



Batliboi Ltd

67th Annual Report
2010 - 11





Some of our Products

Machine Tools



CNC Moving Column Drilling Machine – BMCD 825



Stall at IMTEX 2011, Bangalore



CNC Mill Turn Centre – BMTC 45

Textile Air Engineering



“Pre-Fab” Humidification System

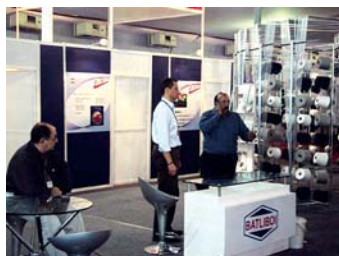


Fibre Condensor



Axial Flow Fan

Textile Machinery



Stall at Knit Tech 2011, Tirupur



Yarn Dyeing Machines (Loris Bellini)



Blowroom Contamination Sorter (Loptex)

Air Conditioning



Open Type Compressor



Ductable Split Air Conditioner



Corporate Information

Mr. Pratap Bhogilal

Chairman Emeritus

BOARD OF DIRECTORS

Mr. Nirmal Bhogilal

Chairman & Managing Director

Mr. Vijay R. Kirloskar

Mr. Subodh Bhargava

Mr. E. A. Kshirsagar

Mr. Ameet Hariani

Mr. Ulrich Duden

Mr. George Verghese

CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal

Chairman & Managing Director

Mr. Daniel Vaz

C. O. O. Textile Air Engineering Group

Mr. Edwyn Rodrigues

C. E. O. Textile Machinery Group

Mr. Pradeep Pradhan

C. E. O. Air Conditioning & Refrigeration Group

Mr. Sanjiv Joshi

C. E. O. Environmental Engineering Group

Mr. Vineet Goel

Chief Financial Officer

Mr. Gaurang Shah

Chief Corporate Counsel & Company Secretary

Mr. Ashok Joshi

Chief Human Resource Officer

REGISTERED & CORPORATE OFFICE

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

FACTORY

- (i) P. O. Fateh Nagar, Surat Navsari Road,
Udhna - 394 220.
- (ii) Veerasandra Industrial Area Hosur Road,
Bangalore-560100.

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENTS

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

BANKERS

Bank of Baroda
Punjab National Bank
Canara Bank
Royal Bank of Scotland
INDUSIND Bank Ltd.
Barclays Bank PLC
The Shamrao Vithal Co-op. Bank Ltd.

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NOTICE

NOTICE is hereby given that the Sixty Seventh Annual General Meeting of the members of BATLIBOI Limited, will be held on Friday, the 29th day of July, 2011 at 2.30 p.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th 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 31st March, 2011, 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. Subodh Bhargava, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. E.A Kshirsagar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without any modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT M/s V. Sankar Aiyar & Co., Chartered Accountants, (Registration No. 109208W) retiring Auditors be and are hereby appointed as the 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:

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

"RESOLVED THAT pursuant to the provisions of Sections 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 for the time being in force), and subject to approval of the Central Government, as may be required, the Company hereby approves the re-appointment of Mr. Nirmal Bhogilal as the Chairman and Managing Director of the Company for a period of 5 (five) years, with effect from 1st April, 2011, on the terms and conditions including remuneration as set out in the draft Agreement as placed before this meeting and initialed by the Chairman for identification and as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Board (which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to vary the remuneration and other terms of appointment from time to time subject to necessary approvals if any, as the Board may consider appropriate and as agreed between the Board and Mr. Nirmal Bhogilal.

RESOLVED FURTHER THAT where in any financial year comprised in the term of appointment, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Nirmal Bhogilal, the remuneration as set out in explanatory statement and any revisions thereof, as the minimum remuneration, subject to approval of the Central Government and such other approval as may be required in that regard."

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

"RESOLVED THAT in partial modification of earlier Special Resolution passed at the Annual General Meeting held on 28th July, 2007 and pursuant to Section 314(B) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approval of the concerned authorities(s) as may be required, consent of the Company be and is hereby accorded for variation of the terms of appointment of Mr. Kabir Bhogilal, a relative (son) of Mr. Nirmal Bhogilal, Chairman & Managing Director for payment of increased remuneration as under and for continuing to hold an office or place of profit in the Company designated as Vice President-Corporate Affairs, w.e.f. 1st April, 2011:

Salary: ₹ 55,000/- p.m. (In the scale of ₹ 50,000 p.m. to ₹ 2,00,000 p.m.)

Perquisites: ₹ 1,25,000/- p.m. (In the scale of ₹ 1,00,000 p.m. to ₹ 3,00,000 p.m.)

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized and empowered as and when it may determine and deem fit and proper, to revise the terms of remuneration and to promote him to the next higher grade (s) with all usual allowances, facilities and benefits as applicable to such grade(s), subject to such approvals as may be required in that regard.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary or expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to provisions of Sec 293 (1) (e) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute and subscribe on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of its employees upto an aggregate sum of ₹ 10,00,000 (Rupees Ten Lacs only) or 5% of the the Company's average net profit as determined in accordance with the provisions of the Companies Act, 1956, whichever is higher, in any financial year, notwithstanding that such amounts in any financial year may exceed ₹ 50000/- or 5% of the Company's average net profits as determined in accordance with provisions of sections 349 and 350 of the Companies Act, 1956, of the three financial years immediately preceding, whichever is greater.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary or expedient to give effect to this Resolution."

By Order of the Board of Directors,

Sd/-

GAURANG SHAH

Chief Corporate Counsel & Company Secretary

Mumbai,
18th May, 2011

Batliboi Ltd.

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- Proxies in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the special business set out at item no. 5 to 7 of the Notice is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, **22nd day of July, 2011 to Friday, 29th day of July, 2011**(both days inclusive).
- The relevant details as required under clause 49 of the Listing Agreement, of the Directors seeking re-appointment are given in the Corporate Governance Report.
- 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.
- Members are requested to notify their e-mail addresses to the Company's Share Transfer Agents, in order to enable the Company to send the documents electronically as permitted by the Government.
- Members are hereby informed that 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 Month of transfer to the Fund
19 th July, 2006	2005-2006	August 2013
28 th July, 2007	2006-2007	August 2014
30 th 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.

- In pursuance of Government of India's Green Initiative to save paper, the Company has sent the notice and the Annual Report in soft form to those members whose e-mail addresses are registered and have opted to receive the same in soft form. For others, it has been sent in physical form. Members are requested to the register their e-mail addresses with their Depository Participants in order to support the initiative of saving on consumption of paper and cost of printing and dispatch.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No 5

The term of office of Mr. Nirmal Bhogilal as Chairman and Managing Director of the Company expired on 31st March, 2011. Subject to approval of members and such other approvals as may be necessary, the Board re-appointed him for a further period of five years w.e.f. 1st April 2011.

On the recommendation of the Remuneration Committee, the Board at its Meeting held on 18th May, 2011, has fixed remuneration of Mr. Nirmal Bhogilal as under, subject to the approval of the members and such other approvals including that of Central Government as may be required.

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

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

The perquisites and allowance payable to him shall include accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, House Maintenance Allowance together with reimbursement of expenses and/or allowance and/or allowances for utilization of gas, electricity, water, utility allowance, furnishing and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance and such other perquisites and/or allowance, upto the amounts specified above, subject to an overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956. The said perquisites and allowance shall be evaluated, whenever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites.

Other benefits:

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

Under Leadership of Mr. Nirmal Bhogilal the Company has turned around its operations and has posted profits for the financial year 2010-11 and expects further improvement in the performance. However, the profits for the current year i.e 2011-2012 may not be adequate in terms of Schedule XIII of the Companies Act, 1956. In view of this, the aforementioned remuneration to Mr. Nirmal Bhogilal may be in excess of the ceilings prescribed in the Part II, Section II (1)(C) of the Companies Act, 1956 and the same would require approval of the shareholders and the Central Government.

Members' approval is sought for the appointment and payment of aforementioned remuneration and any revisions thereof as the minimum remuneration to the Managing Director in case of the Company has no profits or inadequacy of profits in any Financial year during the tenure of Mr. Nirmal Bhogilal. The statement required to be sent to the shareholders pursuant to Part II, Section II (1) (C) of Schedule XIII is given hereunder. The Company is making necessary application to the Central Government in this regard.



The terms and conditions of Mr. Nirmal Bhogilal's appointment as set out above may also be treated as an extract of the terms of draft agreement between Mr. Nirmal Bhogilal and the Company under Section 302 of the Companies Act, 1956.

The draft Agreements for the re-appointment of Mr. Nirmal Bhogilal, as the Chairman and Managing Director of the Company is available for inspection by the members of the Company at the registered office of

the Company between 11.a.m. to 1.00 p.m. on all working days excluding Sundays and Public Holidays.

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

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

Your Directors recommend the above resolution for your approval.

Statement pursuant to Part II, Section II (1) (C) of Schedule XIII

I. 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. As the Company was initially incorporated as Private Company on 6 th December, 1941 and the commercial production is being carried on for more than 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	:	<div>The financial performance is as detailed below :-</div> <table><tr><td></td><td>2010-11 (₹ In Lacs)</td><td>2009-10 (₹ In Lacs)</td></tr><tr><td>Turnover</td><td>13,396.03</td><td>9819.15</td></tr><tr><td>Profit/Loss</td><td>530.82</td><td>(411.98)</td></tr><tr><td>Net Worth</td><td>5,693.06</td><td>4572.81</td></tr><tr><td>Dividend</td><td>NIL</td><td>NIL</td></tr></table>		2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)	Turnover	13,396.03	9819.15	Profit/Loss	530.82	(411.98)	Net Worth	5,693.06	4572.81	Dividend	NIL	NIL
	2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)																
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Profit/Loss	530.82	(411.98)																
Net Worth	5,693.06	4572.81																
Dividend	NIL	NIL																
(5)	Export performance and net foreign exchange collaborations.	:	<table><tr><td></td><td>2010-11 (₹ In Lacs)</td><td>2009-10 (₹ In Lacs)</td></tr><tr><td>Sales for Export Purposes(Indirect Exports)</td><td>NIL</td><td>NIL</td></tr><tr><td>Foreign Exchange Collaborations</td><td>NIL</td><td>NIL</td></tr></table>		2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)	Sales for Export Purposes(Indirect Exports)	NIL	NIL	Foreign Exchange Collaborations	NIL	NIL						
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Sales for Export Purposes(Indirect Exports)	NIL	NIL																
Foreign Exchange Collaborations	NIL	NIL																
(6)	Foreign investments or collaborators, if any	:	<table><tr><td></td><td>2010-11 (₹ In Lacs)</td><td>2009-10 (₹ In Lacs)</td></tr><tr><td>Investment made in Foreign Subsidiaries</td><td>2781.47</td><td>2616.04</td></tr><tr><td></td><td><u>2781.47</u></td><td><u>2616.04</u></td></tr></table>		2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)	Investment made in Foreign Subsidiaries	2781.47	2616.04		<u>2781.47</u>	<u>2616.04</u>						
	2010-11 (₹ In Lacs)	2009-10 (₹ In Lacs)																
Investment made in Foreign Subsidiaries	2781.47	2616.04																
	<u>2781.47</u>	<u>2616.04</u>																

Batliboi Ltd.

II. Information about the appointee:

(1)	Background details	:											
	(a) Name	:	Mr. Nirmal Bhogilal										
	(b) Age	:	61 Years										
(2)	Past remuneration	:	<table><tr><td></td><td>₹ (p.m.)</td></tr><tr><td>Salary</td><td>3,30,000/-</td></tr><tr><td>Perquisites</td><td>3,11,666 /-</td></tr><tr><td></td><td><hr/></td></tr><tr><td></td><td>6,41,666/-</td></tr></table>		₹ (p.m.)	Salary	3,30,000/-	Perquisites	3,11,666 /-		<hr/>		6,41,666/-
	₹ (p.m.)												
Salary	3,30,000/-												
Perquisites	3,11,666 /-												
	<hr/>												
	6,41,666/-												
(3)	Recognition or awards	:	B. Sc. (Engg), Chemical Engg (London University), A.C.G.I. Committee Member – CII National Council										
(4)	Job profile and his suitability	:	Overall in-charge of day to day management of the Company. He is having practical experience of 38 years in managing Machine Building & Engineering Industry. <ul style="list-style-type: none">• Committee member : CII National Council• President & Committee Member : Indo German Chamber of Commerce• Member : Development Council for Machine Tools Industry, Ministry of Heavy Industries & Public Enterprise.										
(5)	Remuneration proposed	:	<table><tr><td></td><td>₹ (p.m.)</td></tr><tr><td>Salary</td><td>3,50,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)</td></tr><tr><td>Perquisites</td><td>4,09,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)</td></tr><tr><td></td><td><hr/></td></tr><tr><td></td><td>7,59,000/-</td></tr></table>		₹ (p.m.)	Salary	3,50,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)	Perquisites	4,09,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)		<hr/>		7,59,000/-
	₹ (p.m.)												
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Perquisites	4,09,000/- (in the scale of ₹ 3,50,000/- p.m. to ₹ 7,00,000/- pm.)												
	<hr/>												
	7,59,000/-												
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in would be w.r.t the country of his origin).	:	In similar and comparable Engineering Companies the salary paid to Chairman & Managing Director is approximately in the range of 12% to 16% of company's total wage bill. The remuneration proposed to be paid to Mr. Nirmal Bhogilal is in line with the industry average. The nature of Company's business is also very complex. The foreign subsidiaries in Canada and France have increased responsibilities of managing these businesses. All these factors justify the payment of said remuneration.										
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	:	Mr. Nirmal Bhogilal, Chairman & Managing Director is a promoter of the Company and may be regarded as concerned or interested in his own appointment.										

III. Other information:

(1)	Reason of loss or inadequate profits	:	The Company had incurred losses during the financial years 2008-09 and 2009-10. With concerted efforts and various measures undertaken, the Company has turned around its operations by posting profits of ₹ 530 lacs as against loss of ₹ 411 lacs during the previous year. Capacity constraints for machine tools and inconsistent demand from the textile industry were some of the reasons for inadequacy of profits.
(2)	Steps taken or proposed to be taken for improvement	:	The Company has a healthy order book and with the sustained growth in industrial production, encouraging prospects for textile industry and growing demand for machine tools, the Company expects further improvement in the performance.
(3)	Expected increase in productivity and profits in measurable terms.	:	With the various initiatives such as capacity expansion to reduce lead time, introduction of new products and new R & D initiatives to increase market share, the Company expects sizable increase in the productivity and profits.



Item No 6

At the meeting held on 28th July, 2007, the members had approved appointment of Mr Kabir Bhogilal, relative (son) of Mr. Nirmal Bhogilal, Chairman & Managing Director of the Company, for holding office or place of profit in the Company as Divisional Manager- Business Development, w.e.f. 1st August, 2007 with following remuneration as approved by the Central Government .

Salary: ₹ 32,000/- p.m. (in the scale of ₹ 30,000/- p.m. to ₹ 1,00,000/- p.m.)

Perquisites: ₹ 34,949/- p.m. (in the scale of ₹ 30,000/- p.m. to ₹ 1,00,000/- p.m.)

The Board had from time to time revised his remuneration within the aforementioned pay scale and promoted him, in pursuance of the authority given by the members and the approval received.

Based on recommendation of the the Remuneration Committee, the Board at its meeting held on 18th May, 2011, has revised the remuneration of Mr. Kabir Bhogilal and grade, as under, w.e.f 1st April, 2011, subject to approval of members and such other approvals of concerned authorities(s), as may be required.

Grade: Vice President-Corporate Affairs

Salary: 55,000/- p.m. (in the scale of ₹ 50,000/- p.m. to ₹ 2,00,000/- p.m.)

Perquisites: 1,25,000/- p.m. (in the scale of ₹ 1,00,000/- p.m. to ₹ 3,00,000/- p.m.)

Since the above remuneration exceeds the pay scale earlier approved by the members and the Central Government, fresh approval of the members is sought in accordance with section 314 (1B) of the Companies Act, 1956. The above revision is subject to approval of concerned authorities(s) as may be required.

The revised remuneration, perquisites, allowances, facilities proposed are applicable in his grade as per the Rules of the Company and are

fixed on the same basis as applicable to other executives of the Company in the same grade. The same are also in line with the remuneration packages prevailing in the industry.

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

No other Director is concerned or interested in the said Resolution. Your Directors recommend the above resolution for your approval.

Item No 7

Considering the Company's responsibility towards social, philanthropic and other causes, the Company has been making donations to various charitable Institutions and Trusts from time to time.

As per section 293(1)(e) of the Companies Act, 1956, the Company can contribute to Charitable and other institutions in excess of ₹ 50,000/- or 5% of the average net profits of the preceding three financial years, whichever is higher, in any financial year, only if authorized by the company in general meeting.

The Company intends to give donation upto an aggregate amount of ₹ 10,00,000/- (Rupees Ten Lacs only) or 5% of the average net profits of the preceding three financial years, whichever is higher, during any financial year which may exceed the limits prescribed under Section 293 (1) (e) of the Act. Members' approval is therefore sought for enabling the Company to donate the amounts upto the aforementioned limits in any financial year.

Your directors recommend the resolution as set out in the notice for approval of the members.

None of the Directors of the Company are deemed to be concerned or interested in the resolution.

By Order of the Board of Directors,

Sd/-

GAURANG SHAH

Chief Corporate Counsel & Company Secretary

Mumbai,
18th May, 2011

DIRECTORS' REPORT

Dear Members,

Your Directors submit their 67th Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

(₹ in lakhs)

	<u>For the Year ended</u>		<u>For the Year ended</u>	
	<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	<u>Stand alone</u>	<u>Stand alone</u>	<u>Consolidated</u>	<u>Consolidated</u>
Gross Turnover (Including Indirect Sales)	26363.02	21275.14	36701.14	31093.82
Net Sales	12436.26	9254.82	22774.38	19073.50
Other Income	405.32	387.61	695.01	672.33
TOTAL INCOME	12841.58	9642.44	23469.39	19745.82
Profit before Interest, Depreciation & Tax	901.59	437.95	1132.68	558.30
Less: Interest	540.42	527.19	649.13	598.84
Depreciation	155.90	183.41	611.11	650.93
Profit before tax and exceptional items	205.27	(272.65)	(127.57)	(691.46)
Exceptional item - Income/ (expense)	336.29	(135.94)	336.29	(135.94)
Profit before tax	541.56	(408.59)	208.72	(827.40)
Provision for Taxation: Current Tax	115.80	-	40.15	(32.06)
Deferred Tax	(21.03)	-	(21.03)	-
Mat Credit Available for set off	(57.80)	-	(57.80)	-
Tax Adjustments in respect of earlier years	(26.22)	3.39	(26.22)	3.39
PROFIT AFTER TAX (PAT)	530.82	(411.98)	273.63	(798.72)
Less: Minority Interest	-	-	-	(14.41)
PROFIT AFTER MINORITY INTEREST	530.82	(411.98)	273.63	(784.32)
Add/(Less): Balance as per last Balance Sheet	980.26	1392.24	1981.16	2765.47
Available Surplus/ (Deficit)	1511.07	980.26	2254.79	1981.16
Appropriations:				
Transfer to Capital Redemption Reserve	95.60	-	95.60	-
Balance carried to Balance Sheet	1415.47	980.26	2159.19	1981.16

2. DIVIDEND

With a view to conserve the resources, your Directors do not recommend any dividend for the Year ended 31st March, 2011.

3. PERFORMANCE & OUTLOOK:

Buoyant economy and sustained growth in GDP led to increased industrial production and consequential higher demand for capital goods during the year under review. The Company posted improved results during the year under review by turning around the operations, on the back of growing demand for capital goods and improved textile industry scenario. Various measures taken by the Company such as cost reduction, enhancing market share by developing and launching new products, also contributed to the performance.

On standalone basis, the gross turnover including indirect sales grew by more than 23% over the previous year. The operations resulted in Profit before Tax of ₹ 205 lacs, against a loss of ₹ 273 lacs during the previous year. On a post tax basis including exceptional items, the profit was ₹ 530 lacs as compared to a post tax loss of ₹ 411 lacs in the previous year.

The performance of foreign subsidiaries showed mixed results as capital spending in North America continued to be subdued whereas the European economy showed improvement. The consolidated turnover was up by more than 18% resulting in post tax Profit of ₹ 273 lacs as against loss of ₹ 798 lacs during the previous year.

The Company has a healthy order book and with the continued growth in industrial production, renewed investments in power & infrastructure sector and encouraging prospects for textile industry, the Company expects further improvement in its performance. The Company is taking several actions such as capacity expansion to reduce lead time, introduction of new products, R & D initiatives etc., to further strengthen the business operations.

4. SUBSIDIARIES:

(i) Quickmill Inc.

Quickmill Inc. headquartered in Canada is engaged in the business of manufacturing large gantry drilling and milling machines for supply to the energy and heavy equipment manufacturing sectors. The year under review has been disappointing as the performance was affected by the continued economic down turn and recession in key markets like North America and Middle East. Strengthening of the Canadian dollar and increase in steel prices added to the woes.

The Company has chalked out definitive plan for turning around the operations and has restructured the business to reduce costs and widen the market base. It has also taken steps to increase its presence in India. With these initiatives, Quickmill expects improved performance and return to profitability.

(ii) AESA Air Engineering

AESA is engaged in the business of Air-conditioning and filtration in textile, tobacco, chemical, non-woven and glass and fibre-glass industry.