

Mr. Pratap Bhogilal	-	Chairman Emeritus
<b>BOARD OF DIRECTORS</b>		
Mr. Nirmal Bhogilal	-	Chairman & Managing Director
Mr. S. D. S. Mongia		
Mr. Vijay R. Kirloskar		
Mr. Subodh Bhargava		
Mr. E. A. Kshirsagar		
Mr. Ameet Hariani		
Mr. Ulrich Duden	-	
Mr. S. Ravi	-	Nominee of UTI (Ceased w.e.f. 15.05.2008)
Mr. George Verghese	-	Executive Director
Mr. Krushan Lal Swami	-	Executive Director (Ceased w.e.f. 31.05.2008)
<b>CORPORATE MANAGEMENT</b>		
Mr. Nirmal Bhogilal		Chairman & Managing Director
Mr. George Verghese		C. E. O. Textile Air Engineering Group
Mr. Edwyn Rodrigues		C. E. O. Textile Machinery Group
Mr. P.V.N. Sanjay		C. E. O. Machine Tool Group (Ceased w.e.f. 03.06.2009)
Mr. Pradeep Pradhan		C. E. O. Air Conditioning & Refrigeration Group
Mr. Sanjiv H. Joshi		C. E. O. Environmental Engineering Group
Mr. Vineet Goel		C. F. O.
Mr. B. B. Vanwari		Chief Corporate Counsel & Company Secretary (Ceased w.e.f. 30.05.2009)
Mr. Gaurang C. Shah		Chief Corporate Counsel & Company Secretary (Appointed w.e.f. 16.06.2009)
Mr. Ashok Joshi		Chief Human Resource Officer
<b>REGISTERED &amp; CORPORATE OFFICE</b>		
		Bharat House, 5th Floor, 104, Bombay Samachar Marg, Fort, Mumbai - 400 001. INDIA.
<b>FACTORY</b>		
	(i)	P. O. Fateh Nagar, Surat Navsari Road, Udhna - 394 220.
	(ii)	Veerasandra Industrial Area Hosur Road, Bangalore-560100.
<b>AUDITORS</b>		
		M/s. V. Sankar Aiyar & Co. Chartered Accountants
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>		
		Datamatics Financial Services Ltd. Plot No. A/16 & 17, MIDC, Part-B, Cross Lane, Marol, Andheri (E), Mumbai - 400 093.
<b>BANKERS</b>		
		Bank of Baroda Punjab National Bank ABN Amro Bank N.V. INDUSIND Bank Ltd. Barclays Bank PLC The Shamrao Vithal Co-op. Bank Ltd.

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**NOTICE****65<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **Sixty – Fifth** Annual General Meeting of **BATLIBOI Limited**, will be held on **Thursday, the 30<sup>th</sup> day of July, 2009 at 2.00 P.M.** at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6<sup>th</sup> Floor, 12 K Dubash Marg, Fort, Mumbai 400 001, to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2009, the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Vijay Kirloskar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ameet Hariani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. George Verghese, who retires by rotation and being eligible, offers himself for re-appointment.

5. To consider and if thought fit, to pass with or without any modification, the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** Messrs. V. Sankar Aiyar & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration as may be mutually agreed between the said Auditors and the Board of Directors.

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

**SPECIAL BUSINESS :**

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

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 including any statutory modifications or re-enactments thereof and subject to the approval of the Central Government and such other sanctions as may be necessary, the Company do hereby accord its approval to the payment of remuneration to Mr. Nirmal Bhogilal, Chairman & Managing Director of the Company in the case of absence or inadequacy of profits during any Financial Year in the pay scale earlier approved by the shareholders in the Annual General Meeting held on 28.07.2007 and the said remuneration is to be treated as “minimum remuneration” as may be approved by the Central Government and that the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to effect such modification(s) in the terms and conditions of the said appointment and / or remuneration payable to Mr. Nirmal Bhogilal as may be approved by the Board and Mr. Nirmal Bhogilal.

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

**RESOLVED FURTHER THAT** the above resolution shall be applicable for payment of remuneration in the case of absence or inadequacy of profits for a maximum period of 3 years i.e. with effect from 01.04.2008 to 31.03.2011.”

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

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 including any statutory modifications or re-enactments thereof and such other sanctions as may be necessary, the Company do hereby accord its approval to the payment of remuneration to Mr. George Verghese, Executive Director of the Company, in accordance with the pay scale earlier approved by the shareholders in the Annual General Meeting held on 19.07.2006 as “minimum remuneration” in the case of absence or inadequacy of profits during any Financial Year and that the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to effect such modification(s) in the terms and conditions of the said appointment and / or remuneration payable to Mr. George Verghese as may be approved by the Board and Mr. George Verghese.

**RESOLVED FURTHER THAT** the above resolution shall be applicable for payment of remuneration in the case of absence or inadequacy of profits during any financial year and shall be effective for maximum period 01.04.2008 to 31.12.2009 (being the residual period of tenure of Mr. George Verghese).”

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

**“RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956 including any statutory modifications or re-enactments thereof and such other sanctions as may be necessary, the Company do hereby accord its approval to the payment of remuneration to Mr. Krushan Lal Swami, Past Executive Director and Group CFO of the Company in view of absence of profits in accordance with the pay scale approved earlier by the shareholders in their Annual General Meeting held on 19.07.2006 as “minimum remuneration” and that the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to approve the payment of said remuneration.

**RESOLVED FURTHER THAT** the said approval for payment of remuneration to Mr. Krushan Lal Swami is for the period 01.04.2008 to 31.05.2008 (being the period of his employment in the Company).”

**NOTES:**

1. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the business set out in the Notice, wherever applicable, is annexed hereto.

**Batliboi Ltd.**

2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
3. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from **23<sup>rd</sup> day of July, 2009 to 30<sup>th</sup> day of July, 2009** (both days inclusive).
5. Any change of particulars including address, bank mandate and nomination for shares held in demat form should be notified only to the respective Depository Participants where the member has opened his/her demat account. However, any change in particulars in respect of shares held in physical form should be sent to the Company's Share Transfer Agents Datamatics Financial Services Ltd – Plot No. A/16 & 17, MIDC, Part-B, Cross lane, Marol, Andheri (E), Mumbai – 400 093.
6. Members are hereby informed that as per the provisions of the Companies Act, 1956 Dividend which remains unclaimed / un-encashed over a period of 7 years has to be transferred as per the provisions of the Companies Act, 1956 by the Company to "The Investor Education & Protection Fund" constituted by the Central Government under Section 205 C of the Companies Act, 1956.

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

Date of Declaration of Dividend	Dividend for the year	Due for transfer to the Fund
19 <sup>th</sup> July, 2006	2005-2006	August 2013
28 <sup>th</sup> July, 2007	2006-2007	August 2014
30 <sup>th</sup> Sept, 2008	2007-2008	October 2015

It may please be noted that once the unclaimed / un-encashed dividend is transferred to "The Investor Education & Protection Fund" as above, no claim shall lie in respect of such amount by the shareholder.

7. The profile of the Directors seeking re-appointment is mentioned in the Corporate Governance Report.

By Order of the Board of Directors

**BB VANWARI**

Chief Corporate Counsel & Company Secretary

Place : Mumbai

Date : 8<sup>th</sup> May, 2009

**Registered Office**

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

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 AND INFORMATION AS REQUIRED UNDER SCHEDULE XIII**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice dated 8<sup>th</sup> May, 2009.

**Item No. 6**

Mr. Nirmal Bhogilal, was appointed as Chairman & Managing Director by the members at their AGM held on 19.07.2006 for a period of 5 years w.e.f. 01.04.2006 to 31.03.2011. His remuneration was revised by the members to include Commission as well in their AGM held on 28.07.2007 and the pay scale was fixed as following:

Salary : In the scale of Rs. 1,75,000/- p.m. to Rs. 4,00,000/- p.m.

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

The members had also approved that if during any financial year the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule XIII of the Companies Act, 1956, unless otherwise approved by the Central Government, the remuneration shall be paid as per the monetary ceiling prescribed in the Schedule XIII of the Companies Act, 1956.

The Remuneration Committee had accordingly fixed the remuneration of Mr. Nirmal Bhogilal as follows which was revised w.e.f. 01.04.2008 in their meeting held on 27.07.2008:

	w.e.f. 01.04.2007	w.e.f. 01.04.2008
Salary	Rs. 2,58,000/- p.m.	Rs. 3,00,000/- p.m.
Perquisites	Rs. 2,58,000/- p.m.	Rs. 2,83,333/- p.m.
<b>TOTAL</b>	<b>Rs. 5,16,000/- p.m.</b>	<b>Rs. 5,83,333/- p.m.</b>

Since during the Financial Year 2008-09 there is absence of profits, hence the remuneration payment to Mr. Nirmal Bhogilal is required to be as per ceilings applicable in Schedule XIII Part II Section II (1)(C) of the Companies Act, 1956. The same requires prior approval of Central Government and shareholders approval by way of special resolution. The Company had made an application to Central Government on 25.11.2008 and the same is under consideration.

Mr. Nirmal Bhogilal – Chairman & Managing Director may be regarded as concerned or interested in the Resolution as it pertains to approval to his remuneration payment.

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

Your Directors recommend the above resolution for your approval.

**Item No. 7 & 8**

Mr. George Verghese, was appointed as Executive Director by the members at their AGM held on 28.07.2007 for a period commencing from 01.04.2007 upto 31.12.2009 (i.e. the residual period of his employment with the Company) at the pay scale detailed below:

Mr. Krushan Lal Swami, was appointed as Executive Director & Group CFO by the members at their AGM held on 28.07.2007 for a period of 5 years w.e.f. 01.04.2007 to 31.03.2012 at the pay scale detailed below. His employment ceased due to resignation w.e.f. 31.05.2008



Name	Salary	Perquisites
George Verghese	In the scale of Rs. 1,00,000/- p.m. to Rs. 4,00,000/- p.m.	In the scale of Rs. 1,00,000/- p.m. to Rs. 4,00,000/- p.m.
Krushan Lal Swami	In the scale of Rs. 75,000/- p.m. to Rs. 4,00,000/- p.m.	In the scale of Rs. 75,000/- p.m. to Rs. 4,00,000/- p.m.

The members had also approved that if during any financial year the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule XIII of the Companies Act, 1956, unless otherwise approved by the Central Government, the remuneration shall be paid as per the monetary ceiling prescribed in the Schedule XIII of the Companies Act, 1956.

The Remuneration Committee had accordingly fixed the remuneration of Mr. George Verghese and Mr. Krushan Lal Swami w.e.f. 01.04.2007 as follows:

Name	Salary	Perquisites	Total
George Verghese	Rs.1,44,200/- p.m.	Rs.1,39,374/- p.m.	Rs.2,83,574/- p.m.
Krushan Lal Swami	Rs.1,15,000/- p.m.	Rs. 97,650/- p.m.	Rs.2,12,650/-p.m.

The Remuneration Committee had subsequently in their meeting held on 27.07.2008 revised the remuneration of Mr. George Verghese and the remuneration of Mr. Krushan Lal Swami was not revised since he was employed for two months only in the Financial Year i.e. till 31.05.2008. Their remuneration were as follows w.e.f. 01.04.2008

Name	Salary	Perquisites	Total
George Verghese	Rs.1,53,800/- p.m.	Rs. 1,24,740/- p.m.	Rs. 2,78,540/- p.m.
Krushan Lal Swami	Rs. 1,15,000/-p.m.	Rs. 97,650/-p.m.	Rs. 2,12,650/- p.m.

Since during the Financial Year 2008-09 there is absence of profits, hence the remuneration payment to Mr. George Verghese and Mr. Krushan Lal Swami is required to be as per ceilings applicable in Schedule XIII Part II of the Companies Act, 1956 which allows maximum remuneration payment of Rs.3,00,000/- per month. The same requires members approval by way of Special Resolution.

Mr. George Verghese, Executive Director may be regarded as concerned or interested in the Resolution as it pertains to approval to his remuneration payment.

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

Your Directors recommend the above resolutions for your approval.

#### General Information:

(1) Nature of Industry	:	1. Manufacturing of Machine Tools, Textile Machinery, Air Conditioning & Humidification Plants & Equipments; 2. Marketing of various kinds of Machine Tools, Industrial Machinery & Equipment; 3. Manufacturing and Contracting in the field of Air Conditioning															
(2) Date or expected date of commencement of commercial production	:	N. A. The Company was incorporated as Private Company on 6 <sup>th</sup> December, 1941 and the commercial production is being carried on for more than 55 years.															
(3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	N. A.															
(4) Financial performance based on given indicators	:	<table> <tr> <th></th><th>Current Year 2008-09 (Rs. In Lacs)</th><th>Previous Year 2007-08 (Rs. In Lacs)</th></tr> <tr> <td>Turnover</td><td>10603.64</td><td>14433.07</td></tr> <tr> <td>Profit/Loss</td><td>(338.09)</td><td>1007.17</td></tr> <tr> <td>Net Worth</td><td>4987.60</td><td>4714.36</td></tr> <tr> <td>Dividend</td><td>—</td><td>270.03</td></tr> </table>		Current Year 2008-09 (Rs. In Lacs)	Previous Year 2007-08 (Rs. In Lacs)	Turnover	10603.64	14433.07	Profit/Loss	(338.09)	1007.17	Net Worth	4987.60	4714.36	Dividend	—	270.03
	Current Year 2008-09 (Rs. In Lacs)	Previous Year 2007-08 (Rs. In Lacs)															
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Profit/Loss	(338.09)	1007.17															
Net Worth	4987.60	4714.36															
Dividend	—	270.03															
(5) Export performance and net foreign exchange collaborations.	:	<table> <tr> <th></th><th>Current Year 2008-09 (Rs. In Lacs)</th><th>Previous Year 2007-08 (Rs. In Lacs)</th></tr> <tr> <td>Sales for Export Purposes (Indirect Exports)</td><td>589.88</td><td>534.59</td></tr> <tr> <td>Foreign Exchange Collaborations</td><td>—</td><td>—</td></tr> </table>		Current Year 2008-09 (Rs. In Lacs)	Previous Year 2007-08 (Rs. In Lacs)	Sales for Export Purposes (Indirect Exports)	589.88	534.59	Foreign Exchange Collaborations	—	—						
	Current Year 2008-09 (Rs. In Lacs)	Previous Year 2007-08 (Rs. In Lacs)															
Sales for Export Purposes (Indirect Exports)	589.88	534.59															
Foreign Exchange Collaborations	—	—															
(6) Foreign investments or collaborators, if any	:	<table> <tr> <th></th><th>Current Year 2008-09 (Rs. In Lacs)</th><th>Previous Year 2007-08 (Rs. In Lacs)</th></tr> <tr> <td>Investment made in Foreign Subsidiaries</td><td>—</td><td>2544.22</td></tr> <tr> <td></td><td>—</td><td>2544.22</td></tr> </table>		Current Year 2008-09 (Rs. In Lacs)	Previous Year 2007-08 (Rs. In Lacs)	Investment made in Foreign Subsidiaries	—	2544.22		—	2544.22						
	Current Year 2008-09 (Rs. In Lacs)	Previous Year 2007-08 (Rs. In Lacs)															
Investment made in Foreign Subsidiaries	—	2544.22															
	—	2544.22															



**Batliboi Ltd.****II. Information about the appointee:**

(1) Background details	:	Mr. Nirmal Bhogilal	Mr. George Verghese	Mr. K. L. Swami
(a) Name	:	59 Years	59 Years	50 Years
(b) Age	:			
(2) Past remuneration	:	Rs. (p.m.) Basic 2,58,000/- Perks 2,58,000/- 5,16,000/-	Rs. (p.m.) Basic 1,44,200/- Perks 1,39,374/- 2,83,574/-	Rs. (p.m.) Basic 1,15,000/- Perks 97,650/- 2,12,650/-
(3) Recognition or awards	:	B. Sc. (Engg), Chemical Engg (London University), A.C.G.I.	B. E. (Tech)	B. Com, LL.B. PGDBM, AICWA, ACS, CAIIB.
(4) Job profile and his suitability	:	Overall in-charge of day to day management of the Company. He is having practical experience of 35 years in Machine Building & Engineering Industry.	Entrusted with day to day activities relating to the Textile Engineering Business Group & Air Conditioning Group	Was entrusted with day to day finance / accounts management of the Company
(5) Remuneration proposed	:	Rs. (p.m.) Basic 3,00,000/- Perks 2,83,333/- 5,83,333/-	Rs. (p.m.) Basic 1,53,800/- Perks 1,24,740/- 2,78,540/-	Rs. (p.m.) Basic 1,15,000/- Perks 97,650/- 2,12,650/-
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin).	:	<p><b>For Mr. Nirmal Bhogilal :-</b> In similar and comparable Engineering industries the salary paid to Chairman &amp; Managing Directors are approximately in the range of 12 to 16% of the Companies total wage bill which for similar sized Companies works out to not less than Rs. 150 lacs to Rs. 200 lacs. The salary of Rs. 70 lacs proposed to be paid to Mr. Nirmal Bhogilal is much below the industry average. The nature of Company's business is also very complex. The acquisition in Canada and France has brought added responsibilities of managing these businesses. All these factors justify the payment of said remuneration.</p> <p><b>For Mr. George Verghese and Mr. K. L. Swami:-</b> In the recent survey conducted by OMAM consultants in 2009 the salary of SM-1 Level i.e. with Business Unit responsibility had been mentioned as Rs. 39.92 lacs per annum at 66 percentile. As per prevalent wage trend in the industry the difference between levels No. 1 &amp; 2 now varies more than 50 to 100%.</p> <p>Mr. George Verghese is handling added responsibility of supervising AESA, France operations spread across 5 countries. Thus remuneration payment of approximately Rs. 33.42 lacs p.a. is justified in light of above.</p> <p>Mr. KL Swami resigned from the Company w.e.f. 31.05.2008 and the salary paid to him for two months had not been increased during the Financial Year 2008-09 and had been paid at last years levels.</p>		
(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	:	Mr. Nirmal Bhogilal –Chairman & Managing Director is a promoter of the Company and may be regarded as concerned or interested in his own appointment.		



### III. Other information:

(1) Reason of loss or inadequate profits :	<p>The marginal growth in industrial production and global economic downturn has resulted in acute recession in the Textile &amp; Engineering industry. All this has resulted in reduction in Company's sales and profitability.</p> <p>The performance has been further impacted by reduction in margins due to abnormal rise in material costs.</p>
(2) Steps taken or proposed to be taken :	<p>The Company has implemented massive Cost cutting measures which involve reduction in for improvement manpower, renegotiation with suppliers and thereby improving profitability.</p> <p>The Company has also increased its product range so as to widen market reach and improve topline. The Company to protect its liquidity is in negotiation with banks for moratorium on term loans. All these efforts are expected to bring improvement in Company's sales and profits and achieve turnaround.</p>
(3) Expected increase in productivity and profits in measurable terms.	<p>The Company made a profit after tax of Rs. 1321.90 lacs in 2006-07 and in 2007-08 the profits were Rs. 1007.10 lacs. The loss for the year under review (2008-09) is Rs. 338.10 lacs.</p> <p>The Company expects to turnaround and consolidate its position in the coming years.</p>

### IV. Disclosures:

The remuneration package of Mr. Nirmal Bhogilal, Mr. George Verghese and Mr. Krushan Lal Swamy have been disclosed in the Explanatory Statement.



## Batliboi Ltd.

### DIRECTORS' REPORT

The Members,

Your Directors submit their 65<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2009.

#### 1. FINANCIAL RESULTS

	(Rs. in lakhs)			
	For the Year ended		For the Year ended	
	31.03.2009	31.03.2009	31.03.2008	31.03.2008
	Stand alone	Consolidated	Stand alone	Consolidated
<b>Gross Turnover (Including Indirect Sales)</b>	<b>19812.5</b>	<b>35666.2</b>	<b>29426.3</b>	<b>43833.1</b>
Net Sales	9753.0	25606.7	12961.3	27368.6
Other Income	906.8	1706.3	626.1	879.2
<b>TOTAL INCOME</b>	<b>10659.8</b>	<b>27313.0</b>	<b>13587.4</b>	<b>28247.8</b>
<b>Profit before Interest, Depreciation &amp; Tax (PBITD)</b>	<b>358.2</b>	<b>2149.7</b>	<b>2100.0</b>	<b>3301.6</b>
Less: Interest	581.8	654.6	299.5	395.3
Less: Depreciation	200.1	607.9	184.5	489.9
<b>PROFIT BEFORE TAX (PBT)</b>	<b>(423.7)</b>	<b>887.2</b>	<b>1616.0</b>	<b>2416.3</b>
Fringe Benefit Tax	28.0	28.0	37.3	37.3
Provision for Taxation: Current Tax	-	425.8	551.1	886.7
Deferred Tax	(145.1)	(145.1)	20.5	20.5
Tax Adjustments in respect of earlier years	31.5	31.5	-	-
<b>PROFIT AFTER TAX (PAT)</b>	<b>(338.1)</b>	<b>547.0</b>	<b>1007.1</b>	<b>1471.8</b>
Less: Minority Interest	-	(7.8)	-	(15.8)
<b>PROFIT AFTER MINORITY INTEREST</b>	<b>(338.1)</b>	<b>554.8</b>	<b>1007.2</b>	<b>1487.6</b>
Add/(Less): Balance as per last Balance Sheet	1658.8	2139.4	1432.7	1432.6
Add: Amount Transferred on amalgamation of Batliboi SPM Pvt. Ltd.	-	-	-	-
- Balance of Profit & Loss Account as on 01-04-2007	61.6	61.6	-	-
- Profit after Tax for Financial Year 2007-08	9.9	9.9	-	-
<b>Available Surplus/(Deficit)</b>	<b>1392.2</b>	<b>2765.5</b>	<b>2439.8</b>	<b>2920.2</b>
<b>APPROPRIATIONS</b>				
Proposed Dividend				
- On Equity Shares	-	-	270.0	270.0
Dividend Distribution Tax	-	-	45.9	45.9
Transfer to Capital Redemption Reserve	-	-	365.1	365.1
Transfer to General Reserve	-	-	100.0	100.0
Balance Carried to Balance Sheet	1392.2	2765.5	1658.8	2139.2
<b>TOTAL</b>	<b>2920.2</b>	<b>1392.2</b>	<b>2765.5</b>	<b>2439.8</b>

#### 2. PERFORMANCE & PROSPECTS:

During the year under review, the global economy has gone through a deep slump and the financial markets have been in turmoil. Like all economies, India too has been impacted by this crisis. There has been a much lower GDP growth and a very marginal growth in industrial production. This has affected the capital goods industry of which your Company is a part of and, with capital expenditure investments being sharply curtailed by your Company's customers, the business of your Company has been severely affected. There has been a pressure on corporate margins as well on account of the sharp increase in raw material costs during the first half of the year.

All these above developments have sharply impacted the performance of your Company and therefore, the results for the year have been unsatisfactory. The standalone gross turnover has gone down by 32.67% to Rs. 198.12 crores, the total income

also has gone down by 21.55% to Rs. 106.60 crore resulting in an after tax loss of Rs. 3.38 crores. Your Company's foreign acquisitions have performed relatively better because of the substantial backlog that they had at the beginning of the year. Therefore, the consolidated performance of your Company has not been as severely affected. The gross turnover has gone down by 18.63 % to Rs. 356.66 crores, the total income also has gone down by only 3.31% to Rs. 273.13 crores resulting in lower after tax profits of Rs. 5.47 crores.

While it seems that the worst of the economic crisis is over, unless substantial growth is seen in industrial production, expenditure in capital goods will continue to be moderate. Therefore, the year 2009-10 will be a challenging year for your Company considering the marginal growth in world GDP and the cautious approach that customers would be taking in investment decisions. Through major cost reduction programmes, greater focus on marketing to improve market share and through product development so as to widen customer reach, your Company is confident of meeting these challenges.

#### 3. AMALGAMATION

The process of amalgamation of Batliboi SPM Pvt. Ltd (SPM) with the Company has been completed.

The above amalgamation is expected to bring in synergies and economies of scale and provide the necessary impetus to the operations of the Company in terms of increase in top line and bottom line.

#### 4. PERFORMANCE OF FOREIGN SUBSIDIARIES AESA & QUICKMILL

The performance of both the subsidiaries of your Company was very encouraging.

##### Quickmill Performance

Your Company had made investment in Quickmill Inc., based in Canada in April, 2007. Quickmill is engaged in the business of manufacturing large size gantry drilling and milling machines and supplies its products mainly to the energy and component manufacturing sector. Quickmill has had an extremely good year in terms of profitability. YOY basis their profits increased by 62%. The current economic crisis has now put pressure on their margins and volumes. The management of Quickmill is looking at other potential markets / products worldwide and reducing costs significantly to meet this challenge.

##### AESA Air Engineering

Your Company had made investment in AESA Air Engineering SA in July 2007 which is headquartered in France. AESA is engaged in the business of Airconditioning & Filtration in Textile, Tobacco, Chemical, Non Woven & Glass and Fibre glass industry.

AESA has been following a two pronged strategy to manage its operations. On one hand they have been concentrating on new businesses and on the other side, they have been reducing costs significantly. However due, to the current economic slowdown in the textile sector, performance of AESA is expected to be effected in terms of margins and volumes. The management is focusing on widening its global reach. The future profitability is expected to improve as the textile market starts improving.



**5. DIVIDEND**

In view of absence of profits during the year under review your Directors do not recommend any dividend for the Financial Year ended on 31.03.2009.

**6. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

The Company has been granted exemption for the year ended March 31, 2009 by the Ministry of Company Affairs from attaching to its Balance-Sheet, the individual Annual Reports of its subsidiary companies. As per the terms of the Exemption Letter, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2009 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company/ its subsidiaries at the Corporate Office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices of the respective subsidiary companies.

**7. FIXED DEPOSITS**

Deposits aggregating Rs. 45,000 were lying unclaimed as on 31<sup>st</sup> March, 2009.

**8. CORPORATE GOVERNANCE**

A separate Report on Corporate Governance along with Auditors' Certificate on its compliance is attached as Annexure – II to this Report.

**9. DIRECTORS**

Mr. Vijay Kirloskar, Mr. Ameet Hariani and Mr. George Verghese retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors recommend their re-appointment.

Mr. Krushan Lal Swami resigned from Directorship of the Company w.e.f. 31.05.2008. Mr. S. Ravi, Nominee Director ceased to be director of the Company w.e.f. 15.05.2008 pursuant to withdrawal of his nomination by UTI.

Your Directors place on record its appreciation of the services rendered by Mr. Krushan Lal Swami and Mr. S. Ravi.

**10. AUDITORS**

M/s. V. Sankar Aiyar & Co. Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received the relevant Certificate u/s. 224(1) (B) of the Companies Act, 1956, from the said Auditors, indicating their availability.

**11. AUDITORS' REPORT**

The observations of the Auditors in their Report read with notes annexed to the accounts, are self explanatory.

**12. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act 1956, the Directors, (based on the representations received from the Operating Management), confirm that :-

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that there are no material departures;
- (b) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 of the Company for that period;
- (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, 1956 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.

**13. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

During the year ended 31<sup>st</sup> March 2009, Foreign Exchange Earnings were Rs 550.11 lakh (Previous Year Rs. 853.60 lakh) and the Foreign Exchange Outgo was Rs. 133.69 lakh (Previous Year Rs. 225.10 lakh). For further details, Note Nos. 16 & 17 to the Accounts may be referred to.

**14. CONSERVATION OF ENERGY**

A 1.25 MW Windmill was commissioned on 26<sup>th</sup> September 2005 at Lamba, Gujarat to generate power for captive consumption of Company's Manufacturing Unit at Udhna. This strategic initiative has resulted in reduction in energy cost of Rs. 58.75 lakh and also helped the Company gain self-sufficiency in its electricity requirement.

**15. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION**

Information in respect of Technology absorption in Form B to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure-I to the Report.

**16. PARTICULARS OF EMPLOYEES**

The Statement giving particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report.

**17. ACKNOWLEDGEMENTS**

Your Directors avail of this opportunity to express and place on record their heartfelt gratitude to the shareholders, employees, customers, principal collaborators, agents, bankers, financial institutions, suppliers and distributors for their support to your Company.

For and on behalf of the Board of Directors

Place : MUMBAI  
Dated: 8<sup>th</sup> May, 2009 ,

**NIRMAL BHOGILAL**  
**CHAIRMAN & MANAGING DIRECTOR**

**Batliboi Ltd.**

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Director's Report for the year ended 31.03.2009.

Name	Age	Designation / Nature of Duties	Remuneration Received (Gross) (in Rs.)	Qualifications	Experience (in years)	Date of Joining	Particulars of Last employment and period of employment
Mr. Nirmal Bhogilal	59	Chairman & Managing Director	72,63,800	B. Sc. (Engg), Chemical Engg (London University), A.C.G.I.	35	06.09.1973	Nil
Mr. George Verghese	59	Executive Director & CEO-BTAEG	36,04,214	B. E. (Tech)	38	31.07.1974	Voltas Ltd. (2 years)
*Mr. Krushan Lal Swami	50	Executive Director & Group CFO	13,07,475	B.Com, LL.B., PGDBM, AICWA, ACS, CAIIB, AMP (ISB)	30	15.06.2000 Ceased on 31.05.2008	Amforge Industries Ltd
Mr. Vineet Goel	39	Chief Financial Officer	25,47,092	B.Com., ICWA, MBA	17	01.02.2006	Samtel Colour Ltd. (15 years)
Mr. Edwyn Rodrigues	54	CEO-Textile Machinery Group	29,74,830	B. Tech. (IT), DMS	31	01.10.2006	Batliboi International Ltd. (6 years)
*Mr. A. Choudhary	52	GM-ACR	4,58,058	M.Com., PGDM	27	17.05.1993 Ceased on 05.04.2008	Voltas Ltd. (5 years)
*Mr. SV Joshi	55	GM-MTT	8,40,559	B.E. Mech (VJTI)	30	05.07.1978 Ceased on 10.04.2008	N.A.
*Mr. K. Sankarnarayanan	60	DGM TAE	13,03,462	MSc. Eng, DMM	36	01.03.1982 Retired on 31.07.2008	ACC
*Mr. P. Ganesh	44	GM-Finance	17,07,539	B.Com, C.A.	22	01.03.2007 Ceased on 07.11.2008	Tech Pacific (India) Ltd. (1 year)
Mr. BB Vanwari	54	Chief Corporate Counsel & Company Secretary	26,77,364	B.Com, LLB, ACS, DEM	32	02.04.1996	Garware Nylons Ltd. (3.5 years)
Mr. PVN Sanjay	44	CEO-BMTG	35,27,895	BE-Mech	22	28.05.2007	GEA Energy Systems India Ltd. (1.5 years)

**Notes:**

1. Remuneration includes Salary, Allowances, and monetary value of perquisites evaluated in accordance with the Income Tax Rules. The same also includes retirement benefits i.e. PF & Superannuation.
2. All appointments are contractual and are subject to the rules and regulations of the Company in force from time to time.
3. \* indicates that the employee was in service for part of the year and their remuneration includes Gratuity wherever applicable.

**ANNEXURE TO DIRECTORS REPORT****ANNEXURE - I****FORM - B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION****A. RESEARCH AND DEVELOPMENT (R & D)****I. Specific areas in which R & D carried out by the Company.****Machine Tools**

The new machines designed and developed are;

- ♦ Vertical Turret lathe (800 mm diameter)
- ♦ Vertical Machining Centre (VMC 45)
- ♦ CNC Turning Centre (10TC)
- ♦ Trainer CNC Milling Machine
- ♦ Trainer CNC Lathe
- ♦ Trainer CNC Drilling Machine
- ♦ 75 mm Radial Drilling Machine

**Air-Conditioning & Refrigeration**

The new products designed and developed are;

- ♦ Airconditioning Equipment for marine application (corrosion resistant)
- ♦ Air-Handling Units.
- ♦ Precision Package type Airconditioners for telecommunication industry.

**Textile Air Engineering**

New products designed and developed are:-

- ♦ Pre-fabricated chamber for waste recovery system
- ♦ Inertial Fiber Separator
- ♦ Dust Transport Fan
- ♦ Product development for its subsidiary M/s AESA.

**II. Benefits Derived**

- ♦ New Product introduction in the market
- ♦ Saving in power consumption
- ♦ Improvement in quality
- ♦ Cost Optimization for customer
- ♦ Reduction in out-sourcing and increase in the inhouse manufacture

**III. Development Plans****Machine Tools**

- ♦ 300 mm cube Horizontal Machining Centre
- ♦ 1200 mm diameter Vertical Turret Lathe
- ♦ Low Cost Milling Machine

**Textile Air Engineering**

- ♦ Bigger capacity Compactors, Rotary Screen Filters
- ♦ Validation of Designs.

**IV. Expenditure On R & D**

(Rs. In lakhs)

Capital Expenditure

**45****B TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**Information regarding imported technology during the last 5 years.**NIL**