  
 Managing Director  
 DIN No. 01541498

**GANPAT SAWANT**  
 Company Secretary

 Place: Mumbai  
 Date : 18<sup>th</sup> July, 2020

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	(₹ In Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit / (Loss) Before Tax and Exceptional Items</b>	<b>(983.83)</b>	<b>(721.24)</b>
<b>Add Back:</b>		
a) Depreciation	346.49	300.05
b) Interest Expense	616.86	490.86
c) Interest on Lease Liability	18.67	-
d) Loss on Sale/Disposal of Assets	4.66	6.71
e) Bad Debts	38.86	57.24
f) Provision for Doubtful Debts/Advances	42.89	29.94
g) Gratuity and Leave Encashment Provision	71.78	69.82
h) Foreign Exchange Loss	-	16.05
i) Employee Stock Option Reserve	13.88	13.38
	1,154.09	984.05
<b>Deduct:</b>		
a) Income from Investments /(Dividend)	0.60	0.60
b) Interest Income	6.61	25.46
c) Unclaimed Credit Balances Appropriated	208.16	268.81
d) Profit on Sale/ Disposal of Assets	3.50	2.61
e) Foreign Exchange Gains	0.75	-
	219.62	297.48
<b>Operating Profit Before Working Capital Changes</b>	<b>(49.36)</b>	<b>(34.67)</b>
<b>Add/ Deduct :</b>		
a) Decrease/ (Increase) in Inventories	343.12	(493.48)
b) Decrease/ (Increase) in Trade Receivables and Advances	(63.15)	249.04
c) Decrease/ (Increase) in Other Current Assets	(148.73)	(6.54)
d) Increase/ (Decrease) in Trade and Other Payables	74.22	362.60
	205.46	111.62
	<b>156.10</b>	<b>76.95</b>
Income Taxes Paid / (Refund)	(27.45)	15.39
<b>Net Cash Inflow / (Outflow) from Operations (A)</b>	<b>183.55</b>	<b>61.56</b>
<b>II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>		
a) Interest Income	6.61	7.99
b) Proceeds from Sale of Fixed Assets	8.30	4.08
c) Investment in Foreign Subsidiary	-	(22.42)
d) Acquisition of Fixed Assets	(60.96)	(81.46)
e) Decrease/ (Increase) in Bank Deposits	(4.71)	-
f) Income from Investments /(Dividend)	0.60	0.60
	(50.16)	(91.21)
<b>Net Cash Inflow / (Outflow) in Course of Investing Activities (B)</b>	<b>(50.16)</b>	<b>(91.21)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	(₹ In Lakhs)	
	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>		
a) Proceeds from/ (Repayment of) in Long Term Borrowings	1,198.09	(4.23)
b) Proceeds from/ (Repayment of) in Short Term Borrowings	(566.22)	507.50
c) Payment of Lease Liability (including interest on lease liability)	(67.80)	-
d) Interest Paid	(672.83)	(475.47)
	(108.76)	27.80
<b>Net Cash Inflow / (Outflow) in Course of Financing Activities (C)</b>	<b>(108.76)</b>	<b>27.80</b>
<b>Net Increase / (Decrease) in Cash / Cash Equivalents (A+B+C)</b>	<b>24.63</b>	<b>(1.85)</b>
Add: Cash/Cash Equivalents at the beginning of the year	16.94	18.79
Cash/ Cash Equivalents at the end of the year	<b>41.57</b>	<b>16.94</b>
<b>Consists of:</b>		
Cash in Hand	10.78	12.47
Bank Balance	30.79	4.47
<b>Closing Cash at the end of the year</b>	<b>41.57</b>	<b>16.94</b>

**Note - 1**

As required by Ind AS 7 "Statement of Cash Flows", reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 36 of the financial statements.

The Notes on Accounts form integral part of Financial Statements 1 to 38

As per our report of even date

For and On Behalf of the Board of Directors

For **Mukund M. Chitale & CO.**  
Chartered Accountants  
Firm Reg. No : 106655W

**NIRMAL BHOGILAL**  
Chairman  
DIN No. 00173168

**KETAN VYAS**  
Chief Financial Officer

**A.V. Kamat**  
(Partner)  
M. No. 039585

**VIVEK SHARMA**  
Managing Director  
DIN No. 01541498

**GANPAT SAWANT**  
Company Secretary

Place: Mumbai  
Date : 18<sup>th</sup> July, 2020

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **Note No. 1**

#### **Company Overview**

Batliboi Limited is engaged in manufacture and trading of machine tool and textile engineering machines. The Registered Office of the Company is situated in Mumbai. Its shares are listed on Bombay Stock Exchange (BSE).

### **Note No. 2**

#### **Basis for preparation and measurement:**

##### **i. Basis of preparation:**

The Standalone Financial Statements are prepared in accordance with and in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015 and the other relevant provisions of the Act and Rules thereunder.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **ii. Basis of measurement:**

The standalone financial statements have been prepared on accrual basis and in accordance with historical cost convention basis, except for certain financial assets and financial liabilities which have been measured at fair value in accordance with Ind AS. All assets and liabilities are classified into current and non-current generally based on the nature of product/activities of the Company and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

##### **iii. Presentation of Standalone Financial Statements:**

The Balance Sheet, Statement of Profit and Loss, Statement of Changes in equity and Cash Flow Statement are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the standalone financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **iv. Functional and presentation Currency:**

The Company's presentation and functional currency is Indian Rupees (₹) and all values are rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

### **Note No. 3**

#### **Use of Judgement, Assumptions and Estimates**

The preparation of the Company's standalone financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the standalone financial statements and notes

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Changes in accounting estimates are reflected in the standalone financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the standalone financial statements.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the standalone financial statements relate to the following areas:

- Financial instruments;
- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets;
- Leases;
- Assets Held for sale; and
- Provisions and Contingencies.

### **Note No. 4.1**

#### **SIGNIFICANT ACCOUNTING POLICIES:**

##### **A. Property, plant & equipment**

- a) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- b) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.
- d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- e) Where the cost of a part of asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.
- f) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- g) Spare parts which meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit and Loss on issue/consumption.
- h) When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly. All other repair and maintenance cost are recognised in the Statement of Profit and Loss as and when incurred.
- i) Property, Plant and Equipment which are not ready for intended use as on date of Balance Sheet are disclosed as 'Capital Work in Progress'.
- j) On transition to Ind AS Land, Building and Plant and Machinery has been measured at fair value as deemed cost as per the option available to the Company in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standard.

**B. Depreciation****a) i) For Manufacturing unit at Udhna and Windmill:**

Depreciation on property, plant and equipment is provided on the straight line basis over the useful lives of assets (after retaining the residual value of up to 10% for factory building, plant and machinery and 5% for other assets). The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act except in case of Factory Building. In case of Factory Building depreciation is provided over their remaining useful life as on the date of transition to Ind AS.

**ii) For all other units:**

Depreciation on tangible assets is provided on Written Down Value Method over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. Intangibles assets are amortised on Straight Line Method over a period of 3 years.

- b) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the period in which the estimates are revised.
- c) The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately.
- d) The spare parts are depreciated over the estimated useful life based on internal technical assessment.
- e) Expenditure on major repairs and overhauls which qualify for recognition in the item of Property, Plant and Equipment and which result in additional useful life, is depreciated over the extended useful life of the asset as determined by technical evaluation.
- f) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### C. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.

### D. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location, including appropriate overheads apportioned on a reasonable and consistent basis and is determined on the following basis:

- a) Raw materials and finished goods on weighted average basis.
- b) Work in progress at raw material cost plus cost of conversion and other cost including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- c) Stores and loose tools on weighted average basis.

Obsolete, slow moving, surplus and defective stocks are identified and where necessary, provision is made for such stocks.

### E. Revenue Recognition

#### Revenue from contracts with customers:

Revenue from contract with customers is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

goods or services. Performance obligations are satisfied at the point of time when the customer obtains the controls of the goods.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract. Revenue excludes taxes collected from customers.

### **Service Income:**

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

### **Revenue from Works Contract:**

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. Expected loss, if any, on the contract is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

### **Interest Income:**

Interest income is recognized using Effective Interest Rate (EIR) method.

### **Dividend Income:**

Revenue is recognized when the Company's right to receive the payment has been established.

## **F. Employee Benefits**

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

The Company's post-employment benefit consists of provident fund, gratuity and superannuation fund. The Company also provides for leave encashment which is in the nature of long term benefit.

Company's contributions to Provident Fund administered by Regional Provident Fund Authorities and ESIC and Labour Welfare Fund in the case of employees at manufacturing unit at Udhna, which are defined contribution plans, are recognized as an expense in the Statement of Profit and Loss for the year in which the services are rendered and the Company has no further obligation beyond making the contributions.

The Company's contribution to the Provident Fund for employees other than working at manufacturing unit at Udhna, which is a defined contribution plan, is remitted to separate trust established for this purpose and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets of the Provident Fund Trust, based on the Government specified minimum rate of return, is made good by the Company and charged to Statement of Profit and Loss. The Company's contribution to Superannuation Fund for Managers/Officers, which is a defined contribution plan, is made to and administered by Life Insurance Corporation of India and is charged to Profit and Loss Account.

The Company operates defined benefit plan for Gratuity. The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year.

Obligations on leave encashment are provided using the projected unit credit method of actuarial valuation made at the end of the year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Actuarial gains and losses are recognized in other comprehensive income for gratuity and leave encashment.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

### G. Share-based payment arrangements

The stock options granted pursuant to the company's Stock Options Scheme, are measured at the fair value of the options of the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis.

The amount recognized as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognized as expense in respect of such grant is transferred to the employee stock option reserve within equity.

### H. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets till the month in which the asset is ready for use.

All other borrowing costs are charged to the Statement of Profit and Loss.

### I. Segment Accounting

The Company operates in 'Industrial Equipment' segment and there are no other reportable segments as defined under Ind AS 108.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### J. Foreign Currency Transactions

#### Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items including exchange differences arising on a monetary item that forms part of the company's net investment in a foreign operation, are recognised in Statement of Profit and Loss.

#### Non – Monetary items:

Non-monetary items that are measured in terms of historical cost are recorded at the exchange rates at the dates of the initial transactions.

### K. Provisions, Contingent Liabilities and Contingent assets

- a) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The expenses relating to a provision are recognized in the Statement of Profit and Loss net of any reimbursement.
- b) If the effect of time value of money is material, provisions are shown at present value of expenditure expected to be required to settle the obligation, by discounting using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent liabilities are possible obligations arising from past events and whose existence will only be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the standalone financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- d) Contingent Assets are not recognized but reviewed at each balance sheet date and disclosure is made in the notes in respect of possible effects that arise from past events and whose existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and where inflow of economic benefit is probable.

### L. Fair Value measurement

- a) The Company measures financial instruments at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- c) While measuring the fair value of an asset or liability, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices).

**Level 3:** Inputs that are not based on observable market data (unobservable inputs).

### M. Financial Instruments

#### i. Financial Assets other than derivatives

All financial assets are recognised initially at fair values including transaction costs that are attributable to the acquisition of the financial asset.

A financial asset is measured (subsequent measurement) at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is net of any write down for impairment loss (if any) using the Effective Interest Rate (EIR) method taking into account any discount or premium and fees or costs that are an integral part of the EIR.

Investments in subsidiaries are accounted for and measured at cost (fair value as deemed cost on first time adoption) in standalone financial statements.

Investments in equity other than subsidiaries are accounted for and measured at fair value through profit or loss.

A financial asset is derecognised either partly or fully to the extent the rights to receive cash flows from the asset have expired and / or the control on the asset has been transferred to a third party. On de-recognition, any gains or losses are recognised in the Statement of Profit and Loss.

#### ii. Financial Liabilities other than derivatives

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### iii. Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation. Where guarantees in relation to loans or other payables of subsidiary and related party are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

### iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## N. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current if they are expected to be realised / settled within twelve months after the reporting period. All other assets and liabilities are considered as non-current.

## O. Impairment

### Non-financial Assets

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company recognises lifetime expected losses for all contract assets and /or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 – month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset had increased significantly since initial recognition.

## P. Non Current Asset Held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the non-current assets no longer meets the "Held for sale" criteria.

### Q. Taxes on Income

#### Current Tax

Income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Minimum Alternate Tax ('MAT') paid under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

#### Deferred tax

Deferred tax (both assets and liabilities) is calculated using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The amount of deferred tax assets is reviewed at each reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

### R. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, adjusted for the effect of all dilutive potential equity shares.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****S. Cash and Cash equivalents**

Cash and cash equivalents include cash at bank, cash, cheques and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**Note No. 4.2****Recent Changes in Indian Accounting Standard and other recent accounting pronouncements**

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1<sup>st</sup> April 2020.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 5 - PROPERTY PLANT AND EQUIPMENT

PARTICULARS *	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION				NET BLOCK As At 31-03-2020
	As At 01-04-2019	Additions/ Sales	Deductions/ Sales	As At 31-03-2020	As At 01-04-2019	For The Year	Deductions/ Adjustment	As At 31-03-2020
<b>(i) Tangible Assets</b>								
Land (Freehold)	16,056.75	-	-	16,056.75	-	-	-	16,056.75
Buildings on Freehold Land	2,163.73	-	-	2,163.73	374.30	128.79	-	1,660.64
Plant & Machinery	1,465.95	29.16	106.02	1,389.09	374.47	111.89	96.54	999.27
Furniture, Fixtures, fans and Electrical fittings	93.41	2.98	-	96.39	32.13	12.90	-	51.36
Office Equipment/ Computers etc.	100.05	12.51	-	112.56	56.94	16.64	-	38.98
Vehicles	50.13	-	-	50.13	9.15	9.85	-	31.13
<b>Total Tangible Assets</b>	<b>19,930.02</b>	<b>44.65</b>	<b>106.02</b>	<b>19,868.65</b>	<b>846.99</b>	<b>280.07</b>	<b>96.54</b>	<b>18,838.13</b>
<b>(ii) Capital WIP</b>								
Capital Work in Progress	9.07	0.40	-	9.47	-	-	-	9.47
<b>Total Capital WIP</b>	<b>9.07</b>	<b>0.40</b>	<b>-</b>	<b>9.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.47</b>
<b>(iii) Intangible Assets</b>								
Software	8.68	2.96	-	11.64	1.40	3.07	-	7.17
<b>Total Intangible Assets</b>	<b>8.68</b>	<b>2.96</b>	<b>-</b>	<b>11.64</b>	<b>1.40</b>	<b>3.07</b>	<b>-</b>	<b>7.17</b>
<b>(iv) Intangible Assets under development</b>								
Intangible Assets under development	-	12.97	-	12.97	-	-	-	12.97
<b>Total Intangible Assets under development</b>	<b>-</b>	<b>12.97</b>	<b>-</b>	<b>12.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.97</b>
<b>TOTAL</b>	<b>19,947.77</b>	<b>60.98</b>	<b>106.02</b>	<b>19,902.73</b>	<b>848.39</b>	<b>283.14</b>	<b>96.54</b>	<b>18,867.74</b>

\* Refer Note 22 for details of Property, Plant and Equipments that has been pledged as a security/mortgaged with various Banks against working capital borrowings.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As at 31<sup>st</sup> March, 2019

### NOTE : 5 PROPERTY PLANT AND EQUIPMENT

PARTICULARS *	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION			NET BLOCK As At 31-03-2019
	As At 01-04-2018	Additions/ -	Deductions/ Sales	As At 31-03-2019	As At 01-04-2018	For The Year	As At 31-03-2019
<b>(i) Tangible Assets</b>							
Land (Freehold) #	17,682.45	-	1,625.70	16,056.75	-	-	16,056.75
Buildings on Freehold Land #	2,379.09	-	215.36	2,163.73	296.52	140.46	1,789.43
Plant & Machinery	1,446.64	34.70	15.39	1,465.95	268.30	120.81	1,091.48
Furniture, Fixtures, fans and Electrical fittings	103.89	1.25	11.73	93.41	27.59	15.66	61.28
Office Equipment/ Computers etc.	122.60	12.21	34.76	100.05	68.52	15.84	43.11
Vehicles	34.42	23.91	8.20	50.13	10.68	5.88	40.98
<b>Total Tangible Assets</b>	<b>21,769.09</b>	<b>72.07</b>	<b>1,911.14</b>	<b>19,930.02</b>	<b>671.61</b>	<b>298.65</b>	<b>19,083.03</b>
<b>(ii) Capital WIP</b>							
Capital Work in Progress	8.04	2.03	1.00	9.07	-	-	9.07
<b>Total Capital WIP</b>	<b>8.04</b>	<b>2.03</b>	<b>1.00</b>	<b>9.07</b>	<b>-</b>	<b>-</b>	<b>9.07</b>
<b>(iii) Intangible Assets</b>							
Software	-	8.68	-	8.68	-	1.40	7.28
<b>Total Intangible Assets</b>	<b>-</b>	<b>8.68</b>	<b>-</b>	<b>8.68</b>	<b>-</b>	<b>1.40</b>	<b>7.28</b>
<b>TOTAL</b>	<b>21,777.13</b>	<b>82.78</b>	<b>1,912.14</b>	<b>19,947.77</b>	<b>671.61</b>	<b>300.05</b>	<b>19,099.38</b>

\* Refer Note 22 for details of Property, Plant and Equipments that has been pledged as a security/mortgaged with various Banks against working capital borrowings.

# During F.Y. 2018-19 the Company decided to sell a part of Land and Building out of the total factory land and building located in Surat. The amounts of gross block, accumulated depreciation and net block pertaining to the same had been shown as deduction from Property, Plant and Equipment and shown as Non Current Asset held for sale (Refer Note 11).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 6 - RIGHT-OF-USE ASSET**

(₹ In Lakhs)

PARTICULARS	GROSS CARRYING AMOUNT					DEPRECIATION				NET CARRYING VALUE
	As At 01-04-2019	Adjustment on adoption of Ind AS - 116 - Leases	Additions	Deductions	As At 31-03-2020	As At 01-04-2019	For The Year	Deductions	As At 31-03-2020	As At 31-03-2020
Right-of-use asset	-	108.30	71.45	-	179.75	-	63.35	-	63.35	116.40
<b>Total Tangible Assets</b>	-	<b>108.30</b>	<b>71.45</b>	-	<b>179.75</b>	-	<b>63.35</b>	-	<b>63.35</b>	<b>116.40</b>

(₹ In Lakhs)

Particulars	Numbers 31-Mar-20	Numbers 31-Mar-19	Face Value (Each ₹)	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 7 : INVESTMENTS</b>					
<b>Investment in Equity Instruments Measured at Cost :</b>					
<b><u>In fully paid Shares of Wholly Owned Subsidiary Company (Un-Quoted):</u></b>					
<b>Queen Project Mauritius Ltd.</b>					
Ordinary shares of MUR 10 per share	32,088	32,088		-	-
In fully paid Equity Shares (Un-Quoted):					
Batliboi Environmental Engineering Ltd.	19,08,930	19,08,930	10.00	-	-
<b>Investment in Preference Instruments Measure at Fair Value through Profit and Loss:</b>					
<b><u>In fully paid Shares of Wholly Owned Subsidiary Company (Un-Quoted):</u></b>					
<b>Queen Project Mauritius Ltd.</b>					
Redeemable Non-Cumulative Preference Shares of MUR 10 per share	1,61,41,654	1,61,41,654		592.77	606.69
<b><u>In fully paid Equity Shares (Un-Quoted):</u></b>					
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	-	-
Shamrao Vitthal Co.op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
<b>SUB-TOTAL</b>				<b>5.27</b>	<b>5.27</b>
<b>TOTAL</b>				<b>598.04</b>	<b>611.96</b>
<b>GRAND TOTAL</b>				<b>598.04</b>	<b>611.96</b>
<b>Aggregate value of Un-Quoted Investments</b>				<b>598.04</b>	<b>611.96</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 8.1 : TRADE RECEIVABLES - NON CURRENT</b>		
Considered Good - Secured	-	-
Considered Good - Unsecured*	212.13	200.36
Considered Credit Impaired	227.76	184.87
Less: Provision for Trade Receivables Credit Impaired	(227.76) 0.00	(184.87) 0.00
	<b>212.13</b>	<b>200.36</b>
* Includes amount of ₹112.37 (Previous Year ₹ 85.45 Lakhs) due from related parties.		
<b>NOTE 8.2 : LOAN - NON CURRENT</b>		
Considered Good - Secured	-	-
Considered Good - Unsecured		
- Staff Loan	1.44	3.13
	<b>1.44</b>	<b>3.13</b>
<b>NOTE 8.3 : OTHER NON CURRENT ASSETS</b>		
Unsecured Considered Good Unless Specified Otherwise		
Security and Other Deposits	102.51	95.28
Advance given to creditors	7.50	10.98
	<b>110.01</b>	<b>106.26</b>

(₹ In Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Note 9.1 : INVENTORIES</b>		
Raw Materials	913.50	1,075.12
Work-in-Progress	765.36	936.94
Finished Goods	164.19	164.25
Stores and Spare Parts	26.59	38.97
Loose Tools	34.94	32.42
	<b>1,904.58</b>	<b>2,247.70</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Note 9.2 : TRADE RECEIVABLES - CURRENT</b>		
Considered Good - Secured	-	-
Considered Good - Unsecured *	1,069.39	1,096.99
	<b>1,069.39</b>	<b>1,096.99</b>
* Includes amount of ₹ 371.26 Lakhs (Previous Year ₹ 107.31 Lakhs) due from related parties.		
<b>Note 9.3 : CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents :		
Cash and Cheques on hand	10.78	12.47
Balances with Scheduled Banks :		
In Current Account	30.79	4.47
	<b>41.57</b>	<b>16.94</b>
<b>Note 9.4 : BANK BALANCES OTHER THAN (ii) ABOVE</b>		
Fixed Deposits with Banks having maturity of less than one Year	71.35	69.83
Fixed Deposits towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks)	20.64	17.45
	<b>91.99</b>	<b>87.28</b>

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 10.1 : LOANS - CURRENT</b>		
Considered Good - Secured	-	-
Considered Good - Unsecured		
- Staff Loan	7.96	8.30
	<b>7.96</b>	<b>8.30</b>
<b>NOTE 10.2 : OTHERS - CURRENT</b>		
Balances with Government Authorities	46.94	62.87
Deposit	22.97	22.64
Prepaid Expenses	15.47	29.23
Advances given to Creditors	158.30	41.36
Other Advances Recoverable in Cash or Kind *	132.51	61.19
	<b>376.19</b>	<b>217.29</b>
* Includes amount of ₹ Nil (Previous Year ₹ 31.49 Lakhs) due from related parties.		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 10.3 : CURRENT TAX ASSETS (NET)</b>		
Taxes Paid in Advance and Deducted at Source (Net of Provision for Tax)	50.04	77.02
	<b>50.04</b>	<b>77.02</b>
<b>NOTE 11 : NON CURRENT ASSET HELD FOR SALE</b>		
Land	1,625.70	1,625.70
Building	152.69	152.69
Capital Work in Progress	1.00	1.00
	<b>1,779.39</b>	<b>1,779.39</b>

During the year ended 31<sup>st</sup> March 2019, in March 2019 the Company had decided to sell a part of Land, Building and Capital work in progress amounting to ₹ 1,779.39 Lakhs out of the total factory land and building located in Surat. The part of Land and Building was classified and presented as “held for sale” and was carried at the lower of carrying value and fair value. In the current year, the Company had initiated identification and evaluation of potential buyers for the sale of the said part of Land and Building.

During the year ended 31<sup>st</sup> March 2020, on remeasurement, the Company has evaluated the current position and has concluded that the carrying value of the “asset held for sale” is lower than the fair value of the asset, hence no impairment to the carrying amount has been made. The Company expects the sale of the “asset held for sale” to be completed by the end of the next financial year.

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Note 12.1 - EQUITY SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
4,61,70,400 Equity Shares of ₹ 5/- each	2,308.52	2,308.52
(Previous Year : 4,61,70,400 Equity Shares of ₹ 5/- each)		
<b>TOTAL</b>	<b>2,308.52</b>	<b>2,308.52</b>
<b>Issued Subscribed and fully paid up</b>		
2,87,15,883 Equity Shares of ₹ 5/-	1,435.79	1,435.79
(Previous Year : 2,87,15,883 Equity Shares of ₹ 5/-)		
	<b>1,435.79</b>	<b>1,435.79</b>

**Rights, preferences and restrictions**

The Company has only one class of equity shares having a face value of ₹ 5/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**Equity Shares**

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

Particulars	As At 31-Mar-20	As At 31-Mar-19
Opening Number of Equity Shares	2,87,15,883	2,87,15,883
Add: Equity Shares issued during the year	-	-
<b>Closing Number of Equity Shares</b>	<b>2,87,15,883</b>	<b>2,87,15,883</b>

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

Name of Share holder	As At 31-Mar-20 No. of Shares	As At 31-Mar-19 No. of Shares
Mr.Nirmal Bhogilal	1,17,29,713	1,17,29,713
% Shareholding	40.85%	40.85%
Bhogilal Family Trust	70,00,000	70,00,000
% Shareholding	24.38%	24.38%

(₹ In Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Note 12.2 : OTHER EQUITY</b>		
a) Capital Reserve	25.00	25.00
b) Capital Redemption Reserve	160.60	160.60
c) Securities Premium	396.59	396.59
d) General Reserve	1,162.92	1,162.92
e) Employee Stock Option Reserve		
Balance as at the beginning of the year	49.99	36.61
Add : Accrual of Employee Compensation cost	13.88	13.38
Balance as at the end of the year	63.87	49.99
f) Investment Allowance Reserve	63.05	63.05
g) Retained Earnings		
Balance as at the beginning of the year	9,830.97	9,120.54
Add : Profit/(Loss) for the year	(752.50)	710.43
Balance as at the end of the year	9,078.47	9,830.97
h) Other Comprehensive Income		
Balance as at the beginning of the year	(49.06)	(20.70)
Add : Remeasurement gain /(loss) on defined benefit plan	(8.43)	(28.36)
Balance as at the end of the year	(57.49)	(49.06)
<b>Total</b>	<b>10,893.01</b>	<b>11,640.06</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 13.1 : BORROWINGS - NON CURRENT</b>		
Secured Term Loans		
From Financial Institutions		
Rupee Term Loans from bank		
Vehicle Loan (Secured by Hypothecation of Vehicle)		
From Tata Motors Finance Limited	8.05	12.07
Less: Maturity within 1 year - (Refer Note 15.3)	(4.43)	(4.01)
Repayable in various EMI by December 2021		
From Kotak Mahindra Prime Ltd.	6.77	8.98
Less: Maturity within 1 year (Refer Note 15.3)	(1.46)	(2.93)
Repayable in various EMI by March 2024		
Unsecured Loans, Measured at Amortised Cost		
Loans & Advances from Related Parties		
Loan from Directors	1,850.88	1,862.80
Repayment terms		
Repayable after one year		
Other Loans	73.08	73.08
Repayment terms		
Repayable after one year		
Inter Corporate Deposits * #	1,210.00	-
(Repayable by from 25 <sup>th</sup> July 2021 to 1 <sup>st</sup> April 2024. Rate of Interest 15% and 15.5%)		
5% - 5 Year Redeemable Non-Cumulative Preference		
Share of ₹ 100/- each fully paid.	676.39	670.15
Less: Maturity within 1 year (Refer Note 15.3)	(467.37)	-
(6,92,480, 5% Non Cumulative Preference Shares of ₹ 100 each (4,78,000 Redeemable on 27 <sup>th</sup> March, 2021 and 2,14,480 redeemable on 19 <sup>th</sup> June 2021.)		
	<b>3,351.91</b>	<b>2,620.14</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

**Mr.Nirmal Bhogilal**

Particulars	As at 31-Mar-20	As at 31-Mar-19
Opening Number of Preference Shares	6,92,480	6,92,480
Add: Transferred during the year	-	-
Closing Number of Preference Shares	6,92,480	6,92,480

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

Particulars	As at 31-Mar-20	As at 31-Mar-19
Mr. Nirmal Bhogilal	6,92,480	6,92,480
% Shareholding	100%	100%

\* includes amount taken from related party amount of ₹ 30.00 lakhs @ 15% interest - repayable by 25<sup>th</sup> July 2021, (P.Y. amount ₹ Nil Lakhs).

# Includes Inter Corporate Deposit of ₹ 1,100 Lakhs (P.Y. ₹ Nil Lakhs) taken from Auro Minerals Private Limited for meeting working capital requirement. The Company intends to provide Guest House Land which is Asset Held for Sale situated in Udhna, Surat as collateral against the inter corporate deposit received as security for repayment subject to shareholders approval hence currently the borrowing has been disclosed as unsecured borrowing.

(₹ In Lakhs)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 13.2 : TRADE PAYABLES - NON CURRENT</b>		
Due to Micro Small and Medium Enterprises (Refer Note 22)	-	-
Others *	480.81	534.66
	<b>480.81</b>	<b>534.66</b>
* Includes amount of ₹ 42.50 (Previous Year - ₹ 27.92 Lakhs) due to related parties.		
<b>NOTE 13.3 : OTHER FINANCIAL LIABILITIES - NON CURRENT</b>		
Advances and Deposits from Customers	112.88	104.86
Interest accrued and due on loans*	70.00	125.96
	<b>182.88</b>	<b>230.82</b>
* Includes amount of ₹ 70.00 Lakhs (Previous Year - ₹ 118.16 Lakhs) due to related parties.		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ In Lakhs)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 13.4 : PROVISIONS - NON CURRENT</b>		
Provisions for Employee Benefits:		
Provision for Gratuity	314.32	294.04
Provision for Leave Encashment	122.30	92.73
	<b>436.62</b>	<b>386.77</b>

### Note No: 14

#### DEFERRED TAX LIABILITIES (NET)

In Compliance of IND AS 12 on "Income Taxes", the item wise details of deferred tax liabilities (Net) are as under

(₹ in Lakhs)				
Particulars	Opening Balance	Recognised in Profit and Loss Credit/ (Charge)	Recognised in Other Com- prehensive Income Cred- it/(Charge)	Closing Balance
<b>For the year ended 31<sup>st</sup> March 2020</b>				
<b>Deferred tax liabilities</b>				
Difference between accounting and tax depreciation off Property, Plant & Equipment	(3,323.96)	87.00	-	(3,236.96)
- On account of fair Value of Land ₹ 32.94 Lakhs (Refer Note - (a) below)				
- On account of other depreciable Property, Plant and Equipment ₹ 54.06 Lakhs				
<b>Total deferred tax liabilities</b>	<b>(3,323.96)</b>	<b>87.00</b>	<b>-</b>	<b>(3,236.96)</b>
<b>Deferred tax assets</b>				
Expenses allowed on payment basis	41.06	7.48	8.32	56.86
Provision for Investments	683.40	-	-	683.40
Provision for Doubtful debts, doubtful advances and inventory obsolescence	48.07	11.15	-	59.22
Provision for Capital WIP	73.14	-	-	73.14
Unabsorbed Depreciation	151.79	61.09	-	212.88
Unabsorbed Business Loss	779.27	64.15	(5.36)	838.06
<b>Total deferred tax assets</b>	<b>1,776.73</b>	<b>143.87</b>	<b>2.96</b>	<b>1,923.56</b>
Minimum Alternate tax	130.32	-	-	130.32
<b>Deferred Tax Liabilities (NET)</b>	<b>(1,416.91)</b>	<b>230.87</b>	<b>2.96</b>	<b>(1,183.08)</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in Lakhs)				
Particulars	Opening Balance	Recognised in Profit and Loss Credit/(Charge)	Recognised in Other Comprehensive Income Credit/(Charge)	Closing Balance
<b>For the year ended 31<sup>st</sup> March 2019</b>				
<b>Deferred tax liabilities</b>				
Difference between accounting and tax depreciation off Property, Plant & Equipment	(4,443.83)	1,119.87	-	(3,323.96)
- On account of fair Value of Land ₹ 1014.15 Lakhs (Refer Note - (a) below)				
- On account of other depreciable Property, Plant and Equipment ₹ 105.72 Lakhs				
<b>Total deferred tax liabilities</b>	<b>(4,443.83)</b>	<b>1,119.87</b>	<b>-</b>	<b>(3,323.96)</b>
<b>Deferred tax assets</b>				
Expenses allowed on payment basis	36.54	(2.73)	7.25	41.06
Provision for Investments	683.40	-	-	683.40
Provision for Doubtful debts, doubtful advances and inventory obsolescence	36.94	11.13	-	48.07
Provision for Capital WIP	73.14	-	-	73.14
Unabsorbed Depreciation	130.85	20.94	-	151.79
Unabsorbed Business Loss	494.24	282.31	2.72	779.27
<b>Total deferred tax assets</b>	<b>1,455.11</b>	<b>311.65</b>	<b>9.97</b>	<b>1,776.73</b>
Minimum Alternate tax	130.32	-	-	130.32
<b>Deferred Tax Liabilities (NET)</b>	<b>(2,858.40)</b>	<b>1,431.52</b>	<b>9.97</b>	<b>(1,416.91)</b>

**Note :**

- a) The Company had exercised the option of fair value as deemed cost for Property, Plant and Equipment on the date of transition to Ind-AS i.e; 1<sup>st</sup> April 2016. Ind AS required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its Tax Base. Accordingly deferred tax liability on account of fair valuing of Land was calculated in previous year.

Under Section 55(2)(b)(i) of Income Tax Act 1961, "fair market value of capital assets means where the capital asset became the property of the assessee before the 1<sup>st</sup> day of April, 2001, the cost of acquisition of the asset to the assessee or the fair market value of the asset on the 1<sup>st</sup> day of April, 2001, shall be considered at the option of the assessee."

Accordingly deferred tax liability on account of fair value of Land is calculated and reviewed at each reporting date as required by Ind AS - 12 'Income Taxes' for changes in respect of temporary differences which have been recognised in previous periods. In F.Y. 2018-19, the Company has opted to choose the fair market value of the land as on 01.04.2001 as its cost of acquisition in accordance with Section 55(2)(b)(i) of Income Tax Act 1961. This has resulted in creation of deferred tax credit during the year of ₹ 32.94 Lakhs (P.Y. ₹ 1,014.15 Lakhs) which is part of deferred tax credit of ₹ 230.87 Lakhs (P.Y. ₹ 1,431.52 Lakhs) for the year ended 31<sup>st</sup> March 2020.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- b) Deferred tax Asset on unabsorbed depreciation, unabsorbed business losses and other temporary differences available as per the Income Tax Act, 1961 had been recognised, since it is probable that taxable profit will be available to adjust them in future years. Unabsorbed depreciation can be carried forward and set off against the profits for infinite number of years under the Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set off in future.
- c) The Taxation Laws (Amendment) Act, 2019 was enacted on 11th December 2019. It amended the Income Tax Act, 1961 and the Finance Act (No. 2) Act, 2019. It provides domestic companies with an option to opt for lower tax rate, provided they do not claim certain deductions. The Company has not exercised the option to opt for lower tax rate and has presently considered the rate existing prior to the amendment. The Company shall evaluate the option to opt for lower tax rate once it utilises the entire carried forward losses and MAT credit available under the Income Tax Act.

Reconciliation of effective tax rate as a numerical reconciliation between tax expense and the product of account profit multiplied by the applicable tax rate

	<b>(₹ in Lakhs)</b>	
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Profit / (Loss) before tax	(983.83)	(721.24)
Applicable tax rate	26.00%	26.00%
Tax using the applicable tax rate	(255.80)	(187.52)
Tax effect of:		
Add: Non deductible tax expenses	721.77	429.73
Less: Deductible tax expenses	455.25	195.36
Less: Taxed at different rates	0.60	0.6
Taxable Income	(717.91)	(487.48)
Tax expense recognised in the statement of profit and loss	-	-
Weighted average Tax rate	0.00%	0.00%

The tax rate of 26% is applicable to the next financial year.

Tax expense recognised in the statement of profit and loss / Other comprehensive Income (OCI) are as below:

	<b>(₹ in Lakhs)</b>	
<b>Particular</b>	<b>2019-20</b>	<b>2018-19</b>
Current Tax Expense	-	-
Deferred tax expense/ ( Asset) relating to		
- Origination and reversal of temporary differences	200.89	426.98
- Different tax rates	32.94	1,014.51
<b>Total</b>	<b>233.83</b>	<b>1,441.49</b>
Tax expenses including deferred tax credit/ (charge) recognised in the statement of profit and loss	230.87	1,431.52
Deferred tax liability/ ( asset) relating to remeasurement of the defined benefit plan recognised in OCI	2.96	9.97

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 15.1 : BORROWINGS - CURRENT</b>		
<b>SECURED</b>		
Loans repayable on demand		
From Banks		
Cash Credit and Working Capital Borrowings (Refer Note - 22)	1,668.32	1,794.75
<b>UNSECURED</b>		
Inter Corporate Deposits*	1,084.34	1,524.13
	<b>2,752.66</b>	<b>3,318.88</b>
* includes amount taken from related party amount of ₹ 813.86 lakhs @ 15% interest - repayable within 90 days, (P.Y. amount ₹ 619.06 Lakhs @ 17.25% interest - repayable within 90 days).		
<b>NOTE 15.2 : TRADE PAYABLES - CURRENT</b>		
Due to Micro Small and Medium Enterprises (Refer Note 23) *	34.58	86.03
Others #	1,768.92	2,064.47
	<b>1,803.50</b>	<b>2,150.50</b>
* Includes amount of ₹ 32.76 (Previous Year - ₹ 48.10 Lakhs) due to related parties		
# Includes amount of ₹ 30.98 Lakhs (Previous Year - ₹ 148.30 Lakhs) due to related parties.		
<b>NOTE 15.3 : OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Loan - Secured and Unsecured (Refer Note 13.1)	473.26	6.94
Advances and Deposits # from Customers	1,321.63	965.56
Statutory Liabilities	120.36	140.70
Employee Related Liabilities *	376.38	387.11
Other Liabilities	225.14	215.04
	<b>2,516.77</b>	<b>1,715.35</b>
# Includes amount of ₹ 297.46 Lakhs (Previous Year - ₹ 207.09 Lakhs) advance received from related parties.		
* Includes amount of ₹ 93.25 Lakhs (Previous Year - ₹ 94.99 Lakhs) due to related parties.		
<b>NOTE 15.4 : PROVISIONS - CURRENT</b>		
Provisions for Employee Benefits:		
Provision for Gratuity	22.37	44.65
Provision for Leave Encashment	9.43	25.05
Warranty Provisions (Note 32)	27.42	32.42
	<b>59.22</b>	<b>102.12</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ In Lakhs)		
Particulars	Year ended 31-03-2020	Year ended 31-03-2019
<b><u>NOTE 16: REVENUE FROM OPERATIONS</u></b>		
Sale of Products	9,087.14	9,810.67
Sale of Services	1,631.30	1,659.71
Other Operating Revenue	211.74	171.47
	<b>10,930.18</b>	<b>11,641.85</b>
<b><u>NOTE 17 : OTHER INCOME</u></b>		
Dividend	0.60	0.60
Exchange Difference Gains	0.75	-
Profit on Sale of Fixed Assets	3.50	2.61
Credit Balances Written Back (net)*	208.16	268.81
Interest Income		
- on fixed deposits	6.61	4.70
- on financials instruments measured at amortised cost (Net)	5.67	17.47
- Others	106.03	3.29
Other Income	163.78	148.66
	<b>495.10</b>	<b>446.14</b>
* Includes amount of ₹ 91.15 lakhs (P.Y. ₹ Nil Lakhs) amount payable to related party written back.		

(₹ In Lakhs)		
Particulars	Year ended 31-03-2020	Year ended 31-03-2019
<b><u>NOTE 18.1 : COST OF MATERIALS CONSUMED</u></b>		
Raw Materials Consumed	3,947.84	4,834.97
Cost of Services Rendered	52.31	48.27
Job Work Charges Incurred	183.78	221.21
	<b>4,183.93</b>	<b>5,104.45</b>
<b><u>NOTE 18.2 : PURCHASE OF STOCK IN TRADE</u></b>		
Purchases of Stock in Trade	1,710.94	1,674.74
	<b>1,710.94</b>	<b>1,674.74</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ In Lakhs)			
Particulars	Year ended 31-03-2020		Year ended 31-03-2019
<b>NOTE 18.3: CHANGE IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>			
Stock at Close :			
Work-in-Process	765.36		936.94
Finished Goods	164.19		164.25
	<b>929.55</b>		<b>1,101.19</b>
Less :			
Stock at Commencement :			
Work-in-Process	936.94		766.28
Finished Goods	164.25		110.46
	<b>1,101.19</b>	<b>171.64</b>	<b>876.74</b>
			<b>(224.45)</b>
<b>NOTE 19 : EMPLOYEE BENEFIT EXPENSES</b>			
Salaries, Wages, Allowances and Bonus	2,165.95		1,997.76
Contribution to Provident and Other Funds	123.92		111.46
Expenses on Employee Stock Option Scheme (ESOP)	13.88		13.38
Provision for Gratuity & Leave Encashment	71.78		69.82
Staff Welfare Expenses	209.22		221.08
	<b>2,584.75</b>		<b>2,413.50</b>

(₹ In Lakhs)		
Particulars	Year ended 31-03-2020	Year ended 31-03-2019
<b>NOTE 20 : FINANCE COST</b>		
Interest Expenses	616.86	490.86
Interest on Lease Liability	18.67	-
Bank Charges	95.75	70.42
	<b>731.28</b>	<b>561.28</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>(₹ In Lakhs)</b>	
	<b>Year ended 31-03-2020</b>	<b>Year ended 31-03-2019</b>
<b>NOTE 21 : OTHER EXPENSES</b>		
Rent	16.64	82.71
Rates and Taxes	234.32	273.37
Power and Fuel	155.58	154.14
Insurance	15.48	13.64
Sales Commission	131.26	107.92
Exhibitions/ Advertisement Expenses	109.01	92.43
Printing and Stationery	15.95	19.29
Travelling and Conveyance	289.43	285.10
Audit, Legal and Professional Charges	252.14	239.55
Vehicle Maintenance	80.17	79.96
Packing and Cartage	224.28	267.24
Stores & Loose Tools Consumed	163.15	212.62
Repairs to Machinery	54.49	78.79
Repairs to Buildings	36.22	22.53
Repairs to Other Assets	23.85	15.31
Jobwork Charges	456.95	587.88
Directors' Sitting Fees	4.60	5.30
Loss on Sale / Assets Written Off	4.66	6.71
Bad Debts	38.86	57.24
Provision for Doubtful Debts/Advances (net)	42.89	29.71
Exchange Difference Loss	-	16.27
Miscellaneous Expenses	330.15	331.95
	<b>2,680.08</b>	<b>2,979.66</b>

**Note No 22:**

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, books 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 Udhna, Surat. Credit facilities including sub limits extended by consortium banks to Batliboi Environmental Engineering Limited (BEEL) are secured by 2<sup>nd</sup> pari passu charge on the fixed assets of the company (both present and future) at Udhna Surat.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**Note No 23:**

Disclosure required under section 22 of the Micro, small and medium enterprises development Act, 2006:

Sr. No.	Particulars	(₹ In Lakhs)	
		As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
1	Principal amount due and remaining unpaid – Current	34.58	86.03
2	Interest due on above and the unpaid interest	10.02	4.79
3	Interest Paid	-	-
4	Payment made beyond the appointed day during the year	109.51	123.78
5	Interest due and payable for the period of delay *	5.69	11.80
6	Interest accrued and remaining unpaid	10.02	4.79
7	Amount of further interest remaining due and payable in succeeding years	10.02	4.79

\* Not claimed by Suppliers

**NOTE 24 - CONTINGENT LIABILITIES AND COMMITMENTS:**

a) Contingent Liabilities (to the extent not provided for)

Particulars	(₹in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>A. CONTINGENT LIABILITIES NOT PROVIDED FOR:</b>		
Disputed Sales Tax/Excise Demands *	120.78	120.78
* The Company has filed appeals against the respective orders and has paid ₹ 40.40 Lakhs against the dispute.		
Disputed Service Tax Demand	-	8.40
TDS Demand (Prior to F.Y. 2015-16 till F.Y. 2019-20)	115.36	116.14
<b>B. CLAIMS NOT ACKNOWLEDGED AS DEBTS:</b>	<b>193.21</b>	<b>200.71</b>
<b>C. GUARANTEES GIVEN:</b>		
Corporate Guarantee given to banks and financial institutions for credit facilities/performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party.	3,481.94	2,770.82
Guarantees given by the company's bankers on behalf of Batliboi Environmental Engineering Limited (BEEL) utilized out of the total corporate guarantee mentioned above.	978.80	927.68
Guarantees given on behalf of the company by its bankers.	388.17	543.12

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	(₹in Lakhs)	
	As at 31.03.2020	As at 31.03.2019
<b>D STANDBY LETTER OF CREDIT</b>		
Standby Letter of credit of CAD 8,40,000 (P.Y. CAD 15,20,000) issued by the Company's banker out of the working capital limit to the banker of Quickmill Inc, a step down subsidiary of the company.	446.92	786.44

- The company does not expect any reimbursement in respect of the above contingent liabilities.
- It is not practicable to estimate the timing of cash outflows, if any, in respect of matters as specified above in note 24.a, above pending resolution of the appellate proceedings.
- In respect of guarantees as specified in note 24.c given by the Company to the bankers of BEEL, one of the related party, BEEL has given counter guarantees to the bank on behalf of the Company.

**b) Commitments:**

- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is ₹12.03 Lakhs (31<sup>st</sup> March 2019: ₹ Nil).

**NOTE 25- RELATED PARTY DISCLOSURES AS PER IND AS 24:**
**A) List of Related Parties \*:**

List of related parties where control exists and related parties with whom transactions have taken place and relationship:

**i) Subsidiary Companies:**

- Queen Projects (Mauritius) Ltd – Mauritius.
- Vanderma Holdings Ltd – Cyprus <sup>1</sup>
- Pilatus View Holdings AG- Switzerland <sup>1</sup> \*
- Quickmill Inc.- Canada <sup>1</sup>
- Aesa Air Engineering SA- France <sup>1</sup>
- Aesa Air Engineering PTE Ltd – Singapore <sup>1</sup>
- Aesa Air Engineering Ltd – China <sup>1</sup>
- Aesa Air Engineering Pvt Ltd India <sup>1</sup>
- 760 Rye Street Inc., Canada <sup>1</sup>

<sup>1</sup> These are step down subsidiaries

\* Upto 20<sup>th</sup> March 2020- the subsidiary got deregistered on 7<sup>th</sup> May 2020.

**ii) Key Management Personnel and their relatives:**

- Mr. Nirmal Bhogilal, Chairman
- Mr. Vivek Sharma, Managing Director
- Mrs. Sheela Bhogilal, Director
- Mr. Ketan Vyas, Chief Financial Officer
- Mr. Kabir Bhogilal, Chief X Officer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- f) Mrs. Maya Bhogilal
- g) Ms Sarika Singh, Company Secretary ( upto 10/08/2018)
- h) Mr. Ganpat Sawant, Company Secretary (w.e.f 08/02/2019)

### iii) Independent / Non Executive Directors

- a) Mr. Ameet Hariani
- b) Mr. Eknath.Kshirsagar
- c) Mr. George Verghese
- d) Mr. Subodh Bhargava
- e) Mr. Vijay Kirloskar

### iv) Enterprises 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 Renewable Energy Solutions Pvt Ltd (formerly known as 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 Investment Pvt Ltd
- k) Pramaya Shares and securities Pvt Ltd
- l) Bhogilal Trustship Pvt Ltd
- j) Hariani & Co

### v) Entities in which management personnel are trustees:

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

\*Related party relationships on the basis of the requirements of Indian Accounting Standard (Ind AS) – 24 disclosed above is as identified by the company and relied upon by the auditors.

## B) Transactions & Outstanding Balances:

(₹ In Lakhs)

Sr. No.	Particulars	Subsidiary Companies		Entities in which Key Management Personnel or their relatives have significant influence		Key Management Personnel & their Relatives	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
I)	Transactions						
a)	Purchase of goods/ material/ services	57.14	7.77	501.04	667.16	3.85	0.65
b)	Sale of goods/ materials/ services/ recovery of expenses	74.04	248.66	842.69	1024.70	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ In Lakhs)

Sr. No.	Particulars	Subsidiary Companies		Entities in which Key Management Personnel or their relatives have significant influence		Key Management Personnel & their Relatives	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
c)	Rent/License fee received(paid)	-	-	14.57	1.90	(11.40)	(11.40)
d)	Interest Paid(Received)	-	-	115.12	83.18	8.04	8.04
e)	Loans and Advance Received/ (Refunded)(Net)	-	-	2,619.75	2391.50	70.00	-
f)	Loans and Advances in cash or kind Given /(refunded) (Net)	-	-	(2,407.75)	(1766.75)	(70.00)	-
g)	Remuneration	-	-	-	-	280.38	276.51
h)	Balances Written-off/ (Written-back)	(79.20)	-	(11.95)	-	-	-
i)	Investment in Preference Shares	-	25.72	-	-	-	-
j)	Director Sitting Fees	-	-	-	-	4.60	5.30
<b>II)</b>	<b>Outstanding Balances as at</b>						
a)	Loans Received	-	-	916.94	692.14	1,850.88	1862.80
b)	Receivable (for goods, services and other items) -						
	i) Trade Receivables	150.30	117.40	333.33	75.36	-	-
	ii) Advances Recoverable in Cash or Kind	-	-	-	31.49	-	-
c)	Payables (for goods, services and other items)						
	i) Interest accrued and due on loans	-	-	-	55.40	70.00	62.76
	ii) Employee Related Liabilities	-	-	-	-	93.25	94.99
	iii) Trade Payables	8.56	100.76	75.22	108.98	22.46	14.58
d)	Advance Received	-	-	297.46	207.09	-	-
e)	Outstanding investment in preference shares	592.77	606.69	-	-	-	-
f)	Outstanding Guarantee	446.92	786.44	4,460.74	3,698.50	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**C) Disclosure of material transactions between the company and related parties and the status of outstanding balances as on 31<sup>st</sup> March 2020:**

(₹ In Lakhs)				
Particulars	Enterprise / Key Management	Relationship	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Purchase of Goods/ materials/ services/ / payment of expenses	Batliboi Environmental engineering Ltd	Entities in which key management personnel and/or their relatives have significant influence	304.37	405.39
	Batliboi International Ltd		24.87	20.72
	Batliboi Impex Ltd		111.07	167.61
	Batliboi Renewable Energy Solutions Pvt Ltd		2.18	-
	Spartan Electricals		40.50	73.44
	Hitco Investments Pvt Ltd		18.05	-
	Hariani & Co	Key Managerial Person	3.85	0.65
	Aesa Air Engineering SA France	Subsidiary	-	1.37
	Aesa Air Engineering Pvt Ltd		57.14	6.40
Sale of goods/ materials/ services /recovery of expenses	Batliboi Environmental engineering Ltd	Entities in which key management personnel and/or their relatives have significant influence	554.86	402.62
	Batliboi International Ltd		269.97	604.80
	Batliboi Renewable Energy Solutions Pvt Ltd		16.49	16.59
	Spartan Electricals		1.22	0.54
	Batliboi Impex Ltd		0.15	0.15
	Aesa Air Engineering Pvt Ltd	Subsidiary	0.02	185.01
	Quickmill Inc.		45.68	34.62
	AESA Air Engineering S.A., France		28.34	29.03
Rent/License fees received/(paid)	Batliboi Environmental engineering Ltd	Entities in which key management personnel and/or their relatives have significant influence	-	15.96
	Batliboi Renewable Energy Solutions Pvt Ltd		(0.73)	(1.42)
	Spartan Electricals		(2.44)	(1.24)
	Nirmal Bhogilal (Guest House)	Chairman	(5.40)	(5.40)
	Shekhama Family Trust	Trusts in which management personnel are trustees	(6.00)	(6.00)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ In Lakhs)

Particulars	Enterprise / Key Management	Relationship	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Interest Paid/ (Received)	Batliboi International Ltd	Entities in which key management personnel and/or their relatives have significant influence	8.77	8.77
	Hitco Investments Pvt Ltd		106.35	74.41
	Sheela Bhogilal	Key Managerial Person	8.04	8.04
Loans and advances in cash or kind received	Batliboi Renewable Energy Solutions Pvt Ltd	Entities in which key management personnel and/or their relatives have significant influence	100.00	100.00
	Hitco Investments Pvt Ltd		2519.75	2291.50
	Nirmal Bhogilal	Key Managerial Person	70.00	-
Loans and advances in cash or kind repaid	Batliboi Renewable Energy Solutions Pvt Ltd	Entities in which key management personnel and/or their relatives have significant influence	100.00	100.00
	Hitco Investments Pvt Ltd		2307.75	1666.75
	Nirmal Bhogilal	Key Managerial Person	70.00	-
Balances Written-back	Sustime Pharma Ltd	Entities in which key management personnel and/or their relatives have significant influence	(11.95)	-
	Quickmill Inc.	Subsidiary	(79.20)	-
Remuneration paid to Key Management Personnel and their Relatives	Nirmal Bhogilal	Chairman	41.75	41.86
	Kabir Bhogilal	Chief X Officer	39.90	40.24
	Vivek Sharma	Managing Director	146.22	149.54
	Sarika Singh	Company Secretary	-	2.83
	Ketan Vyas	Chief Financial Officer	44.92	40.78
	Ganpat Sawant	Company Secretary	7.59	1.26
Director Sitting Fees	Mrs. Sheela Bhogilal	Director	0.45	0.45
	Mr. Ameet Hariani	Independent / Non Executive Director	1.20	1.35
	Mr. Eknath Kshirsagar	Independent / Non Executive Director	1.10	1.05
	Mr. George Verghese	Independent / Non Executive Director	0.60	0.60
	Mr. Subodh Bhargava	Independent / Non Executive Director	1.10	1.20
	Mr. Vijay Kirloskar	Independent / Non Executive Director	0.15	0.65
Investment in preference shares	Queen Project (Mauritius) limited	Subsidiary	-	25.72

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**Outstanding balances as at 31<sup>st</sup> March 2020**

		(₹ In Lakhs)	
Sr. No.	Particulars	2019-20	2018-19
<b>Outstanding Loans and Advances Received</b>			
<b>A)</b>	<b>Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi International Ltd	73.08	73.08
ii)	Hitco Investments Pvt Ltd	843.86	619.06
<b>B)</b>	<b>Key Management Personnel and their relatives</b>		
i)	Nirmal Bhogilal	1783.88	1795.80
ii)	Sheela Bhogilal	67.00	67.00
<b>Outstanding Receivable for goods, services and other items</b>			
<b>A)</b>	<b>Subsidiary Companies / Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi Environmental Engineering Ltd	189.40	13.57
ii)	Batliboi International Ltd	142.28	76.70
iii)	Batliboi Impex Ltd	1.24	4.18
iv)	Batliboi Renewable Energy Solutions Pvt Ltd	-	12.40
v)	Spartan Electricals	0.41	-
vi)	Aesa Air Engineering SA France	150.30	117.40
<b>Outstanding Payables for goods, services and other items</b>			
<b>A)</b>	<b>Subsidiary Companies / Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi Environmental Engineering Ltd	-	20.20
ii)	Batliboi International Ltd	-	55.40
iii)	Batliboi Impex Ltd	0.76	-
iv)	Batliboi Renewable Energy Solutions Pvt Ltd	-	0.81
v)	Sustime Pharma Ltd	-	11.95
vi)	Spartan Electricals	32.76	48.10
vii)	Hitco Investments Pvt Ltd	7.90	-
viii)	Aesa Air Engineering Pvt Ltd	8.56	25.39
ix)	Quickmill Inc.	-	75.37
<b>B)</b>	<b>Key Management Personnel and their relatives</b>		
i)	Nirmal Bhogilal	125.41	121.53
ii)	Sheela Bhogilal	28.74	21.50
iii)	Kabir Bhogilal	6.91	4.68



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		(₹ In Lakhs)	
<b>Sr. Particulars No.</b>		<b>2019-20</b>	<b>2018-19</b>
iv) Vivek Sharma		13.87	18.98
v) Ketan Vyas		7.15	5.08
vi) Ganpat Sawant		0.61	0.56
vii) Hariani & Co		3.02	-
<b>C) Management personnel are trustees &amp; Related</b>			
i) Shekhama Family Trust		33.80	27.92
<b>Outstanding Advance received</b>			
<b>A) Entities in which key management personnel and/or their relatives have significant influence</b>			
i) Batliboi International Ltd		217.72	207.09
ii) Batliboi Renewable Energy Solutions Pvt Ltd		79.74	-
<b>Outstanding Investment in preference shares</b>			
<b>A) Subsidiary Companies</b>			
i) Queen Projects (Mauritius) Ltd		592.77	606.69
<b>Outstanding Guarantees/collateral security</b>			
<b>A) Subsidiary Companies / Entities in which key management personnel and/or their relatives have significant influence</b>			
i) Quickmill Inc.		446.92	786.44
ii) Batliboi Environmental Engineering Ltd		4,460.74	3698.50

**NOTE 26 - FINANCIAL DERIVATIVE INSTRUMENTS:**

- a. Derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March, 2020 for Hedging currency and interest related risks.

Nominal amount of derivative contracts entered by the company and outstanding is given below:

		(₹ In Lakhs)	
<b>Sr. Particulars No.</b>		<b>31<sup>st</sup> March, 2020</b>	<b>31<sup>st</sup> March, 2019</b>
1	Interest Rate Swaps	-	-
2	Currency Swaps	-	-

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

- b. Foreign Currency payables and receivables that are not hedged by derivative instruments as on 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March 2019:

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
	(In Lakhs)	(In Lakhs)
<b>Foreign Currency Receivable exposure:</b>		
Japan Yen	-	1.20
EURO	6.36	8.25
US Dollar	0.33	0.36
<b>Foreign Currency Payable exposure</b>		
Canadian Dollar	-	1.45
EURO	0.07	-
US Dollar	0.59	1.76

- c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**NOTE 27 - "EMPLOYEE BENEFITS":**

The Company has classified the various benefits provided to employees as under:

**a. Defined Contribution Plans:**

The Company has recognized the following amounts in the Statement of Profit and Loss which are included under contribution to Provident Fund and Other Funds:

Particulars	(₹ in Lakhs)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Contribution to Provident Fund	101.97	83.55
Contribution to ESIC	8.21	11.73
Contribution to Superannuation Fund	13.74	16.18

**Provident Fund:**

The Fair value of the assets of the provident fund trust as of the 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 provident fund interest obligations, over and above the fixed contributions.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### b. Defined Benefit Plans:

(₹ in Lakhs)

	Gratuity (Non-Funded)		Leave Encashment (Non funded)		Compensated Absences (Non funded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>1 Change in Benefit Obligation -</b>						
Liability at the beginning of the year	338.69	308.38	105.11	120.59	12.67	10.05
Interest cost	24.24	22.93	6.77	4.09	0.80	0.67
Current Service Cost	24.20	16.60	13.61	23.49	0.53	2.28
Benefit Paid	(29.81)	(19.69)	(39.78)	(71.25)	(-)	(-)
Actuarial (gain) / Loss on obligation	(20.63)	10.47	33.66	28.19	(1.64)	(0.33)
Liability at the end of the year	336.69	338.69	119.37	105.11	12.36	12.67
<b>2 Changes in the Fair Value of Plan Assets -</b>						
Present Value of Plan Assets as at the beginning of the year	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-
Actuarial (Gain)/Loss	-	-	-	-	-	-
Employers' Contributions	29.81	19.69	39.78	71.25	-	-
Benefits Paid	(29.81)	(19.69)	(39.78)	(71.25)	-	-
Present Value of Planned Assets as at end of the year	-	-	-	-	-	-
<b>3 Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>						
Present Value of Defined Benefit Obligation as at the end of the year	336.69	338.69	119.37	105.11	12.36	12.67
Fair Value of Plan Assets as at the end of the year	-	-	-	-	-	-
Net Liability recognized in the Balance Sheet as at the end of the year	336.69	338.69	119.37	105.11	12.36	12.67

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ in Lakhs)						
	Gratuity (Non-Funded)		Leave Encashment (Non funded)		Compensated Absences (Non funded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>4. Expenses Recognized in the Profit and Loss Account</b>						
Service Cost	24.20	16.60	13.61	23.49	2.16	2.04
Interest Cost	24.24	22.93	6.77	4.09	0.80	0.67
Expected Return on Plan Assets	-	-	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-	-	-
<b>Total Expenses recognized in the Profit and Loss A/c</b>	<b>48.44</b>	<b>39.53</b>	<b>20.38</b>	<b>27.58</b>	<b>2.96</b>	<b>2.71</b>
<b>5 Actual Return on Plan Assets</b>						
<b>Estimated Contribution to be made in the next annual year</b>						
<b>The composition of plan assets : i.e. percentage of each category of plan assets to total fair value of plan assets as at 31<sup>st</sup> March,2020 :</b>						
a) Govt of India Securities	-	-	-	-	-	-
b) Corporate Bonds	-	-	-	-	-	-
c) Special Deposit Scheme	-	-	-	-	-	-
d) Equity Shares of Listed Companies	-	-	-	-	-	-
e) Property	-	-	-	-	-	-
f) Insurance Managed Funds	-	-	-	-	-	-
g) Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. Amount recognised in Other Comprehensive Income (OCI)</b>						
Actuarial (Gains) / Losses on Obligations for the period	(20.63)	10.47	33.66	28.19	(1.64)	(0.33)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)						
	Gratuity (Non-Funded)		Leave Encashment (Non funded)		Compensated Absences (Non funded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Re-measurement(Return on Plan Assets Excluding Interest Income)	-	-	-	-	-	-
Change in Asset Ceiling	-	-	-	-	-	-
<b>Net (Income) / Expenses for the period recognized in OCI</b>	(20.63)	10.47	33.66	28.19	(1.64)	(0.33)
<b>7. Principal Actuarial Assumptions at the Balance Sheet Date</b>						
Retirement age	58 years for employees at Manufacturing facilities at Udhna and 60 years at other locations					
Discount rate	6.77% p.a.	7.66% p.a.	6.77%p.a.	7.66%p.a.	6.77%p.a.	7.66% p.a.
Mortality	Indian Assured Lives Mortality (2006-2008) Ultimate					
Salary escalation	4% p.a.	4% p.a.	4% p.a.	4% p.a.	4% p.a.	4%p.a.
<b>Projected benefits payable in future years from the date of reporting</b>						
1 <sup>st</sup> following year	22.37	44.65	8.50	10.92	0.93	1.21
Sum of years 2 to 5	145.58	139.47	39.02	34.78	3.88	3.88
Sum of years 6 to 10	112.42	114.85	35.83	35.12	4.81	4.63
<b>Sensitivity analysis on PBO</b>						
Delta effect of 1% increase in rate of discounting	315.65	320.03	108.57	86.65	11.34	10.22
Delta effect of 1% decrease in rate of discounting	360.88	359.99	132.27	102.24	13.56	12.00
Delta effect of 1% increase in rate of salary escalation	360.30	359.94	132.28	102.38	13.58	12.02
Delta effect of 1% decrease in rate of salary escalation	315.13	319.43	108.31	86.43	11.31	10.19

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**NOTE NO. 28: Earning per share**

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Profit/ (Loss) after Tax – (₹ in Lakhs)	(752.50)	710.43
No. of Equity shares of ₹ 5 each outstanding	2,87,15,883	2,87,15,883
Weighted Average Number of Equity Shares Outstanding during the year		
For Basic	2,87,15,883	2,87,15,883
For Diluted	2,87,15,883	2,87,15,883
EPS (₹)		
Basic	(2.62)	2.47
Diluted	(2.62)	2.47

**NOTE 29 - FAIR VALUE MEASUREMENTS:**

The following disclosures are made as required by Ind AS -113 pertaining to Fair value measurement:

**a. Accounting classification and fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

							(₹ In Lakhs)
Particulars	As at 31-Mar-20			As at 31-Mar-19			Fair Value Measurement Hierarchy
	Amortised Cost	FVPL	At Cost	Amortised Cost	FVPL	At Cost	
FINANCIAL ASSETS							Level 2
Investments	-	592.77	5.27	-	606.69	5.27	
Trade receivables	1,281.52	-	-	1,297.35	-	-	
Cash and cash equivalents	41.57	-	-	16.94	-	-	
Bank balances other than above	91.99	-	-	87.28	-	-	
Loans	9.40	-	-	11.43	-	-	
Others	486.20	-	-	323.55	-	-	
Total Financial Assets	1,910.68	592.77	5.27	1,736.55	606.69	5.27	
FINANCIAL LIABILITIES							Level 2
Borrowings	6,095.98	-	-	5,939.02	-	-	
Trade payables	2,284.31	-	-	2,685.16	-	-	
Other financial liabilities	2,838.85	-	-	1,946.18	-	-	
Total Financial Liabilities	11,219.14	-	-	10,570.36	-	-	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### b. Measurement of fair values:

The following tables shows the valuation techniques used in measuring Level 2 fair values.

Type	Valuation technique
Fixed Rate Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment discounted using appropriate discounting rates.

### c. Financial risk management

The Company has exposure to the Credit risk, Liquidity risk and Market risk arising from financial instruments.

**Risk Management Framework:** The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits to control / monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is approved by the Board of Directors.

### d. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

**Trade receivables:** The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using life time expected credit loss for trade receivables:

(₹ In Lakhs)					
Particulars	Up to 6 months	6 months. to 1 yr.	1 year to 3 years	More than 3 years	Total
<b>As on 31<sup>st</sup> March 2020</b>					
Gross Carrying Amount	837.26	232.07	182.26	257.69	1,509.28
Specific Provision	-	-	-	227.76	227.76
Carrying Amount	837.26	232.07	182.26	29.93	1,281.52
<b>As on 31<sup>st</sup> March 2019</b>					
Gross Carrying Amount	960.83	136.16	197.97	187.26	1,482.22
Specific Provision	-	-	-	184.87	184.87
Carrying Amount	960.83	136.16	197.97	2.39	1,297.35

### Cash and cash equivalents:

The Company held cash and cash equivalents of ₹ 41.57 lakhs as at 31<sup>st</sup> March 2020 (31<sup>st</sup> March 2019: ₹ 16.94 lakhs). The cash and cash equivalents are held with reputed banks.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**e. Liquidity Risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**(₹ In Lakhs)**

	Carrying amount	Contractual cash flows				
		Up to 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>As on 31<sup>st</sup> March 2020</b>						
Non-derivative financial liabilities						
Borrowings	6,095.98	2,744.07	110.00	1173.08	2,068.83	6,095.98
Interest	70.00	-	-	-	70.00	70.00
Trade payables	2,284.31	1,803.50	480.81	-	-	2,284.31
<b>As on 31<sup>st</sup> March 2019</b>						
Non-derivative financial liabilities						
Borrowings	5,939.02	3,440.53	-	73.08	2,425.41	5,939.02
Interest	125.96	-	-	-	125.96	125.96
Trade payables	2,685.16	2,150.50	534.66	-	-	2,685.16

**f. Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

**g. Interest rate risk:**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to Interest rate risk:**

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing long term financial instruments is as follows:

**(₹ In Lakhs)**

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Fixed-rate instruments	14.82	21.05
Financial liabilities - measured at amortised cost	4,094.15	3,458.96
Variable-rate instruments	-	-
<b>Total</b>	<b>4108.97</b>	<b>3,480.01</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### h. Currency risk:

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

To the extent the exposures on purchases and borrowings are not economically hedged by the foreign currency denominated receivables, the Company uses derivative instruments, like, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange and principal only swap rates. Company does not use derivative financial instruments for trading or speculative purposes.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposure.

### Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are as below:

(₹ In Lakhs)							
Particulars	Total	INR	CAD	JPY	EURO	USD	MUR
<b>As at 31 March 2020</b>							
<b>Financial assets</b>							
Cash and cash equivalents	41.57	41.57	-	-	-	-	-
Loans and advances	385.59	381.06	-	-	1.31	3.22	-
Other current financial assets	91.99	91.99	-	-	-	-	-
Trade and other receivables	1,281.52	733.26	-	-	527.00	21.26	-
Other Non-current financial asset	708.05	115.27	-	-	-	-	592.77
<b>Exposure for assets (A)</b>	<b>2,508.72</b>	<b>1,363.16</b>	<b>-</b>	<b>-</b>	<b>528.30</b>	<b>24.49</b>	<b>592.77</b>
<b>Financial liabilities</b>							
Long term borrowings	3,351.91	3,351.91	-	-	-	-	-
Short term borrowings	2,744.06	2,744.06	-	-	-	-	-
Trade and other payables	2,284.31	2,234.63	-	-	5.51	44.17	-
Other Current financial liabilities	2,572.80	2,572.80	-	-	-	-	-
Other Non Current financials Liabilities	266.06	266.06	-	-	-	-	-
<b>Exposure for liabilities (B)</b>	<b>11,219.14</b>	<b>11,169.46</b>	<b>-</b>	<b>-</b>	<b>5.51</b>	<b>44.17</b>	<b>-</b>
<b>Net exposure (A-B)</b>	<b>(8,710.42)</b>	<b>(9,806.30)</b>	<b>-</b>	<b>-</b>	<b>522.79</b>	<b>(19.68)</b>	<b>592.77</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ In Lakhs)

Particulars	Total	INR	CAD	JPY	EURO	USD	MUR
<b>As at 31<sup>st</sup> March 2019</b>							
<b>Financial assets</b>							
Cash and cash equivalents	16.94	16.94	-	-	-	-	-
Loans and advances	228.72	228.72	-	-	-	-	-
Other current financial assets	87.28	87.28	-	-	-	-	-
Trade and other receivables	1,297.35	629.70	-	0.74	641.66	25.25	-
Other Non-current financial asset	718.22	111.53	-	-	-	-	606.69
<b>Exposure for assets (A)</b>	<b>2,348.51</b>	<b>1,074.17</b>	<b>-</b>	<b>0.74</b>	<b>641.66</b>	<b>25.25</b>	<b>606.69</b>
<b>Financial liabilities</b>							
Long term borrowings	2,620.14	2,620.14	-	-	-	-	-
Short term borrowings	3,318.88	3,318.88	-	-	-	-	-
Trade and other payables	2,685.16	2,488.01	75.37	-	-	121.78	-
Other Current financial liabilities	1,715.35	1,715.35	-	-	-	-	-
Other Non Current financials Liabilities	230.82	230.82	-	-	-	-	-
<b>Exposure for liabilities (B)</b>	<b>10,570.35</b>	<b>10,373.20</b>	<b>75.37</b>	<b>-</b>	<b>-</b>	<b>121.78</b>	<b>-</b>
<b>Net exposure (A-B)</b>	<b>(8,221.84)</b>	<b>(9,299.03)</b>	<b>(75.37)</b>	<b>0.74</b>	<b>641.66</b>	<b>(96.53)</b>	<b>606.69</b>

**Sensitivity analysis:**

A reasonably possible change in foreign exchange rate at March 31<sup>st</sup> 2020 by 4% would have increased or decreased impact on Profit / (Loss) (before tax) as below:

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Movement in exchange rate	4%	4%
Impact on profit and loss		
CAD- INR	-	3.01
JPY- INR	-	0.03
EURO – INR	20.91	25.67
USD INR	0.79	3.86
MUR – INR	22.55	23.33

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **Note No. 30:**

#### **Disclosure relating to Revenue from Contract**

#### **a) Disaggregation of revenue into Customer Categories and Geographical areas for the year ended 31<sup>st</sup> March, 2020:**

##### **Revenue disaggregation by industry vertical is as follows:**

Industry Vertical	(₹ In Lakhs)	
	Year Ended 31 <sup>st</sup> March 2020	Year Ended 31 <sup>st</sup> March 2019
Machine Tools	4,407.64	5,210.58
Textile Engineering	6,420.53	6,323.34
Others	102.01	107.93
<b>Total ₹</b>	<b>10,930.18</b>	<b>11,641.85</b>

##### **Revenue disaggregation by geography is as follows:**

Geography	(₹ In Lakhs)	
	Year Ended 31 <sup>st</sup> March 2020	Year Ended 31 <sup>st</sup> March 2019
India	9,609.33	10,168.05
Foreign	1,320.85	1,473.80
<b>Total ₹</b>	<b>10,930.18</b>	<b>11,641.85</b>

#### **b) Performance Obligation under contract with customers:**

Performance obligations are satisfied at the point of time when the customer obtains the control of the goods. All the unsatisfied performance obligations as on 31<sup>st</sup> March 2020 which are part of contract is expected to be completed within duration of one year.

### **Note No. 31:**

#### **Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	(₹ In Lakhs)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Loans and Borrowings	6,095.98	5,939.02
Trade Payables	2,284.31	2,685.15

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	(₹ In Lakhs)	
<b>Particulars</b>	<b>31<sup>st</sup> March 2020</b>	<b>31<sup>st</sup> March 2019</b>
Other Financial Liability	2,838.85	1946.18
Less : Cash and Cash Equivalents	41.57	16.94
<b>Net Debts</b>	<b>11,177.57</b>	<b>10,553.41</b>
Equity	12,328.80	13,075.85
Capital and net debt	23,506.37	23,629.26
<b>Gearing ratio</b>	<b>48%</b>	<b>45%</b>

**Note No 32:**
**Disclosure for provisions in terms of IND AS 37**

The aforesaid provision are made for warranty cover related to goods sold and jobs executed (Refer Note 15) :

(₹ In Lakhs)

<b>Provisions</b>	<b>Opening Amount</b>	<b>Additional provision</b>	<b>Amount utilized</b>	<b>Amount reversed</b>	<b>Closing balance</b>
2019-20	32.42	23.87	15.11	13.76	27.42
2018-19	40.01	26.27	18.88	14.98	32.42

**Note No 33:**
**ESOP related Disclosure**

Pursuant to the resolution passed in the extra ordinary general meeting in the year 2011-12, the Company has reversed 28,65,255 options to the eligible employees of the Company and its subsidiaries under the Employees Stock Option Scheme. The exercise price of all the options is ₹ 15.75 per option. Summary of stock options as on 31.03.2020 is as follows:

<b>Name of Plan</b>	<b>Number of Options</b>	<b>Exercise Price</b>
ESOP 2011-12 - Phase 1	10,00,000	₹ 15.75
ESOP 2012-13 - Phase 2	1,00,000	₹ 15.75
ESOP 2014-15 - Phase 3	3,50,000	₹ 15.75
ESOP 2015-16 - Phase 4	2,50,000	₹ 15.75
ESOP 2017-18 - Phase 5	1,00,000	₹ 15.75
ESOP 2018-19 - Phase 6	4,50,000	₹ 15.75

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Number and weighted average exercise prices of stock options for each of the following groups of options -	Number of Options		Weighted Average Exercise Price (In ₹)	
	2019-20	2018 -19	2019-20	2018 -19
- Outstanding at the beginning of the period	12,91,667	9,61,667	15.75	15.75
- Granted during the period	-	4,50,000	15.75	15.75
- Forfeited/Lapsed during the period	1,08,333	1,20,000	-	-
- Exercised during the period	-	-	-	-
- Outstanding at the end of the period and	11,83,334	12,91,667	15.75	15.75
- Exercisable at the end of the period	6,16,667	5,91,667	15.75	15.75
Number of Option Vested during the Year	1,33,333	1,33,333		
Total number of shares arising as a result of exercise	-			
Money realised by exercise of options (₹)	-			
For stock options exercised during the period the weighted average share price at the date of exercise. If options were exercised on a regular basis throughout the period, the weighted average share price during the period. (₹)	No options were exercised during the year.			
For stock options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life (vesting period + exercise period). If the range of the exercise prices is wide, the outstanding of those options should be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and cash that may be received upon exercise of those options.	<b>Range of exercise Prices (₹)</b>		<b>Weighted average contractual life (Years)</b>	
	<b>2019-20</b>	<b>2019-20</b>	<b>2019-20</b>	<b>2018-19</b>
ESOP 2011-12 - Phase 1	15.75	15.75	0.81	1.81
ESOP 2014-15 - Phase 3	15.75	15.75	3.44	4.44
ESOP 2015-16 - Phase 4	15.75	15.75	4.84	5.84
ESOP 2017-18 - Phase 5	15.75	15.75	6.68	7.68
ESOP 2018-19 - Phase 6	15.75	15.75	7.15	8.15
For liabilities arising from employee share-based payment plans	No cash settled awards given out			
- Total carrying amount at the end of the period				
- Total intrinsic value at the end to the period for which the right of the employee to cash or other assets had vested by the end of the period.				
Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option.	No options were exercised during the year			

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No 34:****Leases**

The Company has adopted Ind AS-116 'Leases' with effect from 1<sup>st</sup> April, 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Company has not restated comparative information. The Company has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

Accordingly, the Company has recognized right-of-use asset of ₹ 108.30 Lakhs and a lease liability of ₹ 108.30 Lakhs in the standalone financial statements on the date of initial application. There is no impact on the retained earnings. Due to adoption of Ind AS-116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. During the year ended 31<sup>st</sup> March, 2020, the Company has recognized depreciation on right-of-use asset ₹ 63.35 Lakhs along with interest on lease liability of ₹ 18.67 Lakhs respectively. The effect of this standard is not significant on the loss for the year of the Company. Further as per Ind AS-116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS-17 Leases were disclosed under the cash outflow from operating activities.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 12% with maturity between 2021 to 2023.

The difference between the future minimum lease commitments under Ind AS-17 Leases reported as of 31<sup>st</sup> March, 2019 and the value of lease liability recorded as on 1<sup>st</sup> April, 2019 on adoption of Ind AS-116 Leases is primarily on account of discounting of the lease liability to its present value in accordance with Ind AS-116 and the exclusion of commitments for leases to which the Company has chosen to apply the practical expedient as per the standard.

The changes in the carrying values of right-of-use asset for the year ended 31<sup>st</sup> March, 2020 are given in Note No. 6.

Set out below are the carrying amounts of lease liabilities and the movement during the year ended 31<sup>st</sup> March, 2020:

<b>Particulars</b>	<b>Amounts in ₹ Lakhs</b>
As at 1 <sup>st</sup> April 2019	-
Adjustment on adoption of Ind AS 116 – Leases	179.75
Modifications	-
Interest on Lease Liability	18.67
Repayments	(67.80)
<b>As at 31<sup>st</sup> March 2020</b>	<b>130.62</b>
Current	47.44
Non-Current	83.18
<b>Total</b>	<b>130.62</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The maturity analysis of undiscounted lease liabilities as at 31<sup>st</sup> March, 2020 are as follows:

Particulars	Amounts in ₹ Lakhs
Less than 1 year	60.30
1 to 5 years	94.44
More than 5 years	-
<b>Total</b>	<b>154.74</b>

The following amounts are recognized in the statement of profit and loss for the year ended 31<sup>st</sup> March, 2020:

Particulars	Amounts in ₹ Lakhs
Depreciation expense on right-of-use asset	63.35
Interest expense on lease liability	18.67
Expense relating to short term leases including service charges (included in other expense as rent)	16.64
<b>Total</b>	<b>98.66</b>

The Company had total cash outflows for leases of ₹ 49.13 Lakhs (excluding interest) for the year ended 31<sup>st</sup> March, 2020. The Company did not have any non-cash additions to right-of-use assets and lease liabilities for the year ended 31<sup>st</sup> March, 2020. Further, there are no future cash outflows relating to leases that have not yet commenced.

### **Note No.35:**

**Audit, Legal and Professional Charges (excluding Service Tax/ GST) shown under other expenses (Note 21), includes the following payments to auditors:**

	(₹ In Lakhs)	
Particulars	2019-20	2018-19
a) Audit Fees	10.42	8.30
b) Tax Matters	-	0.50
c) Certification	4.08	3.00
d) Reimbursement	0.31	0.47
e) Other Services	4.00	3.50
<b>Total</b>	<b>18.81</b>	<b>15.77</b>

### **Note No. 36:**

**Reconciliation between opening and closing balance in the Balance Sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:**

	(₹ In Lakhs)	
Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Cash and Cash Equivalents	41.57	16.94
Current Borrowings	(2,744.06)	(3,318.88)
Non-Current Borrowings	(3,895.16)	(2,753.03)
<b>Net Debt</b>	<b>(6,597.65)</b>	<b>(6,054.97)</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ In Lakhs)

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and Bank Balance	Non - Current Borrowings	Current Borrowings	
<b>Net Debts as at 31<sup>st</sup> March 2019</b>	<b>16.94</b>	<b>(2,753.03)</b>	<b>(3,318.88)</b>	<b>(6,054.97)</b>
Cash Flows	24.63	(1,195.96)	567.01	(604.32)
Interest Expense	-	(16.85)	(600.01)	(616.86)
Interest Paid	-	65.02	607.81	672.83
Other non-cash movements -	-	-	-	-
- Acquisitions/ disposal	-	-	-	-
- Fair Value adjustments	-	5.67	-	5.67
<b>Net Debts as at 31<sup>st</sup> March 2020</b>	<b>41.57</b>	<b>(3,895.16)</b>	<b>(2,744.06)</b>	<b>(6,597.65)</b>

**Note No. 37:**
**Assessment of implication of COVID – 19 pandemic on standalone financial statement**

The COVID -19 pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the governments. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position, recoverability and carrying value of assets and based on management's review of current indicators and economic conditions there is no material adjustments required to be made on its financial statements as at 31<sup>st</sup> March, 2020. The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

**Note No. 38:**

Previous year's figures have been reclassified and re grouped to confirm to current years classification and grouping.

Signature on notes on accounts

For and on behalf of the Board of Directors

 For **Mukund M. Chitale & Co.**

Chartered Accountants

Firm Reg. No. 106655W

**Nirmal Bhogilal**

Chairman

DIN No. 00173168

**Vivek Sharma**

Managing Director

DIN No. 01541498

**A. V. Kamat**

(Partner)

M.No.039585

**Ketan Vyas**

Chief Financial Officer

**Ganpat Sawant**

Company Secretary

Place : Mumbai

 Date : 18<sup>th</sup> July, 2020



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Batliboi Limited

### **Report on the Audit of the Consolidated Ind AS Financial Statements**

#### **1. Opinion**

We have audited the Consolidated Ind AS financial statements of Batliboi Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2020, the Consolidated loss and consolidated total other comprehensive income, Consolidated changes in equity and its Consolidated cash flows for the year ended on that date.

#### **2. Basis for Opinion**

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act") and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Consolidated Ind AS financial statements.

#### **3. Emphasis of Matter**

Without qualifying our report in respect of the following, we draw attention to:

- a) Note 41 of the consolidated financial statement, as regards the group's assessment of the financial impact due to restrictions and conditions related to COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- b) Note 42 of the consolidated financial statement, as regards to subsequent period event occurred in case of one of the subsidiary AESA Air Engineering SA, France, the board of the said subsidiary company has filed Judiciaire Redressement under French Law on 6th July, 2020. The judicial recovery plan is intended to allow the continuation of the activity of the company, the maintenance of employment and the discharge of its debts. The financial statements of the said company has been prepared on going concern basis as in management view the subsidiary company would be able to find favourable solution under the judiciaire redressement and would continue its business operation on normal basis.

## 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report which is based on audit procedures performed by us.

Sr. No.	Key Audit Matter	Auditor's Response
1)	<p>Physical Inventory verification in respect of Holding Company at year end –</p> <p>During the year, the management of the Holding Company has done physical verification of the inventory and as on 31<sup>st</sup> March 2020 the physical verification of inventory was carried out subsequent to year end due to restrictions and lockdown imposed amid outbreak of COVID -19.</p>	<p>We have followed the following audit procedures:</p> <p>a) We have performed alternative procedures which includes reviewing the reports of cyclical counts performed by the management of the Holding Company during the year, roll forward procedures, checking the documentation with respect to purchase, consumption and sale of inventory if any, to audit the existence of Inventory as per the guidance provided in SA-501 – “Audit Evidence Specific Consideration for Selected Items” and have obtained sufficient audit evidence.</p> <p>b) During the year, the management of the Holding Company had carried out physical verification of inventory and for inventory as on 31<sup>st</sup> March 2020 verification was carried out subsequent to the year end. We have relied on the physical verification reports shared by the management for all the locations where the physical verification was conducted subsequent to the year end.</p> <p>c) We have also performed analytical procedures for reasonableness of the value of stock at the year end.</p>
2)	<p>Evaluation of Contingent Liabilities –</p> <p>The Holding Company has disclosed contingent liability on account of sales tax, excise duty, TDS and claims not acknowledged as debts made in courts against the company relating to various business operations and human resource cases. The management has applied significant judgment to determine the possible outcome of these disputes and no provision relating to these liabilities has been taken in the financial statement as on 31<sup>st</sup> March 2020.</p> <p>Refer note 26 of the Consolidated Ind AS Financial Statements for disclosure of Contingent Liabilities.</p>	<p>We have followed the following audit procedures:</p> <p>a) Evaluated the design and tested the operating effectiveness of the relevant controls, through combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls to assess how the Holding Company monitors the disputed tax liabilities, court cases, related developments and their assessment of the potential impact on the Holding Company.</p> <p>b) For uncertain disputed taxes and court cases, obtained details of tax assessments, appeal order, court status, court orders and demands from management of the Holding Company.</p>

Sr. No.	Key Audit Matter	Auditor's Response
		c) Evaluated the Holding Company management's underlying assumptions of the validity and adequacy of provisions for uncertain disputed taxes, court cases and evaluating the basis of determination of the possible outcome of the disputes. Also considered legal precedence and other rulings and read, where applicable, external advice sought by the Holding Company for these uncertain disputed taxes, court cases and reviewed related correspondence in evaluating management's position on these uncertain disputed taxes and court cases.

## 5. Information other than the consolidated Ind AS financial statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Corporate Governance Report and Management Discussion and Analysis, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance of the Holding Company and determine the actions under the applicable laws and regulations.

## 6. Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Company's financial reporting process.

## **7. Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with Standard on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements. For the other entities included in the consolidated Ind AS financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **8. Other Matters**

- a) We did not audit the financial statements / financial information of eight subsidiary companies, whose financial statements reflect total assets of Rs.17,271.59 Lakhs as at 31<sup>st</sup> March 2020, and net assets of Rs.8,421.02 Lakhs as at 31<sup>st</sup> March 2020, total revenue of Rs.10,394.56 Lakhs, total profit/(loss) after tax of Rs.(721.97) Lakhs and net cash inflows amounting to Rs.24.21 Lakhs for the year then ended, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditor.
- b) We have relied on the unaudited financial statement of one intermediate step down subsidiary whose financial statements reflect total assets of Rs.20.49 Lakhs as at 31<sup>st</sup> March 2020, net assets of Rs.16.91 Lakhs as at 31<sup>st</sup> March 2020, total revenue of Rs.44.83 Lakhs, total loss after tax of Rs.(1.86) Lakhs and net cash inflows amounting to Rs.3.10 Lakhs for the year then ended on that date. These financial statements as approved by the Board of Directors of the said subsidiary have been furnished to us by the management and our report in so far as it relates to the amount included in respect of the said subsidiary is based solely on such approved unaudited financial statements. We have been informed that as per the local laws of the country where the subsidiary is situated audit of the financial statement of the subsidiary is not mandatory and the financial statement of the said subsidiary is immaterial subsidiary within the Group.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory requirements below is not modified in respect to our reliance on the work done and the reports of the other auditors.

## **9. Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statement and the other financial information of subsidiary companies, as noted in the 'Other Matter' paragraph, 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 consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as appears from our examination of those books and the reports of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by

this report are in agreement with the relevant books of account maintained for preparation of Consolidated Ind AS Financial Statements.

- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2020 taken on record by the board of directors of the Holding Company and according to the report of the statutory auditor of its one of the step down Subsidiary Company which is incorporated in India, none of the Directors are disqualified as on 31<sup>st</sup> March 2020, from being appointed as a director in terms of sub-section 2 of Section 164 of the Act. According to information and explanations provided to us, sub-section 2 of section 164 of the Act is not applicable to eight subsidiary companies as these are not incorporated in India.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its step down Subsidiary Company incorporated in India to the extent applicable and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. According to information and explanations provided to us, clause (i) sub-section 3 of section 143 of the Act is not applicable to eight subsidiary companies as these are not incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements – Refer Note 26 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Mukund M. Chitale & Co**  
Chartered Accountant  
Firm Reg. No. 106655W

**A. V. Kamat**  
(Partner)

Place : Mumbai  
Date : 18<sup>th</sup> July 2020

M. No. – 039585  
UDIN - 20039585AAAAFF5398



## **Annexure A to the Independent Auditor's Report**

Annexure referred to in para 9(f) to the Independent Auditor's Report of even date to the members of Batliboi Limited on the Consolidated Ind AS financial statements for the year ended 31<sup>st</sup> March, 2020.

### **Report on the Internal Financial Control 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 Holding Company") and its step down subsidiary company, as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the consolidated Ind AS financial statements for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and one of its step down subsidiary company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective group'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 Act, 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 consolidated Ind AS 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 Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on 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 consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 step down subsidiary company which is incorporated in India, 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 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Holding 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.

## **Other Matter**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to one step down subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

For **Mukund M. Chitale & Co**  
Chartered Accountant  
Firm Reg. No. 106655W

**A. V. Kamat**  
(Partner)

Place : Mumbai  
Date : 18<sup>th</sup> July 2020

M. No. – 039585  
UDIN - 20039585AAAAFF5398



**This Page Intentionally Left Blank**

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ In Lakhs)			
Particulars	Notes	As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	7	19,830.98	20,082.27
(b) Capital work-in-progress	7	36.45	34.33
(c) Right of use assets	8	270.46	-
(d) Other Intangible assets	7	44.10	85.82
(e) Intangible Assets under development	7	12.97	-
(f) Financial Assets			
i. Investments	9	5.27	5.27
ii. Trade receivables	10.1	212.71	198.31
iii. Loans	10.2	1.44	3.13
(g) Other non-current assets	10.3	129.67	120.57
<b>Total Non current Assets</b>		<b>20,544.05</b>	<b>20,529.70</b>
<b>2 Current assets</b>			
(a) Inventories	11.1	3,640.01	3,735.09
(b) Financial Assets			
i. Trade receivables	11.2	2,534.62	3,344.06
ii. Cash and cash equivalents	11.3	803.63	588.21
iii. Bank balances other than (ii) above	11.4	91.99	87.28
iv. Loans	12.1	7.96	8.30
v. Others Current Assets	12.2	741.88	462.95
(c) Current Tax Assets (Net)	12.3	32.47	116.42
<b>Total current Assets</b>		<b>7,852.56</b>	<b>8,342.31</b>
<b>3 Non Current Asset Held for Sale</b>	<b>13</b>	<b>1,779.39</b>	<b>1,779.39</b>
<b>Total Assets</b>		<b>30,176.00</b>	<b>30,651.40</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	14.1	1,435.79	1,435.79
(b) Other Equity	14.2	10,557.32	12,254.35
<b>Total Equity</b>		<b>11,993.11</b>	<b>13,690.14</b>
<b>LIABILITIES</b>			
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	15.1	3,955.00	3,210.70
ii. Lease Liability	36	158.70	-
iii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	15.2	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.2	480.81	534.66
iv. Other financial liabilities	15.3	182.88	230.83
(b) Provisions	15.4	580.91	518.83
(c) Deferred tax liabilities (Net)	16	1,181.33	1,423.66
<b>Total Non-current liabilities</b>		<b>6,539.63</b>	<b>5,918.68</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	17.1	2,768.49	3,779.79
ii. Lease Liability	36	133.09	-
iii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17.2	34.58	86.03
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17.2	4,371.84	4,021.51
(b) Other current liabilities	17.3	4,000.94	2,715.15
(c) Provisions	17.4	334.32	440.10
<b>Total Current liabilities</b>		<b>11,643.26</b>	<b>11,042.58</b>
<b>Total Equity and Liabilities</b>		<b>30,176.00</b>	<b>30,651.40</b>

The Notes on Accounts form integral part of Financial Statements 1 to 43

As per our report of even date

For **Mukund M. Chitale & CO.**  
Chartered Accountants  
Firm Reg. No : 106655W

**A.V. Kamat**  
(Partner)  
M. No. 039585

Place : Mumbai  
Date : 18<sup>th</sup> July, 2020

For and On Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman  
DIN No. 00173168

**VIVEK SHARMA**  
Managing Director  
DIN No. 01541498

**KETAN VYAS**  
Chief Financial Officer

**GANPAT SAWANT**  
Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ In Lakhs)			
Particulars	Notes	Year Ended 31-03-2020	Year ended 31-03-2019
<b>INCOME</b>			
I Revenue From Operations	18	19,527.09	24,891.83
II Other Income	19	405.43	645.62
<b>III Total Income (I+II)</b>		<b>19,932.52</b>	<b>25,537.45</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	20.1	9,223.73	11,914.82
Purchases of Stock-in-Trade	20.2	1,710.67	1,675.02
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	20.3	(227.62)	(106.95)
Employee benefits expense	21	5,183.56	5,057.37
Finance costs	22	899.84	772.28
Depreciation and amortization expense	7 & 8	574.49	412.07
Other expenses	23	4,321.19	5,875.98
<b>Total expenses (IV)</b>		<b>21,685.86</b>	<b>25,600.59</b>
V Profit/(loss) before exceptional items and tax		(1,753.34)	(63.14)
VI Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(1,753.34)</b>	<b>(63.14)</b>
VIII Tax expense:			
(1) Current tax		73.30	84.61
(2) Earlier year tax		0.46	0.15
(3) Deferred tax credit / (charge)	16	239.36	1,435.42
<b>IX Profit (Loss) for the year (VII-VIII)</b>		<b>(1,586.82)</b>	<b>1,287.82</b>
<b>X Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		(11.39)	(38.33)
(ii) Income tax relating to items that will not be reclassified to profit or loss	16	2.96	9.97
B (i) Items that will be reclassified to profit or loss			
Effects of changes in rates of foreign currency monetary items		(80.86)	30.14
<b>XI Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)</b>		<b>(1,676.11)</b>	<b>1,289.60</b>
XII Earnings per equity share:	30		
(1) Basic		(5.53)	4.48
(2) Diluted		(5.53)	4.48

The Notes on Accounts form integral part of Financial Statements 1 to 43

As per our report of even date

For and On Behalf of the Board of Directors

For **Mukund M. Chitale & CO.**  
Chartered Accountants  
Firm Reg. No : 106655W

**NIRMAL BHOGILAL**  
Chairman  
DIN No. 00173168

**KETAN VYAS**  
Chief Financial Officer

**A.V. Kamat**  
(Partner)  
M. No. 039585

**VIVEK SHARMA**  
Managing Director  
DIN No. 01541498

**GANPAT SAWANT**  
Company Secretary

Place : Mumbai  
Date : 18<sup>th</sup> July, 2020

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

### A) Equity Share Capital

(₹ In Lakhs)

Particulars	Note	Amounts
<b>As at 1<sup>st</sup> April 2018</b>		<b>1,435.79</b>
Changes in Equity Share capital during the year		-
<b>As at 31<sup>st</sup> March 2019</b>		<b>1,435.79</b>
Changes in Equity Share capital during the year		-
<b>As at 31<sup>st</sup> March, 2020</b>	<b>14.1</b>	<b>1,435.79</b>

### B) Other Equity

(₹ In Lakhs)

Particulars	Capital Reserve	Reserves and Surplus								
		Capital Redemption Reserve	Securities Premium	General Reserve	Employee Stock Option Reserve	Investment Allowance Reserve	Other Comprehensive Income		Retained Earnings	Total
							Foreign Currency Translation Reserves	Others		
As at 1 <sup>st</sup> April 2018	25.00	160.60	396.59	1,162.92	36.61	63.05	65.89	(20.70)	9,061.41	10,951.38
Profit / (Loss) for the year	-	-	-	-	-	-	-	-	1,287.82	1,287.82
Accrual of Employee Compensation cost	-	-	-	-	13.38	-	-	-	-	13.38
Total Comprehensive Income for the year	-	-	-	-	-	-	30.14	(28.36)	-	1.78
As at 31 <sup>st</sup> March 2019	25.00	160.60	396.59	1,162.92	49.99	63.05	96.03	(49.06)	10,349.23	12,254.35
Profit / (Loss) for the year	-	-	-	-	-	-	-	-	(1,586.82)	(1,586.82)
Accrual of Employee Compensation cost	-	-	-	-	13.88	-	-	-	-	13.88
Total Comprehensive Income for the year	-	-	-	-	-	-	(80.86)	(8.43)	-	(89.29)
Foreign Currency translation reserve reclassified to profit and loss on liquidation of subsidiary	-	-	-	-	-	-	(34.80)	-	-	(34.80)
As at 31 <sup>st</sup> March 2020	25.00	160.60	396.59	1,162.92	63.87	63.05	(19.63)	(57.49)	8,762.41	10,557.32

The Notes on Accounts form integral part of Financial Statements 1 to 43

As per our report of even date

For **Mukund M. Chitale & CO.**  
Chartered Accountants  
Firm Reg. No : 106655W

**A.V. Kamat**  
(Partner)  
M. No. 039585

Place : Mumbai  
Date : 18<sup>th</sup> July, 2020

For and On Behalf of the Board of Directors

**NIRMAL BHOGILAL**  
Chairman  
DIN No. 00173168

**VIVEK SHARMA**  
Managing Director  
DIN No. 01541498

**KETAN VYAS**  
Chief Financial Officer

**GANPAT SAWANT**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ In Lakhs)

	Year Ended 31-Mar-20		Year Ended 31-Mar-19	
I. CASH FLOW ARISING FROM OPERATING ACTIVITIES:				
Net Profit / (Loss) Before Tax and Exceptional Items		(1,753.34)		(63.14)
Add back:				
a) Depreciation	574.49		412.07	
b) Interest Expense	678.50		628.79	
c) Interest on Lease Liability	30.52		-	
d) Loss on Sale/Disposal of Assets	8.52		6.70	
e) Provision for Doubtful Debts/Advances	42.89		40.65	
f) Bad Debts	38.86		154.99	
g) Gratuity and Leave Encashment Provision	71.77		69.82	
h) Foreign Exchange Loss	21.30		-	
i) Employee Stock Option Reserve	13.88	1,480.73	13.38	1,326.40
Deduct:				
a) Income from Investments /(Dividend)	0.60		0.60	
b) Interest Income	6.61		27.10	
c) Unclaimed Credit Balances Appropriated	143.67		273.13	
d) Profit on Sale of Fixed Assets	3.50		2.62	
e) Foreign Currency translation reserve reclassified to profit and loss on liquidation of subsidiary	34.82		-	
f) Foreign Exchange Gains	-	189.20	23.01	326.46
Operating Profit Before Working Capital Changes		(461.81)		936.80
Add/ Deduct :				
a) Decrease/ (Increase) in Inventories	95.08		454.13	
b) Decrease/ (Increase) in Trade Receivables & Advances	692.33		(756.81)	
c) Decrease/ (Increase) in Other Current Assets	(286.34)		(35.87)	
d) Increase/ (Decrease) in Trade and Other Payables	1,022.20	1,523.27	1,116.13	777.58
		1,061.46		159.22
Income Taxes (Paid)/ Refund received		11.11		16.42
Net Cash Inflow / (Outflow) from Operations (A)		1,072.57		175.64
II. CASH FLOW ARISING FROM INVESTING ACTIVITIES:				
a) Interest Income	6.61		9.63	
b) Proceeds from Sale of Fixed Assets	5.30		4.08	
c) Acquisition of Fixed Assets	(173.75)		(219.55)	
d) Decrease/ (Increase) in Bank Deposits	(4.70)		290.09	
e) Income from Investments /(Dividend)	0.60	(165.94)	0.60	84.85
Net Cash Inflow / (Outflow) in Course of Investing Activities(B)		(165.94)		84.85

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>III. CASH FLOW ARISING FROM FINANCING ACTIVITIES:</b>		
a) Proceeds from/ (Repayment of) in Long Term Borrowings	1,196.91	(13.44)
b) Proceeds from/ (Repayment of) in Short Term Borrowings	(1,011.30)	663.58
c) Payment of Lease Liability (including interest on lease liability)	(142.34)	-
d) Interest Paid	(734.47)	(613.38)
<b>Net Cash Inflow/(Outflow) in Course of Financing Activities (C)</b>	<b>(691.21)</b>	<b>36.76</b>
<b>Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)</b>	<b>215.42</b>	<b>297.25</b>
Add: Cash/Cash Equivalents at the beginning of the year	588.21	290.96
<b>Cash/Cash Equivalents at the end of the year</b>	<b>803.63</b>	<b>588.21</b>
<b>Consists of:</b>		
Cash in Hand	12.46	36.75
Bank Balance	791.17	551.46
<b>Closing Cash at the end of the year</b>	<b>803.63</b>	<b>588.21</b>

**Note - 1**

As required by Ind AS 7 "Statement of Cash Flows", reconciliation between opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities is given in note 39 of the consolidated financial statements.

The Notes on Accounts form integral part of Financial Statements 1 to 43

As per our report of even date

For and On Behalf of the Board of Directors

For **Mukund M. Chitale & CO.**  
Chartered Accountants  
Firm Reg. No : 106655W

**NIRMAL BHOGILAL**  
Chairman  
DIN No. 00173168

**KETAN VYAS**  
Chief Financial Officer

**A.V. Kamat**  
(Partner)  
M. No. 039585

**VIVEK SHARMA**  
Managing Director  
DIN No. 01541498

**GANPAT SAWANT**  
Company Secretary

Place: Mumbai  
Date: 18<sup>th</sup> July, 2020

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note No. 1

#### **Company Overview**

Bataliboi Ltd (the Holding Company) and its subsidiaries (collectively referred to as "the Group"), is engaged in manufacture and trading of machine tool and textile engineering machines. The Holding Company is a public limited company incorporated and domiciled in India. The Registered Office of the Holding Company is situated in Mumbai. Its shares are listed on Bombay Stock Exchange (BSE).

### Note No. 2

#### **Basis for preparation and measurement**

##### **i. Basis of preparation:**

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015 and the other relevant provisions of the Act and Rules thereunder.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **ii. Basis of measurement:**

The consolidated financial statements have been prepared on accrual basis and in accordance with historical cost convention basis, except for certain financial assets and financial liabilities which have been measured at fair value in accordance with Ind AS. All assets and liabilities are classified into current and non-current generally based on the nature of product/activities of the Group and the normal time between acquisition of assets/liabilities and their realisation/settlement in cash or cash equivalent. The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

##### **iii. Presentation of Financial Statements:**

The Balance Sheet, Statement of Profit and Loss, Statement of Changes in equity and Cash Flow Statement are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### **iv. Functional and presentation Currency :**

The Holding Company's presentation and functional currency is Indian Rupees (₹) and all values are rounded off to the nearest lakhs (INR 00,000), except when otherwise indicated.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note No. 3

#### **Basis of Consolidation**

#### **Subsidiaries:**

The Consolidated financial statements have been prepared on the following basis:

- Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.
- Changes in company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.
- The acquisition method of accounting is used to account for business combinations by the Group.
- The financial statements of subsidiary companies used in consolidation are drawn upto the same reporting date as of the Holding Company i.e. year ended 31<sup>st</sup> March 2020.
- The financial statements of the Holding Company and its subsidiary companies have been combined on a line by line basis by adding together the fair values of like items of assets, liabilities, revenues and expenses.
- Intra group balances and intra group transactions and resulting profits are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the company's separate financial statements.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The following subsidiary companies are considered in the Consolidated Financial Statements.

Sr. No.	Name of the Subsidiary Company	Country Domiciled/ Incorporated	% of holding either directly or through subsidiaries		Date since it became subsidiary
			As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	
1	Queen Projects (Mauritius) LTD	Mauritius	100%	100%	10.04.2007
2	Vanderma Holdings Ltd <sup>1</sup>	Cyprus	100%	100%	10.04.2007
3	Pilatus View Holding AG <sup>1*</sup>	Switzerland	-	100%	10.04.2007 Upto 20.03.2020
4	Quickmill Inc <sup>1</sup>	Canada	100%	100%	12.04.2007
5	760 Rye Street Inc <sup>1</sup>	Canada	100%	100%	15.04.2009
6	AESA Air Engineering S.A. <sup>1</sup>	France	70%	70%	06.07.2007
7	AESA Air Engineering Private Ltd. <sup>1</sup>	India	70%	70%	06.07.2007
8	ASEA Air Engineering Pte. Ltd <sup>1</sup>	Singapore	70%	70%	06.07.2007
9	AESEA Air Engineering Ltd. China <sup>1</sup>	China	70%	70%	06.07.2007

<sup>1</sup> These are step down subsidiaries.

\* Liquidation of Pilatus View Holding AG was carried during the year, the investment held by Pilatus View Holding AG in Quickmill Inc and 760 Rye Street were transferred on 20<sup>th</sup> March 2020 to Vanderma Holdings Ltd and Pilatus View Holding AG got de-registered on 7<sup>th</sup> May 2020.

### **Note No. 4**

#### **Business Combinations**

The Holding Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at the fair values at the acquisition date.

Purchase consideration paid in excess of the fair values of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfer of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note No. 5

#### **Use of Judgement, Assumptions and Estimates**

The preparation of the Group's consolidated financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Changes in accounting estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

In the assessment of the Holding Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements relate to the following areas:

- Financial instruments;
- Useful lives of property, plant & equipment;
- Valuation of inventories;
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits;
- Evaluation of recoverability of deferred tax assets;
- Leases;
- Assets Held for Sale; and
- Provisions and Contingencies.

### Note No.6.1

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Property, Plant and Equipments -**

- a) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- b) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.
- d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.
- e) Where the cost of a part of asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

- f) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- g) Spare parts which meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit & Loss on issue/consumption.
- h) When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part and recognises the new part with its own associated useful life and it is depreciated accordingly. All other repair and maintenance cost are recognised in the Statement of Profit and Loss as and when incurred.
- i) Property, Plant and Equipment which are not ready for intended use as on date of Balance Sheet are disclosed as 'Capital Work in Progress'.
- j) On transition to Ind AS Land, Building and Plant and Machinery has been measured at fair value as deemed cost as on the date of transition as per the option available to the Holding Company in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standard.

**B. Depreciation****a) Depreciation policy in case of Holding Company:****i) For Manufacturing unit at Udhna and Windmill -**

Depreciation on property, plant and equipment in Holding Company's books is provided on the straight line basis over the useful lives of assets (after retaining the residual value of up to 10% for factory building, plant and machinery and 5% for other assets). The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act except in case of Factory Building. In case of Factory Building depreciation is provided over their remaining useful life as on the date of transition to Ind AS.

**ii) For all other units:**

Depreciation on tangible assets is provided on Written Down Value Method over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. Intangibles assets are amortised on Straight Line Method over a period of 3 years.

**b) Depreciation policy in case of Overseas Subsidiaries:**

Depreciation on Property, Plant and Equipment of the overseas subsidiaries is provided over its economic life determined by the management of the respective subsidiaries and are determined in accordance with laws applicable in countries where such operations are domiciled as given below :

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

<b>Assets</b>	<b>Quick mill Inc., Canada</b>	<b>760 Rye street INC, Canada</b>	<b>Aesa Air Engineering, SA France*</b>
Building	-	4% on written Down Value	15 years Straight line
Leasehold Improvements	50% on Written Down Value	-	-
Machinery & Equipment	20% on Written Down Value	-	3-10 years Straight line
Furniture and fixture	20% on Written Down Value	-	10 years Straight line
Computers/office Equipment	30% on Written Down Value		1-7.5 years Straight line
Computer software	100% on Straight line	-	1-3 years Straight line
Vehicles/Transport Equipment	-	-	1-4 years Straight line
Other tangible assets	-	-	2-5 years Straight line
Other Intangible assets	-	-	4-10 years Straight line
Trade Mark	5 Years on Straight line	-	-
Development Cost	3 Years on Straight line	-	-

\*Aesa Air Engineering ,SA France and its subsidiaries.

There are no Property, Plant and Equipment in any of the other subsidiaries except for the above mentioned subsidiaries.

- c) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the period in which the estimates are revised.
- d) The group depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately.
- e) The spare parts are depreciated over the estimated useful life based on internal technical assessment.
- f) Expenditure on major repairs and overhauls which qualify for recognition in the item of Property, Plant and Equipment and which result in additional useful life, is depreciated over the extended useful life of the asset as determined by technical evaluation.
- g) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

**C. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the Holding Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

### D. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location, including appropriate overheads apportioned on a reasonable and consistent basis and is determined on the following basis:

- a) Raw materials and finished goods on weighted average basis.
- b) Work in progress at raw material cost plus cost of conversion.
- c) Stores and loose tools on weighted average basis.

Obsolete, slow moving, surplus and defective stocks are identified and where necessary, provision is made for such stocks.

### E. Revenue Recognition

#### Revenue from contracts with customers:

Revenue from contract with customers is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. Performance obligations are satisfied at the point of time when the customer obtains the control of the goods.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract. Revenue excludes taxes collected from customers

#### Service Income :

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### **Revenue from Works Contract:**

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. Expected loss, if any, on the contract is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

### **Interest Income:**

Interest income is recognized using Effective Interest Rate (EIR) method.

### **Dividend Income:**

Revenue is recognized when the Company's right to receive the payment has been established.

## **F. Employee Benefits**

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

The Holding Company's post-employment benefit consists of provident fund, gratuity and superannuation fund. The Holding Company also provides for leave encashment which is in the nature of long term benefit.

The Holding Company's contributions to Provident Fund administered by Regional Provident Fund Authorities and ESIC and Labour Welfare Fund in the case of employees at manufacturing unit at Udhna, which are defined contribution plans, are recognized as an expense in the Statement of Profit and Loss for the year in which the services are rendered and the Holding Company has no further obligation beyond making the contributions.

The Holding Company's contribution to the Provident Fund for employees other than working at manufacturing unit at Udhna, which is a defined contribution plan, is remitted to separate trust established for this purpose and charged to Statement of Profit and Loss. Shortfall, if any, in the fund assets of the Provident Fund Trust, based on the Government specified minimum rate of return, is made good by the Holding Company and charged to Statement of Profit and Loss. The Holding Company's contribution to Superannuation Fund for Managers/Officers, which is a defined contribution plan, is made to and administered by Life Insurance Corporation of India and is charged to Statement of Profit and Loss Account.

The Holding Company operates defined benefit plan for Gratuity. The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year.

Obligations on leave encashment are provided using the projected unit credit method of actuarial valuation made at the end of the year.

Actuarial gains and losses are recognized in other comprehensive income for gratuity and leave encashment.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Holding Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Holding Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

In case of one of the foreign subsidiary contributions towards pension/social securities which are charged to statement of profit and loss as and when incurred and in case of one of the subsidiary it provides for the liability on accrual basis. The subsidiaries have no further obligation beyond making the contribution. The difference between the accrual amounts and actuarial valuations are not expected to be material.

### G. Share-based payment arrangements

The stock options granted pursuant to the Holding Company's Stock Options Scheme, are measured at the fair value of the options of the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis.

The amount recognized as expense each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognized as expense in respect of such grant is transferred to the employee stock option reserve within equity.

### H. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets till the month in which the asset is ready for use.

All other borrowing costs are charged to the Statement of Profit and Loss.

### I. Segment Accounting

The Group operates in 'Industrial Equipment' segment and there are no other reportable segments as defined under Ind AS 108.

### J. Foreign Currency Transactions

The functional currency of the Holding company is the Indian Rupees whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### **Non – Monetary items:**

Non-monetary items that are measured in terms of historical cost are recorded at the exchange rates at the dates of the initial transactions.

### **Monetary items:**

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items including exchange differences arising on a monetary item that forms part of the holding company's net investment in a foreign operation are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

On consolidation, all assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

### **K. Provisions, Contingent Liabilities and Contingent assets**

- a) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision are recognized in the Statement of Profit and Loss net of any reimbursement.
- b) If the effect of time value of money is material, provisions are shown at present value of expenditure expected to be required to settle the obligation, by discounting using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent liabilities are possible obligations arising from past events and whose existence will only be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- d) Contingent Assets are not recognized but reviewed at each balance sheet date and disclosure is made in the Notes in respect of possible effects that arise from past events and whose existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and where inflow of economic benefit is probable.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### L. Fair Value measurement

- a) The Group measures financial instruments at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Holding Company has access at that date.
- c) While measuring the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices).

**Level 3:** Inputs that are not based on observable market data (unobservable inputs).

### M. Financial Instruments

#### i. Financial Assets other than derivatives

All financial assets are recognised initially at fair values including transaction costs that are attributable to the acquisition of the financial asset.

A financial asset is measured (subsequent measurement) at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is net of any write down for impairment loss (if any) using the effective interest rate (EIR) method taking into account any discount or premium and fees or costs that are an integral part of the EIR.

Investments in subsidiaries are accounted for and measured at cost (fair value as deemed cost on first time adoption) in standalone financial statements.

Investments in equity other than subsidiaries are accounted for and measured at fair value through profit or loss.

A financial asset is derecognised either partly or fully to the extent the rights to receive cash flows from the asset have expired and / or the control on the asset has been transferred to a third party. On de-recognition, any gains or losses are recognised in the Statement of Profit and Loss.

#### ii. Financial Liabilities other than derivatives

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**iii. Financial guarantee contracts**

Financial guarantee contracts issued by the group are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation. Where guarantees in relation to loans or other payables of related party are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under “other financial assets” or as a part of the cost of the investment, depending on the contractual terms.

**iv. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**N. Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current if they are expected to be realised / settled within twelve months after the reporting period. All other assets and liabilities are considered as non-current.

**O. Impairment****Non-financial Assets**

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**Financial Assets**

The Group assesses at each date of Balance Sheet whether a financial asset or group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Group recognises lifetime expected losses for all contract assets and /or all trade receivables that do not constitute a financing transaction.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset had increased significantly since initial recognition.

### P. Non Current Asset Held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the non-current assets no longer meets the "Held for sale" criteria.

### Q. Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly or indirectly in equity respectively.

#### Current Income Taxes

Income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

The Current Income tax expense includes income taxes payable by the holding company and its subsidiaries in India and overseas. The current tax payable by the company and its subsidiaries in India is Indian Income tax payable on worldwide Income.

The Current Income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on net basis.

Minimum Alternate Tax ('MAT') paid under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Holding Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

#### Deferred taxes

Deferred income tax is recognized using the Balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or on asset and liability in a transaction that is not a business combination and effects neither accounting nor taxable profit or loss at the time of the transactions.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are off set when they relate to incomes taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on net basis.

Deferred tax assets include Minimum Alternate tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as asset in the balance sheet when the asset can be measured reliability and it is probable that the future economic benefit associated with the asset will be realized.

### R. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, adjusted for the effect of all dilutive potential equity shares.

### S. Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheques and draft on hand. The group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### Note No.6.2

Recent Changes in Indian Accounting Standard and other recent accounting pronouncements

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1<sup>st</sup> April 2020.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## Note 7 - PROPERTY PLANT AND EQUIPMENT

(₹ In Lakhs)

PARTICULARS *	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As At 01-04-2019	Additions/	Deductions/ Sales	Exchange Difference	As At 31-03-2020	For The Year	Deductions/ Adjustment	Exchange Difference	As At 31-03-2020	As At 31-03-2020
<b>(i) Tangible Assets</b>										
Land (Freehold)	16,279.00	-	-	11.29	16,290.29	-	-	-	-	16,290.29
Buildings on Freehold Land	4,007.97	16.94	-	94.47	4,119.38	188.93	-	76.71	1,885.36	2,234.02
Plant & Machinery	2,208.78	29.16	106.02	27.17	2,159.09	133.94	96.54	24.27	1,092.33	1,066.76
Furniture, Fixtures, fans and Electrical fittings	557.25	10.52	-	15.71	583.48	15.47	-	33.80	497.35	86.13
Office Equipment/ Computers etc.	997.35	47.31	6.96	28.49	1,066.19	45.83	6.89	(0.90)	950.37	115.82
Vehicles	67.18	0.55	7.80	5.44	65.37	9.86	7.02	0.09	27.41	37.96
<b>Total Tangible Assets</b>	<b>24,117.53</b>	<b>104.48</b>	<b>120.78</b>	<b>182.57</b>	<b>24,283.80</b>	<b>394.04</b>	<b>110.45</b>	<b>133.97</b>	<b>4,452.82</b>	<b>19,830.98</b>
<b>(ii) Capital WIP</b>										
Capital Work in Progress	34.33	0.40	-	1.72	36.45	-	-	-	-	36.45
<b>Total Capital WIP</b>	<b>34.33</b>	<b>0.40</b>	<b>-</b>	<b>1.72</b>	<b>36.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.45</b>
<b>(iii) Intangible Assets</b>										
Software	8.67	2.95	-	-	11.62	3.07	-	-	4.47	7.15
Trademarks and Development Costs	144.52	0.67	11.43	3.60	137.36	44.24	11.44	1.64	100.41	36.95
<b>Total Intangible Assets</b>	<b>153.19</b>	<b>3.62</b>	<b>11.43</b>	<b>3.60</b>	<b>148.98</b>	<b>47.31</b>	<b>11.44</b>	<b>1.64</b>	<b>104.88</b>	<b>44.10</b>
<b>(iv) Intangible Assets under development</b>										
Intangible Assets under development	-	12.97	-	-	12.97	-	-	-	-	12.97
<b>Total Intangible Assets under development</b>	<b>-</b>	<b>12.97</b>	<b>-</b>	<b>-</b>	<b>12.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.97</b>
<b>TOTAL</b>	<b>24,305.05</b>	<b>121.47</b>	<b>132.21</b>	<b>187.89</b>	<b>24,482.20</b>	<b>441.35</b>	<b>121.89</b>	<b>135.61</b>	<b>4,557.70</b>	<b>19,924.50</b>

\* Refer Note 24 for details of Property, Plant and Equipments that has been pledged as a security/mortgaged with various Banks against working capital borrowings.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31<sup>st</sup> March, 2019

(₹ In Lakhs)

PARTICULARS *	GROSS BLOCK (AT COST)					DEPRECIATION / AMORTISATION					NET BLOCK
	As At 01-04-2018	Additions/	Deductions/ Sales	Exchange Difference	As At 31-03-2019	As At 01-04-2018	For The Year	Deductions/ Adjustment	Exchange Difference	As At 31-03-2019	As At 31-03-2019
(i) Tangible Assets											
Land (Freehold) #	17,902.75	-	1,625.70	1.95	16,279.00	-	-	-	-	-	16,279.00
Buildings on Freehold Land #	4,201.10	29.47	214.28	(8.32)	4,007.97	1,486.41	196.83	62.44	(1.08)	1,619.72	2,388.25
Plant & Machinery	2,159.50	36.25	15.61	28.64	2,208.78	878.20	141.03	12.88	24.30	1,030.65	1,178.13
Furniture, Fixtures, fans and Electrical fittings	540.35	11.26	11.72	17.36	557.25	436.25	23.54	11.73	0.02	448.08	109.17
Office Equipment/ Computers etc.	992.75	40.71	46.36	10.25	997.35	898.11	43.40	13.98	(15.21)	912.32	85.03
Vehicles	51.21	23.91	7.73	(0.21)	67.18	25.79	5.88	6.98	(0.20)	24.49	42.69
Total Tangible Assets	25,847.66	141.60	1,921.40	49.67	24,117.53	3,724.76	410.68	108.01	7.83	4,035.26	20,082.27
(ii) Capital WIP											
Capital Work in Progress	33.63	1.70	1.00	-	34.33	-	-	-	-	-	34.33
Total Capital WIP	33.63	1.70	1.00	-	34.33	-	-	-	-	-	34.33
(iii) Intangible Assets											
Software	-	8.67	-	-	8.67	-	1.40	-	-	1.40	7.27
Trademarks and Development Costs	130.30	32.70	-	(18.48)	144.52	104.33	-	38.36	-	65.97	78.55
Total Intangible Assets	130.30	41.37	-	(18.48)	153.19	104.33	1.40	38.36	-	67.37	85.82
TOTAL	26,011.59	184.67	1,922.40	31.19	24,305.05	3,829.09	412.08	146.37	7.83	4,102.63	20,202.42

\* Refer Note 24 for details of Property, Plant and Equipments that has been pledged as a security/mortgaged with various Banks against working capital borrowings.

# During F.Y. 2018-19 the Holding Company decided to sell a part of Land and Building out of the total factory land and building located in Surat. The amounts of gross block, accumulated depreciation and net block pertaining to the same had been shown as deduction from Property, Plant and Equipment and shown as Non Current Asset held for sale (Refer Note 13).

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**Note 8 - RIGHT-OF-USE ASSET**

PARTICULARS	GROSS CARRYING AMOUNT						DEPRECIATION				NET CARRYING VALUE	
	As At 01-04-2019	Adjustment on adoption of Ind AS - 116 - Leases	Additions	Deductions	Exchange difference	As At 31-03-2020	As At 01-04-2019	For The Year	Deductions	Exchange difference	As At 31-03-2020	As At 31-03-2020
Right-of-use asset	-	149.70	249.20	-	5.64	404.54	-	133.14	-	0.94	134.08	270.46
Total	-	149.70	249.20	-	5.64	404.54	-	133.14	-	0.94	134.08	270.46

(₹ In Lakhs)

Particulars	Numbers 31-Mar-20	Numbers 31-Mar-19	Face Value (Each ₹)	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 9 : INVESTMENTS</b>					
<b>In fully paid Equity Shares (Un-Quoted):</b>					
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
Shamrao Vitthal Co.op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
<b>SUB-TOTAL</b>				<b>5.27</b>	<b>5.27</b>
<b>Aggregate value of Un-Quoted Investments</b>				<b>5.27</b>	<b>5.27</b>

(₹ In Lakhs)

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 10.1 : TRADE RECEIVABLES - NON CURRENT</b>		
Considered Good - Secured		
Considered Good - Unsecured	212.71	198.31
Considered Credit Impaired	370.06	318.21
Less: Provision for Trade Receivables Credit Impaired	(370.06)	(318.21)
	<b>212.71</b>	<b>198.31</b>
<b>NOTE 10.2 : LOAN - NON CURRENT</b>		
Staff Loans	1.44	3.13
	<b>1.44</b>	<b>3.13</b>

(₹ In Lakhs)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In Lakhs)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 10.3 : OTHER NON CURRENT ASSETS</b>		
Unsecured Considered Good Unless Specified Otherwise		
Security and Other Deposits	102.51	109.59
Advance given to creditors	27.16	10.98
	<b>129.67</b>	<b>120.57</b>

(₹ In Lakhs)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Note 11.1 : INVENTORIES</b>		
Raw Materials	1,661.56	1,974.40
Work-in-Progress	1,752.73	1,139.90
Finished Goods	164.19	549.40
Stores and Spare Parts	26.59	38.97
Loose Tools	34.94	32.42
	<b>3,640.01</b>	<b>3,735.09</b>
<b>Note 11.2 : TRADE RECEIVABLES - CURRENT</b>		
Considered Good - Secured	-	-
Considered Good - Unsecured *	2,534.62	3,344.06
	<b>2,534.62</b>	<b>3,344.06</b>
* Includes amount of ₹ 333.34 Lakhs (Previous Year ₹75.36 Lakhs) due from related parties.		
<b>Note 11.3 : CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents :		
Cash and Cheques on hand	12.46	36.75
Balances with Scheduled Banks :		
In Current Account	791.17	551.46
	<b>803.63</b>	<b>588.21</b>
<b>Note 11.4 : BANK BALANCES OTHER THAN (ii) ABOVE</b>		
Fixed Deposits with Banks having maturity of less than one Year	71.35	69.83
Fixed Deposits towards Margin on Guarantees/LC's (Deposit receipts pledged with the Banks)	20.64	17.45
	<b>91.99</b>	<b>87.28</b>



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b><u>NOTE 12.1 : LOANS - CURRENT</u></b>		
<b>Considered Good - Secured</b>	-	-
Considered Good - Unsecured		
- Staff Loan	7.96	8.30
	<b>7.96</b>	<b>8.30</b>
<b><u>NOTE 12.2 : OTHERS CURRENT ASSETS</u></b>		
Balances with Government Authorities	46.94	62.87
Deposit	23.26	22.91
Prepaid Expenses	136.13	121.00
Advances given to Creditors	356.27	194.98
Other Advances Recoverable in Cash or Kind *	179.28	61.19
	<b>741.88</b>	<b>462.95</b>
* Includes amount of ₹ Nil Lakhs (Previous Year ₹ 31.49 Lakhs) due from related parties.		
<b><u>NOTE 12.3 : CURRENT TAX ASSETS (NET)</u></b>		
Taxes Paid in Advance and Deducted at Source (Net of Provision for Tax)	32.47	116.42
	<b>32.47</b>	<b>116.42</b>
<b><u>NOTE 13 : NON CURRENT ASSET HELD FOR SALE</u></b>		
Land	1,625.70	1,625.70
Building	152.69	152.69
Capital Work in Progress	1.00	1.00
	<b>1,779.39</b>	<b>1,779.39</b>

During the year ended 31<sup>st</sup> March 2019, in March 2019 the Holding Company had decided to sell a part of Land, Building and Capital work in progress amounting to ₹ 1,779.39 Lakhs out of the total factory land and building located in Surat. The part of Land and Building was classified and presented as “held for sale” and was carried at the lower of carrying value and fair value. In the current year, the Holding Company had initiated identification and evaluation of potential buyers for the sale of the said part of Land and Building.

During the year ended 31<sup>st</sup> March 2020, on remeasurement, the Holding Company has evaluated the current position and has concluded that the carrying value of the “asset held for sale” is lower than the fair value of the asset, hence no impairment to the carrying amount has been made. The Holding Company expects the sale of the “asset held for sale” to be completed by the end of the next financial year.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Note 14.1 - EQUITY SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
4,61,70,400 Equity Shares of ₹ 5/- each	2,308.52	2,308.52
(Previous Year : 4,61,70,400 Equity Shares of ₹ 5/- each)		
<b>TOTAL</b>	<b>2,308.52</b>	<b>2,308.52</b>
<b>Issued Subscribed and fully paid up</b>		
2,87,15,883 Equity Shares of ₹ 5/-	1,435.79	1,435.79
(Previous Year : 2,87,15,883 Equity Shares of ₹ 5/-)		
	<b>1,435.79</b>	<b>1,435.79</b>

**Rights, preferences and restrictions**

The Holding Company has only one class of equity shares having a face value of Rs 5/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive remaining assets of the holding company after distribution of all preferential amounts, in proportion to their shareholdings.

**Equity Shares**

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

Particulars	As at 31-Mar-20	As at 31-Mar-19
Opening Number of Equity Shares	28,715,883	28,715,883
Add: Equity Shares issued during the year	-	-
<b>Closing Number of Equity Shares</b>	<b>28,715,883</b>	<b>28,715,883</b>

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

Name of Share holder	As At 31-Mar-20	As At 31-Mar-19
	No. of Shares	No. of Shares
Mr.Nirmal Bhogilal	11,729,713	11,729,713
% Shareholding	40.85%	40.85%
Bhogilal Family Trust	7,000,000	7,000,000
% Shareholding	24.38%	24.38%

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>Note 14.2 : OTHER EQUITY</b>		
a) Capital Reserve	25.00	25.00
b) Capital Redemption Reserve	160.60	160.60
c) Securities Premium	396.59	396.59
d) General Reserve	1,162.92	1,162.92
e) Employee Stock Option Reserve		
Balance as at the beginning of the year	49.99	36.61
Add : Accrual of Employee Compensation cost	13.88	13.38
Balance as at the end of the year	63.87	49.99
f) Investment Allowance Reserve	63.05	63.05
g) Retained Earnings		
Balance as at the beginning of the year	10,349.23	9,061.41
Add : Profit/(Loss) for the year	(1,586.82)	1,287.82
Balance as at the end of the year	8,762.41	10,349.23
h) Other Comprehensive Income		
Balance as at the beginning of the year	46.97	45.20
Add/(Less) : Remeasurement gain /(loss) on defined benefit plan	(8.43)	(28.36)
Add/(Less) : Changes in foreign currency translation reserve	(80.86)	30.14
Less : Foreign Currency translation reserve reclassified to profit and loss on liquidation of subsidiary	(34.80)	-
Balance as at the end of the year	(77.12)	46.97
<b>Total</b>	<b>10,557.32</b>	<b>12,254.35</b>

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 15.1 : BORROWINGS - NON CURRENT</b>		
<b>Secured Term Loans</b>		
<b>From Financial Institutions</b>		
Rupee Term Loans from bank		
Vehicle Loan (Secured by Hypothecation of Vehicle)		
From Tata Motors Finance Limited	8.06	12.07
Less: Maturity within 1 year - (Refer Note 17.3)	(4.44)	(4.01)
Repayable in various EMLs by December 2021	3.62	8.06

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In Lakhs)			
Particulars	As at 31-Mar-20		As at 31-Mar-19
From Kotak Mahindra Prime Ltd.	6.77		8.98
Less: Maturity within 1 year - (Refer Note 17.3)	(1.46)	5.31	(2.93)
Repayable in various EMI by March 2024			6.05
Foreign Currency Term Loan	624.63		625.82
Less: Maturity within 1 year (Refer Note 17.3)	(21.54)	603.09	(35.26)
Repayable in various EMI by July 2039 (P.Y. Loan was repayable in various EMI by July 2036 which was fully repaid during the current year)			590.56
Unsecured Loans, Measured at Amortised Cost			
Loans & Advances from Related Parties			
Loan from Directors		1,850.88	1,862.80
Repayment terms			
Repayable after one year			
Other Loans		73.08	73.08
Repayment terms			
Repayable after one year			
Intercompany Deposits*#		1,210.00	-
Repayable after one year			
5% - 5 Year Redeemable Non-Cumulative Preference			
Share of ₹ 100/- each fully paid.	676.39		670.15
Less: Maturity within 1 year (Refer Note 17.3)	(467.37)	209.02	-
(6,92,480, 5% Non Cumulative Preference Shares of ₹ 100 each (4,78,000 Redeemable on 27 <sup>th</sup> March, 2021 and 2,14,480 redeemable on 19 <sup>th</sup> June 2021.)			670.15
		<b>3,955.00</b>	<b>3,210.70</b>

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

Particulars	31-Mar-20	31-Mar-19
Mr.Nirmal Bhogilal		
Opening Number of Preference Shares	692,480	692,480
Add: Transferred during the year	-	-
Closing Number of Preference Shares	692,480	692,480

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

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

Particulars	31-Mar-20	31-Mar-19
Mr. Nirmal Bhogilal	692,480	692,480
% Shareholding	100%	100%

\* includes amount taken from related party amount of ₹ 30.00 lakhs @ 15% interest - repayable by 25th July 2021, (P.Y. amount ₹ Nil Lakhs).

# Includes Inter Corporate Deposit of ₹ 1,100 Lakhs (P.Y. ₹ Nil Lakhs) taken from Auro Minerals Private Limited for meeting working capital requirement. The Holding Company intends to provide Guest House Land which is Asset Held for Sale situated in Udhna, Surat as collateral against the inter corporate deposit received as security for repayment subject to shareholders approval hence currently the borrowing has been disclosed as unsecured borrowing.

(₹ In Lakhs)		
Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 15.2 : TRADE PAYABLES - NON CURRENT</b>		
Due to Micro Small and Medium Enterprises (Refer Note 25)		
Others *	480.81	534.66
	<b>480.81</b>	<b>534.66</b>
* Includes amount of ₹ 42.50 Lakhs (Previous Year - ₹ 27.92 Lakhs) due to related parties.		
<b>NOTE 15.3 : OTHER FINANCIAL LIABILITIES - NON CURRENT</b>		
Advances and Deposits from Customers	112.88	104.86
Interest accrued and due on loans*	70.00	125.97
	<b>182.88</b>	<b>230.83</b>
* Includes amount of ₹ 70 Lakhs (Previous Year - ₹ 118.16 Lakhs) due to related parties.		
<b>NOTE 15.4 : PROVISIONS - NON CURRENT</b>		
Provisions for Employee Benefits:		
Provision for Gratuity	457.02	424.17
Provision for Leave Encashment	123.89	92.73
Warranty Provision	-	1.93
	<b>580.91</b>	<b>518.83</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**Note No: 16**
**DEFERRED TAX LIABILITIES (NET)**

In Compliance of IND AS 12 on “ Income Taxes”, the item wise details of deferred tax liabilities (Net) are as under

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss Credit/ (Charge)	Recognised in Other Comprehensive Income Credit/(Charge)	Closing Balance
<b>For the year ended 31<sup>st</sup> March 2020</b>				
<b>Deferred tax liabilities</b>				
Difference between accounting and tax depreciation off Property, Plant & Equipment	(3,330.73)	95.53	-	(3,235.20)
- On account of fair Value of Land ₹ 32.94 Lakhs (Refer Note - (a) below)				
- On account of other depreciable Property, Plant and Equipment ₹ 54.06 Lakhs				
<b>Total deferred tax liabilities</b>	<b>(3,330.73)</b>	<b>95.53</b>	<b>-</b>	<b>(3,235.20)</b>
<b>Deferred tax assets</b>				
Expenses allowed on payment basis	41.06	7.47	8.32	56.85
Provision for Investments	683.40	-	-	683.40
Provision for Doubtful debts, doubtful advances and inventory obsolescence	48.07	11.15	-	59.22
Provision for Capital WIP	73.14	-	-	73.14
Unabsorbed Depreciation	151.80	61.08	-	212.88
Unabsorbed Business Loss	779.29	64.13	(5.36)	838.06
<b>Total deferred tax assets</b>	<b>1,776.75</b>	<b>143.83</b>	<b>2.96</b>	<b>1,923.55</b>
Minimum Alternate tax	130.32	-	-	130.32
<b>Deferred Tax Liabilities (NET)</b>	<b>(1,423.66)</b>	<b>239.36</b>	<b>2.96</b>	<b>(1,181.33)</b>
<b>For the year ended 31<sup>st</sup> March 2019</b>				
<b>Deferred tax liabilities</b>				
Difference between accounting and tax depreciation off Property, Plant & Equipment	(4,454.47)	1,123.74	-	(3,330.73)
- On account of fair Value of Land ₹ 1014.15 Lakhs (Refer Note - (a) below)				
- On account of other depreciable Property, Plant and Equipment ₹ 105.72 Lakhs				
<b>Total deferred tax liabilities</b>	<b>(4,454.47)</b>	<b>1,123.74</b>	<b>-</b>	<b>(3,330.73)</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit and Loss Credit/ (Charge)	Recognised in Other Comprehensive Income Credit/(Charge)	Closing Balance
<b>Deferred tax assets</b>				
Expenses allowed on payment basis	36.54	(2.73)	7.25	41.06
Provision for Investments	683.40	-	-	683.40
Provision for Doubtful debts, doubtful advances and inventory obsolescence	36.94	11.13	-	48.07
Provision for Capital WIP	73.14	-	-	73.14
Unabsorbed Depreciation	130.85	20.94	-	151.80
Unabsorbed Business Loss	494.24	282.33	2.72	779.29
<b>Total deferred tax assets</b>	<b>1,455.11</b>	<b>311.67</b>	<b>9.97</b>	<b>1,776.75</b>
Minimum Alternate tax	130.32	-	-	130.32
<b>Deferred Tax Liabilities (NET)</b>	<b>(2,869.04)</b>	<b>1,435.42</b>	<b>9.97</b>	<b>(1,423.66)</b>

### Note :

- a) The Holding Company had exercised the option of fair value as deemed cost for Property, Plant and Equipment on the date of transition to Ind-AS i.e; 1<sup>st</sup> April 2016. Ind AS required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its Tax Base. Accordingly deferred tax liability on account of fair valuation of Land was calculated in previous year.

Under Section 55(2)(b)(i) of Income Tax Act 1961, "fair market value of capital assets means where the capital asset became the property of the assessee before the 1<sup>st</sup> day of April, 2001, the cost of acquisition of the asset to the assessee or the fair market value of the asset on the 1<sup>st</sup> day of April, 2001, shall be considered at the option of the assessee."

Accordingly deferred tax liability on account of fair value of Land is calculated and reviewed at each reporting date as required by Ind AS - 12 'Income Taxes' for changes in respect of temporary differences which have been recognised in previous periods. In F.Y. 2018-19, the Holding Company has opted to choose the fair market value of the land as on 01.04.2001 as its cost of acquisition in accordance with Section 55(2)(b)(i) of Income Tax Act 1961. This has resulted in creation of deferred tax credit during the year of ₹ 32.94 Lakhs (P.Y. ₹ 1,014.15 Lakhs) which is part of deferred tax credit of ₹ 239.36 Lakhs (P.Y. ₹ 1,435.41 Lakhs) for the year ended 31<sup>st</sup> March 2020.

- b) Deferred tax Asset on unabsorbed depreciation, unabsorbed business losses and other temporary differences available as per the Income Tax Act, 1961 had been recognised, since it is probable that taxable profit will be available to adjust them in future years. Unabsorbed depreciation can be carried forward and set off against the profits for infinite number of years under the Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set off in future.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

- c) The Taxation Laws (Amendment) Act, 2019 was enacted on 11<sup>th</sup> December 2019. It amended the Income Tax Act, 1961 and the Finance Act (No. 2) Act, 2019. It provides domestic companies with an option to opt for lower tax rate, provided they do not claim certain deductions. The Holding Company has not exercised the option to opt for lower tax rate and has presently considered the rate existing prior to the amendment. The Holding Company shall evaluate the option to opt for lower tax rate once it utilises the entire carried forward losses and MAT credit available under the Income Tax Act.

Reconciliation of effective tax rate as a numerical reconciliation between tax expense and the product of account profit multiplied by the applicable tax rate

	<b>(₹ in Lakhs)</b>	
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Profit / (Loss) before tax	(1,753.34)	(63.14)
Applicable tax rate	26.00%	26.00%
Tax using the applicable tax rate	(455.87)	(26.38)
Tax effect of:		
Add: Non deductible tax expenses	721.77	429.73
Less: Deductible tax expenses	455.25	195.36
Less: Taxed at different rates	0.60	0.60
Taxable Income	(1,487.42)	132.30
Tax expense recognised in the statement of profit and loss	73.30	84.61
Weighted average Tax rate %	(4.18)	(134.01)

The tax rate of 26% is applicable to the next financial year.

Tax expense recognised in the statement of profit and loss / Other comprehensive Income (OCI) are as below:

	<b>(₹ in Lakhs)</b>	
<b>Particular</b>	<b>2019-20</b>	<b>2018-19</b>
Current Tax Expense	73.30	84.61
Deferred tax expense/ ( Asset) relating to		
- Origination and reversal of temporary differences	209.38	430.88
- Different tax rates	32.94	1,014.51
<b>Total</b>	<b>242.33</b>	<b>1,445.39</b>
Tax expenses including deferred tax credit/ (charge) recognised in the statement of profit and loss	239.36	1,435.42
Deferred tax liability/ ( asset) relating to remeasurement of the defined benefit plan recognised in OCI	2.96	9.97



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ In Lakhs)	
	As at 31-Mar-20	As at 31-Mar-19
<b>NOTE 17.1 : BORROWINGS - CURRENT SECURED</b>		
Loans repayable on demand		
From Banks		
Cash Credit and Working Capital Borrowings (Refer Note - 24)	1,684.15	2,255.65
Inter Corporate Deposits*	1,084.34	1,524.14
	<b>2,768.49</b>	<b>3,779.79</b>
* includes amount taken from related party amount of ₹ 813.86 lakhs @ 15% interest - repayable within 90 days, (P.Y. amount ₹ 619.06 Lakhs @ 17.25% interest - repayable within 90 days).		
<b>NOTE 17.2 : TRADE PAYABLES - CURRENT</b>		
Due to Micro Small and Medium Enterprises (Refer Note 25) *	34.58	86.03
Others #	4,371.84	4,021.51
	<b>4,406.42</b>	<b>4,107.54</b>
* Includes amount of ₹ 32.76 Lakhs (Previous Year - ₹ 48.10 Lakhs) due to related parties		
# Includes amount of ₹ 174.21 Lakhs (Previous Year - ₹ 168.78 Lakhs) due to related parties.		
<b>NOTE 17.3 : OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Loan - Secured (Refer Note 15.1)	494.81	42.20
Advances and Deposits #	2,309.08	1,349.95
Statutory Liabilities	120.36	158.18
Employee Related Liabilities *	451.49	502.99
Other Liabilities	625.20	661.83
	<b>4,000.94</b>	<b>2,715.15</b>
# Includes amount of ₹ 297.46 Lakhs (Previous Year - ₹ 207.09 Lakhs) advance received from related parties.		
* Includes amount of ₹ 93.25 Lakhs (Previous Year - ₹ 94.99 Lakhs) due to related parties.		
<b>NOTE 17.4 : PROVISIONS - CURRENT</b>		
Provisions for Employee Benefits:		
Provision for Gratuity	22.39	53.20
Provision for Leave Encashment	173.95	296.87
Warranty Provisions (Note 34)	137.98	90.03
	<b>334.32</b>	<b>440.10</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In Lakhs)		
Particulars	Year Ended 31-03-2020	Year ended 31-03-2019
<b><u>NOTE 18: REVENUE FROM OPERATIONS</u></b>		
Sale of Products	17,468.44	22,583.79
Sale of Services	1,846.91	2,132.44
Other Operating Revenue	211.74	175.60
	<b>19,527.09</b>	<b>24,891.83</b>
<b><u>NOTE 19 : OTHER INCOME</u></b>		
Dividend	0.60	0.60
Exchange Difference Gains	-	23.01
Profit on Sale of Fixed Assets	3.50	2.62
Credit Balances Written Back	143.67	273.13
Foreign Currency translation reserve reclassified to profit and loss on liquidation of subsidiary	34.82	-
Interest Income		
- on fixed deposits	6.61	4.70
- on financials instruments measured at amortised cost (Net)	5.67	17.47
- Others	109.81	4.93
Reversal of Provision for Doubtful Debts	-	84.12
Other Income	100.75	235.04
	<b>405.43</b>	<b>645.62</b>

(₹ In Lakhs)		
Particulars	Year Ended 31-03-2020	Year ended 31-03-2019
<b><u>NOTE 20.1 : COST OF MATERIALS CONSUMED</u></b>		
Raw Materials Consumed	8,828.74	11,266.42
Cost of Job Contracts	158.90	378.92
Cost of Services Rendered	52.31	48.27
Job Work Charges Incurred	183.78	221.21
	<b>9,223.73</b>	<b>11,914.82</b>
<b><u>NOTE 20.2 : PURCHASE OF STOCK IN TRADE</u></b>		
Purchases of Stock in Trade	1,710.67	1,675.02
	<b>1,710.67</b>	<b>1,675.02</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	Year Ended 31-03-2020	Year ended 31-03-2019
<b>NOTE 20.3 : CHANGE IN INVENTORY OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>		
Stock at Close :		
Work-in-Process	1,752.73	1,139.90
Finished Goods	164.19	549.40
	<b>1,916.92</b>	<b>1,689.30</b>
Less :		
Stock at Commencement :		
Work-in-Process	1,139.90	1,081.64
Finished Goods	549.40	500.71
	<b>1,689.30</b>	<b>1,582.35</b>
	<b>(227.62)</b>	<b>(106.95)</b>
<b>NOTE 21 : EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Allowances and Bonus	4,417.49	4,194.80
Contribution to Provident and Other Funds	421.07	468.42
Expenses on Employee Stock Option Scheme (ESOP)	13.88	13.38
Provision for Gratuity & Leave Encashment	71.77	69.82
Staff Welfare Expenses	259.35	310.95
	<b>5,183.56</b>	<b>5,057.37</b>

(₹ In Lakhs)

Particulars	Year Ended 31-03-2020	Year ended 31-03-2019
<b>NOTE 22 : FINANCE COST</b>		
Interest Expenses	678.50	628.77
Interest on Lease Liability	30.52	-
Bank Charges	190.82	143.51
	<b>899.84</b>	<b>772.28</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In Lakhs)		
Particulars	Year Ended 31-03-2020	Year ended 31-03-2019
<b>NOTE 23 : OTHER EXPENSES</b>		
Rent	78.77	253.43
Rates and Taxes	307.63	456.62
Power and Fuel	187.48	214.98
Insurance	77.70	76.27
Sales Commission	313.71	445.01
Exhibitions/ Advertisement Expenses	135.10	158.41
Printing and Stationery	68.20	61.28
Travelling and Conveyance	690.15	820.19
Audit, Legal and Professional Charges	440.84	376.65
Vehicle Maintenance	80.17	79.97
Packing and Cartage	456.07	924.48
Stores & Loose Tools Consumed	233.03	271.51
Repairs to Machinery	58.15	82.38
Repairs to Buildings	73.64	41.55
Repairs to Other Assets	39.23	34.66
Jobwork Charges	495.89	587.89
Directors' Sitting Fees	17.69	20.61
Donations	1.09	0.74
Loss on Sale / Assets Written Off	8.52	6.70
Bad Debts	38.86	154.99
Provision for Doubtful Debts/Advances	42.89	40.65
Exchange Difference Loss	21.30	-
Miscellaneous Expenses	455.08	767.01
	<b>4,321.19</b>	<b>5,875.98</b>

**Note No 24:**

Working capital borrowings from consortium banks in case of Holding Company 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, books 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 Udhna, Surat. Credit facilities including sub limits extended by consortium banks to Batliboi Environmental Engineering Limited (BEEL) are secured by 2<sup>nd</sup> pari passu charge on the fixed assets of the company (both present and future) at Udhna Surat.

Working capital borrowings includes borrowing in case of one of the step down subsidiaries which has been secured by a general security agreement representing a priority interest over all of the assets and undertakings of the step down subsidiary.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note No 25:

Disclosure required under section 22 of the Micro, small and medium enterprises development Act, 2006:

(₹ In Lakhs)

Sr. No.	Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
1	Principal amount due and remaining unpaid	34.58	86.03
2	Interest due on above and the unpaid interest	10.02	4.79
3	Interest Paid	-	-
4	Payment made beyond the appointed day during the year	124.30	123.78
5	Interest due and payable for the period of delay *	5.42	11.80
6	Interest accrued and remaining unpaid	10.02	4.79
7	Amount of further interest remaining due and payable in succeeding years	10.02	4.79

\* Not claimed by Suppliers

### NOTE 26 - CONTINGENT LIABILITIES AND COMMITMENTS:

#### a) Contingent Liabilities (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>A. CONTINGENT LIABILITIES NOT PROVIDED FOR:</b>		
Disputed Sales Tax/Excise Demands *	120.78	120.78
* The Company has filed appeals against the respective orders and has paid ₹ 40.40 Lakhs against the dispute.		
Disputed Service Tax Demand	-	8.40
TDS Demand (Prior to F.Y. 2015-16 till F.Y. 2019-20)	115.36	116.14
<b>B. CLAIMS NOT ACKNOWLEDGED AS DEBTS:</b>	<b>193.21</b>	<b>200.71</b>
<b>C. GUARANTEES GIVEN:</b>		
Corporate Guarantee given to banks and financial institutions for credit facilities/performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party.	3,481.94	2,770.82
Guarantees given by the holding company's bankers on behalf of Batliboi Environmental Engineering Limited (BEEL) utilized out of the total corporate guarantee mentioned above.	978.80	927.68
Guarantees given on behalf of the holding company by its bankers.	388.17	543.12
Bank Guarantees given to Customers for Sales Covered under Warranty	61.96	59.09
<b>D. STANDBY LETTER OF CREDIT:</b>		
Standby Letter of credit of CAD 8,40,000 (P.Y. CAD 15,20,000) issued by the Holding Company's banker out of the working capital limit to the banker of Quickmill Inc, a step down subsidiary of the company.	446.92	786.44

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- i) The Group does not expect any reimbursement in respect of the above contingent liabilities.
- ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters as specified above in note 26.a, above pending resolution of the appellate proceedings.
- iii) In respect of guarantees as specified in note 26.c given by the Holding Company to the bankers of BEEL, one of the related parties, BEEL has given counter guarantees to the bank on behalf of the Company.

### b) Commitments:

- i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for is ₹ 27.03 lakhs (31<sup>st</sup> March 2019: Nil).

## **NOTE 27- RELATED PARTY DISCLOSURES AS PER IND AS 24:**

### a. List of Related Parties \*-

List of related parties where control exists and related parties with whom transactions have taken place and relationship:

#### i) Key Management Personnel and their relatives:

- a) Mr. Nirmal Bhogilal, Chairman
- b) Mr. Vivek Sharma, Managing Director
- c) Mrs. Sheela Bhogilal, Director
- d) Mr. Ketan Vyas, Chief Financial Officer
- e) Mr Kabir Bhogilal, Chief X Officer
- f) Mrs Maya Bhogilal
- g) Ms Sarika Singh, Company Secretary (up to 10/08/2018)
- h) Ganpat Sawant, Company Secretary (w.e.f 08/02/2019)

#### ii) Independent / Non-Executive Directors

- a) Mr. Ameet Hariani
- b) Mr. Eknath.Kshirsagar
- c) Mr. George Verghese
- d) Mr. Subodh Bhargava
- e) Mr. Vijay Kirloskar

#### iii) Enterprises 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 Renewable Energy Solutions Pvt Ltd (formerly known as 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 Investment Pvt Ltd
- k) Pramaya Shares and securities Pvt Ltd
- l) Bhogilal Trustship Pvt Ltd
- j) Hariani & Co

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### iv) Entities in which management personnel are trustees:

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

\*Related party relationships on the basis of the requirements of Indian Accounting Standard (Ind AS) – 24 disclosed above is as identified by the company and relied upon by the auditors.

### B) Transactions & Outstanding Balances:

(₹ In Lakhs)

Sr. No.	Particulars	Entities in which Key Management Personnel or their relatives have significant influence		Key Management Personnel & their Relatives	
		2019-20	2018-19	2019-20	2018-19
<b>I) Transactions</b>					
a)	Purchase of goods/ material/ services	723.20	929.01	3.85	0.65
b)	Sale of goods/ materials/ services/ recovery of expenses	842.69	1024.70	-	-
c)	Rent/License fee received(paid)	(3.17)	13.30	(11.40)	(11.40)
d)	Interest Paid(Received)	115.12	83.18	8.04	8.04
e)	Loans and Advance Received/ (Refunded) (Net)	2619.75	2391.50	70.00	-
f)	Loans and Advances in cash or kind Given / (refunded) (Net)	(2407.75)	(1766.75)	(70.00)	-
g)	Remuneration	-	-	280.38	276.51
h)	Balances Written-off/ (Written-back)	(11.95)	-	-	-
i)	Director Sitting Fees	-	-	4.60	5.30
<b>II) Outstanding Balances</b>					
a)	Loans and Advances-Received	916.94	692.14	1850.88	1862.80
b)	Receivable (for goods, services and other items) -				
i)	Trade Receivables	333.34	75.36	-	-
ii)	Advances Recoverable in Cash or Kind	-	31.49	-	-
c)	Payables (for goods, services and other items) -				
i)	Interest accrued and due on loans	-	55.40	70.00	62.76
ii)	Employee Related Liabilities	-	-	93.25	94.99
iii)	Trade Payables	227.01	230.22	22.46	14.58
d)	Advance Received (for goods, services and other items)	297.46	207.09	-	-
e)	Outstanding Guarantee	4460.74	3698.50	-	-

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**C. Disclosure of material transactions between the company and related parties and the status of outstanding balances as on 31<sup>st</sup> March 2020:**

(₹ In Lakhs)

Particulars	Enterprise / Key Management	Relationship	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Purchase of Goods/ materials/ services/ / payment of expenses	Batliboi Environmental engineering Ltd	Entities in which key management personnel and/or their relatives have significant influence	304.37	405.39
	Batliboi International Ltd		234.84	282.57
	Batliboi Impex Ltd		123.26	167.61
	Batliboi Renewable Energy Solutions Pvt Ltd		2.18	-
	Spartan Electricals		40.50	73.44
	Hitco Investments Pvt Ltd		18.05	-
	Hariani & Co	Key Managerial Person	3.85	0.65
Sale of goods/ materials/ services /recovery of expenses	Batliboi Environmental engineering Ltd	Entities in which key management personnel and/or their relatives have significant influence	554.86	402.62
	Batliboi International Ltd		269.97	604.80
	Batliboi Impex Ltd		0.15	0.15
	Batliboi Renewable Energy Solutions Pvt Ltd		16.49	16.59
	Spartan Electricals		1.22	0.54
Rent/License fees received/(paid)	Batliboi Environmental engineering Ltd	Entities in which key management personnel and/or their relatives have significant influence	-	15.96
	Batliboi Renewable Energy Solutions Pvt Ltd		(0.73)	(1.42)
	Spartan Electricals		(2.44)	(1.24)
	Nirmal Bhogilal	Chairman	(5.40)	(5.40)
	Shekhama Family Trust	Trusts in which management personnel are trustees	(6.00)	(6.00)
Interest Paid/ (Received)	Batliboi International Ltd	Entities in which key management personnel and/or their relatives have significant influence	8.77	8.77
	Hitco Investments Pvt Ltd		106.35	74.41
	Sheela Bhogilal	Key Managerial Person	8.04	8.04
Loans and advances in cash or kind received	Batliboi Renewable Energy Solutions Pvt Ltd	Entities in which key management personnel and/or their relatives have significant influence	100.00	100.00
	Hitco Investments Pvt Ltd		2519.75	2291.50
	Nirmal Bhogilal	Chairman	70.00	-



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lakhs)				
Particulars	Enterprise / Key Management	Relationship	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Loans and advances in cash or kind repaid	Batliboi Renewable Energy Solutions Pvt Ltd	Entities in which key management personnel and/or their relatives have significant influence	100.00	100.00
	Hitco Investments Pvt Ltd		2307.75	1666.75
	Nirmal Bhogilal	Chairman	70.00	-
Balances Written off/ (written Back)	Sustime Pharma	Entities in which key management personnel and/or their relatives have significant influence	(11.95)	-
Remuneration paid to Key Management Personnel & their Relatives	Nirmal Bhogilal	Chairman	41.75	41.86
	Kabir Bhogilal	Chief X Officer	39.90	40.24
	Vivek Sharma	Managing Director	146.22	149.54
	Sarika Singh	Company Secretary	-	2.83
	Ketan Vyas	Chief Financial Officer	44.92	40.78
	Ganpat Sawant	Company Secretary	7.59	1.26
Director Sitting Fees	Mrs. Sheela Bhogilal	Director	0.45	0.45
	Mr. Ameet Hariani	Independent / Non Executive Director	1.20	1.35
	Mr. Eknath Kshirsagar	Independent / Non Executive Director	1.10	1.05
	Mr. George Verghese	Independent / Non Executive Director	0.60	0.60
	Mr. Subodh Bhargava	Independent / Non Executive Director	1.10	1.20
	Mr. Vijay Kirloskar	Independent / Non Executive Director	0.15	0.65

### Outstanding balances

(₹ In Lakhs)		
Sr. No.	Particulars	
		2019-20
		2018-19
<b>Outstanding Loans Received</b>		
<b>A) Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi International Ltd	73.08
ii)	Hitco Investments Pvt Ltd	843.86
<b>B) Key Management Personnel and their relatives</b>		
i)	Nirmal Bhogilal	1783.88
ii)	Sheela Bhogilal	67.00

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

		(₹ In Lakhs)	
Sr. No.	Particulars	2019-20	2018-19
	<b>Outstanding Receivable for goods, services and other items</b>		
	<b>A) Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi Environmental Engineering Ltd	189.41	13.57
ii)	Batliboi International Ltd	142.28	76.70
iii)	Batliboi Impex Ltd	1.24	4.18
iv)	Batliboi Renewable Energy Solutions Pvt Ltd	-	12.40
v)	Spartan Electricals	0.41	-
	<b>Outstanding Payables for goods, services and other items</b>		
	<b>A) Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi Environmental Engineering Ltd	-	20.20
ii)	Batliboi International Ltd	152.11	176.64
iii)	Batliboi Impex Ltd	8.34	-
iv)	Batliboi Renewable Energy Solutions Pvt Ltd	-	0.81
v)	Sustime Pharma Ltd	-	11.95
vi)	Spartan Electricals	32.76	48.10
	<b>B) Key Management Personnel and their relatives</b>		
i)	Nirmal Bhogilal	125.43	121.53
ii)	Sheela Bhogilal	28.74	21.50
iii)	Kabir Bhogilal	6.91	4.68
iv)	Vivek Sharma	13.87	18.98
v)	Ketan Vyas	7.15	5.08
vi)	Ganpat Sawant	0.61	0.56
vii)	Hariani & Co.	3.02	-
	<b>C) Management personnel are trustees &amp; Related</b>		
i)	Shekhama Family Trust	33.80	27.92
	<b>Outstanding Advance received</b>		
	<b>A) Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi International Ltd	217.72	207.09
ii)	Batliboi Renewable Energy Solutions Pvt Ltd	79.74	-
	<b>Outstanding Guarantees/collateral security</b>		
	<b>A) Entities in which key management personnel and/or their relatives have significant influence</b>		
i)	Batliboi Environmental Engineering Ltd	4460.74	3698.50

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 28 - FINANCIAL DERIVATIVE INSTRUMENTS:

- a. Derivative contracts entered into by the Company and outstanding as on 31<sup>st</sup> March, 2020 for Hedging currency and interest related risks.

Nominal amount of derivative contracts entered by the company and outstanding is given below:

Sr. No	Particulars	(₹ In Lakhs)	
		31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
1	Interest Rate Swaps	-	-
2	Currency Swaps	-	-

- b. Foreign Currency payables and receivables that are not hedged by derivative instruments as on 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019:

Particulars	31 <sup>st</sup> March 2020 (In FCY Lakhs)	31 <sup>st</sup> March 2019 (In FCY Lakhs)
<b>Foreign Currency Receivable exposure:</b>		
Japan Yen	-	1.20
EURO	4.55	6.74
US Dollar	0.33	0.36
<b>Foreign Currency Payable exposure</b>		
EURO	0.07	-
US Dollar	0.59	1.76

- c. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

### NOTE 29- DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD-19 "EMPLOYEE BENEFITS":

The Company has classified the various benefits provided to employees as under:

#### a. Defined Contribution Plans:

The Company has recognized the following amounts in the Statement of Profit and Loss which are included under contribution to Provident Fund and Other Funds:

Particulars	(₹ in Lakhs)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Contribution to Provident Fund	101.97	83.55
Contribution to ESIC	8.21	11.73
Contribution to Superannuation Fund	13.74	16.18

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**Provident Fund:**

The Fair value of the assets of the provident fund trust as of the 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 provident fund interest obligations, over and above the fixed contributions.

**b. Defined Benefit Plans:**

The following details are pertaining to the Holding Company.:

(₹ in Lakhs)						
	Gratuity (Non-Funded)		Leave Encashment (Non funded)		Compensated Absences (Non funded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>1 Change in Benefit Obligation -</b>						
Liability at the beginning of the year	338.69	308.38	105.11	120.59	12.67	10.05
Interest cost	24.24	22.93	6.77	4.09	0.80	0.67
Current Service Cost	24.20	16.60	13.61	23.49	0.53	2.28
Benefit Paid	(29.81)	(19.69)	(39.78)	(71.24)	(-)	(-)
Actuarial (gain) / Loss on obligation	(20.63)	10.47	33.66	28.19	(1.64)	(0.33)
Liability at the end of the year	336.69	338.69	119.37	105.11	12.36	12.67
<b>2 Changes in the Fair Value of Plan Assets -</b>						
Present Value of Plan Assets as at the beginning of the year	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-
Actuarial (Gain)/Loss	-	-	-	-	-	-
Employers' Contributions	29.81	19.69	39.78	71.24	-	-
Benefits Paid	(29.81)	(19.69)	(39.78)	(71.24)	-	-
Present Value of Planned Assets as at end of the year	-	-	-	-	-	-
<b>3 Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>						
Present Value of Defined Benefit Obligation as at the end of the year	336.69	338.69	119.37	105.11	12.36	12.67

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	Gratuity (Non-Funded)		Leave Encashment (Non funded)		Compensated Absences (Non funded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Fair Value of Plan Assets as at the end of the year	-	-	-	-	-	-
Net Liability recognized in the Balance Sheet as at the end of the year	336.69	338.69	119.37	105.11	12.36	12.67
<b>4. Expenses Recognized in the Profit and Loss Account</b>						
Service Cost	24.20	16.60	13.61	23.49	2.16	2.04
Interest Cost	24.24	22.93	6.77	4.09	0.80	0.67
Expected Return on Plan Assets	-	-	-	-	-	-
Curtailment Cost/(Credit)	-	-	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-	-	-
Total Expenses recognized in the Profit and Loss A/c	48.44	39.53	20.38	27.58	2.96	2.71
<b>5 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 31<sup>st</sup> March, 2020 :</b>						
a) Govt of India Securities	-	-	-	-	-	-
b) Corporate Bonds	-	-	-	-	-	-
c) Special Deposit Scheme	-	-	-	-	-	-
d) Equity Shares of Listed Companies	-	-	-	-	-	-
e) Property	-	-	-	-	-	-
f) Insurance Managed Funds	-	-	-	-	-	-
g) Others	-	-	-	-	-	-
Total	-	-	-	-	-	-
<b>6. Amount recognised in Other Comprehensive Income (OCI)</b>						
Actuarial (Gains) / Losses on Obligations for the period	(20.63)	10.47	33.66	28.18	(1.64)	(0.33)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	Gratuity (Non-Funded)		Leave Encashment (Non funded)		Compensated Absences (Non funded)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Re-measurement(Return on Plan Assets Excluding Interest Income)	-	-	-	-	-	-
Change in Asset Ceiling	-	-	-	-	-	-
Net (Income) / Expenses for the period recognized in OCI	(20.63)	10.47	33.66	28.18	(1.64)	(0.33)
<b>7. Principal Actuarial Assumptions at the Balance Sheet Date</b>						
Retirement age	58 years for employees at Manufacturing facilities at Udhna and 60 years at other locations					
Discount rate	6.77% p.a.	7.66% p.a.	6.77%p.a	7.66%p.a.	6.77%p.a.	7.66%p.a.
Mortality	Indian Assured Lives Mortality (2006-2008) Ultimate					
Salary escalation	4% p.a.	4% p.a.	4% p.a.	4% p.a.	4% p.a.	4%p.a.
<b>Projected benefits payable in future years from the date of reporting</b>						
1 <sup>st</sup> following year	22.37	44.65	8.50	10.92	0.93	1.21
Sum of years 2 to 5	145.58	139.47	39.02	34.78	3.88	3.88
Sum of years 6 to 10	112.42	114.85	35.83	35.12	4.81	4.63
<b>Sensitivity analysis on PBO</b>						
Delta effect of 1% increase in rate of discounting	315.65	320.03	108.57	86.65	11.34	10.22
Delta effect of 1% decrease in rate of discounting	360.88	359.99	132.27	102.24	13.56	12.00
Delta effect of 1% increase in rate of salary escalation	360.30	359.94	132.28	102.38	13.58	12.02
Delta effect of 1% decrease in rate of salary escalation	315.13	319.43	108.31	86.43	11.31	10.19

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**NOTE NO.30: Earning per share (EPS)**

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Profit/ (Loss) after Tax – (₹ in Lakhs)	(1,586.82)	1,289.57
No. of Equity shares of ₹ 5 each outstanding	2,87,15,883	2,87,15,883
Weighted Average Number of Equity Shares Outstanding during the year		
For Basic	2,87,15,883	2,87,15,883
For Diluted	2,87,15,883	2,87,15,883
<b>EPS (₹)</b>		
Basic	(5.53)	4.48
Diluted	(5.53)	4.48

**NOTE 31 - FAIR VALUE MEASUREMENTS:**

The following disclosures are made as required by Ind AS -113 pertaining to Fair value measurement:

**a. Accounting classification and fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in Lakhs)

Particulars	As at 31-Mar-20			As at 31-Mar-19			Fair Value Measurement Hierarchy
	Amortised Cost	FVPL	At Cost	Amortised Cost	FVPL	At Cost	
<b>FINANCIAL ASSETS</b>							
Investments	-	-	5.27	-	-	5.27	Level 2
Trade receivables	2,747.33	-	-	3,542.37	-	-	
Cash and cash equivalents	803.63	-	-	588.21	-	-	
Bank balances other than above	91.99	-	-	87.28	-	-	
Loans	9.40	-	-	11.43	-	-	
Others	871.55	-	-	583.52	-	-	
<b>Total Financial Assets</b>	<b>4,523.90</b>	<b>-</b>	<b>5.27</b>	<b>4,812.81</b>	<b>-</b>	<b>5.27</b>	
<b>FINANCIAL LIABILITIES</b>							
Borrowings	6,723.49	-	-	6,990.49	-	-	Level 2
Trade payables	4,887.24	-	-	4,642.20	-	-	
Other financial liabilities	4,475.60	-	-	2,945.98	-	-	
<b>Total Financial Liabilities</b>	<b>16,086.33</b>	<b>-</b>	<b>-</b>	<b>14,578.67</b>	<b>-</b>	<b>-</b>	

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### b. Measurement of fair values:

The following tables shows the valuation techniques used in measuring Level 2 fair values.

Type	Valuation technique
Fixed Rate Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment discounted using appropriate discounting rates.

### c. Financial risk management

The Group has exposure to the Credit risk, Liquidity risk and Market risk arising from financial instruments.

**Risk Management Framework:** The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits to control / monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is approved by the respective companies Board of Directors.

### d. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

**Trade receivables:** The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

(₹ In Lakhs)					
Particulars	Up to 6 months	6 months. to 1 yr.	1 year to 3 years	More than 3 years	Total
<b>As on 31<sup>st</sup> March 2020</b>					
Gross Carrying Amount	1,634.15	1,012.79	100.39	370.06	3,117.39
Specific Provision	-	-	-	370.06	370.06
Carrying Amount	1,634.15	1,012.79	100.39	-	2,747.33
<b>As on 31<sup>st</sup> March 2019</b>					
Gross Carrying Amount	960.84	2525.07	56.12	318.55	3860.58
Specific Provision	-	-	2.60	315.61	318.21
Carrying Amount	960.84	2525.07	53.52	2.94	3542.37



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Cash and cash equivalents:

The Company held cash and cash equivalents of ₹ 803.63 lakhs as at 31<sup>st</sup> March 2020 (31<sup>st</sup> March 2019: ₹ 588.21 lakhs). The cash and cash equivalents are held with reputed banks.

### e. Liquidity Risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(In Lakhs)

	Contractual cash flows					Total
	Carrying amount	Up to 1 year	1-2 years	2-5 years	More than 5 years	
<b>As on 31<sup>st</sup> March 2020</b>						
Non-derivative financial liabilities						
Borrowings	6,723.49	2,768.49	110.00	1,173.08	2,671.92	6,723.49
Interest	70.00	-	-	-	70.00	70.00
Trade payables	4,887.23	4,406.42	480.81	-	-	4,887.23
<b>As on 31<sup>st</sup> March 2019</b>						
Non-derivative financial liabilities						
Borrowings	6,990.49	3,936.69	70.52	178.85	2,804.43	6,990.49
Interest	125.97	-	-	-	125.97	125.97
Trade payables	4,642.20	4,107.54	534.66	-	-	4,642.20

### f. Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices, will affect the Group's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

### g. Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**
**Exposure to Interest rate risk:**

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing long-term financial instruments is as follows:

	(₹ In Lakhs)	
Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Fixed-rate instruments	639.45	646.87
Financial liabilities - measured at amortised cost	4,118.57	3,919.86
Variable-rate instruments	-	-
<b>Total</b>	<b>4,758.02</b>	<b>4,566.73</b>

**h. Currency risk:**

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Holding Company is Indian Rupee.

To the extent the exposures on purchases and borrowings are not economically hedged by the foreign currency denominated receivables, the Group uses derivative instruments, like, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange and principal only swap rates. The Group does not use derivative financial instruments for trading or speculative purposes.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposure.

**Exposure to currency risk:**

The currency profile of financial assets and financial liabilities as on 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are as below:

	(₹ In Lakhs)				
Particulars	Total	INR	JPY	EURO	USD
<b>As at 31<sup>st</sup> March 2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents	803.63	803.63	-	-	-
Loans and advances	751.29	746.76	-	1.31	3.22
Other current financial assets	91.99	91.99	-	-	-
Trade and other receivables	2,747.33	2,344.84	-	378.00	24.49
Other Non-current financial asset	134.94	134.94	-	-	-
<b>Exposure for assets (A)</b>	<b>4,529.18</b>	<b>4,122.16</b>	<b>-</b>	<b>379.31</b>	<b>27.71</b>
<b>Financial liabilities</b>					
Long term borrowings	3,955.00	3,955.00	-	-	-
Short term borrowings	2,768.49	2,768.49	-	-	-
Trade and other payables	4,887.24	4,837.55	-	5.52	44.17
Other Current financial liabilities	4,134.03	4,134.03	-	-	-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	Total	INR	JPY	EURO	USD
Other Non-Current financial Liabilities	341.57	341.57	-	-	-
<b>Exposure for liabilities (B)</b>	<b>16,086.33</b>	<b>16,036.64</b>	-	<b>5.52</b>	<b>44.17</b>
<b>Net exposure (A-B)</b>	<b>(11,557.15)</b>	<b>(11,914.48)</b>	-	<b>373.79</b>	<b>(16.46)</b>

(₹ In Lakhs)

Particulars	Total	INR	JPY	EURO	USD
<b>As at 31<sup>st</sup> March 2019</b>					
<b>Financial assets</b>					
Cash and cash equivalents	588.21	588.21	-	-	-
Loans and advances	474.38	474.38	-	-	-
Other current financial assets	87.28	87.28	-	-	-
Trade and other receivables	3,542.37	2,992.13	0.74	524.24	25.25
Other Non-current financial asset	125.84	125.84	-	-	-
<b>Exposure for assets (A)</b>	<b>4,818.08</b>	<b>4,267.84</b>	<b>0.74</b>	<b>524.24</b>	<b>25.25</b>
<b>Financial liabilities</b>					
Long term borrowings	3,210.70	3,210.70	-	-	-
Short term borrowings	3,779.79	3,779.79	-	-	-
Trade and other payables	4,642.20	4,520.42	-	-	121.78
Other Current financial liabilities	2,715.15	2,715.15	-	-	-
Other Non-Current financial Liabilities	230.83	230.83	-	-	-
<b>Exposure for liabilities (B)</b>	<b>14,578.67</b>	<b>14,456.89</b>	-	-	<b>121.78</b>
<b>Net exposure (A-B)</b>	<b>(9,760.59)</b>	<b>(10,189.05)</b>	<b>0.74</b>	<b>524.24</b>	<b>(96.52)</b>

### Sensitivity analysis:

A reasonably possible change in foreign exchange rate at 31<sup>st</sup> March by 4% would have increased or decreased impact on Profit / (Loss) (before tax) as below:

₹ in Lakhs

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
Movement in exchange rate	4%	4%
Impact on profit and loss		
JPY- INR	-	0.03
EURO – INR	14.90	20.97
USD - INR	0.79	3.86

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Note No. 32:- Disclosure relating to revenue from Contract

- a) **Disaggregation of revenue into Operating Segments and Geographical areas for the year ended March 31, 2020:**

Revenue disaggregation by industry vertical is as follows:

Industry Vertical	(₹ In Lakhs)	
	Year Ended 31 <sup>st</sup> March 2020	Year Ended 31 <sup>st</sup> March 2019
Machine Tools	9,052.49	9,692.95
Textile Engineering	10,372.60	15,090.97
Others	102.00	107.91
<b>Total ₹</b>	<b>19,527.09</b>	<b>24,891.83</b>

Revenue disaggregation by geography is as follows:

Geography	(₹ In Lakhs)	
	Year Ended 31 <sup>st</sup> March 2020	Year Ended 31 <sup>st</sup> March 2019
India	9,609.34	10,168.04
Foreign	9,917.75	14,723.79
<b>Total ₹</b>	<b>19,527.09</b>	<b>24,891.83</b>

- b) **Performance Obligation under contract with customers:**

Performance obligations are satisfied at the point of time when the customer obtains the control of the goods. All the unsatisfied performance obligations as on 31<sup>st</sup> March 2020 which are part of contract is expected to be completed within duration of one year.

### Note No. 33: Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	(₹ In Lakhs)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Loans and Borrowings	6,723.49	6,990.49
Trade Payables	4,887.23	4,642.20
Other Financial Liability	4,475.60	2,945.98
Less: Cash and Cash Equivalents	803.63	588.21

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	(₹ In Lakhs)	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>Net Debts</b>	<b>15,282.69</b>	<b>13,990.46</b>
Equity	11,993.11	13,690.14
Capital and net debt	27,275.80	27,680.60
<b>Gearing ratio</b>	<b>56%</b>	<b>51%</b>

**Note No 34: Disclosure for provisions in terms of IND AS 37**

The aforesaid provision are made for warranty cover related to goods sold and jobs executed (Refer Note 15.4 and 17.4):

Provisions	Opening Amount	Additional provision	Amount utilised	Amount reversed	Closing balance
2019-20	91.96	138.41	19.65	72.74	137.98
2018-19	75.23	95.59	26.96	51.90	91.96

**Note No 35: ESOP Related Disclosure:**

Pursuant to the resolution passed in the extra ordinary general meeting in the year 2011-12, the holding company had 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 options is ₹ 15.75. Summary of stock options as on 31.03.2020 is as follows:-

Name of Plan	Number of Options	Exercise Price
ESOP 2011-12 - Phase 1	10,00,000	₹ 15.75
ESOP 2012-13 - Phase 2	1,00,000	₹ 15.75
ESOP 2014-15 - Phase 3	3,50,000	₹ 15.75
ESOP 2015-16 - Phase 4	2,50,000	₹ 15.75
ESOP 2017-18 - Phase 5	1,00,000	₹ 15.75
ESOP 2018-19 - Phase 6	4,50,000	₹ 15.75

Number and weighted average exercise prices of stock options for each of the following groups of options -	Number of Options		Weighted Average Exercise Price (In ₹)	
	2019-20	2018 -19	2019-20	2018 -19
- Outstanding at the beginning of the year	12,91,667	9,61,667	15.75	15.75
- Granted during the year	-	4,50,000	15.75	15.75
- Forfeited/ Lapsed during the year	1,08,333	1,20,000	-	-
- Exercised during the year	-	-	-	-
- Outstanding at the end of the year and	11,83,334	12,91,667	15.75	15.75
- Exercisable at the end of the year	6,16,667	5,91,667	15.75	15.75
Number of Option Vested during the Year	1,33,333	1,33,333		

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Number and weighted average exercise prices of stock options for each of the following groups of options -	Number of Options		Weighted Average Exercise Price (In ₹)	
	2019-20	2018 -19	2019-20	2018 -19
Total number of shares arising as a result of exercise	-			
Money realized by exercise of options (₹)	-			
For stock options exercised during the period the weighted average share price at the date of exercise. If options were exercised on a regular basis throughout the period, the weighted average share price during the period. (₹)	No options were exercised during the year.			
For stock options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life (vesting period + exercise period). If the range of the exercise prices is wide, the outstanding of those options should be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and cash that may be received upon exercise of those options.	Range of exercise Prices (₹)		Weighted average contractual life (Years)	
	2019-20	2019-20	2019-20	2018-19
ESOP 2011-12 - Phase 1	15.75	15.75	0.81	1.81
ESOP 2014-15 - Phase 3	15.75	15.75	3.44	4.44
ESOP 2015-16 - Phase 4	15.75	15.75	4.84	5.84
ESOP 2017-18 - Phase 5	15.75	15.75	6.68	7.68
ESOP 2018-19 - Phase 6	15.75	15.75	7.15	8.15
For liabilities arising from employee share-based payment plans - Total carrying amount at the end of the period - Total intrinsic value at the end to the period for which the right of the employee to cash or other assets had vested by the end of the period.	No cash settled awards given out			
Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option.	No options were exercised during the year			

**Note No 36:**
**Leases**

The Group has adopted Ind AS 116 'Leases' with effect from 1<sup>st</sup> April, 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Group has not restated comparative information. The Group has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Accordingly, the Group has recognized right-of-use asset of ₹149.70 Lakhs and a lease liability of ₹ 149.70 Lakhs in the standalone financial statements on the date of initial application. There is no impact on the retained earnings. Due to adoption of Ind AS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. During the year ended 31<sup>st</sup> March, 2020, the Group has recognized depreciation on right-of-use asset ₹ 133.14 Lakhs along with interest on lease liability of ₹ 30.52 Lakhs respectively. The effect of this standard is not significant on the loss for the year of the Group. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities.

The weighted average incremental borrowing rate applied to lease liabilities recognized in the balance sheet at the date of initial application is 12% with maturity between 2021 to 2023.

The difference between the future minimum lease commitments under Ind AS 17 – Leases reported as of 31<sup>st</sup> March, 2019 and the value of lease liability recorded as on 1<sup>st</sup> April, 2019 on adoption of Ind AS 116 – Leases is primarily on account of discounting of the lease liability to its present value in accordance with Ind AS 116 and the exclusion of commitments for leases to which the Group has chosen to apply the practical expedient as per the standard.

The changes in the carrying values of right-of-use asset for the year ended 31<sup>st</sup> March, 2020 are given in Note No. 8.

Set out below are the carrying amounts of lease liabilities and the movement during the year ended 31<sup>st</sup> March, 2020:

(₹ In Lakhs)	
Particulars	Amounts in ₹ Lakhs
<b>As at 1<sup>st</sup> April 2019</b>	-
Adjustment on adoption of Ind AS 116 – Leases	398.89
Modifications	-
Interest on Lease Liability	30.52
Repayments	(142.34)
Foreign Exchange Impact	4.72
<b>As at 31<sup>st</sup> March 2020</b>	<b>291.79</b>
Current	133.09
Non-Current	158.70
<b>Total</b>	<b>291.79</b>

The maturity analysis of undiscounted lease liabilities as at 31<sup>st</sup> March, 2020 are as follows:

Particulars	Amounts in ₹ Lakhs
Less than 1 year	149.35
1 to 5 years	189.70
More than 5 years	-
<b>Total</b>	<b>339.05</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

The following amounts are recognized in the consolidated statement of profit and loss for the year ended 31<sup>st</sup> March, 2020:

Particulars	Amounts in ₹ Lakhs
Depreciation expense on right-of-use asset	133.14
Interest expense on lease liability	30.52
Expense relating to short term leases including service charges (included in other expense as rent)	78.77
<b>Total</b>	<b>242.43</b>

The Group had total cash outflows for leases of ₹ 111.82 Lakhs (excluding interest) for the year ended 31<sup>st</sup> March, 2020. The Group did not have any non-cash additions to right-of-use assets and lease liabilities for the year ended 31<sup>st</sup> March, 2020. Further, there are no future cash outflows relating to leases that have not yet commenced.

**Note No.37:**

**Audit, Legal and Professional Charges (excluding Service Tax/ GST) shown under other expenses (Note 23), includes the following payments to auditors :**

Particulars	(₹ In Lakhs)	
	2019-2020	2018-19
a) Audit Fees	73.92	72.61
b) Tax Matters	0.64	1.50
c) Certification	8.34	3.00
d) Reimbursement	0.31	0.47
e) Other Services	11.60	14.53
<b>Total</b>	<b>94.81</b>	<b>92.11</b>

**Note No.38: Non Controlling Interest**

Under Indian GAAP the losses applicable to the non controlling interest in a consolidated subsidiary which exceeds the non controlling interest in the equity of the subsidiary were adjusted against the holding company's interest in case of one of the subsidiary. As the subsidiary has negative net worth hence there was no separate disclosure of non controlling interest as on 1<sup>st</sup> April 2016 in the consolidated financial statement. Under Ind AS 110 Consolidated Financial Statement - Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The group has availed exemption provided under Ind AS 101 to apply the requirement of Ind AS 110 prospectively, hence in the Ind AS Consolidated financial statement the share of profit for interest of the non controlling interest for the said subsidiary has not been attributed till the time the deficit interest of the non controlling interest prior to the transition date are recovered.

**Note No. 39:**

Reconciliation between opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lakhs)

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Cash and Cash Equivalents	803.63	588.21
Current Borrowings	(2,768.49)	(3,779.79)
Non-Current Borrowings	(4,519.80)	(3,378.87)
<b>Net Debt</b>	<b>(6,484.66)</b>	<b>(6,570.45)</b>

Particulars	Other Assets	Liabilities from financing activities		Total
	Cash and Bank Balance	Non - Current Borrowings	Current Borrowings	
<b>Net Debts as at 31<sup>st</sup> March 2019</b>	<b>588.21</b>	<b>(3,378.87)</b>	<b>(3,779.79)</b>	<b>(6,570.45)</b>
Cash Flows	215.42	556.56	(747.81)	24.17
Interest Expense	-	(78.49)	(600.01)	(678.50)
Interest Paid	-	126.65	607.82	734.47
Other non-cash movements -				
- Acquisitions/ disposal	-	-	-	-
- Fair Value adjustments	-	5.67	-	5.67
<b>Net Debts as at 31<sup>st</sup> March 2020</b>	<b>803.63</b>	<b>(2,768.49)</b>	<b>(4,519.80)</b>	<b>(6,484.66)</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note no. 40:-Additional Information pursuant to Schedule III to the Companies Act, 2013 :-

(₹ in Lakhs)

Sr. No	Name of the Entity	Net Asset, i.e; total assets minus total liabilities		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amounts	As % of consolidated profit or loss	Amounts	As % of consolidated other comprehensive income	Amounts	As % of consolidated total comprehensive income	Amounts
	<b>Parent</b>								
1	<b>Batliboi Limited</b>	102.80	12,328.80	47.42	(752.50)	9.44	(8.43)	45.40	(760.93)
	<b>Subsidiaries :</b>								
	<b>Foreign</b>								
1	Queen Projects Mauritius Ltd.,Mauritius	23.84	2,859.65	0.59	(9.29)	11.61	(10.37)	1.17	(19.66)
2	Vanderma Holdings Ltd.,Cyprus	30.64	3,675.22	0.80	(12.67)	9.50	(8.48)	1.26	(21.15)
3	Pilatus View Holding, AG, Switzerland	0.14	16.91	0.12	(1.86)	(39.00)	34.82	(1.97)	32.96
4	Quickmill, Inc., Canada	18.70	2,243.12	(9.46)	150.09	(1,251.76)	1,117.71	(75.64)	1,267.80
5	AESA Air Engineering SA, France (consolidated)	(10.48)	(1,257.36)	60.79	(964.63)	58.33	(52.08)	60.66	(1,016.71)
6	760, Rye Street, Canada	1.50	179.78	(0.18)	2.78	(8.21)	7.33	(0.60)	10.11
	<b>Non Controlling Interest in all Subsidiaries :</b>								
1	Queen Projects Mauritius Ltd.,Mauritius	-	-	-	-	-	-	-	-
2	Vanderma Holdings Ltd.,Cyprus	-	-	-	-	-	-	-	-
3	Pilatus View Holding, AG, Switzerland	-	-	-	-	-	-	-	-
4	Quickmill, Inc., Canada	-	-	-	-	-	-	-	-
5	AESA Air Engineering SA, France (consolidated)	-	-	-	-	-	-	-	-
6	760, Rye Street, Canada	-	-	-	-	-	-	-	-
	Consolidation Financial Statements adjustments and eliminations	(67.15)	(8,053.01)	(0.08)	1.26	1,310.09	(1,169.79)	69.72	(1,168.53)
	<b>Total</b>	<b>100.00</b>	<b>11,993.11</b>	<b>100.00</b>	<b>(1,586.82)</b>	<b>100.00</b>	<b>(89.29)</b>	<b>100.00</b>	<b>(1,676.11)</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS****Note No. 41:****Assessment of implication of COVID – 19 pandemic on consolidated financial statement**

The COVID -19 pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the governments. The Group has evaluated the impact of this pandemic on its business operations, liquidity and financial position, recoverability and carrying value of assets and based on management's review of current indicators and economic conditions there is no material adjustments required to be made on its financial statements as at 31<sup>st</sup> March, 2020. The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions.

**Note No. 42:****Event after reporting period**

AESA Air Engineering SA, France, one of the step down subsidiary company, the board of the said subsidiary company has filed Judiciaire Redressement under French Law on 6<sup>th</sup> July, 2020. The judicial recovery plan is intended to allow the continuation of the activity of the company, the maintenance of employment and the discharge of its debts. The financial statements of the said has been prepared on going concern basis as in management view the subsidiary company would be able to find favourable solution under the judiciaire redressement and would continue its business operation on normal basis.

**Note No. 43:**

Previous year's figures have been reclassified and re grouped to confirm to current years classification and grouping.

Signature on notes on accounts

For and on behalf of the Board of Directors

For **Mukund M. Chitale & Co.**

Chartered Accountants  
Firm Reg. No. 106655W

**Nirmal Bhogilal**

Chairman  
DIN No. 00173168

**Vivek Sharma**

Managing Director  
DIN No. 01541498

**A. V. Kamat**

(Partner)  
M.No.039585

**Ketan Vyas**

Chief Financial Officer

**Ganpat Sawant**

Company Secretary

Place : Mumbai

Date : 18<sup>th</sup> July, 2020

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 salient features of the financial statement of subsidiaries

Part "A" : Subsidiaries

₹ In Lakhs except % of shareholding and exchange rate

Sr. No.	Name of Subsidiary	Date Since when subsidiary was acquired	Financial period ended	Exchange rate	Share Capital	Reserve & Surplus	Total assets	Total liabilities (excluding share capital and reserve and surplus)	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend	% of shareholding	Country
1	Queen Project (Mauritius) Ltd.	10-Apr-07	31-Mar-20	1 MUR = ₹ 1.86	3,002.04	(142.39)	2,903.01	43.36	2,885.43	-	(9.16)	-	(9.16)	-	100%	Mauritius
2	Vanderna Holdings Ltd.	10-Apr-07	31-Mar-20	1 CAD = ₹ 53.2	2.77	3,672.46	3,690.72	15.49	3,689.66	-	952.24	-	952.24	-	100%	Cyprus
3	Platus View Holdings AG	10-Apr-07	31-Mar-20	1 CHF = ₹ 78.47	-	16.91	20.49	3.58	-	-	(1.64)	0.39	(2.04)	-	100%	Switzerland
4	Quickmill Inc.	12-Apr-07	31-Mar-20	1 CAD = ₹ 53.2	1,640.09	2,136.65	5,463.86	1,687.12	-	4,645.29	177.27	53.09	124.18	39.20	100%	Canada
5	Aesa Air Engineering S.A.	06-Jul-07	31-Mar-20	1 EUR = ₹ 83.04	485.79	(941.82)	2,948.05	3,404.09	174.55	4,137.13	(422.38)	-	(422.38)	-	70%	France
6	Aesa Air Engineering Private Limited	06-Jul-07	31-Mar-20	1 INR = ₹ 1	20.00	(25.05)	251.09	256.15	-	113.12	21.97	8.66	13.30	-	70%	India
7	Aesa Air Engineering Limited.	06-Jul-07	31-Mar-20	1 CNY = ₹ 10.58	112.71	(44.58)	1,060.74	992.62	-	1,444.15	(253.13)	-	(253.13)	-	70%	China
8	Aesa Air Engineering Pte Limited	06-Jul-07	31-Mar-20	1 SGD = ₹ 52.68	52.68	23.46	139.27	63.14	-	364.78	18.89	1.07	17.82	-	70%	Singapore
9	760 Rye Street Inc.	15-Apr-09	31-Mar-20	1 CAD = ₹ 53.2	0.00	179.78	814.96	635.18	-	80.41	3.92	1.14	2.78	-	100%	Canada

Notes :

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

**NIRMAL BHOGILAL**

Chairman  
DIN No. 00173168

**KETAN VYAS**

Chief Financial Officer

**VIVEK SHARMA**

Managing Director  
DIN No. 01541498

**GANPAT SAWANT**

Company Secretary

Place : Mumbai

Dated : 18<sup>th</sup> July 2020



**BATLIBOI LIMITED**

Registered Office: Bharat House, 5<sup>th</sup> Floor, 104, B.S. Marg, Fort, Mumbai 400 001.  
CIN: L52320MH1941PLC003494 Tel: +91 (22) 66378200/245 Fax: +91 (22) 2267 5601  
Email: investors@batliboi.com website: www.batliboi.com

Dear Member,

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

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

Accordingly, henceforth, we propose to send all communications / documents, through e-mail, to those Members who have registered their e-mail address with the Company. Please note that all such communications / documents shall be available on the Company's website [www.batliboi.com](http://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 Business Solutions Limited,  
Plot no. B-5, Part B, Cross Lane,  
MIDC, Marol, Andheri (East),  
Mumbai-400 093

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

Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
No. of shares : \_\_\_\_\_  
E- mail ID : \_\_\_\_\_  
Folio No./DP ID & Client ID Nos. : \_\_\_\_\_

Place :

Date :

Signature

In case of any updations/changes in your e-mail address, you are requested to promptly update the same with your DP, if your holding is in demat form. Shareholders holding shares in physical form shall have to send their updations/changes to RTA, M/s Datamatics Business Solutions Limited, through email to [iinvestorsqry@datamaticsbpm.com](mailto:iinvestorsqry@datamaticsbpm.com), [greeninitiative@batliboi.com](mailto: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.



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 Facility:

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

### Subsidiaries:

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





Batliboi Ltd.

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

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