



Batliboi Ltd.

69th Annual Report
2012 - 2013



Participation in Exhibitions



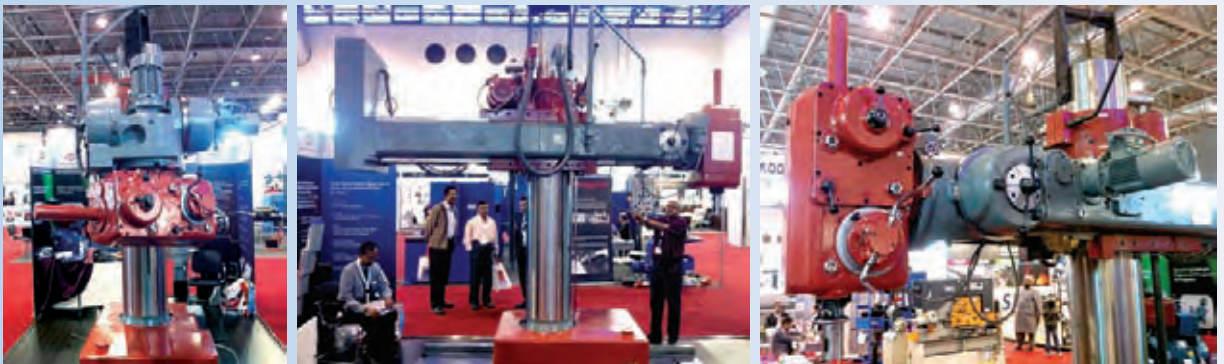
ITME, 2012
Textile Expo, BEC
Mumbai



IMTEX, 2013
Machine Tools
Expo,
BIEC, Bangalore



STEELFAB, 2013
Expo Centre,
Sharjah



Corporate Information

CHAIRMAN EMERITUS

Mr. Pratap Bhogilal

BOARD OF DIRECTORS

Mr. Nirmal Bhogilal

Mr. Vijay R. Kirloskar

Mr. Subodh Bhargava

Mr. E. A. Kshirsagar

Mr. Ameet Hariani

Mr. Ulrich Duden

Mr. George Verghese

Chairman & Managing Director

Director

Director

Director

Director

Director

Director

CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal

Mr. Edwyn Rodrigues

Mr. Milind Kulkarni

Mr. Daniel Vaz

Mr. Pradeep Pradhan

Mr. Sanjiv Joshi

Mr. Vineet Goel

Mr. Gaurang Shah

Mr. Ashok Joshi

Chairman & Managing Director

C. E. O. Textile Machinery Group

C. E. O. Machine Tool Business Group (Joined on 06/07/12)

C. E. O. Textile Air Engineering Group

C. E. O. Air Conditioning & Refrigeration Group

C. E. O. Environmental Engineering Group

Chief Financial Officer

Chief Corporate Counsel & Company Secretary

Chief Human Resource Officer

REGISTERED & CORPORATE OFFICE

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

FACTORY

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

(ii) Veerasandra Industrial Area Hosur Road, Bangalore - 560 100.

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
State Bank of India
INDUSIND Bank Ltd.
The Shamrao Vithal Co-op. Bank Ltd.
Royal Bank of Scotland

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NOTICE

NOTICE is hereby given that the Sixty-Ninth Annual General Meeting of **BATLIBOI LIMITED**, will be held on Tuesday, 6th day of August, 2013 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 of the Company for the year ended 31st March, 2013, 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. Ameet Hariani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ulrich Duden, 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 as an **ORDINARY RESOLUTION** :

"RESOLVED THAT M/s. 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."

By Order of the Board of Director

Sd/-

GAURANG SHAH

Chief Corporate Counsel & Company Secretary

Mumbai,
11th May, 2013.

Registered Office:
Bharat House, 5th floor,
104, Bombay Samachar Marg,
Fort, Mumbai – 400 001.

NOTES:

1. **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 RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 29th July, 2013 to Tuesday, 6th August, 2013 (both days inclusive).
3. Any change of particulars including address, bank mandate and nomination for shares held in demat form should be notified only to the respective Depository Participants (DPs) where the member has opened his/her demat account. However any change in particulars in respect of shares held in physical form should be sent to the Company's Share Transfer Agents Datamatics Financial Services Ltd. – Plot No. A/16 & 17, MIDC, Part-B, Cross lane, Marol, Andheri (E), Mumbai - 400 093.
4. 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 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 months 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 Months of transfer to the Fund
19 th July, 2006	2005-2006	August, 2013
28 th July, 2007	2006-2007	August, 2014
30 th September, 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 shareholders. The unpaid/unclaimed dividend lists are posted on Company's website "www.batliboi.com". The unclaimed dividend for the Financial Year 2005-06 declared on 19th July, 2006 can be claimed by the concerned shareholders by 22nd July 2013.

5. The relevant details of the Directors seeking re-appointment as required under clause 49 of the Listing Agreement are given in the Corporate Governance Report.
6. In pursuance of Government of India's Green Initiative to save paper, the Company has sent the Notice and the Annual Report in electronic form to those members whose e-mail addresses are registered and have opted to receive the same in electronic form. For others, it has been sent in physical form. Members are requested to register their e-mail addresses with DPs in order to support the initiative of saving on consumption of paper and cost of printing and dispatch.
7. 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 Ministry of Corporate Affairs.
8. Members/Proxies should bring attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Annual General Meeting.

DIRECTORS' REPORT

Dear Members,

Your Directors submit 69th Annual Report together with Audited Accounts for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	For the Year ended			
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	Standalone	Standalone	Consolidated	Consolidated
Gross Turnover (Including Indirect Sales)	28,540.89	32,137.60	43,224.40	44,219.69
Total Income	12,360.68	13,132.22	27,099.21	25,336.58
PBDIT	(143.13)	833.49	880.63	1,558.48
Less: Finance Cost	624.59	608.45	893.36	877.83
Less: Depreciation	182.74	154.47	660.42	631.43
Profit/(Loss) Before Tax & Exceptional Items	(950.46)	70.58	(673.15)	49.22
Exceptional items: Income/(expenses)	1,011.61	—	1,011.61	—
PBT	61.16	70.58	338.46	49.23
Provision for Taxation: Current Tax	13.00	16.00	96.56	75.22
Deferred Tax	21.00	38.00	18.83	42.83
Mat credit available for set off	(13.00)	(16.00)	(13.00)	(16.00)
Tax Adjustments in respect of earlier years	(7.93)	—	(7.93)	—
PAT	48.09	32.58	244.01	(52.82)

2. DIVIDEND

In view of operating losses, Directors do not recommend any dividend for the year ended 31st March, 2013.

3. REVIEW OF OPERATIONS AND OUTLOOK

The business operations were adversely impacted during the year under review on account of declining industrial production and consequential sluggish demand for Capital Goods and related industries of which the Company is part of. Machine Tool industry witnessed a sharp decline in demand for General Purpose Machines (GPMs) and Special Purpose Machines (SPMs), which impacted off take and revenues. Textile industry, however witnessed improved business environment with the upsurge in global demand and demand from the eastern region. Opening of new sectors in home textile also contributed positively for the Textile Machinery trading division. However, slow implementation of projects by customers, increase in power tariff and shortage of power in southern region, affected the revenue and bookings of the Textile Air Engineering division.

On standalone basis, the gross turnover including indirect sales was lower by 11% over the previous year. Operations resulted in losses due to reduced turnover and increased overheads and other costs. However, the Company posted higher profit after tax of ₹ 48.09 Lacs as against ₹ 32.58 Lacs for the previous year, on account of exceptional items.

The foreign subsidiaries registered improved performance with Quickmill Inc. posting improved results on the strength of renewed demand from various sectors and increased orders from the North American markets. AESA SA also recovered by posting marginal profits riding on the intensified efforts to increase sales and to reduce cost and overheads. The consolidated turnover was marginally lower over the previous year and after the exceptional items, the operations resulted in profit after tax of ₹ 244.01 Lacs as against loss of ₹ 52.82 Lacs for the previous year.

Improvement in industrial production is not in sight. However, with the healthy order backlog both for Machine Tools and Textile engineering and strong enquiry levels for green field projects and expansions from spinning and weaving sector, the outlook is optimistic. The Company has also taken several measures viz. organizational changes in the Machine Tool business, launching of new products, increased R & D activities, penetration into non textile sector, in order to scale up the production and volumes and to reduce costs.

4. SUBSIDIARIES

i) Quickmill Inc.

Quickmill Inc. head quartered in Canada is engaged in making of large gantry drilling and milling machines and caters mainly to the energy and heavy equipments manufacturing sectors.

The Company posted improved performance for the year on the strength of higher demand from the North American markets. The performance would have been better but for the sluggish demand from the South America and Middle East and lower than expected contribution from India.

With the increased demand and strong enquiry levels, the outlook is optimistic. The Company plans to augment volumes by focusing on Europe, South East Asia and other growth oriented markets and by launching new products.

ii) AESA Air Engineering

AESA SA head quartered in France is engaged in the business of Air-conditioning and filtration in textile, tobacco, chemical, non-woven and glass and fiber glass industry.

After a poor performance during the previous year, the Company recovered during the year under review by posting marginal profit despite the globally prevalent sluggish business environment. This was possible mainly because of extensive and selective sales initiatives and reduction of costs on account of changes made in the company structure at the offices situated in France, China, Singapore and India.

Markets in India and South East Asia are active and as such prospects are good. The Company plans to intensify the R & D activities on energy and man-power efficient systems and focus on cost-effectiveness for sustained performance. Thrust is also on further developing the market for spare parts and business services.

5. EMPLOYEE STOCK OPTION SCHEME

Pursuant to the resolutions passed by the members at the Extra Ordinary General Meeting held on 13th December, 2011, your Company has formulated and introduced Employees Stock Option Plan (**ESOP**). Out of 28,68,255 Options reserved under the Scheme, the Remuneration Committee has granted 10,00,000 Options during the previous year and 1,00,000 Options during the year under review, to the eligible employees. Upon vesting, each Option would entitle the Option holder to acquire one equity share of the Company upon vesting. These Options would vest in three equal annual installments after three, four and five years of grant.

Detailed disclosures as required under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in the annexure "A" to this Report.

6. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Statement pursuant to section 212 of the Companies Act, 1956, containing details of the subsidiaries is given elsewhere in the Annual Report.

The Consolidated Financial Statements of your Company and its subsidiaries prepared in accordance with "Accounting Standard-21" prescribed by The Institute of Chartered Accountants of India, forms part of the Annual Report and the Accounts.

In terms of Circular No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs granting exemption to the companies under section 212 of the Companies Act, 1956, the Balance Sheet, Profit & Loss Account, Report of Board of Directors and Auditors of Subsidiary Companies have not been attached with the Balance Sheet of the Company. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company/its subsidiaries at the Corporate Office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices of the respective subsidiaries.

7. FIXED DEPOSITS

The Company has not accepted any deposits from the public or employees during the year under review.

8. DIRECTORS

Mr. Ameet Hariani and Mr. Ulrich Duden retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Your Directors recommend their re-appointment. Brief resume of the Directors proposed to be re-appointed are provided in the Corporate Governance Report forming part of this Annual report.

None of the Directors of the Company are disqualified under Section 274(1) (g) of the Companies Act, 1956.

9. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

10. CORPORATE GOVERNANCE

A report on the Corporate Governance pursuant to Clause 49 of the Listing Agreement along with a Certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance, forms part of the Annual Report.

11. AUDITORS

The Statutory Auditors M/s. V. Sankar Aiyar & Co. Chartered Accountants, hold office upto the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits u/s. 224(1B) of the Companies Act, 1956.

12. AUDITORS' REPORT

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

13. COST AUDITORS

In terms of the Companies (Cost Audit Report) Rules, 2011, the Company has appointed M/s. V.J. Talati & Co., as Cost Auditors for auditing cost accounting records of the Company for the Financial Year 2012-13.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the Annual Accounts on a going concern basis.

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

The particulars required to be disclosed pursuant to Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of the Board of directors) Rules, 1988, are given in the annexure "B" to this Report.

16. PARTICULARS OF EMPLOYEES

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended, the names and other particulars of the employees forms part of this report as annexure. However, as permitted by Section 219(1)(b)(iv) of the Companies Act, 1956 this Annual Report is being sent to all Shareholders excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

17. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-
NIRMAL BHOGILAL
Chairman & Managing Director

Mumbai,
11th May, 2013.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Disclosures pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Particulars	ESOS	
a) Options granted during the year	1,00,000	
b) The pricing formula	<p>The exercise price was taken as the closing price of the Company's equity shares quoted on the Bombay Stock Exchange on 9th August, 2012, the day immediately prior to the date on which the Remuneration/Compensation Committee met to grant Options.</p> <p>Exercise price - ₹ 15.75</p>	
c) Options vested	NIL	
d) Options exercised	NIL	
e) The total number of shares arising as a result of exercise of Options	Each Option would entitle the holder to subscribe one Equity Share in the Company.	
f) Options lapsed	NIL	
g) Variation of terms of Options	NA	
h) Money realized by exercise of Options	NIL	
i) Total number of Options in force	11,00,000 (Eleven Lakhs only)	
j) Employee wise details of Options granted during the year:		
i) Senior managerial personnel:	Name of Employee	No. of Options
	Mr. Milind Kulkarni	1,00,000
ii) Any other employee who received a grant in any one year of Option amounting to 5% or more of Options granted during that year.	None	
iii) Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	
k) Diluted Earning Per Share	Not applicable, since no Options are vested so far.	