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 C. 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 ABN Amro Bank N.V. INDUSIND Bank Ltd. Barclays Bank PLC The Shamrao Vithal Co-op. Bank Ltd.

CONTENTS

NOTICE

NOTICE is hereby given that the **Sixty – Sixth** Annual General Meeting of the members of **BATLIBOI Limited**, will be held on **Thursday, the 29th day of July, 2010 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, 2010, 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 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 Messrs. V. Sankar Aiyar & Co., Chartered Accountants, be and are hereby appointed as the Statutory 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 Statutory Auditors on such terms and conditions including the remuneration as the Board of Directors may deem fit."

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**.
2. 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.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorising their representatives to attend and note on their behalf at the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from **22nd day of July, 2010 to 29th day of July, 2010** (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 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
19th July, 2006	2005-2006	August 2013
28th July, 2007	2006-2007	August 2014
30th 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 relevent details of the Directors seeking re-appointment, required to be provided pursuant to clause 49 of the Listing Agreement, are furnished in the Corporate Governance Report.

By Order of the Board of Directors

GAURANG SHAH
Chief Corporate Counsel & Company Secretary

Place : Mumbai
Date : 8th May, 2010

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

DIRECTORS' REPORT

Dear Members,

Your Directors submit their 66th Annual Report together with the Audited Accounts for the year ended 31st March 2010.

1. FINANCIAL RESULTS

(Rs. in lakhs)

	For the Year ended		For the Year ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	Stand alone	Stand alone	Consolidated	Consolidated
Gross Turnover (Including Indirect Sales)	*21275.14*	*19812.50*	*31093.82*	*35666.20*
Net Sales	9254.81	9753.02	19073.51	25606.74
Other Income	392.44	363.78	677.15	1183.19
TOTAL INCOME	**9647.25**	**10116.80**	**19750.65**	**26789.93**
Profit before Interest, Depreciation & Tax (PBIDT)	**437.92**	**(164.86)**	**558.32**	**1626.58**
Less: Interest	527.19	581.83	598.84	654.55
Less: Depreciation	183.39	200.05	650.94	607.93
PROFIT BEFORE TAX (PBT) AND EXCEPTIONAL ITEMS	**(272.66)**	**(946.74)**	**(691.46)**	**364.10**
Exceptional items:				
a) Exchange Gains/(Loss)	(135.94)	(19.94)	(135.94)	(19.94)
b) Sale of Property Gains / (Loss)	-	543.00	-	543.00
PROFIT BEFORE TAX (PBT)	**(408.60)**	**(423.68)**	**(827.40)**	**887.17**
Fringe Benefit Tax	-	28.00	-	28.00
Provision for Taxation: Current Tax	-	-	(32.06)	425.84
Deferred Tax	-	(145.06)	-	(145.06)
Tax Adjustments in respect of earlier years	3.39	31.47	3.39	31.47
PROFIT AFTER TAX (PAT)	**(411.99)**	**(338.08)**	**(798.72)**	**546.92**
Less: Minority Interest	**-**	**-**	**(14.41)**	**(7.84)**
PROFIT AFTER MINORITY INTEREST	**(411.99)**	**(338.08)**	**(784.32)**	**554.75**
Add/(Less): Balance as per last Balance Sheet	1392.24	1658.77	2765.48	2139.18
Add: Amount Transferred on amalgamation of Batliboi SPM Pvt. Ltd.				
- Balance of Profit & Loss Account as on 01-04-2007	-	61.64	-	61.64
- Profit after Tax for Financial Year 2007-08	-	9.91	-	9.91
Available Surplus/(Deficit)	**980.25**	**1392.24**	**1981.17**	**2765.48**
Appropriations	-	-	-	-
Balance carried to Balance Sheet	**980.25**	**1392.24**	**1981.17**	**2765.48**

2. PERFORMANCE & PROSPECTS:

For the first 9 months of the year under review the Company's performance was affected adversely by the continuing downturn in industrial production and manufacturing in the country. Therefore, the Company continued to have an operating loss for the first 3 quarters. However, in the last quarter, with the improvement in industrial production in the country and the consequent improved demand of capital goods, the Company's performance resulted in an operating profit in the fourth quarter. Order inflow too improved in the fourth quarter which augurs well for the Company's performance in 2010-11. As a result of the downturn, the Company continued its efforts to reduce costs and this effort will bear fruit for the future also.

The standalone gross turnover including indirect sales improved by over 7%. Before other exceptional items including a non-cash exchange loss, the operating loss was Rs.272.66 lacs, which is an improvement over an operating loss of Rs.946.74 lacs for the previous year. On a post tax basis including the extraordinary expenditure, the loss was Rs.411.99 lacs as compared to a post tax loss of Rs. 338.08 lacs in the previous year which included the extraordinary item of gain on sale of assets in the previous year of Rs.543 lacs.

The foreign subsidiaries were adversely impacted by the recession in Europe and North America and therefore, on a consolidated basis the gross turnover went down by nearly 15% to Rs.310.93 crores resulting in an after tax loss of Rs.7.98 crores.

As mentioned above, the Company has a healthy order backlog and with the sustained growth in the country's GDP, growth in industrial production and manufacturing resulting in an increased demand for capital goods, the Company expects substantial improvement in its performance during 2010-11. The Company has also reduced its costs of operations and with measures taken such as development and introduction of new products, the Company is confident of improving its market share and overall volumes.

3. PERFORMANCE OF SUBSIDIARIES:

Quickmill Inc.

Quickmill Inc. headquartered in Canada and engaged in the business of manufacturing large size gantry drilling machines, supplies mainly to the energy and component manufacturing sector. After a record 2008-09 performance, 2009-10 the year under review, has been a disappointment. The performance was adversely affected by the recession in North America and therefore, volumes reduced which resulted in an after tax loss as compared to a record profit of the previous year. With very strict control on costs and with the improvement in the markets, Quickmill expects a much improved performance in 2010-11.

AESA Air Engineering

AESA Air Engineering SA headquartered in France and with subsidiaries in China, Singapore and India, is engaged in the business of Air-conditioning and Filtration in textile, tobacco, chemical, non-woven and glass and fiber glass industries.

The textile sector internationally was severely affected which resulted in much reduced capital expenditure, affecting the performance of AESA. AESA too had an after tax loss. AESA management has reduced its operating costs as well as overheads and has focused on widening its global reach. With the improvement in the textile sector globally, the performance during the current year is expected to improve substantially.

4. **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 31.03.2010.

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

The Statement pursuant to section 212 of the Companies Act, 1956, containing details of the Company's Subsidiaries is attached.

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

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Lost Account, Reports of the Board of Directors and Auditors of the subsidiaries 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 subsidiary companies.

6. **FIXED DEPOSITS**

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

7. **DIRECTORS**

Mr. Nirmal Bhogilal and Mr. Ulrich Duden retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

Mr. SDS Mongia resigned from Directorship of the Company w.e.f. 30th July 2009.Your Directors place on record its appreciation of the services rendered by Mr. SDS Mongia during his tenure as Director of the Company.

Tenure of Mr. George Verghese as Executive Director of the Company came to an end on 31st December 2009 on his attaining superannuation. He continues as Non Executive Director of the Company w.e.f. 1st January 2010.

8. **CORPORATE GOVERNANCE**

A report on the Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as also the Management Discussion and Analysis Report as stipulated under clause 49 of the Listing Agreement are given seperately in this Annual Report.

9. **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.

10. **AUDITORS' REPORT**

The qualification in the Auditors' Report in regard to recognition of Deferred Tax Asset on account of unabsorbed Depreciation/ Loss under Income Tax Act has been suitably explained by the management in note 9 of schedule 17 (II) to the accounts.

11. **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 loss 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.

12. **FOREIGN EXCHANGE EARNINGS AND OUTGOINGS**

During the year ended 31st March 2010, Foreign Exchange Earnings were Rs 588.60 (Previous Year Rs. 550.11 lacs) and the Foreign Exchange Outgo was Rs.578.98 (Previous Year Rs. 133.69 lacs). For further details, Note Nos. 14 & 15 to the Accounts may be referred to.

13. **CONSERVATION OF ENERGY**

A 1.25 MW Windmill was commissioned on 26th 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 and also helped the Company gain self-sufficiency in its electricity requirement.

14. **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.

15. **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.

16. **ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

Place : MUMBAI
Dated: 8th May, 2010.

NIRMAL BHOGILAL
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO DIRECTORS' REPORT

FORM - B

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:

- Size 1 Milling Machine
- CNC Trainer Series Machine - BTVMC
- CNC Milling Machine - BTTC
- Radial Drilling Machine – BR 515
- Knee type CNC Machine – BF 15 CNC – 802C
- Traveling Column Radial Drilling Machine - 60 mm drill
- CNC Turning Machine
- Vertical Machining Centre

Air-Conditioning & Refrigeration

The new products designed and developed are:

- Air-Handling Units
- Condensing Units for Sea Shore application
- Low temperature application Chillers

Textile Air Engineering

New products designed and developed are:

- Change in fixing arrangement for Rotary Drum Filter and Screen Filter
- Improved casing design of Stripper Fan
- Carbon Steel impeller for Material Transport Fan
- Product development (ZSC 180, 200, 224) for AESA.

Quickmill

Quickmill invested $ 547,923 CAD in research and development in fiscal 2010. While there were a wide variety of projects covering areas of machine design, process improvement, and turnkey systems, the majority of Quickmill's efforts were focused on the following three significant projects:

Header Pipe Machining System – This project involved designing, building, and testing a complete turnkey system for machining large boiler header pipes and other tube systems.

Quickdrill Redesign – A complete redesign of Quickmill's popular Quickdrill machine, designing the best drilling machine possible at costs equal to or less than our current costs. It includes faster axis travels, a more rigid frame, simpler chip control, and better milling capability.

Condenser Plate Processing – Condenser manufacturers have long struggled with drilling the multitude of holes required in their product in a timely and cost effective manner. With tooling, support, and process developments undertaken by Quickmill a complete system for drilling stacked condenser plates, has been developed a first in the industry.

II. Benefits Derived

- Ease of installation of equipment
- Improved life of equipment
- Improvement in quality
- Reduction in out-sourcing and increase in the inhouse manufacture
- Increased sales due to new product introduction
- New dimension in the market penetration

III. Development Plans

Machine Tools

- Vertical Machining Centre
- CNC Turning Centre with 1 Meter Admit between Center CNC LATHE
- CNC Turning Centre
- Radial Drilling Machine - 80 mm Drill
- Radial Drilling Machine- 100 mm Drill
- Radial Drilling Machine - 28 mm Drill
- CNC Trainer Series Machine centre - BTDC
- Traveling Column Radial Drilling Machine -100 mm
- Vertical Machining Centre

Air-Conditioning & Refrigeration

- Air-conditioning System for Railway AC coaches
- Air-conditioning System for War Ships, Coast Guard Trawlers, Fishing Trawlers and Submarines
- Screw Chillers

Textile Air Engineering

- Bigger capacity Compactors, Rotary Screen Filters
- Fog Type System
- Pre-fabricated Air Washer
- Centrifugal Fan manufacture for BEEL

IV. Expenditure on R & D

Capital Expenditure - **Rs.165 lacs (for TAE and Machine tools)**

B TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Information regarding imported technology during the last 5 years.

NIL

CORPORATE GOVERNANCE REPORT

1. **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

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

2. **BOARD OF DIRECTORS:**

The present strength of Board of Directors is Seven as on 31st March, 2010, whose composition and category is given below:

Composition and Category

One - Promoter, Executive Director

One - Non Promoter, Non Executive Director

Five- Independent, Non Executive Directors

The composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a member / Chairperson is as under:

Name of Director	Category	No. of other Directorship	No. of membership of Board Committees	No. of Board Committees for which Chairperson
Mr. Nirmal Bhogilal	Promoter, Executive	2	1	-
Mr. S. D. S Mongia*	Independent, Non - Executive	-	1	1
Mr. Vijay R. Kirloskar	Independent, Non - Executive	5	2	-
Mr. E. A. Kshirsagar	Independent, Non - Executive	5	8	4
Mr. Subodh Bhargava	Independent, Non - Executive	11	9	4
Mr. Ameet Hariani	Independent, Non - Executive	3	4	-
Mr. Ulrich H Duden	Independent, Non - Executive	-	-	-
Mr. George Verghese**	Non Executive	1	-	-

* ceased to be Director w.e.f. 30th July 2009

** ceased to be Executive Director from 31st December 2009 and continues as Non Executive Director.

Note: Directorships and Committee memberships as per clause 49 of the Listing Agreement are considered

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

During the year ended 31st March, 2010, four Board Meetings were held on 8th May, 2009, 30st July, 2009, 29th October, 2009, and 30th January, 2010.

Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 30th July, 2009
Mr. Nirmal Bhogilal	4	Present
Mr. V. R. Kirloskar	4	Present
Mr. E. A. Kshirsagar	3	Present
Mr. Subodh Bhargava	4	Present
Mr. Ameet Hariani	4	Present
Mr. S. D. S Mongia*	Nil	Absent
Mr. Ulrich H Duden	Nil	Absent
Mr. George Verghese	3	Present

* ceased to be Director w.e.f. 30th July 2009

3. **AUDIT COMMITTEE**:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

Terms of Reference

The Audit Committee shall have powers which include the following:

a. to investigate any activity within its terms of reference.

b. to seek information from any employee.

c. to obtain outside legal or other professional advice.

d. to secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval for payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on exercise of judgment by management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.

5A Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

6. Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition

The Audit Committee of the Company comprises of three Directors and all Directors are Independent & Non- Executive Directors.

During the year under review, the Audit Committee was re-constituted due to resignation of Mr. SDS Mongia, Director of the Company, who was also Member and Chairman of the Audit Committee.

The present constitution of the Committee is as follows:

1.	Mr. E. A. Kshirsagar	:	Independent & Non – Executive Director (Chairman)
2.	Mr. Subodh Bhargava	:	Independent & Non – Executive Director
3.	Mr. Ameet Hariani	:	Independent & Non – Executive Director

Meeting and Attendance :

During the year ended 31st March 2010 four Audit Committee Meetings were held on 8th May 2009, 30th July 2009, 29th October 2009 and 30th January 2010.

Name of Director		**No. of Meetings attended**
Mr. E. A. Kshirsagar	:	3
Mr. S D S Mongia*	:	Nil
Mr. Subodh Bhargava	:	4
Mr. Ameet Hariani	:	4

* ceased to be Director w.e.f. 30th July 2009

4. **REMUNERATION COMMITTEE**

Brief Description of Terms of Reference

a. To review, assess and recommend the appointment of whole-time directors;

b. To periodically review the remuneration package of whole-time directors and next level (in most cases either CEOs, CFOs or VPs) and recommend suitable revision to the Board; and

c. Such other matters as may be decided by the Board from time to time.

Composition

The Remuneration Committee comprises of three Directors, all are Independent, Non - Executive Directors. The Chairman of the Committee is an Independent, Non - Executive Director nominated by the Board.

During the year under review, the Remuneration Committee was re-constituted due to resignation of Mr. SDS Mongia, Director of the Company, who was also Member and Chairman of the Remuneration Committee.

The present constitution of the Committee is as follows:

1.	Mr. E. A. Kshirsagar	:	Independent & Non – Executive Director (Chairman)
2.	Mr. Subodh Bhargava	:	Independent & Non – Executive Director
3.	Mr. V. R. Kirloskar	:	Independent & Non – Executive Director

Meetings and Attendance

The Committee met once on 17th July 2009 during the Financial Year ended 31st March, 2010.

Name of Director		**No. of Meetings attended**
Mr. E. A. Kshirsagar	:	1
Mr. S D S Mongia*	:	Nil
Mr. Subodh Bhargava	:	1
Mr. V. R. Kirloskar **	:	Nil

* ceased to be Director w.e.f. 30th July 2009
** Elected as a member w.e.f. 30th July 2009

Remuneration Policy

The compensation of the Executive Directors is recommended by the Remuneration Committee and is approved by the full Board. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high calibre talent. The Company does not currently have a stock option plan or performance linked incentives for its Directors.

The Company pays to its Non-Executive Directors (NEDs) Sitting Fee of :

- Rs. 15,000/- per Board Meeting,
- Rs. 10,000/-per Audit Committee Meeting, Remuneration Committee Meeting and Strategic Planning Committee Meeting; and
- Rs.5000/- per Investors' / Shareholders' Grievance and Share Transfer Committee Meeting and Executive Committee Meeting and Selection Committee Meeting.

A Selection Committee comprising two Independent Non Executive Directors Mr. E A Kshirsagar and Mr. Ameet Hariani and one other member Mr. PK Nair having expertise in Human Resource and Organisation Development was formed to comply with the Rules under Section 314 of the Companies Act, 1956.

The shareholders have at their Annual General Meeting held on 19th July 2006 approved of payment of commission to the NEDs within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the NEDs based on their attendance and contribution at Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

Shares Held by Non-Executive Directors:

Mr. Ameet Hariani holds 6080 Equity Shares of Rs. 5 each which constitute a negligible percentage of the Paid–up Equity Share Capital of the Company. All other Non- Executive Directors hold Nil Shares in the Company.

Details of remuneration to all the Directors for the year ended 31st March, 2010

(Figures in Rs.)

Name of the Director	Salary	Benefits	Commission	Sitting Fees	Total	Service contract/ Notice period/ Severance fees
Mr. Nirmal Bhogilal	36,00,000	30,21,927	—	—	66,21,927	Five years Contract and Notice Period six months
Mr. S. D. S Mongia	—	—	—	—	—	Retirement by rotation
Mr. V. R. Kirloskar	—	—	—	60,000	60,000	___do___
Mr. E. A. Kshirsagar	—	—	—	85,000	85,000	___do___
Mr. Subodh Bhargava	—	—	—	1,10,000	1,10,000	___do___
Mr. Ameet Hariani	—	—	—	1,50,000	1,50,000	___do___
Mr. Ulrich H Duden	—	—	—	—	—	___do___
Mr. George Verghese	13,84,200	47,90,838@	—	#15,000	62,06,038	___do___

@ The benefits paid to Mr. George Verghese includes retrial benefits.

Sitting fees of Rs. 15000 is paid to Mr. George Verghese for the Meeting attended by him as Non Executive Director.

Notes on Directors Seeking Re–appointment as required under clause 49 VI(A) of the Listing Agreement Entered Into With BSE/ NSE.

(i) Mr. Nirmal Bhogilal (60) is B.Sc. (Engg), Chemical Engg (London University), A.C.G.I. He is overall in charge of day to day management of the Company. Mr. Bhogilal is an eminent industrialist and has over 33 years of business experience in the Engineering Industries. He is also member of several non- listed Companies. He was the Chairman of (W.R) of CII. He was also Past President of Indian Machine Tool Manufacturer's Association. He is currently Vice President of Indo German Chamber of Commerce and a member of National Council of CII.

He is Director/ Member of the following Companies/ Committees:

Name of the Company	Chairman / Director	Committees of the Board	Chairman /Member
Hindustan Construction Co. Ltd.	Director	—-	—-
Batliboi Environmental Engineering Ltd	Director	Audit	Member

(ii) Mr. Ulrich Duden (72), a German national, has studied Economics & Financial Management at the Goethe University, Frankfurt, North Western University, Chicago and Stanford University California. He has over 45 years of experience, working in different capacities with Hoechst AG, Montedison S.p.A (Italy), ILVA S.p.A (Italy), Treuhandalstalt (Germany), Emerson Electric Inc. (St Louis). Mr. Duden has also expertise in restructuring and repositioning Companies in troubled situations. At Emerson he was the President and Managing Director of Liebert Hiross S.p.A., manufacturers of precision air conditioning systems. He was also CEO of IDRA PRESSE S.p.A, Brescia (Italy), manufacturers of die casting machines and dies. Currently he is a consultant.

5. **INVESTORS' / SHAREHOLDERS' GRIEVANCE & SHARE TRANSFER COMMITTEE:**

Functions

The "Investors' / Shareholders' Grievance and Share Transfer Committee" of the Company, consists of two members, chaired by a Non - Executive Director. The Committee meets at frequent intervals, to approve inter-alia, transfer / transmission of shares, issue of duplicate share certificates and review the status of investors' grievances and redressal mechanism and recommend measures to improve the level of investor services. Details of share transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time.

Composition

The constitution of the Committee at present is as under:

Mr. Ameet Hariani	:	Non – Executive Director (Chairman)
Mr. Nirmal Bhogilal	:	Executive Director

Meeting and Attendance :

During the year ended 31st March 2010 four Investors' / Shareholders' Grievance and Share Transfer Committee Meetings were held on 16th April, 2009, 18th July, 2009, 28th October 2009 and 28th January 2010.

Name of Director		No. of Meetings attended
Mr. Ameet Hariani	:	4
Mr. Nirmal Bhogilal	:	4

Compliance Officer

The Board has appointed Mr. Gaurang Shah – Chief Corporate Counsel & Company Secretary as the Compliance Officer.

Details of Investor's Complaints

There are no complaints pending at the beginning of the year, the Company had received 35 Complaints during the year and resolved all of them during the year under review. There are no outstanding complaints as on 31st March, 2010.

6. **GENERAL BODY MEETINGS:**

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2006 – 2007	28th July 2007	Walchand Hirachand Hall, Indian Merchant Chambers, Churchgate, Mumbai 400020	2.00 P.M.
2007 – 2008	25th Sept 2008	Walchand Hirachand Hall, Indian Merchant Chambers, Churchgate, Mumbai 400020	3.30 P.M.
2008 – 2009	30th July 2009	Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12K Dubash Marg, Fort, Mumbai 400 001.	2.00 P.M.

No special resolution was passed through postal ballot during the year.

Special Resolutions pertaining to the re-appointment / revision in remuneration of the Executive Directors were passed during the last three Annual General Meetings.

7. **DISCLOSURES:**

a. The Company has complied with the requirements of regulatory authorities on capital markets – save and except Clause 40A of the Listing Agreement. No penalties / strictures have been imposed against it during the year ended 31st March, 2010.

b. None of the transactions with any of the management personnel of the company were in potential conflict with the interest of the Company at large.

c. The Company has complied with all the mandatory requirements. The Company has also complied with non-mandatory requirement relating to setting up Remuneration Committee of the Board to determine interalia the Company's policy on remuneration package for Executive Directors' and other Directors / Senior Management Personnel.

d. The Company has also complied with the non- mandatory requirement of adoption of Whistle Blower Policy for its employees and no personnel has been denied access to the Audit Committee.

e. The Company has laid down the procedures to inform Board Members about the risk assessment and minimization procedures. The Board is periodically informed about business and other risks and its minimization procedures.

8. **MEANS OF COMMUNICATION:**

i) Half yearly / Quarterly report is not being sent to each household of shareholders as the shareholders are intimated through the press about the quarterly performance and financial results of the Company.

ii) The financial results of the Company are posted on the Company's website (www.batliboi.com) and are published in the newspapers as under :

Year Ended 31st March, 2009	-	Free Press Journal, Nav Shakti
Quarter Ended 30th June,2009	-	Free press Journal, Nav Shakti
Quarter / Half year ended 30th September, 2009	-	Free press Journal, Nav Shakti
Quarter / Nine Months ended 31st December, 2009	-	Free press Journal, Nav Shakti

iii) The Management Discussion and Analysis (MD&A) is a part of Annual Report.

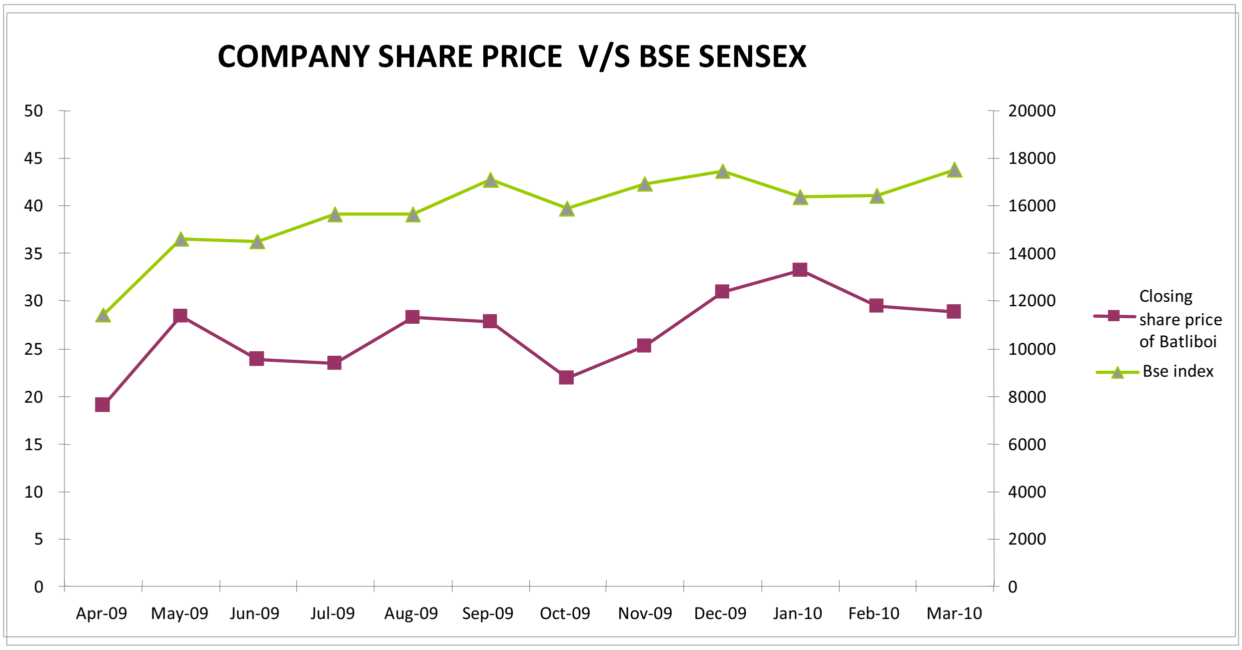
9. **GENERAL SHAREHOLDER INFORMATION**:

Registered Office	:	Bharat House, 5th Floor 104, Bombay Samachar Marg, Mumbai 400001.
Annual General Meeting	:	Date and Time : 29th July, 2010 at 2.30 P.M. Venue: Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12 K Dubash Marg, Fort, Mumbai 400 001
Financial Year	:	12 months ended 31st March 2010
Date of Book Closure	:	22nd July, 2010 to 29th July, 2010 (both days inclusive)
Dividend Payment date	:	NA
Listing	:	Company's Equity shares are listed on Bombay Stock Exchange Limited & National Stock Exchange of India Limited
Stock Code BSE	:	522004
NSE	:	BATLIBOI
Demat ISIN Number in NSDL / CDSL for Equity Shares	:	INE 177C01022
Market Price Data	:	During the year ended 31st March 2010, the highest price and the lowest price recorded for each month on the Bombay Stock Exchange Limited & National Stock Exchange of India Limited were as follows:
Face Value	:	Rs. 5/- each

Rate (Rs.)

	BSE		NSE	
Month	High	Low	High	Low
April	27.34	13.00	27.15	13.00
May	28.45	17.75	28.60	18.00
June	34.10	22.85	34.30	22.85
July	25.00	19.25	25.00	19.15
August	28.90	21.65	29.05	21.65
September	29.60	25.25	29.80	25.20
October	28.90	21.40	28.50	21.60
November	26.55	21.00	26.25	21.00
December	32.80	25.35	33.00	25.40
January	48.50	29.00	48.25	29.70
February	34.60	29.00	34.30	28.10
March	33.85	27.00	34.20	27.00

Performance of the Company's share price in Comparison to BSE Sensex.



Distribution of Shareholding as on 31st March, 2010: **Range in (Rs.)**

From	To Holders	No. of Holders	% of No. of Holders	Total shares holding	% of Total Capital
1	1000	12067	96.19	2207912	7.70
1001	2000	243	1.94	389100	1.36
2001	4000	110	0.88	321210	1.12
4001	6000	48	0.38	241978	0.84
6001	8000	16	0.13	109202	0.38
8001	10000	15	0.12	140169	0.49
10001	20000	16	0.13	238471	0.83
20001	& Above	30	0.24	25034508	87.28
	TOTAL	**12545**	**100.01**	**28682550**	**100.00**

Shareholding Pattern as on 31st March, 2010 **(Face Value : Rs 5/-)**

Category	No of Shares	%
Promoters and Promoters Group	23443490	81.73
Directors, their Relatives	6080	0.03
Mutual Funds/Financial institutions/Banks/ Insurance Companies	1950	0.01
Foreign Investors (FIIs/NRIs/OCBs/Foreign Bank/Foreign Corporate Bodies)	986646	3.44
Bodies Corporate	884489	3.08
Individuals	3359895	11.71
Total	**28682550**	**100**

Registrar and Transfer Agents : Datamatics Financial Services Ltd.,
Plot No. A/16 &17, MIDC Part B, Cross Lane,
Marol, Andheri (East), Mumbai 400093.
Tel No: 66712151 to 56

Share Transfer System : Transfer of Shares held in Physical form is processed by Datamatics Financial Services Ltd. and approved by the Chairman & Managing Director or Chief Corporate Counsel & Company Secretary or Cheif Financial Officer pursuant to powers delegated to them by the Board of Directors.

Dematerialisation of Shares : The Shares of the Company have been put on Compulsory Demat. As on 31st March 2010, about 83% of the total equity shares issued by the Company have been dematerialised.

Outstanding GDR/ ADR	:	The Company has not issued any GDRs/ADRs, warrants or any other convertible instruments.
Plant Location	:	(i) P. O. Fateh Nagar, Surat Navsari Road, Udhna 394 220. (ii) Veerasandra Industrial Area Hosur Road, Bangalore-560100.
Address for Correspondence	:	Bharat House, 5th Floor 104, Mumbai Samachar Marg Fort, Mumbai 400001
Email ID	:	legal@batliboi.com
Telephone	:	022-66378200 Ext. 245

10. **CEO / CFO CERTIFICATION** :

The Chairman & Managing Director and the Cheif Financial Officer of the Company have submitted their Compliance Certificate to the Board of Directors in terms of sub – clause V of Clause 49 of the Listing Agreement.

11. **DECLARATION :**

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct.

For **Batliboi Limited**

NIRMAL BHOGILAL

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai.
Dated : 8th May, 2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Batliboi Limited (the Company) for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement entered of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' / Shareholders' Grievance & Share Transfer Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. Sankar Aiyar & Co.**
Chartered Accountants

S. Venkatraman
Partner
Membership No. 034319

Place : Mumbai
Dated : 8th May, 2010

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The management of Batliboi Ltd. presents the analysis of Segment wise performance of your Company for the year 2009-10 and its outlook for the future. This outlook is based on assessment of the current business environment and the expectations, estimates and projections of the Directors and management of the Company. It may vary due to future economic and political development, both in the Indian and international economies and due to other factors beyond control.

SEGMENTWISE PERFORMANCE AND OUTLOOK

(I) BATLIBOI MACHINE TOOL GROUP (BMTG)

Business structure, developments & performance

The Machine Tool Group manufactures and trades various types of machine tools.

Manufacturing: The range includes general purpose machines, CNC machines and special purpose machines. General purpose machines include Radial Drilling Machines and Milling Machines. CNC machines include Turning centers, Machining centers and Drilling centers. Special purpose machines are custom built machines to meet specific needs of mass producers like automobile industry. It manufactures milling, boring, facing & centering and drilling machines as per the specific requirements of the customers.

Trading: The Company represents as agents of machine tool companies from Czech Republic, Belgium, Italy, Spain, South Korea, China and Taiwan.

As per data available from the Indian Machine Tool Manufacturers Association, the machine tool industry had an overall reduction of 20% in output in 2009-10 compared to 2008-09. Business in general for the industry recovered only in the fourth quarter. Despite this, our Company was able to maintain the same turnover from its manufacturing activities. This was made possible by:

1. Introduction of new products in market segment of education and vocational training.
2. Introduction of new products for infrastructure industries and PSUs.
3. Introduction of specialized CNC Drilling machines for the heat exchanger and power equipment manufacturers.
4. Introduction of new low cost products for Automobile component industry.
5. Improvement in quality of existing machines.

However, there was pressure on margins due to tremendous competition.

On the trading front, the turnover exceeded the previous year's performance. However, the operating and net profit came down due to low margins on account of stiff competition.

Opportunities, threats and outlook

Growth in the automobile, infrastructure and vocational training markets will be the key drivers for the Company's growth in the coming year. New products catering to these sectors have been launched in the year under review and will be the drivers for growth in 2010-11. Further, new products are also being developed to cater to the expanding markets.

On the trading side, growth in the power and infrastructure industry will be the key drivers for the growth and this Division is well positioned to take advantage of this development. However, margins would be under continuous pressure due to recession in the major markets of the world and severe competition amongst manufacturers from the developed world in order to receive business from Indian customers.

This Business Group has an extremely healthy order backlog and is expected to have substantial growth in the current year. The following products will also add to the growth of the business in 2010-11:

1. Trainer Vertical Machining Center, Trainer Turning Center, Trainer CNC Drilling Machines and Low Cost Milling Machines for vocational training sector.
2. Moving column Radial Drilling Machines for infrastructure sectors and power equipment manufacturers.
3. 80mm and 100mm Radial Drilling machines for infrastructure and general engineering sectors.
4. Lower cost CNC machines for automobile component manufacturers.

As long as the Indian Economy (GDP) continues to grow at 8% plus and with the expected focus on the infrastructure sectors, the demand for machine tools will be buoyant.

(II) BATLIBOI TEXTILE ENGINEERING GROUP

Business Structure

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

In Textile Air Engineering the Company is a leader in manufacture and supply of climate control equipment for textile mills covering spinning, weaving and knitting sectors.

In the Textile Machinery business the Company represents as Agents of International Textile Machinery manufacturers covering a range of spinning, knitting, processing and garmenting machinery.

(A) **Textile Air Engineering Group – Developments and performance**

During the first half of the year, the textile industry continued to be in recession and it is only in the second half of the financial year that the industry showed signs of improvement. Spinning mills improved their performance in the second half with improved off-take of yarn. By the end of the year most of the spinning mills had made up the losses of the previous year and therefore, in the second half of the year the industry saw investments taking place in both modernization and expansion particularly from mills in Andhra Pradesh and Northern India and to some extent from Western India. With reduction in overall costs the performance of this Division improved compared to the previous year but it is still nowhere near its peak performance during 2006-07.

Opportunities, threats and outlook

With the general confidence in the textile industry and particularly the spinning sector, it is expected that this Division's performance will improve further in 2010-11 especially with the healthy order backlog that exists. Threats to this expectation would come from the continuing power crisis in Tamil Nadu and if cotton prices increase substantially.

(B) **Textile Machinery Division – Developments and Performance**

This Division performed strongly in the second and third quarters led by the strong recovery in the knitting machinery business. Processing and garment machinery business improved towards the end of the financial year. This led to overall substantial improvement in the Division, both in terms of sales and in terms of profitability.

Opportunities, threats and outlook

With the renewed confidence in the textile industry, it is expected that the performance will further improve in 2010-11. The threat to the business again would come from the appreciating Rupee which could hamper exports of yarn, fabrics and garments. Instability of cotton prices could also impact this sector.

(III) AIR-CONDITIONING & REFRIGERATION GROUP

Business Structure, developments and performance

The group provides turnkey solutions to large industries in the manufacturing, service and hospitality field.

There was a slowdown in this sector owing to general recession in manufacturing sector till the fourth quarter of the year. However, demand from the power, steel and refinery sector was fairly buoyant. By focusing on the right sectors as well as improving internal processing, this Division turned the corner and made a profit for the year.

Opportunities, threats and outlook

With a good order backlog as well as buoyancy in the manufacturing and infrastructure sectors, this business is expected to improve its performance in 2010-11. The threat to the operations of this Division is mainly internal as internal processes need to be further improved and managing and retaining talent will be a challenge.

(IV) Quickmill Inc

Business Structure, developments and performance

Your Company's wholly owned subsidiary is head quartered in Peterborough, Canada and is engaged in the manufacture and sale of large size Gantry Drilling & Milling Machines. Its customers are primarily in the energy and component manufacturing sectors.

The performance of Quickmill was affected severely in 2009-10 due to global economic slowdown especially in the geographical areas in North America which are its major markets.

Opportunities, threats and outlook

With restructured operations whereby its break even is substantially lowered and with stabilisation of the North American economies, Quickmill is expected to improve its performance substantially in 2010-11. It is now focussing on other markets viz. the Middle East and India to widen its customer base.

Competition from mainly Taiwanese Companies offering machines at very low prices, continue to put pressure on Quickmill's margins. Therefore there is continuous focus to reduce costs through improvement in design and value engineering to supply machines to customers at competitive prices.

(V) AESA Air Engineering SA

Business Structure, developments and performance

Your Company's subsidiary AESA is headquartered in France with subsidiaries in China, Singapore and India. It is engaged in the business of Air conditioning & filtration in textile, chemical, tobacco, non woven and glass fibre industries. 2009-10 was a difficult year for AESA due to the global downturn in the fibre industry and as a result reported a loss.

Opportunities, threats and outlook

AESA has restructured it operations in France to reduce cost and with the upturn in the fibre Industry primarily in Asia, it expects to improve its performance in 2010-11. It has also increased its focus on the non Asian Markets where too demand has revived.

Competition from local and regional manufacturers continues to be fierce resulting in pressure on margins. AESA is countering this through improved purchasing and subcontracting from vendors, as well as redesigning equipment to reduce operating costs including energy costs for customers.

HUMAN RESOURCES / INDUSTRIAL RELATIONS;

Total numbers of employees as on 31st March 2010 were 565.

Technical training for manufacturing personnel were conducted at the Company's manufacturing facilities at Udhna. Topics like TPM, CNC Machining, Continual improvement, Manufacturing – PPC, Fire prevention and protection were covered during the sessions. Productivity and Process improvement initiatives continued at the manufacturing units. A two day workshop on "Goal setting" for all Officers & Managers of the Machine Tools Division was conducted at Udhna.

At the beginning of the financial year, in view of the severe downturn in industry, salaries at various levels were voluntarily reduced. Your Company appreciates the sacrifice made by the employees. These salaries were reinstated back to their original level with effect from January 2010 upon indication in improvement in economy and to retain talent.

During the year under review industrial relations in the factory were cordial and pro-active and all employees and the Union supported productivity and process improvement measures undertaken at the manufacturing facilities.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has effective internal control systems commensurate with the size of the Company. This is further supplemented by an internal audit being carried out by an external firm of Chartered Accountants. The internal auditors conduct audits of the performance of various departments, functions and locations and also statutory compliances based on an annual audit plan chalked out in consultation with the Audit Committee. They report their observations/ recommendations to the Audit Committee of the Board of Directors, which comprises three non-executive Independent Directors. The Audit Committee reviews the Audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, if necessary.

CAUTIONARY STATEMENT:

Statements in the Management's Discussions and Analysis report describing the Company's projections or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, and changes in government regulations, tax regimes, economic developments within and outside the country and other factors such as litigation and other labour negotiations.

Place : Mumbai.
Dated : 8th May, 2010

AUDITORS' REPORT

The Members of Batliboi Ltd.

We have audited the attached balance sheet of Batliboi Ltd., as at 31st March, 2010 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Companies Auditor's Report Order, 2003, issued by the Company Law Board in terms of sub-section (4A) of section 227 of the Companies Act, 1956 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

1. *Attention is invited to Note No. 9 of Schedule 17(II) regarding recognition of deferred tax assets in respect of Unabsorbed Depreciation/ Loss in Income Tax. According to AS 22 "Accounting for Tax on Income" evidence is a matter of fact and to be convincing should be available in the concrete form so as to constitute virtual certainty. In our opinion improved performance, higher order inflow and future projections are not convincing evidence so as to satisfy the test of virtual certainty to recognize Deferred Tax Asset in respect of Unabsorbed Depreciation / Loss in Income Tax.*

2. Further to our comments in the Annexure referred to above, we report that:-

   i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

   ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

   iii. the reports on the accounts of Udhna Plant audited by the branch auditors of the Company have been forwarded to us and have been appropriately dealt with in preparing our report;

   iv. the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account and with the audited returns received from the branch of the Company;

   v. in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   vi. on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March, 2010 from being appointed as director of the Company under Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   vii. in our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to para 1 above which has the effect of understating loss for the year and deferred tax liability and consequential impact on the reserves and surplus to the extent of Rs. 278.44 lacs* read with the significant accounting policies and notes to accounts in schedule 17 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:

      (a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010.

      (b) in the case of the profit and loss account, of the loss for the year ended on that date; and

      (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants

(S. Venkatraman)
Partner
Membership No.:034319
Firm Regn. No.: 109208 W

Place: Mumbai
Date: 8th May, 2010

ANNEXURE REFERRED TO IN OUR REPORT TO THE MEMBERS OF BATLIBOI LTD. FOR THE YEAR ENDED 31ST MARCH, 2010

Our statement on the matters specified in para 4 and 5 of the Companies (Auditors Report) Order, 2003 ("the Order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is given below. In preparing the said statement, we have considered the statements made under the aforesaid order by the branch auditors who audited the accounts of the Company's Udhna plant.

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. On the basis of the information and explanations given to us, we are of the opinion that the fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were, in our opinion, not material and have been properly dealt with in the books of account.

   c. Since there is no disposal of substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.

2. a. On the basis of the information and explanations given to us, we are of the opinion that the physical verification of inventory has been conducted by the management at reasonable intervals during the year except in case of inventory lying with third parties where confirmations have been obtained.

   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. On the basis of our examination of the records of inventory, we are of the opinion that, the Company is maintaining proper records of inventory. Discrepancies noticed on physical verification of inventory were, in our opinion, not material, and the same have been properly dealt with in the books of account.

3. According to the information and explanations given to us, the Company has, during the year, not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore paragraph 4(iii)(b), (c) and (d) of the Order is not applicable.

4. a. According to the information and explanations given to us, the company had taken unsecured loan in the earlier year from a party covered in the register maintained under section 301 of the Companies Act, 1956. The said loan has been repaid during the year. The maximum amount involved during the year was Rs. 154.06 Lacs and the year end balance aggregates Rs. Nil Lacs.

   b. In our opinion, the rate of interest and other terms and conditions on which the aforesaid loans have been taken are prima facie, not prejudicial to the interests of the company.

   c. The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.

5. On the basis of our examination of the books and records of the Company and according to the information and explanations given to us and having regard to the explanation that some of the items purchased are under specific marketing arrangements or goods of technical specification in respect of which comparable alternative quotations are not available, in our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. We have neither come across nor been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

6. a. In respect of contracts and arrangements referred to in Section 301 of the Companies Act 1956, the transactions under those contracts and arrangements have been entered in a summarised form in the register required to be maintained under that section.

   b. In our opinion the transactions in pursuance of contracts and arrangements referred to above made during the financial year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except in case of some transactions where we are unable to comment owing to the specialised nature of the items involved and absence of any comparable prices.

7. During the year, the Company has not accepted any deposits from the public. In this regard there has not been any order by Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

8. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

9. As explained to us maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

10. a. During the year the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Investor Education Protection Fund, Sales-tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty and other material statutory dues applicable to it with the appropriate authorities.

b. According to the information and explanations given to us and the records of the Company examined by us, there were no dues as at 31st March, 2010, of income tax, wealth tax, service tax, customs duty or cess that have not been deposited on account of any dispute. In respect of sales tax and excise duty dues not deposited on account of disputes, the details of amounts involved and the forum where the disputes are pending, are as under:-

Forum where dispute is pending	Amount (Rs. Lacs)
Sales Tax Appellate / Revisional Authority-up to Commissioner Level	54.04
Sales Tax Appellate Authority-Tribunal	35.66
Central Excise Appellate Tribunal	1.24

11. The Company does not have accumulated losses as at 31st March, 2010. The Company has incurred cash loss during the current financial year and in the immediately preceding financial year.

12. On the basis of the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of its dues to Banks during the year. The Company has during the year not taken any loans from Financial Institutions and has not issued any debentures.

13. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

14. The provisions of special statute applicable to chit fund / mutual benefit fund / societies are not applicable to the Company.

15. In respect of the Company's dealing in shares and other investments, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments held by the Company have been held in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.

16. In respect of guarantees given by the Company for loans taken by other parties from banks, having regard to the explanation that the Company has strategic business relationship with the parties and the parties have extended reciprocal guarantee / financial assistance on behalf of / to the Company, the terms and conditions of the guarantees are, in our opinion, not prima facie considered prejudicial to the interests of the Company.

17. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, wherever the purpose is stipulated by the lender, the term loans raised during the year have been applied for such purpose.

18. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that prima-facie, as on 31st March, 2010, funds raised on short term basis have not been utilised for long term investments.

19. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

20. The Company has not issued any secured debentures during the year, and accordingly, no securities were required to be created.

21. The Company has not raised any money by public issues during the year. Therefore the requirement of disclosure by the management on the end use of money raised by public issues and verification of the same is not applicable.

22. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **V. Sankar Aiyar & Co.**
Chartered Accountants

(S. Venkatraman)
Partner
Membership No.:034319
Firm Regn. No.: 109208 W

Place: Mumbai
Date: 8th May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

Rs. Lacs

	Schedule	As at 31-Mar-10	As at 31-Mar-09
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Share Capital	1	1,434.13	1,350.13
Share Capital Suspense A/c	1A	-	84.00
(b) Reserves and Surplus	2	3,138.68	3,553.49
		4,572.81	**4,987.61**
2. Loan Funds :			
(a) Secured Loans	3	5,082.40	5,165.53
(b) Unsecured Loans	4	-	154.66
		5,082.40	**5,320.19**
3. Deferred Tax Liabilities (Net)		**21.03**	**21.03**
		9676.24	**10328.84**
II APPLICATION OF FUNDS			
4. Fixed Assets	5		
(a) Gross Block		11,065.69	11,015.65
(b) Less: Depreciation/Amortisation to date		6,144.22	5,957.26
(c) Net Block		**4,921.47**	**5,058.39**
(d) Capital Work-in-Progress (Including Capital Advances)		268.72	281.73
5. Investments	6	**2,813.04**	**2,911.66**
6. Current Assets, Loans and Advances			
(a) Inventories	7	1,963.92	2,176.27
(b) Sundry Debtors	8	3,114.32	3,089.82
(c) Cash and Bank Balances	9	305.50	226.62
(d) Loans and Advances	10	1,062.13	1,209.52
		6,445.87	**6,702.24**
Less: Current Liabilities and Provisions	11		
(a) Current Liabilities		4,112.19	3,889.60
(b) Provisions		660.66	735.57
		4,772.86	**4,625.17**
Net Current Assets		**1,673.01**	**2,077.07**
		9,676.24	**10,328.84**
Significant Accounting Policies & Notes to the Accounts	17		

The Schedules referred above form an integral part of the Balance Sheet

As per our report attached of even date

For V.SANKAR AIYAR & CO.
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated : 8th May, 2010

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

GAURANG SHAH
Chief Corporate Counsel & Company Secretary

GEORGE VERGHESE
Director

VINEET GOEL
Chief Financial Officer

Mumbai
Dated : 8th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Rs. Lacs

	Schedule	Year Ended 31-Mar-10	Year Ended 31-Mar-09
INCOME :			
1. Gross Turnover	12	9,819.15	10,603.64
Less: Excise Duty		564.33	850.61
Net Sales		9,254.82	9,753.03
2. Other Income	13	392.43	363.78
TOTAL INCOME		**9,647.25**	**10,116.81**
EXPENDITURE :			
3. Cost of Sales, Job Contracts and Services	14	5,423.24	5,676.13
4. Employees' Remuneration	15	1,960.97	2,265.00
5. Other Expenses	16	1,825.09	2,340.55
6. Interest		527.19	581.83
7. Depreciation/Amortisation		183.41	200.05
TOTAL EXPENDITURE		**9,919.90**	**11,063.55**
8. Profit Before Tax and Exceptional Items		(272.65)	(946.74)
a) Exchange Gains/(Loss)		(135.94)	(19.94)
b) Sale of Property Gains/(Loss)		-	543.00
Profit Before Tax		**(408.59)**	**(423.68)**
9. Provision for Taxation			
For Deferred Tax (Net)		-	(145.06)
For Fringe Benefit Tax		-	28.00
10. Profit after Tax for the year		**(408.59)**	**(306.62)**
11. Tax Adjustments in respect of earlier years		3.39	31.47
12. Total Profit/(Loss)		(411.98)	(338.08)
13. Add : Balance as per last Balance Sheet		1,392.24	1,658.77
Add : Amount Transferred on amalgamation	-		
Balance of Profit & Loss Account as on 01.04.2007			61.64
Profit after Tax for Financial Year 2007-08			9.91
Profit available for appropriation		**980.26**	**1,392.24**
APPROPRIATIONS			
14. Balance carried to Balance Sheet		980.26	1,392.24
		980.26	**1,392.24**
15. Earnings per Share (Basic & Diluted)			
(Face Value of Rs.5/- per Share)		(1.44)	(1.18)
(Refer Note No. 26 of Schedule 17 (II) of Notes of Accounts)			
Significant Accounting Policies & Notes to the Accounts	17		

The Schedules referred above form an integral part of the Profit and Loss Account

As per our report attached of even date

For V.SANKAR AIYAR & CO.
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated : 8th May, 2010

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

GAURANG SHAH
Chief Corporate Counsel & Company Secretary

GEORGE VERGHESE
Director

VINEET GOEL
Chief Financial Officer

Mumbai
Dated : 8th May, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.Lacs

		As at 31-Mar-10	As at 31-Mar-09
SCHEDULE 1 : SHARE CAPITAL			
AUTHORISED			
461,70,400	(P.Y. 461,70,400) Equity Shares of Rs.5/- each	2,308.52	2,308.52
692,480	(P.Y. 692,480) Preference Shares of Rs. 100/- each	692.48	692.48
		3,001.00	**3,001.00**
ISSUED,SUBSCRIBED AND PAID-UP			
2,86,82,550	(P.Y.2,86,82,550) Equity Shares of Rs.5/- (P.Y. Rs.5/-) each fully paid	1,434.13	1,350.13
		1,434.13	**1,350.13**

Notes:

Of the above:

a) The face value of equity shares of the company of Rs.10/- each up has been sub-divided into equity shares Rs.5/- each w.e.f. 4th October'2007

b) 35,00,000 Equity Shares of Rs. 5/-each were issued as fully paid up in 1982 to the shareholders of erstwhile Batliboi And Co. Ltd. as per scheme of amalgamation.

c) 56,000 Equity Shares of Rs. 5/-each were allotted in earlier years as fully paid Bonus Shares by way of Capitalisation of Reserves.

d) 16,80,000 Equity Shares of Rs.5/- each were issued as fully paid up this year to the shareholders of erstwhile Batliboi SPM Pvt. Ltd. as per the Scheme of Amalgamation.

SCHEDULE 1A : SHARE CAPITAL SUSPENSE ACCOUNT

Rs.Lacs

		As at 31-Mar-10	As at 31-Mar-09
16,80,000	Equity Shares of Rs.5/- each to be issued as fully paid up to the shareholders of erstwhile Batliboi SPM Pvt. Ltd. as per the Scheme of Amalgamation	-	84.00
		-	**84.00**

SCHEDULE 2 - RESERVES AND SURPLUS

Rs. Lacs

	Balance as at 01/04/2009	Additions/ Adjustments during the year	Balance as at 31/03/2010
Capital Reserves	25.00	-	25.00
Capital Redemption Reserve	620.99	-	620.99
Revaluation Reserve	455.79	(2.83)	452.96
Securities Premium Account	393.01	-	393.01
General Reserve	603.41	-	603.41
Investment Allowance Reserve Utilised	63.05	-	63.05
	2,161.25	**(2.83)**	**2,158.42**
Balance in Profit & Loss Account	1,392.24	(411.98)	980.26
	3,553.49	**(414.81)**	**3,138.68**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31-Mar-10	As at 31-Mar-09
		Rs.Lacs
SCHEDULE 3 - SECURED LOANS		
FROM BANKS [Refer Note:17(II) - 4 a, b, c, d & 16a]		
(a) Cash Credit and Working Capital Borrowings	1,799.04	1,629.56
(b) Rupee Term Loan		
From Scheduled Co-op. Bank	328.35	343.37
From Banks	1,363.03	1,541.80
(Repayable within one year Rs.653.20 Lakhs (P.Y. Rs.193.79 Lakhs)		
(c) Foreign Currency Term Loan	1,591.98	1,650.80
[Repayable within one year Rs. 519.90 Lacs(Previous year Rs. 105.05 Lacs)]	**5,082.40**	**5,165.53**
SCHEDULE 4 - UNSECURED LOANS		
Inter Corporate Loans	-	154.66
	-	**154.66**

SCHEDULE 5 - FIXED ASSETS

Rs. Lacs

ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATON					NET BLOCK	
	As at 1/4/2009	Trfd on Amalgamation of Erstwhile Batliboi SPM Pvt. Ltd.	Additions/ Adjustments	Deductions/ Adjustments	**As at 31/3/2010**	Upto 31/3/2009	Trfd on Amalgamation of Erstwhile Batliboi SPM Pvt. Ltd.	For the Year	Deductions/ Adjustments**	**Upto 31/3/2010**	**As at 31/3/2010**	As at 31/3/2009
Land (Freehold)	1,895.22	-	-	-	1,895.22	-	-	-	-	-	1,895.22	1,895.22
Land (Leasehold)*	434.49	-	-		434.49	-	-	-	-	-	434.49	434.49
Buildings*-												
On Freehold Land	1,310.07	-	6.01	-	1,316.08	505.69	-	30.77	(2.83)	539.29	776.79	804.38
On Leasehold Land	241.99	-	25.00	-	266.99	152.01	-	10.33	-	162.34	104.65	89.98
Plant & Machinery	5,783.78	-	5.57	(0.74)	5,790.09	4,198.42	-	84.54	(0.74)	4,283.70	1,506.39	1,585.35
Office equipment/ computers etc.	745.45	-	4.15		749.60	627.21	-	23.86		651.07	98.53	118.24
Furniture,Fixtures,Fans												
and Electrical Fittings	213.40	-	2.54	-	215.94	117.64	-	12.90	-	130.54	85.40	95.76
Vehicles	63.65	-	6.03	-	69.68	47.24	-	2.44	-	49.68	20.00	16.40
Intangible Assets-Tech. Know-how	327.60	-	-	-	327.60	309.05	-	18.55	-	327.60	-	18.55
T O T A L	11,015.65	-	49.30	(0.74)	11,065.69	5,957.26	-	183.41	(3.57)	6,144.22	4,921.47	5,058.37
(Previous Year)	(10,114.50)	(738.09)	(178.97)	(6.72)	(11,024.84)	(5,562.10)	(204.52)	(203.20)	(3.66)	(5,968.30)	(5,056.54)	(4,552.40)
Capital Work-in-Progress including Capital Advances											**268.72**	281.73
(Previous Year)											(281.73)	(22.70)
T O T A L											**5,190.19**	**5,340.10**
(Previous Year)											(5,338.27)	-

For depreciation Refer Note 17(I) - (5)

* Includes Rs. 434.49 Lacs value of Land and Rs. 210.23 value of Building acquired under scheme of amalgamation form erstwhile Batliboi SPM Pvt. Ltd. in respect of which title is under transfer in company's name.

** Includes Rs.2.83 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Rs. in Lacs

	Numbers 31-Mar-10	Numbers 31-Mar-09	Face Value (Each Rs.)	As at 31-Mar-10	As at 31-Mar-09
SCHEDULE 6 - INVESTMENTS (AT COST)					
Long Term Investment					
1. In fully paid Equity Shares (Un-quoted):					
Batliboi Environmental Engineering Ltd.	1,908,930	1,908,930	10.00	191.21	191.21
2. In fully paid Shares of Wholly Owned Subsidiary Company (Un-quoted):					
Queen Project Mauritius Ltd.					
1) Ordinary shares of MUR 10 each	32,088	32,088		405.77	405.77
2) Preference Shares of MUR 10 each	14,807,651	14,776,886		2210.27	2308.89
3. Trade Investment (Quoted),					
In fully Paid Equity Shares (Quoted)					
Aturia Continental Ltd.	129,032	129,032	10.00	40.00	40.00
4. Other Investments (Non-trade)					
a) In fully paid Equity Shares (Quoted):					
The Mysore Kirloskar Ltd.	55329	55329	10.00	4.23	4.23
The Mysore Kirloskar Ltd. (SPM)			10.00	5.39	5.39
Mafatlal Engg. Ind. Ltd.	348	348	100.00	0.38	0.38
The Ahmedabad Mfg. & Calico Printing Co. Ltd.	20	20	125.00	0.01	0.01
Shri Ambica Mills Ltd.	8	8	100.00	0.01	0.01
The Aruna Mills Ltd.	25	25	100.00	0.01	0.01
The Khatau Makanji Spg. & Wvg. Co. Ltd.	55	55	10.00	0.02	0.02
Padmatex Engg.Ltd.	25	25	10.00	0.00	0.00
EPC Irrigations Ltd.	10000	10000	10.00	3.00	3.00
SUB-TOTAL				13.06	13.06
b) In fully paid 4% Cumulative Preference Shares (Quoted):					
The Khatau Makanji Spg. & Wvg. Co. Ltd.	5	5	100.00	0.01	0.01
c) In fully paid Equity Shares (Unquoted):					
Andhra Pradesh State Financial Corporation	5	5	100.00	0.01	0.01
Precision Tooling Systems Ltd.	1500	1500	10.00	0.15	0.15
Shree Vardhan Co.op. Bank Ltd.	200	200	25.00	0.05	0.05
Patan Co-operative Bank Ltd.	100	100	25.00	0.03	0.03
Patan Co-operative Bank Ltd. (SPM)				0.03	0.03
The Saraswat Co.op. Bank Ltd.	5	5	10.00	0.00	0.00
Shamrao Vitthal Co.op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
SUB-TOTAL				5.27	5.27
TOTAL				**2,865.59**	**2,964.21**
Less: Provision for diminution in value of investments				(52.55)	(52.55)
				2,813.04	**2,911.66**
Quoted : Cost (after reducing provision)				0.52	0.52
Market Value				2.08	2.08
Unquoted : Cost				2,812.52	2,911.14

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.Lacs

			As at		As at
			31-Mar-10		31-Mar-09
SCHEDULE 7 - INVENTORIES					
1.	Raw Materials		964.42		937.47
2.	Work-in-Progress		940.16		1,112.15
3.	Stock of machines, including own manufactured	19.97		54.90	
	Add: Goods in Transit	-	19.97	-	54.90
4.	Stores and Spare Parts		21.71		40.62
5.	Loose Tools		14.44		28.09
6.	Value of incomplete job contracts carried forward	3.22		3.04	
	Less: Progress payment received/billing against above	-	3.22	-	3.04
	[See Note 17 (II) -(24)]				
			1,963.92		**2,176.27**

Note:
[Refer Note 17(I) - (9) for mode of valuation]

SCHEDULE 8 - SUNDRY DEBTORS					
UNSECURED (Unless otherwise stated)					
1.	Debts outstanding for a period exceeding six months Considered Good		1,065.83		1,047.16
	Considered Doubtful	95.49		118.37	
	Less: Provision for doubtful debts	95.49	-	118.37	-
			1,065.83		1,047.16
2.	Other debts- Considered Good		2,048.49		2,042.66
			3,114.32		**3,089.82**
SCHEDULE 9 - CASH AND BANK BALANCES					
1.	Cash and Cheques on hand and at collection centres including remittances in transit Rs.Nil (PY Rs.Nil)		53.05		12.58
2.	Balances with Scheduled Banks :				
	In Current Account	97.63		49.95	
	In Deposit Account (Towards Margin on Guarantees /L/Cs)	154.82		164.09	
	(Deposit receipts pledged with the banks)		252.45		214.04
			305.50		**226.62**

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.Lacs

		As at 31-Mar-10		As at 31-Mar-09
SCHEDULE 10 - LOANS AND ADVANCES				
UNSECURED -CONSIDERED GOOD UNLESS SPECIFIED OTHERWISE				
1. Staff Loans		14.06		17.83
2. Advances recoverable in cash or in kind or for value to be received		992.22		1,082.58
Considered Doubtful	66.25		67.93	
Less: Provision for doubtful advances	66.25	-	67.93	-
		992.22		1,082.58
3. Balances with Excise, Customs and Port Trust		22.61		81.39
4. Taxes paid in advance and deducted at source (net of Provision for tax)		33.24		27.72
		1,062.13		**1,209.52**
SCHEDULE 11 - CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
1. Sundry Creditors				
a) Due to Micro and Small Enterprise (Refer Note 17(II) -28)		98.92		42.83
b) Others		2,341.09		2,392.89
2. Advances and Deposits from Customers		1,120.70		1,000.40
3. Interest accrued but not due on loans		36.52		23.69
4. (a) Unclaimed Matured Deposits		-		0.38
(b) Unclaimed Dividend		8.89		8.97
5. Other Liabilities		506.07		420.44
		4,112.19		**3,889.60**
B. PROVISIONS				
1. Provision for Gratuity		520.65		567.03
2. Provision for Leave Encashment		140.01		168.54
		660.66		**735.57**
		4,772.85		**4,625.17**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Rs. Lacs

		Year Ended 31-Mar-10		Year Ended 31-Mar-09
SCHEDULE 12 - GROSS TURNOVER				
1. Sales [Refer Note: 17(II) -19]		8,556.79		9,333.07
2. Service Charges		325.43		309.27
3. Commission		607.23		563.54
4. Revenue from Job Contracts		329.70		397.76
		9,819.15		**10,603.64**
SCHEDULE 13 - OTHER INCOME				
1. Dividend		1.66		11.95
2. Profit on Sale of Investments (Net)		-		0.19
3. Insurance, Railway and Other Claims		-		8.75
4. Excess Provision of earlier years written back		30.67		46.84
5. Rent		25.50		23.02
6. Unclaimed Credit Balances appropriated		44.32		97.73
7. Miscellaneous Receipts		290.28		175.30
		392.43		**363.78**
SCHEDULE 14 - COST OF SALES, JOB CONTRACTS & SERVICES				
1. Cost of Sales				
Raw Materials Consumed (Refer Note:17(II) -20 & 21)		3,890.31		3,780.39
2. (Increase)/Decrease in Stocks				
Stock at close :				
Work-in-Process	940.16		1,112.15	
Stock of Machines and Own Manufactured Machines (Including excise duty)	19.97		54.90	
	960.13		1,167.05	
Less :				
Stock at Commencement				
Work-in-Process	1,112.15		1,290.86	
Stock of Machines and Own Manufactured Machines (Including excise duty)	54.90		69.71	
	1,167.05	206.92	1,360.57	193.52
		4,097.23		3,973.92
Less:Self Consumption for Job Contracts		(147.10)		(103.58)
		3,950.13		3,870.33
3. Purchases of products for Sale (Incl.expenses)		886.32		1,056.27
4. Cost of Job Contracts (includes self Consumption)		286.51		400.71
5. Cost of Services Rendered		147.13		144.34
6. Job work charges incurred		153.15		204.48
		5,423.24		**5,676.13**

SCHEDULES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Rs. Lacs

	Year Ended 31-Mar-10	Year Ended 31-Mar-09
SCHEDULE 15 - EMPLOYEES' REMUNERATION		
1. Salaries, wages, Allowances and Bonus	1,554.84	1,795.46
2. Contribution to Provident and Other Funds	170.11	195.41
3. Payments & Provision for Gratuity	89.95	85.40
4. Staff Welfare Expenses	146.07	188.73
	1,960.97	**2,265.00**
SCHEDULE 16 - OTHER EXPENSES		
1. Rent	88.19	154.29
2. Rates and Taxes	18.98	22.61
3. Power and Fuel	142.84	175.88
4. Insurance	13.90	19.96
5. Commission	210.07	135.22
6. Exhibitions/ Advertisement Expenses	10.86	116.21
7. Printing and Stationery	18.80	27.48
8. Travelling and Conveyance	225.33	258.82
9. Audit, Legal and Professional Charges	83.31	158.16
10. Bank Commission and other charges	45.28	49.52
11. Vehicle Maintenance	51.87	62.42
12. Postage, Telephone, Telex Charges etc.	65.39	80.79
13. Packing and Cartage	61.34	62.49
14. Stores & Loose Tools Consumed	123.58	121.51
15. Sales Tax	4.34	11.24
16. Repairs to Machinery	46.36	41.38
17. Repairs to Buildings	14.66	18.22
18. Repairs to Other Assets	23.15	19.97
19. Labour Charges	283.00	331.87
20. Discounts and Allowances to Customers	0.14	0.37
21. Directors' Sitting Fees and Commission (other than Wholetime Directors)	6.29	5.65
22. Bad Debts	73.51	417.84
23. Provision for Doubtful Debts/Advances	(24.57)	(166.93)
24. Exchange difference	30.65	-
25. Miscellaneous Expenses	207.82	215.58
	1825.09	**2,340.55**

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

I) SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements are prepared under the historical cost convention (except for certain fixed assets at Udhana, Coimbatore and Bangalore (SPM Division), which have been revalued) in accordance with the Companies (Accounting Standard) Rules,2006 issued by the Central Government under the Companies Act, 1956, to the extent applicable, and in compliance with generally accepted accounting principles in India.

2) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively when revised.

3) REVENUE RECOGNITION

A) Revenue from sale of goods:

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer.

B) Service Income:

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

C) Revenue from Works Contracts:

Revenue from works contracts is recognized on: "Percentage of completion method";

Percentage or stage of completion is determined by the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total costs of the contract.

4) FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation except some land & buildings (excluding residential flats) and plants and machinery, which are adjusted on revaluation. The fixed assets manufactured by the company are stated at manufacturing cost or net realizable value whichever is lower, prevailing at the time of capitalization. Fixed assets are shown net of accumulated depreciation and amortization, wherever applicable.

5) DEPRECIATION

a) Depreciation on all assets of the Manufacturing Unit, excepting those of Tool Room, certain assets transferred from branches and the Wind Mill is provided under the Straight Line Method as under:

   i. On assets added up to 01.04.1987 at the rates applicable at the time of acquisition of these assets in accordance with the Circular No.1/86 dtd. 21.05.1986 of the Company Law Board.

   ii. On assets added between 01.04.1987 to 15.12.1993, at the rates and in the manner specified in Schedule XIV of the Companies (Amendment) Act, 1988.

   iii. On assets added after 15.12.1993, at the revised rates prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.

b) Depreciation on all other assets, assets of Tool Room and assets transferred to manufacturing unit from branches and assets of SPM Division has been provided under the Written Down Value method at the revised rates, prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.

c) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or up to the date of such sale/disposal as the case may be.

d) Depreciation on revalued assets is calculated on the replacement value at the rates considered applicable by the valuers and is charged to Profit and Loss account. In respect of revalued building of SPM, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance is such reserve is available.

6) IMPAIRMENT OF ASSETS:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

a) An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at weighted average cost of capital.

b) After impairment, depreciation is provided in subsequent periods on the revised carrying amount of the asset over its useful remaining useful life.

c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value in use after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

7) INTANGIBLE ASSETS

Cost of technical know-how incurred on technical drawings/designs/data for the manufacture of new products is capitalized on receipt of such drawings/designs/data. The technical know-how is amortized from the year in which commercial production commences over its useful life determined by technical evaluation.

8) INVESTMENTS

Long-term investments are stated at cost including all expenses incidental to acquisition. Provision is made to recognize a decline, other than temporary in the value of long-term investments. Current investments are stated at lower of cost and fair value.

9) VALUATION OF INVENTORIES

a) Inventories comprising Raw Materials, Work in Progress, Finished Goods, Stores and Loose Tools, are valued at lower of cost or net realizable value.

b) Incomplete job contracts are valued at the direct cost incurred on such contracts.

10) EMPLOYEE BENEFITS:

a) Defined Contribution Plans:

The company has defined contribution plans for post employment benefits in the form of Superannuation Fund for Managers/Officers which is administered by Life Insurance Corporation of India (LIC), Provident Fund for employees at manufacturing facility administered by Regional Provident Fund Authorities, besides ESIC and Labor Welfare Fund. The company's contributions to Defined Contribution Plans are charged to Profit and Loss Account as and when incurred and the company has no further obligation beyond making the contributions.

b) Defined Benefits Plans:

i. The company's liabilities towards gratuity leave encashment, and compensated absence are determined and provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method for measuring the liability is the Projected Unit Credit Method.

ii. In respect of employees at the head office and branch, provident fund contributions are made to a trust administered by trustees. The interest payable by the trust to the members shall not be lower than the statutory rate declared by the Central Government and shortfall, if any, shall be made good by the Company.

iii. Other short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

iv. Actuarial gains and losses are immediately recognized in the Profit and Loss Account of the year without resorting to any amortization/deferment.

v. Termination benefits are immediately recognized as an expense in Profit and Loss account, as and when incurred.

11) PROVISIONS AND CONTINGENT LIABILITIES:

Provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. Contingent liabilities are disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

12) FOREIGN CURRENCY TRANSACTIONS

a) Foreign currency transactions are recorded on initial recognition at the exchange rate inforce on the date of the transaction. Exchange differences arising on settlement of monetary items (cash, receivables, payables etc.) are recognized in profit and loss account in the period in which they arise.

b) Foreign currency monetary items are reported at exchange rates prevailing at the end of the accounting period and the gains/losses are recognized in the profit and loss account.

c) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or an income over the life of the contract.

13) EXPENSES ON ISSUE AND PREMIUM ON REDEMPTION OF SECURITIES

Expenses on issue of shares and debentures and premium on redemption of debentures are charged to Securities Premium Account.

14) TAXES ON INCOME:

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard-22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

II) NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities not provided for in respect of:
   a) Claims against the company not acknowledged as debts: Rs 369.57 Lacs (Previous Year: Rs. 370.60 Lacs).
   b) Disputed sales tax/Excise demands under appeal Rs 86.78 Lacs (Previous Year: Rs.91.87 Lacs).
   c) Corporate Guarantees given to banks & financial institutions for credit facilities/ performance guarantees extended by them to Batliboi Environmental Engineering Limited (BEEL), a related party: Rs.2690.00 Lacs (Previous year: Rs. 2690.00 Lacs). Balance outstanding as on 31.03.2010: Rs.2082.05 Lacs (Previous Year: Rs .2297.73 Lacs).
   d) Guarantees given on behalf of the Company by its bankers and outstanding Rs 1182.26 Lacs (Previous year: Rs. 866.25 Lacs). Out of the above, Guarantees of Rs 100.51 Lacs (Previous year Rs. 43.53 Lacs) given by Company's bankers and outstanding in respect of contracts of Batliboi Environmental Engineering Limited (BEEL), a related party.
   e) In respect of guarantees given by the company to the bankers of Batliboi Environmental Engineering Limited (BEEL), a related party, BEEL has given counter guarantees on behalf of the Company and extended charge on its current assets to secure the financial assistance availed by the Company from banks/financial institutions [Refer note II- 4-(a)].
   f) Company has given Corporate Guarantee to others on behalf of its step down subsidiary Quickmill Inc amounting to CAD 0.74 Million equivalent to Rs.326.23 Lacs (P.Y CAD 0.74 Million equivalent to Rs.297.89 Lacs).
2. Disclosure for Provisions in terms of AS-29:

Rs. Lacs

Provisions	Opening Amount	Additional Provision	Amount used	Amount Reversed	Closing Amount
2009-10	**194.63**	**67.90**	**16.76**	**40.60**	**205.17**
2008-09	214.50	80.21	35.72	64.36	194.63

The aforesaid Provisions are made towards claims made by sales tax and excise authorities pending under Appeal and provisions for warranty cover related to part sold and jobs executed.

3. Estimated amount of contracts remaining to be executed on capital account not provided for: Rs 27.24.Lacs (Previous Year: Rs. 40.25 Lacs).
4. Borrowings and Security:
   a. Security for Bank Borrowings:
      i. Working Capital Borrowings from BOB led consortium banks on cash credit/overdraft/short term loan and non-fund based facilities are secured by way of first pari passu charge by hypothecation of stock of raw materials, goods in process, finished goods, stores and spares, books debts, outstanding monies, receivables, claims etc. pertaining to the manufacturing division at Udhana and the marketing branches situated all over India, both present and future; besides Second pari passu charge by way of registered mortgage on the immovable property of the company together with plant and machinery attached to the earth or permanently fastened to anything attached to the earth situated at free-hold land at Udhana, Gujarat. Working capital limits of amalgamated SPM division (erstwhile "Batliboi SPM Pvt Ltd") sanctioned by Canara Bank are secured by hypothecation of Book Debts and Inventories of SPM Division. Canara Bank also has first charge on land and building of SPM Division situated at Banglore.
      ii. A specific guarantee facility of Rs.288 Lacs (P.Y Rs.288 Lacs) of BEEL from a bank, is secured by first pari passu charge by way of an equitable mortgage of the immoveable properties of the company situated at leasehold land at Deonar, Mumbai.

b. Rupee Term Loans from a Co-operative Scheduled Bank is secured by first charge on the fixed assets financed by these term loans (hereafter "the said fixed assets"); and Second Charge on the Company's immovable and movable property at Udhana, Gujarat. Working capital lender banks have the second pari passu charge on the said fixed assets.

c. Rupee Term Loan from a bank is secured by first pari passu charge on the entire fixed assets of the Company situated at Udhna, Gujarat along with other term lenders and personal guarantee of a director.

d. Foreign Currency Term Loans and other Rupee Term Loan are secured by first pari passu charge on the entire fixed assets of the Company situated at Udhna, Gujarat along with other term lenders.

5. Balances of Debtors & Creditors are as per books of account. Letters have been sent to selected Debtors & Creditors seeking confirmation of balances, and replies in some cases are awaited. Adjustments, if necessary, will be made on receipt of such confirmations/reconciliation.

6. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a realizable value in ordinary course of the business at least equal to the amounts at which they are stated in the Balance Sheet.

7. By virtue of acquisition proceeding**,** Surat Municipal Corporation (SMC), acquired land admeasuring 2541.84 Sq meters at Udhna in 1995-96, without paying any compensation. SMC had also acquired land admeasuring 3360 Sq meter at Udhna in the FY 2007-08 against which SMC paid compensation of Rs.3.16 Lacs after adjusting betterment charges of Rs.15.99 Lacs and TDS of Rs.2.79 Lacs. The Company has preferred an application against the said compensations before the Principal Judge Sr. Division Court Surat, claiming compensation at the prevailing market price. Pending the final compensation, the amount received as above has been disclosed under the head "Current Liabilities".

8. Interest comprises of the following:

Rs. Lacs

	2009-10	2008-09
Interest on Fixed Loans	**305.70**	286.44
Interest – Others	**221.49**	295.39
Total	**527.19**	581.83

9. Taxes on Income:

Keeping in mind the improved performance on a quarter on quarter basis and the higher order inflow in the last quarter and future projections which in the opinion of the management represents convincing evidence of virtual certainty that sufficient future taxable income will be available to realize the deferred tax assets, the company has recognized Deferred Tax Asset to the extent of Rs. 278.44 Lacs in respect of unabsorbed depreciation/losses under the Income Tax Act.

Deferred Taxes: The major components of deferred tax assets and liabilities are set out below:

		31.03.2010	31.03.2009
		Rs. Lacs	Rs. Lacs
i.	Deferred Tax Assets:		
	Unabsorbed business loss/unabsorbed depreciation	**278.44**	Nil
	Provision for Doubtful Debts, Advances, Diminution in Value of Investments, and Employee Benefits	**123.72**	278.38
ii.	Deferred Tax Liabilities:		
	Depreciation on Fixed Assets	**423.19**	299.41
iii.	Net Deferred Tax Assets/(Liabilities)	**(21.03)**	(21.03)

10. Employee Benefits:

A. Defined Contribution Plans:

The company has recognized the following amounts in the Profit and Loss Account for the Year:

		2009-10	2008-09	Refer Item	Refer Schedule
a)	Contribution to Employees Provident Fund i.r.o. employees at manufacturing facilities	**48.10**	65.61	2	15
b)	Contribution to Employees Superannuation Fund	**61.13**	67.71	2	15

B. *Defined Benefit Plans/Compensated Absence:*

General description of Defined Benefit Plan

Gratuity:

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days/one month salary last drawn for each completed year of service depending on the length of service. The same is payable on termination of service, or retirement, whichever is earlier. The benefit vests after five years of continuous service.

(i). Gratuity and Compensated Absence as per actuarial valuation on 31st March, 2010:

Rs. Lacs

		Gratuity	Leave Encashment	Compensated absence
n	**Changes in the Present Value of Obligation**	**Non-funded**	**Non-funded**	**Non-funded**
a)	Present Value of Obligation as at 1st April, 2009	556.51	132.94	5.87
b)	Interest Cost	44.52	10.63	-
c)	Service Cost	23.67	15.98	-
d)	Curtailment Cost/(Credit)	-	-	-
e)	Settlement Cost/(Credit)	-	-	-
f)	Benefits Paid	136.32	36.08	NA
g)	Interest guarantee (if relevant)	-	-	-
h)	Actuarial (Gain)/Loss	18.86	(3.78)	0.42
i)	Present Value of Obligation as at 31st March, 2010	507.24	119.68	6.29
n	**Changes in the Fair Value of Plan Assets**			
a)	Present Value of Plan Assets as at 1st April, 2009	NIL	NIL	NIL
b)	Expected Return on Plan Assets	NA	NA	NA
c)	Actuarial (Gain)/Loss	NIL	NIL	NIL
d)	Employers' Contributions	NIL	NIL	NIL
e)	Benefits Paid	NA	NA	NA
f)	Present Value of Obligation as at 31st March, 2010	NIL	NIL	NIL
n	**Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets**			
a)	Present Value of Defined Benefit Obligation as at 31st March, 2010	507.24	119.68	NIL
b)	Fair Value of Plan Assets as at 31st March, 2010	NIL	NIL	NIL
c)	Net Liability recognized in the Balance Sheet (as at 31st March, 2010)	507.24	119.68	NIL
n	**Expenses Recognized in the profit and Loss Account**			
a)	Service Cost	23.67	15.98	NIL
b)	Interest Cost	44.52	10.63	NIL
c)	Expected Return on Plan Assets	NIL	NIL	NIL
d)	Curtailment Cost/(Credit)	NIL	NIL	NIL
e)	Settlement Cost/(Credit)	NIL	NIL	NIL
f)	Net Actuarial (Gain)/Loss	18.86	(3.78)	NIL
g)	Total Expenses recognized in the Profit and Loss A/c	87.05	22.83	NIL

n	**Actual Return on Plan Assets**			
n	**Estimated Contribution to be made in the next annual year**			
n	**The Composition of Plan Assets:** i.e. Percentage of each Category of Plan Assets to Total Fair Value of Plan Assets as at 31st March, 2010	NIL	NIL	NIL
a)	Govt of India Securities	NA	NA	NA
b)	Corporate Bonds	NA	NA	NA
c)	Special Deposit Scheme	NA	NA	NA
d)	Equity Shares of Listed Companies	NA	NA	NA
e)	Property	NA	NA	NA
f)	Insurance Managed Funds	NA	NA	NA
g)	Others	NA	NA	NA
j)	Total	NA	NA	NA
n	**Actuarial Assumptions**			
	Retirement age	58 years for employees at manufacturing facilities at Udhana and 60 years at other locations.		
	Discount rate	8.00%		
	Mortality	LIC(1994-96) ULTIMATE		
	Withdrawal rate	1% p.a		
	Salary escalation*	4% p.a		

Notes:

*The estimate of future salary increases considered in actuarial valuation are on the basis of rough approximation of the salary an employee will be receiving at the time of actual payment of gratuity/leave encashment. A suitable growth rate is assumed for this purpose. This is implied in the Projected Unit Credit Method.

(ii). Provident fund:

The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15 Employee Benefits (Revised 2005) states that provident funds set-up by employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

Pending the issuance of the guidance note from the Actuarial Society of India, the company's actuary has expressed his inability to reliably measure provident fund liability. Accordingly, the company is unable to exhibit the related disclosures.

11. Remuneration to Directors:

a) **Rs. Lacs**

	2009-10	2008-09
Remuneration of Whole-time Directors:		
Salaries	**49.84**	56.76
Contribution to Provident & Other Fund	**5.98**	6.81
Provision for Superannuation/Purchase of Annuity	**6.48**	7.08
Monetary Value of Perquisites	**26.63**	43.97
Gratuity & Leave Encashment	**39.04**	6.83
Total	**127.97**	121.45
Nos. of whole-time Directors	***2**	3
Remuneration of Directors Other than Whole-time Directors:		
Sitting Fee	**5.20**	5.65
Commission	**-**	-
Total	**5.20**	5.65

* Mr.George Verghese ceased to be Executive Director w.e.f .31.12.2009

b) In view of losses no commission is payable to directors. Hence computation of net profit under Section 349 of the Companies Act, 1956, has not been given.

12. Audit, Legal & Professional Charges (including Service tax), under Item 8 of Schedule 16, include the following payments to Auditors:

Rs. Lacs

	2009-10		2008-09	
	Statutory Auditors	**Branch Auditors**	Statutory Auditors	Branch Auditors
a) Audit Fees	**6.95**	**1.25***	6.72	1.25*
b) Tax Matters	**2.45**	**0.50***	1.85	0.50*
c) Certification	**-**		0.02	-
d) Expenses	**0.50**	**0.62**	0.85	0.54
e) Other Services	**0.30**	**1.39***	1.48	2.30*
Total	**10.20**	**3.76**	10.92	4.59

* Excluding Service Tax

13. C.I.F. Value of Imported Items: **Rs. Lacs**

	2009-10	2008-09
a) Raw Materials and Components	**497.59**	395.68
b) Stores and Spare parts	**-**	-
c) Purchases for Trading	**7.73**	5.64
d) Capital Goods	**-**	32.48
Total	**505.32**	433.80

14. Expenditure in Foreign Currency, on accrual basis:

Rs. Lacs

	2009-10	2008-09
a) Traveling expenses	**9.98**	32.11
b) Interest on ECB Loan	**43.90**	82.99
c) Others	**19.78**	18.59
Total	**73.66**	133.69

15. Earnings in Foreign Currency, on accrual basis:

Rs. Lacs

	2009-10	2008-09
Commission/other income	**588.60**	550.11
Total	**588.60**	550.11

16. (a) Foreign currency long term loan includes:

(i) CAD 2556000 i.e Rs.1128.35 Lacs against which the company has a forward cover for USD/CAD 200000. The USD/INR leg booked for CAD 100000 and CAD 100000 remains open as at balance sheet date.

(ii) EURO 475700 i.e Rs.288.09 Lacs against which the company has forward cover of EURO/USD 50000. The USD/INR leg as at balance sheet date is open.

(iii) USD 390945 i.e Rs.175.53 Lacs against which the company has no forward cover or natural hedge.

(iv) The company has no exposure by way of derivative contracts.

(b) Exchange (Gains)/Loss created/(charged) to Profit and Loss Account: Rs. 166.59 Lacs (P.Y Rs 19.94 Lacs)

17. Details of licensed capacity, installed capacity and production of each class of goods manufactured:

	Unit	CAPACITY *				PRODUCTION**	
		LICENCED		INSTALLED			
		2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
a) Machine Tools		**634**	634	**634**	634	**@@447**	@@380
b) Installations for Humidification and Air Control & Compressors	Nos.	**450**	450	**450**	450	****4909**	**4165
c) Exhaust Fans and Similar Duct Works	Nos.	**600**	600	**600**	600	**621**	721
d) Water Pollution Control Installations	Nos.	**50**	50	********	****	-	-
e) Equipments for Air Pollution Control	Nos.	**640**	640	********	****	-	-
f) Files	Doz.	**90000**	90000	********	****	-	-
g) Tool Bits	Doz.	**10000**	10000	**10000**	10000	-	-
h) C.I.&Alloy Castings	M.T.	**5400 (Single Shift)**	5400 (Single Shift)	**3600 (Double Shift)**	3600 (Double Shift)	**1125**	@1476
i) S G Iron Castings	M.T.	*******	***	*******	***	**@ -**	**@ -**
j) Aluminum Castings	M.T.	*******	***	*******	***	**@17**	@3.5

@ Includes for captive consumption as under:

	Unit	**2009-10** Qty.	2008-09 Qty.
C.I.Castings	M.T.	**1119**	1473
Alum. Castings	M.T.	**17**	3.5
S.G. Iron Casting	M.T.	**NIL**	NIL
Hmd & A/ctr and Comprs	Nos.	**NIL**	NIL

* Capacity Figures are on annual basis

** Includes production of parts of equipments. 4909 Nos. (Previous year 4165 Nos.); and Production of equipments 621 Nos (Previous year: 721 Nos.)

@@ Includes SPM production

*** Spare capacity available at Udhana for production of C.I.Castings was utilized for the production of items under i & j above.

**** Since plant was sold, disclosure is no more required.

18. Opening and Closing Stock Of Goods Manufactured:

		OPENING STOCK				CLOSING STOCK			
	Unit	As at 01.04.2009		As at 01.04.2008		As at 31.03.2010		As at 31.03.2009	
		Qty	Rs. Lacs	Qty	Rs. Lacs	Qty	Rs. Lacs	Qty	Rs. Lacs
a) Machine Tools	Nos.	1	31.50	1	31.50	-	-	1	31.50
b) Humidification Air Control/Exhaust Fans & Compressors	Nos.	11	7.58	-	14.55	-	-	11	7.58
c) Castings	M.T.	-		-	-	-	-	-	-
d) Spares	Nos.	-	-	-	0.25			-	-
Total			39.08		46.30				39.08

19. Turnover of Goods:

		2009-10		2008-09	
	Unit	Qty.	Rs. Lacs	Qty.	Rs. Lacs
a) Indigenous Machinery Including Machine Tools	Nos.	593	5567.42	646	6067.31
b) Farm Equipments including Diesel Engines, Pumps, Motors, Generators	Nos.	—-	—-	—-	—-
c) Plant for Humidification & Air Control Equipment, Exhaust Fans & Similar duct Works.					
Manufactured	Nos.	3154	1743.61	4832	2273.10
Others	Nos.	—-	852.47	—-	872.28
d) CI & SG Castings	MT	6	*3.92	3	*1.77
e) Others	—-	—-	389.37	—-	171.25
Total			8556.79		9333.07

* Value of CI & SG Castings is net of captive consumption.

20. Consumption of Raw Materials:

		2009-10		2008-09	
	Unit	Qty.	Rs.Lacs	Qty.	Rs. Lacs
a) Aluminum Sheets	Nos.	29205.44	58.89	26514.00	43.96
b) Iron and Steel	Kgs	492.79	335.71	688.17	338.52
c) Castings	Kgs.	10420.50	125.47	6730.42	30.00
d) Electric Motors	Nos.	2090.00	246.95	2368.00	266.99
e) Scrap	MT	1295576	302.80	1621784	497.46
f) Other Components	-		2820.49	-	2603.46
Total			3890.31		3780.39

21. Consumption of Imported and Indigenous Raw Materials, Components, Stores and Spares:

	2009-10		2008-09	
	% of Total Consumption	Rs. Lacs	% of Total Consumption	Rs. Lacs
a) Raw Materials & Components				
Imported	15%	601.61	12%	455.68
Indigenous	85%	3288.70	88%	3324.71
	100%	3890.31	100%	3780.39
b) Stores, Spares & Loose Tools				
Imported	0%	-	0%	-
Indigenous	100%	123.58	100%	121.51
	100%	123.58	100%	121.51

22. It is the view of the company that the provisions of Items 3(ii) (d) of Part II of Schedule VI of the Companies Act 1956 do not require disclosure of the quantities and value wise information of Opening and Closing stock and purchases in respect of goods traded in by the Company.

23. Segment Reporting:

The company has considered business segments as the primary segments for disclosure.

Segments have been identified in line with the Accounting Standards on Segment Reporting (AS-17), taking into account the nature of business, products and services, the Company's organization structure as well as the differential risks and returns of these segments. Segments Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments. Those not identifiable to the individual segments are included under unallocated.

The company has classified its business into four major segments:

a) *Machine Tool Business Group*, which handles manufacturing and marketing (including trading and agency business) of machine tool and components e.g. CNC and GPM machines, machine castings, machine carcasses, cranes etc.

b) Textile Engineering Group, which deals in manufacturing and marketing of textile air-engineering systems range i.e Humidification, waste recovery, and auto control systems, besides marketing (including trading and agency business) of textile machinery e.g. circular knitting, spinning, and flat-knitting machines etc.

c) *Air-conditioning and Refrigeration division*, which covers manufacturing, marketing, commissioning and servicing of packaged air-conditioners and chillers etc.

d) *Others*, which covers remaining business i.e., agro-industrial products (e.g. pumps/motors), air and water treatment jobs etc

i) Primary Segments Reporting (Based on Business Segments)

Rs. Lacs

	Machine Tools Group		**Textile Engineering Group**		**Air-conditioning & Refrigeration Group**		**Others**		**Un-allocated**		**Total Co.**	
	2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
Segment Revenue												
Total Segment Revenue	**5415.11**	5872.06	**3077.12**	3115.73	**937.04**	990.99	**-**	-	**-**	-	**9429.27**	9978.78
Add: Other un-allocable Revenue	**-**	-							**163.82**	86.45	**163.82**	86.45
Sub Total	**5415.11**	5872.06	**3077.12**	3115.73	**937.04**	990.99	**-**	-	**163.82**	86.45	**9593.09**	10065.23
(Less): Inter-segment Sales	**-**	(8.76)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	(8.76)
Segment Revenue from external customers	**5415.11**	5863.30	**3077.12**	3115.73	**937.04**	990.99	**-**	-	**163.82**	86.45	**9593.09**	10056.47
Segment Results												
Profit/(Loss) before Interest & Tax	**(401.05)**	79.10	**268.57**	166.67	**32.78**	(113.76)	**-**	-	**-**	-	**(99.70)**	132.01
(Less): Interest	**-**	-	**-**	-	**-**	-	**-**	-	**(527.19)**	(581.82)	**(527.19)**	(581.82)
(Less)/Add: Other un-allocable (exp.) net of un-allocable income	**-**	-	**-**	-	**-**	-	**-**	-	**218.29**	26.12	**218.29**	26.12
Total Profit/(Loss) before Tax	**(401.05)**	79.10	**268.57**	166.67	**32.78**	(113.76)	**-**	-	**(308.90)**	(555.70)	**(408.60)**	(423.69)
Segment wise Capital Employed												
(Segment Assets Less Segment Liabilities)	**2995.39**	3719.15	**309.49**	116.21	**109.14**	5.05	**-**	(1.65)	**1158.69**	1148.79	**4572.70**	4987.55
Segment Assets	**5024.24**	5582.10	**1527.27**	1272.32	**709.82**	550.98	**-**	0.20	**7187.75**	7595.26	**14449.08**	15000.86
Segment Liabilities	**2028.85**	1862.95	**1217.78**	1156.11	**600.68**	545.94		1.85	**6029.07**	6446.47	**9876.37**	10013.32
Capital Expenditure	**-**	25.00	**-**	-	**-**	-	**-**	-	**268.72**	256.73	**268.72**	281.73
Depreciation	**78.22**	80.01	**31.17**	35.54	**1.90**	2.15	**-**	-	**72.11**	82.35	**183.41**	200.05
Non cash expenses other than Depreciation	—	—	—	—	—	—	—	—	—	—	—	—

ii) Secondary Segment Reporting

The Company caters mainly to the needs of the domestic market. The export turnover is not significant in the context of the total turnover. As such there are no reportable geographical segments.

24. Disclosures Required under Accounting Standard 7 (Revised) Construction Contracts:

1. *Method used to determine the contract revenue:*	*Percentage Completion method*	
2. Method used to determine stage of completion of contract in progress	The Proportion that the contract cost incurred for work performed up to reporting date bears to the estimated total contract cost	
		Rs. Lacs
	2009-10	2008-09
3. *Total Contract Revenue recognized as Revenue during the year for the Jobs in-progress as on Balance Sheet Date*	**387.54**	397.76
a. Aggregate of Cumulative Cost Incurred plus Gross Profit Recognized minus Gross Loss recognized	**512.29**	826.28
b. Amount due from/(to) customers	**127.14**	199.50
c. Advances received from customers	**37.52**	13.95
d. Retention Money kept by the Customers	**-**	-

25. Related Party Disclosures:

Related party disclosures as required under Accounting Standard 18 (AS-18) on "Related Party Disclosures" are given below:

A) Relationships:

i) Subsidiary companies:

a) Queen Projects (Mauritius) Ltd.-Mauritius
b) Vanderama Holdings Ltd.-Cyprus
c) Pilatus View Holdings AG-Switzerland
d) Quickmill Inc.-Canada
e) Aesa Air Engineering SA-France
f) Aesa Air Engineering SPA-Italy
g) Aesa Air Engineering PTE Ltd-Singapore
h) Aesa Air Engineering Ltd-Hong Kong
i) Aesa Air Engineering Ltd-China
j) Aesa Air Engineering Pvt Ltd-India
k) 760 Rye Street Inc - Canada

ii) Key Management Personnel:

a) Mr. Nirmal Bhogilal, Chairman & Managing Director
b) *Mr. George Verghese, Executive Director

*Ceased to be executive director w.e.f 31.12.2009

iii) Relatives of Key Management Personnel:

a) Mr. Pratap Bhogilal, Chairman Emeritus
b) Mr.Kabir Bhogilal, Asst.General Manager-Business Development

iv) Entities over which key management personnel are able to exercise significant influence:

a) Batliboi Environmental Engineering Ltd.
b) Batliboi International Limited
c) Batliboi Impex Pvt. Ltd.
d) Batliboi Enxco Pvt. Ltd.
e) Sustime Pharma Ltd.
f) Spartan Electricals

v) Entities to which management personnel are trustees

a) Bhogilal Leherchand Foundation
b) Leherchand Uttamchand Trust Fund

B) Transactions & Outstanding Balances: **Rs. Lacs**

		Subsidiary Companies		Entities		Key Management Personnel & their Relatives	
		2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
I)	**Transactions**						
a)	Purchase of goods/materials/services/fixed assets/ investments	**40.64**	**33.38**	**147.00**	134.32	**-**	-
b)	Sale of goods/materials/services/fixed assets/ investments/recovery of expenses	**297.57**	204.20	**480.55**	300.54	-	543.50
c)	Rent/License fee received	**-**	-	**1.79**	1.43	-	-
d)	Loans & Advances in cash or kind received / (refunded) (Net)	**-**	-	**-**	3.36	-	-
e)	Loans & Advances in cash or kind given/ (Net)	**-**	-	**-**	264.01	-	-
f)	Trade Advances -Given	**-**	**-**	**15.00**	-	**-**	**-**
g)	Balances written off/(written-back)	**-**	-	**-**	235.87	-	-
h)	Gross Salary/Remuneration	**-**	-	**-**	-	**139.74**	120.88
II)	**Outstanding Balances as at 31.03.10, i.r.o:**						
a)	Loans and advances received	**-**	**-**	**-**	10.00	**-**	-
b)	Trade Advances -Given	**-**	**-**	**15.00**	**-**	**-**	**-**
c)	Trade Advances -Received	**-**	**-**	**142.64**	**-**	**-**	**-**
d)	Other receivable (for goods, services & other items)	**144.91**	68.30	**842.41**	876.02	**-**	300.00
e)	Other payables (for goods, services & other items)	**30.69**	3.36	**100.23**	44.84	**-**	-

26. Basic & Diluted Earnings per Share:

Basic/diluted earnings per share (EPS) has been calculated by dividing the net profit after taxation for the year as per the accounts, this is attributable to equity shareholders, by weighted average number of equity shares outstanding during the year, as under:

	Workings of EPS	2009-10	2008-09
A.	Profit computation for both Basic and Diluted Earning Per Share of Rs.5/- each		
	Net Profit/(Loss) available for Equity Shareholders: Rs. in Lacs	**(411.99)**	(338.10)
B.	Weighted average number of Equity shares for computation of Basic & Diluted Earning per Share: Nos.	**2,86,82,550**	2,86,82,550
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: Rs.	**(1.44)**	(1.18)

27. The Company has investments in Batliboi Environmental Engineering Ltd, (BEEL) of Rs.191.21 Lacs. BEEL has accumulated losses which have significantly eroded their net worth. The company has also investment in its subsidiary Aesa Air Engineering SA- France whose accumulated losses are greater than the net worth.

In the opinion of the Management, having regard to the long term interest of the company in the aforesaid companies, there is no diminution other than temporary, in the value of the Investments."

28. Micro, Small and Medium Enterprises

The Statement showing the amount payable above Rs.1lacs and outstanding for more than 30 days to Micro, Small and Medium Enterprises as at 31st March, 2010 and interest provision made thereon is given below:

Rs. Lacs

Name of the Parties	Amount outstanding as on 31.03.2010	Interest Provision thereon
Jay Kay Steel Corporation	**4.22**	0.02
Krishna Machine Industries	**4.67**	0.29
Rosalee Colours Pvt Ltd	**11.70**	0.09
Shivam Industrial Associates	**3.46**	0.01
Spartan Electricals	**34.67**	0.14
Chem Mch Rubbers	**1.56**	0.04
Orbit Polycot	**4.19**	0.12
Shivam Industries	**3.05**	0.04
Rajamane Industries Pvt Ltd	**1.22**	0.03
Patil Protections	**1.35**	0.18
Mahe Industries	**1.03**	0.01
Gloreal Filtration Systems Pvt Ltd	**1.83**	0.41
Airteck Pvt Ltd	**1.79**	0.03
Shekar engineering works	**1.18**	0.25
TOTAL	**75.91**	**1.66**

29. The figures in respect of the previous financial year have been reclassified and regrouped wherever necessary.

SIGNATURES TO SCHEDULES 1 TO 17

As per our report attached of even date

For V.SANKAR AIYAR & CO.
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated:8th May, 2010

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

GEORGE VERGHESE
Director

VINEET GOEL
Chief Financial Officer

GAURANG SHAH
Chief Corporate Counsel & Company Secretary

Mumbai
Dated:8th May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

		Year Ended 31-Mar-10		Year Ended 31-Mar-09	
I.	**CASH FLOW ARISING FROM OPERATING ACTIVITIES:**				
	Net Profit before Tax and Extraordinary items		**(408.59)**		**(423.68)**
	Add Back :				
	a) Depreciation	183.41		200.05	
	b) Interest	527.19		581.83	
	c) Debit balances written off	73.51		417.84	
	d) Foreign Exchange Loss	30.65		-	
	e) Prov. for Doubtful Debts/Other Advances	(24.57)		(166.93)	
	f) Leave Encashment Provision	(28.53)		(5.00)	
	g) Provision for Gratuity	(46.37)	715.29	20.74	1048.53
	Deduct :				
	a) Income from Investments (Dividend)	1.66		11.95	
	b) Surplus on Sale of Assets	-		543.00	
	c) Surplus on Sale of Investments	-		0.19	
	d) Unclaimed Credit balances appropriated	44.32		97.73	
	e) Excess Provisions of earlier year written back	30.67	76.65	46.84	699.71
	Operating Profit Before Working Capital Changes		**230.05**		**(74.86)**
	Deduct :				
	a) Increase in Trade Receivables & Advances	234.96	234.96	215.42	215.42
	Add :				
	a) Decrease in Inventories	212.36		412.13	
	b) Increase in Trade and other Payables	284.75	497.11	131.31	543.44
			492.20		**253.16**
	Income Taxes Paid		**(5.52)**		**26.26**
	Net Cash Inflow / (Outflow) from Operations (A)		**497.72**		**226.90**
II.	**CASH FLOW ARISING FROM INVESTING ACTIVITIES:**				
	Inflow :				
	a) Sale of Fixed Assets	300.00		243.00	
	b) Income from investments (Dividend)	1.66		11.95	
	c) Sale of Mutual Fund units (Liquid Fund)	-		0.19	
	d) Sale/Redemption of other Investments	-	301.66	125.94	381.08
	Deduct :				
	Outflow :				
	a) Acquisition of Fixed Assets(net)	36.31		294.93	
	b) Purchase of Shares	-		4.53	
	c) Overseas acquisitions	4.88	41.19	-	299.46
	Net Cash Inflow / (Outflow) in course of Investing Activities (B)		**260.47**		**81.62**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

		Year Ended 31-Mar-10		Year Ended 31-Mar-09	
III.	**CASH FLOW ARISING FROM FINANCING ACTIVITIES:**				
	Inflow :				
	a) Increase in Term Loan	-		482.33	
	b) Increase in unsec loan	-		136.12	
	c) Increase in Working Capital Borrowings	169.48	169.48	160.56	779.01
	Deduct :				
	Outflow :				
	(a) Foreign Exchange Loss	(117.83)		190.56	
	(b) Net decrease in other Unsecured Loans	154.66		-	
	(c) Dividend/Dividend tax paid	-		315.93	
	(d) Repayment of Term Loan	297.59		-	
	(e) Net interest Paid	514.36	848.78	581.83	1,088.32
	Net Cash Inflow/(Outflow) in course of Financing Activities (C)		**(679.30)**		**(309.31)**
	Net Increase/(Decrease) in cash/Cash Equivalents (A+B+C)		**78.88**		**(0.82)**
	Add - Balance at the begining of the year		226.62		227.44
	Cash/Cash Equivalents at the close of the year		**305.50**		**226.62**
	Net Increase/(Decrease) in cash/Cash Equivalents		**78.88**		**(0.82)**

As per our report attached of even date
For V.SANKAR AIYAR & CO.
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319

Mumbai
Dated : 8th May, 2010

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

GAURANG SHAH
Chief Corporate Counsel & Company Secretary

GEORGE VERGHESE
Director

VINEET GOEL
Chief Financial Officer

Mumbai
Dated : 8th May, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (Pursuant to Part IV of Schedule VI of the Companies Act, 1956)		Rs. in Thousands
i. Registration Details		
Registration No.	: L52320MH1941PLC003494	
State Code	: 11	
Balance Sheet	: 31.03.2010	
ii. Capital Raised during the year		
Public Issue		NIL
Right Issue		NIL
Bonus Issue		NIL
Private Placement		NIL
iii. Position of Mobilisation and Deployment of Funds		
Total Liabilities		967,624
Total Assets		967,624
Sources of Funds		
Paid up Capital		143,413
Reserves & Surplus		313,868
Secured Loan		508,240
Unsecured Loan		-
Deferred Tax Liabilities		2,103
Application of Funds		
Net Fixed Assets		519,019
Investment		281,304
Net Current Assets		167,301
Misc. Expenditure		-
iv. Performance of the Company		
Turnover		964,725
Total Expenditure		991,990
Profit / Loss Before Tax		(27,265)
Profit / Loss After Tax		(41,198)
Earning Per Share in Rs.		(1.44)
Dividend Rate%		Nil

V. Generic Name of Three Principal Products / Services of the Company

1. Item Code No. (ITC Code)	:	84573090; 84592930; 84595110; 84595120; 84595130; 84669390; 73259910; 76011090; 76012090; 26219000
Product Description	:	General Purpose & Special Purpose Machine Tools
2. Item Code No. (ITC Code)	:	84145930; 84149040; 84213920; 84212190; 84219900; 84798920; 84799090
Product Description	:	Textile Machinery and Textile Air Engineering Equipment
3. Item Code No. (ITC Code)	:	84148011; 84149011; 84189000; 84151090 84151010; 84159000
Product Description	:	Air Conditioning Machines & parts thereof.

AUDITOR'S REPORT ON CONSOLIDATED ACCOUNTS

Auditor's Report to the Board of Director's of Batliboi Ltd. on the Consolidated Financial Statements of Batliboi Ltd. & its Subsidiaries.

1. We have audited the attached consolidated Balance Sheet of **BATLIBOI LTD.** ("the Company") and its subsidiaries as at 31st March 2010, the Consolidated Profit & Loss Account & the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.6860.91 Lacs as at March 31, 2010 and revenues of Rs.10103.40 Lacs for the year. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with requirements of Accounting standard 21- 'Consolidated Financial Statements'.

5. *Attention is invited to Note No-II(5) of Schedule 17- regarding recognition of deferred tax assets in respect of Unabsorbed Depreciation / Loss in Income Tax. According to AS 22 "Accounting for Tax on Income" evidence is a matter of fact and to be convincing should be available in the concrete form so as to constitute virtual certainty. In our opininon improved performance, higher order inflow and future projections are not convincing evidence so as to satisfy the test of virtual certainty to recognize Deferred Tax Asset in respect of Unabsorbed Depreciation / Loss in Income Tax.*

6. Based on our audit and on consideration of the report of the other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanation given to us, we are of the opinion that the consolidated financial statements, *subject to para 5 above which has the effect of understating loss for the year and deferred tax liability and consequential impact on the reserves and surplus to the extent of Rs. 278.44 lacs,* give a true and fair view in conformity with the accounting principles generally accepted in India.:

   a. In the case of the consolidated Balance Sheet , of the state of affairs of the Company and its subsidiary as at 31 March 2010;

   b. In the case of the consolidated Profit & Loss Account, of the loss for the year ended on that date; and

   c. In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **V. Sankar Aiyar & Co.**
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319
Firm Regn. No.: 109208W

Place: Mumbai
Date: 8th May, 2010

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.Lacs

	Schedule	As at 31-Mar-10	As at 31-Mar-09
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
(a) Share Capital	1	1,434.13	1,350.13
Share Capital Suspense A/c	1A	-	84.00
(b) Reserves and Surplus	2	4,016.97	4,207.18
		5,451.10	**5,641.31**
2. Minority Interest		**-**	**14.41**
3. Loan Funds :			
(a) Secured Loans	3	7,615.52	7,168.54
(b) Unsecured Loans	4	-	154.66
		7,615.52	**7,323.20**
4. Deferred Tax Liabilities (Net)		**21.03**	**21.03**
		13,087.65	**12,999.95**
II APPLICATION OF FUNDS			
5. Fixed Assets	5		
(a) Gross Block		17,323.73	16,351.35
(b) Less: Depreciation/Amortisation to date		9,118.09	8,502.09
(c) Net Block		**8,205.64**	**7,849.26**
(d) Capital Work-in-Progress (Including Capital Advances)		268.72	281.73
6. Goodwill on Consolidation		1169.70	1,169.70
7. Investments	6	433.57	793.21
8. Current Assets, Loans and Advances			
(a) Inventories	7	4,020.79	5,012.89
(b) Sundry Debtors	8	5,120.01	5,756.97
(c) Cash and Bank Balances	9	486.22	470.17
(d) Loans and Advances	10	1,605.33	1,397.03
		11,232.35	**12,637.06**
Less: Current Liabilities and Provisions	11		
(a) Current Liabilities		7,488.62	8,799.85
(b) Provisions		733.71	931.15
		8,222.33	**9,731.00**
Net Current Assets		**3,010.02**	**2,906.06**
		13,087.65	**12,999.95**
Significant Accounting Policies & Notes to the Accounts	17		

The Schedules referred above form an integral part of the Balance Sheet

As per our report attached of even date	For and On Behalf of the Board of Directors	
For V.SANKAR AIYAR & CO.	**NIRMAL BHOGILAL**	**GAURANG SHAH**
Chartered Accountants	*Chairman & Managing Director*	*Chief Corporate Counsel & Company Secretary*
(S. Venkatraman)	**GEORGE VERGHESE**	**VINEET GOEL**
Partner	*Director*	*Chief Financial Officer*
Membership No. 034319		
Mumbai	Mumbai	
Dated : 8th May, 2010	Dated : 8th May, 2010	

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Rs.Lacs

	Schedule	Year Ended 31-Mar-10	Year Ended 31-Mar-09
INCOME :			
1. Gross Turnover	12	19,637.83	26,457.36
Less: Excise Duty		564.33	850.61
Net Sales		19,073.50	25,606.75
2. Other Income	13	677.14	1,183.19
TOTAL INCOME		19,750.63	26,789.94
EXPENDITURE :			
3. Cost of Sales, Job Contracts and Services	14	10,198.64	13,844.77
4. Employees' Remuneration	15	4,648.27	5,764.03
5. Other Expenses	16	4,345.42	5,554.57
6. Interest		598.84	654.55
7. Depreciation/Amortisation		650.93	607.93
TOTAL EXPENDITURE		20,442.09	26,425.85
8. Profit before Tax and Exceptional Items		**(691.46)**	**364.09**
a) Exchange Gains/(Loss)		(135.94)	(19.94)
b) Sale of Property Gains/(Loss)		-	543.00
Profit Before Tax		**(827.40)**	**887.16**
9. Provision for Taxation			
For Current Tax		(32.06)	425.84
For Deferred Tax (Net)		-	(145.06)
For Fringe Benefit Tax		-	28.00
10. Profit after Tax for the year		**(795.33)**	**578.37**
11. Tax Adjustments in respect of earlier years		3.39	31.47
Profit before Minority Interest		(798.72)	546.91
Minority Interest		(14.41)	(7.84)
12. **Total Profit/(Loss)**		**(784.32)**	**554.74**
13. Add : Balance as per last Balance Sheet		2,765.47	2,139.18
Add : Amount Transferred on amalgamation			
Balance of Profit & Loss Account as on 01.04.2007		-	61.64
Profit after Tax for Financial Year 2007-08		-	9.91
Profit available for appropriation		**1,981.16**	**2,765.47**
APPROPRIATIONS			
14. Balance carried to Balance Sheet		1,981.16	2,765.47
		1,981.16	**2,765.47**
15. Earnings per Share (Basic & Diluted)			
(Face Value of Rs.5/- per Share)		**(2.73)**	1.93
(Refer Note No. 6 of Schedule 17 (II) of Notes of Accounts)			
Significant Accounting Policies & Notes to the Accounts	17		

The Schedules referred above form an integral part of the Profit and Loss Account

As per our report attached of even date
For V.SANKAR AIYAR & CO.
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319
Mumbai
Dated : 8th May, 2010

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

GAURANG SHAH
Chief Corporate Counsel & Company Secretary

GEORGE VERGHESE
Director

VINEET GOEL
Chief Financial Officer

Mumbai
Dated : 8th May, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Schedule	As at 31-Mar-10	As at 31-Mar-09
		Rs.Lacs
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
461,70,400 (P.Y. 461,70,400) Equity Shares of Rs.5/- each	2,308.52	2,308.52
692,480 (P.Y. 692,480) Preference Shares of Rs. 100/- each	692.48	692.48
	3,001.00	**3,001.00**
ISSUED,SUBSCRIBED AND PAID-UP		
2,86,82,550 (P.Y.2,86,82,550) Equity Shares of Rs.5/- (P.Y. Rs.5/-) each fully paid	1,434.13	1,350.13
	1,434.13	**1,350.13**

Notes:

Of the above:

a) The face value of equity shares of the company of Rs.10/- each up has been sub-divided into equity shares Rs.5/- each w.e.f. 4th October'2007

b) 35,00,000 Equity Shares of Rs. 5/-each were issued as fully paid up in 1982 to the shareholders of erstwhile Batliboi And Co. Ltd. as per scheme of amalgamation.

c) 56,000 Equity Shares of Rs. 5/-each were allotted in earlier years as fully paid Bonus Shares by way of Capitalisation of Reserves.

d) 16,80,000 Equity Shares of Rs.5/- each were issued as fully paid up this year to the shareholders of erstwhile Batliboi SPM Pvt. Ltd. as per the Scheme of Amalgamation.

SCHEDULE 1A : SHARE CAPITAL SUSPENSE ACCOUNT — Rs. Lacs

		31-Mar-10	31-Mar-09
16,80,000	Equity Shares of Rs.5/- each to be issued as fully paid up to the shareholders of erstwhile Batliboi SPM Pvt. Ltd. as per the Scheme of Amalgamation	-	84.00
		-	**84.00**

SCHEDULE 2 -CONSOLIDATED RESERVES AND SURPLUS — Rs. Lacs

	Balance as at 01/04/2009	Additions/ Adjustments during the year	Balance as at 31/03/2010
Capital Reserves	25.00	-	25.00
Capital Redemption Reserve	620.98	-	620.98
Revaluation Reserve	455.79	(24.19)	431.59
Securities Premium Account	393.01	-	393.01
General Reserve	603.41	-	603.41
Investment Allowance Reserve Utilised	63.05	-	63.05
Foreign Currency Translation Reserve	(719.53)	618.29	(101.23)
	1,441.71	**594.10**	**2,035.81**
Balance in Profit & Loss Account	2,765.47	(784.32)	1,981.16
	4,207.18	**(190.21)**	**4,016.97**

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	As at 31-Mar-10	As at 31-Mar-09
		Rs.Lacs
SCHEDULE 3 - SECURED LOANS		
FROM BANKS		
(a) Cash Credit and Working Capital Borrowings	2,363.22	2,105.49
(b) Rupee Term Loan		
From Scheduled Co-op. Bank	328.35	343.37
From Bank	1,363.03	1,541.80
(Repayable within one year Rs.653.20 Lakhs (P.Y. Rs.193.79 Lakhs)		
(c) Foreign Currency Long Term Loan	3,560.92	3,177.88
[Repayable within one year Rs. 758.16 Lacs(Previous year Rs. 270.59 Lacs)]		
	7,615.52	**7,168.54**
SCHEDULE 4 - UNSECURED LOANS		
Inter Corporate Loans	-	154.66
	-	**154.66**

SCHEDULE 5 - FIXED ASSETS

	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	As at 01/4/2009	Trfd on Amalgamation	Additions/ Adjustments	Deductions/ Adjustments	Exchange Difference	As at 31/3/2010	Upto 31/3/2009	Trfd on Amalgamation	For the Year	Deductions/ Adjustments**	Exchange Difference	Upto 31/3/2010	As at 31/3/2010	As at 31/3/2009
Land (Freehold)	2,010.57	-	-	-	(11.42)	1,999.15	-	-	-	-	-	-	1,999.15	2,010.57
Land (Freehold)*	434.49	-	-	-	-	434.49	-	-	-	-	-	-	434.49	434.49
Buildings*														
On Freehold Land	2,233.83	-	6.01	-	(91.45)	2,148.39	1,012.17	-	62.22	(2.83)	(53.21)	1,024.01	1,124.38	1,221.66
On Leasehold Land	282.96	-	654.49	-	3.96	941.41	184.49	-	25.85	-	3.35	213.69	727.72	98.47
Plant & Machinery	6,260.66	-	21.97	3.30	39.46	6,318.79	4,597.15	-	103.56	2.86	33.42	4,731.27	1,587.52	1,663.51
Office equipment/ computers etc.	1,496.68	-	19.18	11.41	(6.43)	1,498.02	1,285.79	-	54.79	5.58	(6.41)	1,328.59	169.43	210.88
Furniture,Fixtures,Fans														
and Electrical Fittings	374.42	-	9.22	4.66	13.38	392.36	250.95	-	18.44	0.10	10.77	280.06	112.30	123.48
Vehicles	88.33	-	6.03	0.31	0.69	94.74	67.10	-	4.79	0.27	0.37	71.99	22.75	21.23
Intangible Assets-Tech. Know-how	3,160.15	-	193.26	2.84	145.80	3,496.37	1,104.44	-	381.29	2.84	(14.41)	1,468.48	2,027.89	2,055.71
T O T A L	**16,342.09**		**910.16**	**22.52**	**93.99**	**17,323.73**	**8,502.09**	**-**	**650.93**	**8.82**	**(26.12)**	**9,118.09**	**8,205.63**	**7,840.00**
(Previous Year)	(14,550.91)	(738.09)	(970.84)	(92.87)	(184.43)	(16,351.35)	(7,664.25)	(204.52)	(611.08)	(64.24)	(95.48)	(8,511.09)	(7,840.26)	-
Capital Work-in-Progress													**268.72**	281.73
(Previous Year)													(281.73)	-
T O T A L													**8,474.35**	**8,121.73**
(Previous Year)													(8,121.99)	-

For depreciation Refer Note 17(1)-(5)

* Include Rs. 434.49 Lacs value of Land and Rs. 210.23 value of Building acquired under scheme of amalgamation from erstwhile Batliboi SPM Pvt. Ltd in respect of which little is under transter in company's name.

** Includes Rs. 2.83 Lacs being the depreciation on revalued assets drawn from Revaluation Reserve (SPM).

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.Lacs

	Numbers 31-Mar-10	Numbers 31-Mar-09	Face Value (Each Rs.)	As at 31-Mar-10	As at 31-Mar-09
SCHEDULE 6 - CONSOLIDATED INVESTMENTS (AT COST)					
Long Term Investment					
1. In fully paid Equity Shares (Un-quoted):					
Batliboi Environmental Engineering Ltd.	1,908,930	1,908,930	10.00	191.21	191.21
2. Trade Investment (Quoted),					
In fully Paid Equity Shares (Quoted)					
Aturia Continental Ltd.	129,032	129,032	10.00	40.00	40.00
3. Other Investments (Non-trade)					
a) In fully paid Equity Shares (Quoted):					
The Mysore Kirloskar Ltd.	55329	55329	10.00	4.23	4.23
The Mysore Kirloskar Ltd. (SPM)			10.00	5.39	5.39
Mafatlal Engg. Ind. Ltd.	348	348	100.00	0.38	0.38
The Ahmedabad Mfg. & Calico Printing Co. Ltd.	20	20	125.00	0.01	0.01
Shri Ambica Mills Ltd.	8	8	100.00	0.01	0.01
The Aruna Mills Ltd.	25	25	100.00	0.01	0.01
The Khatau Makanji Spg. & Wvg. Co. Ltd.	55	55	10.00	0.02	0.02
Padmatex Engg.Ltd.	25	25	10.00	0.00	0.00
EPC Irrigations Ltd.	10000	10000	10.00	3.00	3.00
SUB-TOTAL				**13.06**	**13.06**
b) In fully paid 4% Cumulative Preference Shares (Quoted):					
The Khatau Makanji Spg. & Wvg. Co. Ltd.	5	5	100.00	0.01	0.01
c) In fully paid Equity Shares (Unquoted):					
Andhra Pradesh State Financial Corporation	5	5	100.00	0.01	0.01
Precision Tooling Systems Ltd.	1500	1500	10.00	0.15	0.15
Shree Vardhan Co.op. Bank Ltd.	200	200	25.00	0.05	0.05
Patan Co-operative Bank Ltd.	100	100	25.00	0.03	0.03
Patan Co-operative Bank Ltd. (SPM)				0.03	0.03
The Saraswat Co.op. Bank Ltd.	5	5	10.00	0.00	0.00
Shamrao Vitthal Co.op. Bank Ltd.	20,000	20,000	25.00	5.00	5.00
SUB-TOTAL				**5.27**	**5.27**
d) In Mutual Fund units					
HSBC - Floating Rate Fund			10.00	-	-
Mutual Funds in France				236.57	596.21
SUB-TOTAL				**236.57**	**596.21**
TOTAL				**486.12**	**845.76**
Less: Provision for diminution in value of investments				(52.55)	(52.55)
				433.57	**793.21**
Quoted : Cost (after reducing provision)				0.52	0.52
Market Value				2.08	2.08
Unquoted :Cost				433.05	792.69

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.Lacs

			As at 31-Mar-10		As at 31-Mar-09
SCHEDULE 7 - INVENTORIES					
1.	Raw Materials		2,198.60		2,162.74
2.	Work-in-Progress		1,255.80		1,863.54
3.	Stock of machines, including own manufactured	428.27		735.27	
			428.27		735.27
4.	Stores and Spare Parts		120.46		220.21
5.	Loose Tools		14.44		28.09
6.	Value of incomplete job contracts carried forward	3.22		3.04	
	Less: Progress payment received/billing against above	-	3.22	-	3.04
			4,020.79		**5,012.89**
	Note:				
	[Refer Note 17(I) -(9) for mode of valuation]				
SCHEDULE 8 - SUNDRY DEBTORS					
UNSECURED					
1.	Debts outstanding for a period exceeding six months Considered Good		2,208.42		2,357.99
	Considered Doubtful	331.97		507.79	
	Less: Provision for doubtful debts	331.97	-	507.79	-
			2,208.42		2,357.99
2.	Other debts- Considered Good		2,911.59		3,398.98
			5,120.01		**5,756.97**
SCHEDULE 9 - CASH AND BANK BALANCES					
1.	Cash and Cheques on hand and at collection centres including remittances in transit Rs.Nil (PY Rs.Nil)		60.84		13.35
2.	Balances with Scheduled Banks :				
	In Current Account	270.56		292.73	
	In Deposit Account (Towards Margin on Guarantees /L/Cs)	154.82		164.09	
	(Deposit receipts pledged with the banks)		425.38		456.82
			486.22		**470.17**

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

Rs.Lacs

		As at 31-Mar-10		As at 31-Mar-09
SCHEDULE 10 - LOANS AND ADVANCES				
UNSECURED -CONSIDERED GOOD UNLESS SPECIFIED OTHERWISE				
1. Staff Loans		33.34		92.28
2. Advances recoverable in cash or in kind or for value to be received		1,371.53		1,116.80
Considered Doubtful	66.25		67.93	
Less : Provision for doubtful advances	66.25	-	67.93	-
		1,371.53		1,116.80
3. Balances with Excise, Customs and Port Trust		118.53		187.95
4. Taxes paid in advance and deducted at source (net of Provision for tax)		81.93		-
		1,605.33		**1,397.03**
SCHEDULE 11 - CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
1. Sundry Creditors				
a) Due to Micro and Small Enterprise		98.92		16.35
b) Others		4,503.33		5,887.44
2. Advances and Deposits from Customers		1,754.51		1,833.39
3. Interest accrued but not due on loans		37.28		28.53
4. (a) Unclaimed Matured Deposits		-		0.38
(b) Unclaimed Dividend		8.89		8.97
5. Other Liabilities		1,085.69		1,024.79
		7,488.62		**8,799.85**
B. PROVISIONS				
1. Provision for Taxation		-		101.05
2. Provision for Gratuity		593.70		661.56
3. Provision for Leave Encashment		140.01		168.54
		733.71		**931.15**
		8,222.33		**9,731.00**

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

		Year Ended 31-Mar-10		Year Ended 31-Mar-09
SCHEDULE 12 - GROSS TURNOVER				
1. Sales		18,272.62		25,154.95
2. Service Charges		312.19		309.27
3. Commission		723.32		595.38
4. Revenue from Job Contracts		329.70		397.76
		19,637.83		**26,457.36**
SCHEDULE 13 - OTHER INCOME				
1. Dividend		1.66		11.95
2. Exchange Difference Gains		-		582.69
3. Profit on Sale of Fixed Assets		2.02		0.80
4. Profit on Sale of Investments (Net)		-		0.19
5. Insurance, Railway and Other Claims		-		8.75
6. Excess Provision of earlier years written back		95.13		101.09
7. Rent		64.21		59.80
8. Unclaimed Credit Balances appropriated		179.14		102.70
9. Discounts and Allowances		2.64		6.81
10. Miscellaneous Receipts		332.34		308.41
		677.14		**1,183.19**
SCHEDULE 14 - COST OF SALES, JOB CONTRACTS & SERVICES				
1. Cost of Sales				
Raw Materials Consumed		7,811.56		11,626.92
2. (Increase)/Decrease in Stocks				
Stock at Close :				
Work in Process	1,255.80		1,863.54	
Stock of Machines and Own Manufactured Machines (Including excise duty)	428.27		735.27	
	1,684.07		2,598.81	
Less :				
Stock at Commencement :				
Work-in-Process	1,863.54		2,449.43	
Stock of Machines and Own Manufactured Machines (Including excise duty)	735.27		544.26	
	2,598.81	914.74	2,993.69	394.88
		8,726.30		12,021.80
Less:Self Consumption for Job Contracts		(147.10)		(103.58)
		8,579.20		11,918.23
3. Purchases of goods for Resale (Incl.expenses)		1,032.38		1,162.54
4. Cost of Job Contracts (includes self Consumption)		286.78		415.19
5. Cost of Service Renderred		147.13		144.34
6. Job Work Charges Incurred		153.15		204.48
		10,198.64		**13,844.77**

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

	Year Ended 31-Mar-10	Year Ended 31-Mar-09
SCHEDULE 15 - EMPLOYEES' REMUNERATION		
1. Salaries, wages, Allowances and Bonus	3,790.13	4,678.92
2. Contribution to Provident and Other Funds	622.12	810.98
3. Payments & Provision for Gratuity	89.95	85.40
4. Staff Welfare Expenses	146.07	188.73
	4,648.27	**5,764.03**
SCHEDULE 16 - OTHER EXPENSES		
1. Rent	256.10	408.02
2. Rates and Taxes	108.05	93.78
3. Power and Fuel	162.01	196.98
4. Insurance	116.85	127.14
5. Commission	629.49	688.84
6. Exhibitions/ Advertisement Expenses	117.33	223.05
7. Printing and Stationery	50.35	85.62
8. Travelling and Conveyance	557.19	682.77
9. Audit, Legal and Professional Charges	240.22	292.50
10. Bank Commission and other charges	123.00	139.44
11. Vehicle Maintenance	51.87	62.42
12. Postage, Telephone, Telex Charges etc.	156.13	192.55
13. Packing and Cartage	443.92	573.74
14. Stores & Loose Tools Consumed	203.87	260.75
15. Sales Tax	8.82	23.65
16. Repairs to Machinery	51.30	50.36
17. Repairs to Buildings	42.08	44.19
18. Repairs to Other Assets	43.13	43.71
19. Labour Charges	283.00	331.87
20. Discounts and Allowances to Customers	0.14	0.37
21. Directors' Sitting Fees and Commission (other than Wholetime Directors)	16.80	4.74
22. Donation	0.96	0.89
23. Bad Debts	179.14	253.90
24. Provision for Doubtful Debts/Advances	(17.80)	136.90
25. Exchange difference	129.02	-
26. Miscellaneous Expenses	392.45	636.39
	4345.42	**5,554.57**

SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

I) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION :

The Consolidated Financial Statements relate to Batliboi Limited ("the Company" or "the Parent") and its subsidiary companies.

A) Basis of accounting:

(i) The Financial Statements of the subsidiary companies used in the preparation of the Consolidated Financial Statements are drawn up to the same reporting date as that of the Company i.e. 31^{st} March, 2010.

(ii) The Consolidated Financial Statements have been prepared under the historical cost convention (except for certain fixed assets of the parent and one of the subsidiary which have been revalued) on accrual basis and in accordance with Companies (Accounting Standards) Rules, 2006 issued by the Central Government under the Companies Act, 1956 to the extent applicable and in compliance with generally accepted accounting principles in India.

B) Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:-

(i) The Financial Statements of the Parent and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions as well as unrealized profits or losses resulting from intra group transactions are fully eliminated.

(ii) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized as "Goodwill" and shown under the head "Goodwill on Consolidation".

(iii) The operations of the foreign subsidiaries are not considered as an integral part of the operations of the parent. Hence, revenue items are consolidated at the average rate prevailing during the year; and all assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve for future adjustments.

(iv) Minority interest in the net income (loss) of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to shareholders of the Parent. The excess of loss over the minority interest in the equity of subsidiary is adjusted against the majority interest.

(v) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Parent's shareholders. Minority interest in the Net Asset of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Parent in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.

(vi) The consolidated financial statements are prepared using uniform accounting polices for like transactions and other events in similar circumstances and are presented in the same manner as the Parent's separate financial statements. Considering that financial statements of the subsidiaries have been prepared under diverse laws and regulations applicable to the respective countries of residence of the subsidiaries i.e. Canada, France, Italy, Singapore, Hong Kong, these consolidated financial statements have been prepared substantially in the same format adopted by parent to the extent possible.

C) The subsidiary companies which are included in consolidation and the percentage of ownership interest therein of the Parent as on 31^{st} March 2010 are as under:

S.No	Name of the Subsidiary	% of Ownership interest as on 31.03.2010	Country of Incorporation	Date since it became subsidiary
1.	Queen Projects (Mauritius) Ltd.	100%	Mauritius	10.04.2007
2.	Vanderma Holdings Ltd.	100%	Cyprus	10.04.2007
3.	Pilatus View Holding AG	100%	Switzerland	10.04.2007
4.	Quickmill Inc.	100%	Canada	12.04.2007
5.	760 Rye Street Inc	100%	Canada	15.04.2009
6.	AESA Air Engineering S.A.	70%	France	06.07.2007
7.	AESA Air Engineering Private Ltd.	70%	India	06.07.2007
8.	AESA Air Engineering SPA	70%	Italy	06.07.2007
9.	AESA Air Engineering Ltd.	70%	Hong Kong	06.07.2007
10.	AESA Air Engineering Pte. Ltd.	70%	Singapore	06.07.2007
11.	AESA Air Engineering Ltd. China	70%	China	06.07.2007

2. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively when revised.

3. REVENUE RECOGNITION

A) Revenue from sale of goods are recognized on transfer of all significant risks and rewards of ownership to the buyer.

B) Service Income: Income from annual maintenance services is recognized proportionately over the period of contract.

C) Recognition of Revenue from Works Contracts: Revenue from works contracts and jobs of building large machines in the nature of works contract are recognized on 'Percentage of completion method'. Percentage or stage of completion is determined by the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total costs of the contract.

4. FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation except all land, buildings (excluding residential flats) and plants and machinery, which are adjusted on revaluation. The fixed assets manufactured by the company are stated at manufacturing cost or net realizable value whichever is lower, prevailing at the time of capitalization. Fixed assets are shown net of accumulated depreciation and amortization, wherever applicable.

5. DEPRECIATION

a) Depreciation on most of the assets of the Manufacturing Unit and the Wind Mill of the parent is provided under the Straight Line Method as under:

   i. On assets added up to 01.04.1987 at the rates applicable at the time of acquisition of these assets in accordance with the Circular No.1/86 dtd. 21.05.1986 of the Company Law Board.

   ii. On assets added between 01.04.1987 to 15.12.1993, at the rates and in the manner specified in Schedule XIV of the Companies (Amendment) Act, 1988.

   iii. On assets added after 15.12.1993, at the revised rates prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.

b) Depreciation on assets of the Parent at non-manufacturing locations, and some assets of the Parent at manufacturing units i.e. assets of Tool Room and some assets transferred to manufacturing unit from branches of the parent and assets of SPM division has been provided under the Written Down Value method at the revised rates, prescribed in Schedule XIV of the Companies (Amendment) Act, 1988 vide notification no. GSR 756 (E) dated 16.12.1993 in accordance with Circular 14/93, dated 20.12.1993.

c) In case of subsidiaries Leasehold improvements are amortized over the remaining period of the primary lease or the useful life, whichever is earlier.

d) Depreciation on assets of the overseas subsidiaries are provided over its useful economic life determined by the management of the respective subsidiary, as under:

	Quickmill Inc., Canada	760 Rye Street INC, Canada	Aesa Air-Engineering, SA France*
Building	N.A.	4% on written down value	15 years
Leasehold improvements	50% on written down value	-	N.A.
Machinery and equipment	20% on written down value	-	3-10 years
Furniture and fixtures	20% on written down value	-	10 years
Computers/Office Equipment	30% on written down value	-	1-7.5 years
Computer software	100% on straight line	-	1-3 years
Vehicles/Transport Equipment	30% on written down value	-	1-4 years
Intangible Assets	Impairment Test	-	4-10 years

*Aesa Air-engineering, SA France and its subsidiaries

e) Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition or up to the date of such sale/disposal as the case may be.

f) Depreciation on revalued assets is calculated on the replacement value at the rates considered applicable by the valuers and is charged to Profit and Loss account. In respect of revalued building of SPM, the difference between depreciation on replacement value and on written down value basis is drawn from revaluation reserve created on revaluation to the extent the balance in such reserve is available.

6. IMPAIRMENT OF ASSETS:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

a) An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at weighted average cost of capital.

b) After impairment, depreciation is provided in subsequent periods on the revised carrying amount of the asset over its remaining useful life.

c) A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value in use after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

7. INTANGIBLE ASSETS

a) Intangible Assets are stated at cost of acquisition less accumulated amortization.

b) Intangible assets are amortized over the assets useful life.

c) Development costs including direct labour, materials and allocated overhead relating to the development of new technology are expensed in the period incurred unless a development project meets the criteria under generally accepted accounting principles for deferral and amortization. Capitalised costs are amortised using the straight-line basis over a 3 year period, which is the estimated useful life of the technology. Investment tax credits applicable to a claim for scientific research and development are treated as a reduction of the capitalised cost.

d) Expenditure on amounts paid in respect of specific trademarks is amortized on a straight-line basis over five years.

8. INVESTMENTS

Long-term investments are stated at cost including all expenses incidental to acquisition. Provision is made to recognize a decline, other than temporary in the value of long-term investments. Current investments are stated at lower of cost and fair value.

9. VALUATION OF INVENTORIES

a) Inventories comprising Raw Materials, Work in Progress, Finished Goods, Stores and Loose Tools, are valued at lower of cost or net realizable value. Cost of inventories in the case of Parent is determined on weighted average basis and on FIFO basis in the case of subsidiaries.

b) Incomplete job contracts are valued at the direct cost incurred on such contracts.

10. EMPLOYEE BENEFITS:

Employee Retirement Benefits:

a) Defined Contribution Plans:

i. The Parent has defined contribution plan for post employment benefits in the form of Superannuation Fund for Managers/Officers which is administered by Life Insurance Corporation of India (LIC), Provident Fund for employees at manufacturing facility administered by Regional Provident Fund Authorities, besides ESIC and Labour Welfare Fund. The company's international subsidiaries have their respective pension/social securities contribution plans. The contributions to Defined Contribution Plans are charged to Profit and Loss Account as and when incurred. The Parent has no further obligation beyond making the contributions.

ii. The Canadian subsidiary has contributions towards pension/social securities which are charged to profit & loss account as and when incurred and the French subsidiary provides for the liability on accrual basis. The subsidiaries have no further obligation beyond making the contribution.

b) Defined Benefits Plans:

i. The Parent's liabilities towards gratuity leave encashment, and compensated absence are determined and provided on the basis of actuarial valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method for measuring the liability is the Projected Unit Credit Method.

ii. The Parent's liability in respect of employees at the Head office and branch are provided on actual basis. The interest payable by the trust to the employees shall not be lower than the statutory rate declared by the Central Government and shortfall, if any, shall be made good by the Parent.

iii. Other short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.

iv. Actuarial gains and losses are immediately recognized in the Profit and Loss Account of the year without resorting to any amortization/deferment.

v. Termination benefits are immediately recognized as an expense in Profit and Loss account, as and when incurred.

vi. The company's overseas subsidiaries account for the defined benefits which are accounted on accrual basis. The difference between the accrual amounts and actuarial valuations are not expected to be material.

11. PROVISIONS AND CONTINGENT LIABILITIES:

Provision is recognized when there is a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current estimates. Contingent liabilities are disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

12. FOREIGN CURRENCY TRANSACTIONS

a) Foreign currency transactions are recorded on initial recognition at the exchange rate in force on the date of the transaction. Exchange differences arising on settlement of monetary items (cash, receivables, payables etc.) are recognized in the profit and loss account in the period in which they arise.

b) Foreign currency monetary items are reported at exchange rates prevailing at the end of the accounting period and the gains/losses are recognized in the profit and loss account.

c) The premium or discount arising at the inception of forward exchange contracts is amortized as an expense or an income over the life of the contract.

13. EXPENSES ON ISSUE AND PREMIUM ON REDEMPTION OF SECURITIES

Expenses on issue of shares and debentures and premium on redemption of debentures are charged to Securities Premium Account.

14. TAXES ON INCOME:

a) Current tax is determined as the amount of tax payable in the respective company in respect of estimated taxable income for the year.

b) Deferred tax is recognized, subject to the consideration of prudence as per Accounting Standard-22 (Accounting for taxes on income) on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

c) Investment tax credits are accrued when qualifying expenditures are made and there is reasonable assurance the credits will be realized. Investment tax credits are accounted using the costs reduction method.

II) NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

1. Contingent liabilities: Contingent liabilities not provided for are given in Note II (1) to the standalone financial statements.

2. Intangible Assets:

   In respect of Quickmill Inc.:

   The intangible Assets relate to the proprietary right to the Company's products, manufacturing processes, trade marks, customer contracts and related customer relationships acquired by its subsidiary which are amortized over 15 years. Accordingly, a sum of Rs132.99 Lacs (PY Rs.96.17 Lacs) has been charged to the Consolidated Profit and Loss account.

3. Segment Reporting:

   The group has considered business segments as the primary segments for disclosure.

   Segments have been identified in line with the Accounting Standards on Segment Reporting (AS-17), taking into account the nature of business, products and services, the Company's organization structure as well as the differential risks and returns of these segments. Segments Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments. Those not identifiable to the individual segments are included under unallocated.

   The group has classified its business into four major segments:

a) *Machine Tool Business Group*, which handles manufacturing and marketing (including trading and agency business) of machine tool and components e.g. CNC and GPM machines, machine castings, machine carcasses, cranes etc.

b) *Textile Engineering Group*, which deals in manufacturing and marketing of textile air-engineering range i.e. humidification & temperature control, waste recovery, and auto control systems, besides marketing (including trading and agency business) of textile machinery e.g. circular knitting, spinning, and flat-knitting machines etc.

c) *Air-conditioning and Refrigeration division*, which covers manufacturing, marketing, commissioning and servicing of packaged air-conditioners and chillers etc.

d) *Others*, which covers remaining business i.e., agro-industrial products (e.g. pumps/motors), air and water treatment jobs etc

i) Primary Segments Reporting (Based on Business Segments)

Rs. Lacs

	Machine Tools		Textile Engineering		Air-conditioning & Refrigeration		Others		Un-allocable		Consolidated Total	
	2009-10	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09	**2009-10**	2008-09
Segment Revenue												
Total Segment Revenue	10271.19	12968.75	8242.66	12101.40	937.04	990.99	-	-	-	-	19450.90	26061.14
Add: Other un-allocable Revenue	-	-	-	-	-	-	-	-	208.92	639.63	208.92	639.63
Sub Total	10271.19	12968.75	8242.66	12101.40	937.04	990.99	-	-	208.92	639.63	19659.82	26118.08
(Less): Inter-segment Sales	-	(8.77)	-	-	-	-	-	-	-	-	-	(8.77)
Segment Revenue from external customers	10271.19	12959.99	8242.66	12101.40	937.04	990.99	-	-	208.92	639.63	19659.82	26692.00
Segment Results												
Profit/(Loss) before Interest & Tax	(396.39)	1420.79	(94.23)	159.43	32.79	(113.76)	-	-	-	-	(457.83)	1466.46
(Less): Interest	-	-	-	-					598.84	654.55	598.84	654.55
(Less)/Add: Other un-allocable (exp.) net of un-allocable income	-	-	-	-	-				229.28	75.29	229.28	75.29
Total Profit/(Loss) before Tax	(396.39)	1420.79	(94.23)	159.43	32.79	(113.76)	-	-	(369.56)	(579.29)	(827.39)	887.20
Segment wise Capital Employed												
(Segment Assets Less Segment Liabilities)	5619.62	5119.03	36.92	(68.38)	109.14	5.05	-	(1.65)	1165.42	587.28	6931.10	5641.33
Segment Assets	10255.63	11620.70	4195.84	5431.13	709.82	550.98	-	0.20	7796.71	5121.26	22958.00	22724.27
Segment Liabilities	4636.01	6501.67	4158.92	5499.51	600.68	545.93	-	1.85	6631.29	4533.98	16026.90	17082.94
Capital Expenditure	-	25.00	-	-	-	-	-	-	268.72	256.73	268.72	281.73
Depreciation	410.22	345.51	155.80	177.92	1.90	2.15	-	-	83.01	82.35	650.93	607.93
Non cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-	-	-

ii) Secondary Segment Reporting:

The geographic segments considered for disclosure are as follows:

Rs. Lacs

	2009-10			2008-09		
	Indian Operations	**Foreign Operations**	**Total**	Indian Operations	Foreign Operations	Total
Revenue by Geographic Market	**11233.76**	**8445.01**	**19678.76**	10885.02	15806.98	26692.00
Addition to Fixed Assets and Intangible Assets	**56.58**	**853.58**	**910.16**	1035.28	974.04	2009.32
Carrying Amount of Segment Assets	**15367.86**	**5942.13**	**21309.99**	14859.42	7871.57	22730.99

4. Related Party Disclosures:

The subsidiaries have reported following transactions with related parties. The full disclosures in this regard are fairly reflected in the statement of related parties transactions annexed to Schedule 17-II (25) to the standalone financial statements of Batliboi Ltd. (parent).

Transactions & Outstanding Balances:

Rs. Lacs

	Entities		**Key Management Personnel & their Relatives**	
	2009-10	2008-09	**2009-10**	2008-09
I) Transactions				
a) Purchase of goods/materials/services/fixed assets/ investments	**147.00**	134.32	-	-
b) Sale of goods/materials/services/fixed assets/ investments/recovery of expenses	**480.55**	300.54	-	543.50
c) Rent/License fee received	**1.79**	1.43	-	-
d) Loans & Advances in cash or kind received /(refunded) (Net)	**-**	3.36	-	-
e) Loans & Advances in cash or kind given/ (Net)	**-**	264.01	-	-
f) Trade Advances -Given	**15.00**	-	**-**	**-**
g) Balances written off/(written-back)	**-**	235.87	-	-
h) Gross Salary/Remuneration	**-**	-	**139.74**	120.88
II) Outstanding Balances as at 31.03.10, i.r.o:				
a) Loans and advances received	**-**	10.00	**-**	-
b) Trade Advances -Given	**15.00**	**-**	**-**	**-**
c) Trade Advances -Received	**142.64**	**-**	**-**	**-**
d) Other receivable (for goods, services & other items)	**842.41**	876.02	**-**	300.00
e) Other payables (for goods, services & other items)	**100.23**	44.84	**-**	-

5. Taxes on Income:

Keeping in mind the improved performance on a quarter on quarter basis and the higher order inflow in the last quarter and future projections, which in the opinion of the management represents convincing evidence of virtual certainty that sufficient future taxable income will be available to realize the deferred tax assets, the company has recognized Deferred Tax Asset to the extent of Rs. 278.44 Lacs in respect of unabsorbed depreciation/losses under the Income Tax Act.

Deferred Taxes: The major components of deferred tax assets and liabilities are set out below:

		31.03.2010 Rs. Lacs	31.03.2009 Rs. Lacs
i.	**Deferred Tax Assets:**		
	Unabsorbed business loss/unabsorbed depreciation	**278.44**	Nil
	Provision for Doubtful Debts, Advances, Diminution in Value of Investments, and Employee Benefits	**123.72**	278.38
ii.	**Deferred Tax Liabilities:**		
	Depreciation on Fixed Assets	**423.19**	299.41
iii.	**Net Deferred Tax Assets/(Liabilities)**	**(21.03)**	**(21.03)**

6. Basic & Diluted Earnings per Share:

Basic/diluted earnings per share has been calculated by dividing the net profit after taxation for the year as per the consolidated financial statements, which is attributable to equity shareholders, by weighted average number of equity shares outstanding during the year, as under:

Rs. Lacs

	Workings of EPS	2009-10	2008-09
A.	Profit computation for both Basic and Diluted Earning Per Share of Rs.5/- each:	**(784.32)**	554.76
	Net Profit/(Loss) available for Equity Shareholders:		
B.	Weighted average number of Equity shares for computation of Basic & Diluted Earning per Share: Nos.	**28682550**	28682550
C.	Basic & Diluted Weighted Average Earning/(Loss) Per Share: Rs.	**(2.73)**	1.93

7. The Company has investment in Batliboi Environmental Engineering Ltd, (BEEL) of Rs.191.21 Lacs. BEEL has accumulated losses which have significantly eroded their net worth. .

In the opinion of the Management, having regard to the long term interest of the company in the said company, there is no diminution other than temporary, in the value of the Investment.”

8. The figures in respect of the previous financial year have been reclassified and regrouped wherever necessary.

SIGNATURES TO SCHEDULES 1 TO 17

As per our report attached of even date
For V.SANKAR AIYAR & CO.
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319
Mumbai
Dated : 8th May, 2010

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

GAURANG SHAH
Chief Corporate Counsel & Company Secretary

GEORGE VERGHESE
Director

VINEET GOEL
Chief Financial Officer

Mumbai
Dated : 8th May, 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

			Year Ended 31-Mar-10		Year Ended 31-Mar-09	
I.	**CASH FLOW ARISING FROM OPERATING ACTIVITIES:**					
	Net Profit before Tax and Extraordinary items			**(827.40)**		**887.17**
	Add Back :					
	a)	Depreciation	650.93		607.93	
	b)	Interest	598.84		654.55	
	c)	Debit balances written off	179.14		422.29	
	d)	Increase in foreign exchange loss	129.02		(710.25)	
	e)	Prov. for Doubtful Debts/Other Advances	(17.80)		(31.49)	
	f)	Leave Encashment Provision	(28.53)		(5.00)	
	g)	Provision for Gratuity	(59.83)		16.79	
	h)	Minority Interest	14.41	1,466.18	7.84	962.66
	Deduct :					
	a)	Income from Investments (Dividend)	1.66		11.95	
	b)	Surplus on Sale of Assets	2.02		542.20	
	c)	Surplus on Sale of Investments	-		0.19	
	d)	Unclaimed Credit balances appropriated	-		102.70	
	e)	Excess Provisions of earlier year written back	-		101.09	
				3.68		758.13
Operating Profit Before Working Capital Changes				**635.11**		**1,091.69**
	Deduct :					
	a)	Decrease in Trade and other Payables	1,136.29	1,136.29	620.21	620.21
	Add :					
	a)	Decrease in Inventories	1,311.39		340.64	
	b)	Decrease in Trade Receivables & Advances	398.87	1,710.26	353.93	694.57
				1,209.08		**1,166.05**
	Income Taxes Paid			**150.19**		**485.34**
	Net Cash Inflow / (Outflow) from Operations (A)			**1,058.89**		**680.72**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Rs.Lacs

			Year Ended 31-Mar-10		Year Ended 31-Mar-09
II.	**CASH FLOW ARISING FROM INVESTING ACTIVITIES:**				
	Inflow :				
	a) Sale of Fixed Assets	2.02		242.20	
	b) Income from investments (Dividend)	1.66		11.95	
	c) Sale of Mutual Fund units (Liquid Fund)	385.66		-	
	d) Sale/Redemption of other Investments	-	389.34	0.19	254.34
	Deduct :				
	Outflow :				
	a) Acquisition of Fixed Assets(net)	891.48		1,100.38	
	b) Increase in Investment	-		443.05	
			891.48		1,543.43
	Net Cash Inflow / (Outflow) in course of Investing Activities (B)		**(502.15)**		**(1,289.09)**
III.	**CASH FLOW ARISING FROM FINANCING ACTIVITIES:**				
	Inflow :				
	a) Increase in Term Loan	75.35		1,007.20	
	b) Increase in unsec loan	-		136.12	
	c) Increase in Working Capital Borrowings	257.73	333.08	454.93	1,598.25
	Deduct :				
	Outflow :				
	(a) Foreign Exchange Loss	129.02		-	
	(b) Net decrease in other Unsecured Loans	154.66		-	
	(c) Dividend/Dividend tax paid			315.93	
	(d) Net interest Paid	590.09	873.77	654.55	970.48
	Net Cash Inflow/(Outflow) in course of Financing Activities (C)		**(540.69)**		**627.77**
	Net Increase/(Decrease) in cash/Cash Equivalents (A+B+C)		**16.05**		**19.36**
	Add - Balance at the begining of the year		470.17		454.89
	Cash/Cash Equivalents at the close of the year		**486.22**		**474.26**
	Net Increase/(Decrease) in Cash/Cash Equivalents		**16.05**		**19.36**

As per our report attached of even date
For V.SANKAR AIYAR & CO.
Chartered Accountants

(S. Venkatraman)
Partner
Membership No. 034319
Mumbai
Dated : 8th May, 2010

For and On Behalf of the Board of Directors

NIRMAL BHOGILAL
Chairman & Managing Director

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Chief Corporate Counsel & Company Secretary

GEORGE VERGHESE
Director

VINEET GOEL
Chief Financial Officer

Mumbai
Dated : 8th May, 2010

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies for the year ending on 31st March, 2010

Rs. in Lakhs

Sr. No.	Name of the Subsidairy Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiaries	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1	Queen Project (Mauritius) Ltd.	MUR	1.49	2,215.11	(31.81)	2,329.33	2,329.33	-	-	(28.29)	-	(28.29)	-	Mauritius
2	Vanderma Holdings Ltd.	CAD	44.15	2.30	2,355.18	2,597.30	2,597.30	-	-	(6.78)	0.02	(6.80)	-	Cyprus
3	Pilatus View Holdings AG	CHF	42.53	1,536.01	39.29	1,604.54	1,604.54	-	-	0.18	0.22	(0.04)	-	Switzerland
4	Quickmill Inc.	CAD	44.15	1,360.82	1,581.57	5,526.16	5,526.16	-	4,922.23	(132.25)	(60.19)	(72.06)	-	Canada
5	Aesa Air Engineering S. A.	EUR	60.56	354.29	(564.44)	2,554.79	2,554.79	236.57	2,800.09	(108.83)	-	(108.83)	-	France
6	Aesa Air Engineering S.P.A.	EUR	60.56	60.56	111.49	360.42	360.42	-	2.55	(52.67)	-	(52.67)	-	Italy
7	Aesa Air Engineering Pte Limited	SGD	32.11	32.11	150.58	185.25	185.25	-	-	18.12	(0.32)	18.44	121.46	Singapore
8	Aesa Air Engineering Limited.	HKD	5.79	0.58	10.14	49.42	49.42	-	222.10	0.79	0.13	0.66	-	Hongkong
9	Aesa Air Engineering Limited.	RMB	6.58	70.12	(181.30)	332.09	332.09	-	827.58	(135.27)	8.31	(143.57)	-	China
10	Aesa Air Engineering Private Limited	INR	1.00	20.00	23.39	666.52	666.52	0.60	1,306.53	30.19	(2.92)	33.11	-	India
11	760 Rye Street Inc.	CAD	44.15	0.00	6.74	625.70	625.70	-	-	10.23	3.49	6.74	-	Canada

BATLIBOI LTD.

Registered Office : Bharat House, 5th Floor,
104, B. S. Marg, Fort, Mumbai - 400 001.

ADMISSION SLIP

(To be handed over at the entrance of the Meeting Hall)

. . . . Member Folio Number / Client ID	. . . . D.P. ID No.	. . . . Number of Shares Held

Name of the Member (in Block Letters)	Name of the Proxy Holder (in Block Letters)

I hereby record my presence at the 66th Annual General Meeting at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12 K Dubash Marg, Fort, Mumbai 400 001 on Thursday, the 29th day of July, 2010 at 2.30 P.M.

. . . .
Signature of Member / Proxy

BATLIBOI LTD.

Registered Office : Bharat House, 5th Floor,
104, B. S. Marg, Fort, Mumbai - 400 001.

PROXY

I/We ....

of .... in the district of .... being Member/

Members of the abovenamed company hereby appoint Mr. ....

....

of .... in the district of ....

or failing him, Mr. ....

of .... in the district of ....

as my/our proxy to vote for me/us and on my/our behalf at the 66th Annual General Meeting at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12 K Dubash Marg, Fort, Mumbai 400 001 on Thursday, the 29th day of July, 2010 at 2.30 P.M. and at any adjournment thereof.

Signed this .... day of .... 2010.

One Rupee
Revenue
Stamp

Folio No./Client ID.. Signature ....

Note : Proxy must reach the Company's Registered Office not less than 48 hours before the meeting.