



Batliboi Ltd.



70th Annual Report
2013 - 2014

Portable Radial Drilling Machine with Universal Head – BPR 100



Horizontal Boring & Milling Machine (Skoda)

Machine Tools

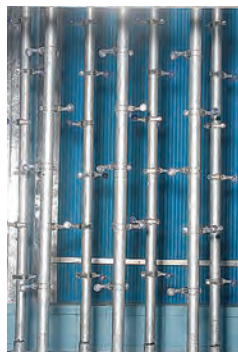


Quickdrill B 1200 X 4000 for Tube Sheet Drilling



Twin Spindle Milling Machine for Brake Components

Textile Air Engineering



Air Washer



Cyclone Dust Collector



Automatic Control System (Sauter)

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 81*

Textile Machinery



Circular Knitting Machine (Mayer & Cie)



Continuous Print Washer (Arioli)



Rotor Spinning (Saurer Schlafhorst)

Corporate Information

Mr. Pratap Bhogilal

Chairman Emeritus

BOARD OF DIRECTORS

Mr. Nirmal Bhogilal

Chairman & Managing Director

Mr. Vijay R. Kirloskar

Director

Mr. Subodh Bhargava

Director

Mr. E. A. Kshirsagar

Director

Mr. Ameet Hariani

Director

Mr. Ulrich Duden

Director

Mr. George Verghese

Director

CORPORATE MANAGEMENT

Mr. Nirmal Bhogilal

Chairman & Managing Director

Mr. Pradeep Pradhan

C.E.O. Machine Tool Business, Air Conditioning and Refrigeration Group

Mr. Daniel Vaz

C.E.O. Textile Air Engineering Group

Mr. Edwyn Rodrigues

C.E.O. Textile Machinery Group

Mr. Sanjiv Joshi

C.E.O. Environmental Engineering Group

Mrs. Prema Chandrasekhar

Chief Financial Officer

Mrs. Puneet Kapur

Chief Corporate Counsel and Company Secretary

Mr. Ashok Joshi

Chief Human Resource Officer

REGISTERED & CORPORATE OFFICE

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

FACTORY

- (i) P. O. Fateh Nagar, Surat Navsari Road, Udhna-394 220.**
- (ii) 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
INDUSIND Bank Ltd.
State Bank of India
The Shamrao Vithal Co-op. Bank Ltd.**

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NOTICE

NOTICE is hereby given that the Seventieth Annual General Meeting of **BATLIBOI LIMITED**, will be held on Friday, 1st August, 2014 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 financial year ended 31st March, 2014, 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. Nirmal Bhogilal, who retires by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. V. Sankar Aiyar & Co., Chartered Accountants (Regn. No. 109208W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the fourth consecutive Annual General Meeting (subject to ratification of the appointment by the Members at every AGM held after this AGM), 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 hereby authorized to appoint Auditors for Branches and Factories in consultation with the Company's Auditors on such terms and conditions including the remuneration as the Board of Directors may deem fit."

SPECIAL BUSINESS:

4. To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2015 and in this regard 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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 be paid the remuneration as set out in the Explanatory Statement annexed to this Notice.

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

5. 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 Sections 149(10)/(11), 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr. Vijay R. Kirloskar (DIN : 00031253), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st August, 2014."

6. 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 Sections 149(10)/(11), 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr. E. A. Kshirsagar (DIN : 00121824), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st August, 2014."

7. 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 Sections 149(10)/(11), 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr. Subodh Bhargava (DIN: 00035672), who was appointed as a Director liable to retire by rotation

and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st August, 2014.”

8. 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 Sections 149(10)/(11), 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr. Ameet Hariani (DIN: 00087866), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st August, 2014.”

9. 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 Sections 149(10)/(11), 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the said Act and Clause 49 of the Listing Agreement, Mr. Ulrich H Duden (DIN: 01646163), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 1st August, 2014.”

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution/ authority as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 21st July, 2014 to Friday, 1st August, 2014 (both days inclusive).
4. 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.
5. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchange in respect of the Directors seeking appointment/re-appointment at the AGM are furnished and forms part of the Corporate Governance Report. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
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 by the Company to “The Investor Education & Protection Fund” constituted by the Central Government under Section 205C 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
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 2006-07 declared on 28th July, 2007 can be claimed by the concerned shareholders by 31st July, 2014.

7. 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.
8. 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.
9. Members/Proxies should bring attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
10. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Clause 35B of Listing Agreement, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means through e-voting services provided by Central Depository Services (India) Limited (CDSL). The members, whose names appear in the Register of Members/List of Beneficial Owners as on 20th June, 2014 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 9.00 A. M. on Sunday, 26th July, 2014 and will end at 5.00 P. M. on Tuesday, 28th July, 2014. The Company has appointed Mr. Ashish Bhatt, Practicing Company Secretary to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

EVSN for Batliboi Limited – 140624014

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”.
- (iv) Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below.

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> <p>(Company / RTA: Please note the above same should be uploaded in the ROM and should be informed to the shareholders accordingly.</p>
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN - 140624014 for Batliboi Limited for which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk. evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney.
 - (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

In case of members receiving the physical copy:

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

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors,

Sd/-
Puneet Kapur
Company Secretary

Mumbai,
23rd May, 2014

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

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

Item No. 4

The Board on the recommendation of the Audit Committee has appointed M/s. V. J. Talati & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 and also approved remuneration of ₹ 50,000/- p.a. plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

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

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5 to 9

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013 which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Director from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

Mr. Vijay R. Kirloskar, Mr. E. A. Kshirsagar, Mr. Subodh Bhargava, Mr. Ameet Hariani and Mr. Ulrich Duden, were appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Vijay R. Kirloskar, Mr. E. A. Kshirsagar, Mr. Subodh Bhargava, Mr. Ameet Hariani and Mr. Ulrich Duden, has submitted a declaration that they meets the criteria for independence as provided in section 149(6) of the Act and being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Vijay R. Kirloskar, Mr. E. A. Kshirsagar, Mr. Subodh Bhargava, Mr. Ameet Hariani and Mr. Ulrich Duden, as Independent Director on the Board of the Company for a term upto five consecutive years, commencing from 1st August, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in the Corporate Governance Report forming part of this Annual Report.

Notice(s) have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, Mr. Vijay R. Kirloskar, Mr. E. A. Kshirsagar, Mr. Subodh Bhargava, Mr. Ameet Hariani and Mr. Ulrich Duden fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointments are concerned or interested financially or otherwise in these Resolutions. The Board commends the Ordinary Resolutions as set out at Item No. 5 to 9 for approval of the Members.

By Order of the Board of Directors,

Sd/-

Puneet Kapur

Company Secretary

Mumbai,
23rd May, 2014

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

DIRECTORS' REPORT

Dear Members,

Your Directors submit 70th Annual Report together with Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

(₹ in lakhs)

Particulars	For the Year ended			
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Standalone	Standalone	Consolidated	Consolidated
Gross Turnover (Including Indirect Sales)	37,165.59	28,540.89	52,292.13	43,224.40
Total Income	12,207.72	12,360.68	27,257.87	27,099.21
PBDIT	195.37	(143.13)	1253.68	880.63
Less: Finance Cost	522.57	624.59	735.73	893.36
Less: Depreciation	177.19	182.74	715.45	660.42
Profit Before Tax & Exceptional Items	(504.39)	(950.46)	(197.49)	(673.15)
Exceptional items: (Income)/expenses	—	1,011.61	—	1,011.61
PBT	(504.39)	61.16	(197.49)	338.47
Less: Provision for Taxation	(84.80)	13.07	89.80	94.46
PAT	(419.59)	48.09	(287.29)	244.01

2. DIVIDEND

In view of losses, Directors do not recommend any dividend for the year ended 31st March, 2014.

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 increased by 30% over the previous year. Operations resulted in losses due to increased overheads and other costs. As a result the Company posted a loss of ₹ 419.59 Lacs as against profit of ₹ 48.09 Lacs for the previous year, on account of exceptional items.

Quickmill Inc., our Foreign Subsidiary manufacturing Machine Tools, registered improved performance. North America continues to show steady growth as well as the Middle East that now shows signs of recovery in the power and oil sectors with good solid projects. AESA SA our Foreign Subsidiary in Air Engineering posted a loss during the year under review.

The consolidated turnover has increased by 20% over the previous year. Operations resulted in loss of ₹ 287.29 Lacs as against profit of ₹ 244.01 Lacs for the previous year, on account of exceptional items.

Improvement in industrial production is not immediate. 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 manufacturing of large gantry drilling and milling machines and caters mainly to the energy and heavy equipments manufacturing sectors.

The Company had an excellent year under review with an improvement in the profit compared to the previous year. The improvement was on account of machine sales, retrofit sales and service income.

With the improvement in the North American economy and with signs of revival in the Middle East, the Company expects further improvement in the performance during the New Year.