

MD		BKC	✓
CS		OPY	✓
RO		DIV	✓
TRA		AC	✓
AGM	✓	SHI	✓
YE	✓		✓

36 th ANNUAL REPORT 1996-97

BANCO

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For BANCO PRODUCTS (INDIA) LTD.

Authorized Signatories

BANCO PRODUCTS (INDIA) LIMITED

Registered Office :

Bil, Near Bhaili Rly. Station, Padra Road, Dist. Baroda, India.

BANCO PRODUCTS (INDIA) LIMITED

36TH

ANNUAL REPORT

1996-97

Board of Directors : Mr. V. K. Patel Chairman
Mr. S. K. Patel
Mr. M. K. Patel
Mr. B. B. Patel
Mr. A. G. Shroff

Bankers Bank of Baroda
State Bank of Saurashtra

State Bank of India

Auditors : M / S. Shah & Company, Mumbai.

Registered Office : Bil, Near Bhaili Rly. Station,
Padra Road, Dist. Baroda - 391 410
Gujarat, India.

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NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of Banco Products (India) Ltd. will be held on Monday, the 22nd September, 1997 at 10:30 a.m. at the Registered Office of the Company at Bil, Near Bhaili Rly. Station, Padra Road, Dist. Baroda., to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 1997 and Balance Sheet as of that date and the reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri S. K. Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A.G. Shroff who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution.
"RESOLVED THAT in supersession of the resolutions passed earlier, pursuant to Section 370 and other applicable provisions of the Companies Act, 1956, the consent of the shareholders, be and is hereby given to the Board of Directors of the Company to make loans, to provide guarantee or any security in connection with the loan or loans made by any other persons to or any other persons by, any body corporate, whether they are under the same management or not, from time to time and on such terms and conditions as the Board of Directors may deem fit, provided that the aggregate value of all the loans granted and/or guarantees given or securities provided as foresaid, shall not exceed Rupees Five Crores at any time."
"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deed, matters and things as in its absolute discretion it may consider necessary, expedient or desirable and to negotiate and finalise the terms and conditions thereof in the best interest of the Company."

By order of the Board,

Place: Bil
Date : 7.8.1997

V K PATEL
CHAIRMAN

BANCO PRODUCTS (INDIA) LIMITED**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES SHOULD BE LODGED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business contained in the notice, is enclosed herewith.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 15.9.97 to Saturday, 20.9.97 (Both days inclusive). Dividend if approved by shareholders, will be paid to those shareholders whose names appear on the Register of Members on 20-9-1997
4. Shareholders are requested to :
 - a. bring their copy of the Annual Report at the meeting.
 - b. send all correspondence relating to Company's equity shares, quoting Folio No, to the Company at Registered Office only.
 - c. encash their dividend warrants as the dividend amounts remaining unpaid at the expiry of three years are to be transferred by the Company to General Revenue Account of the Central Government in terms of Section 205 of the Companies Act, 1956.
5. MEMBERS DESIROUS OF OBTAINING INFORMATION OF WITH RESPECT TO ACCOUNTS OF THE COMPANY ARE REQUESTED TO SEND QUERREIS IN WRITING TO THE COMPANY AT IT'S REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

A N N E X U R E**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

Pursuant to Section 370 of the Companies Act, 1956, consent of the Shareholders is required by way of Special Resolution, for making loans, providing guarantees or any security in connection with the loan or loans given by any other persons to or any other persons, by, whether they are under same management or not, within or exceeding specified ceiling.

During the course of business, the Company is required, from time to time to give loans and/or provide security and guarantee to the bodies corporate and others, whether under same management or not. It is therefore proposed to authorise the Board for the same, to the extent, not exceeding Rs. Five Crores at any time.

The Board recommends the resolution for adoption.

None of Directors is any way concerned or interested in the said resolution.

By order of the Board,

Place : Bil
Date : 7.8.1997

V.K PATEL
CHAIRMAN



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 36th Annual Report together with the audited statement of Annual Accounts for the year ended 31st March, 1997.

1. FINANCIAL RESULTS:

	Year ended 31.03.97 (Rs. in Lacs)	Year ended 31.03.96 (Rs. in Lacs)
Total Turnover	7097.19	6109.45
Operating Profit before Taxation	967.64	552.22
Less:		
Provision for Taxation	289.00	103.05
Profit after tax	678.64	449.17
Add: Prior Years Adjustments	8.27	-
Add: Transfer from Investment Allowance Reserve	-	7.21
Profit available for Appropriations	742.22	566.16
APPROPRIATIONS:		
Transfer to General Reserve	600.00	450.00
Proposed Dividend	67.61	60.84
Provision for Tax on Proposed Dividend	6.76	-
Balance carried to Balance Sheet	67.85	55.32
	742.22	566.16

2. DIVIDEND:

The Directors are pleased to recommend a dividend of Rs. 2.00 (@ 20 %) per Equity share which will absorb Rs. 74.35 lacs, including Tax on Dividend payable by the Company.

3. OPERATIONS:

During the year under review, the Company has registered an overall improvement in sales and profit. Turnover of the Company increased by 16% whereas the Operating Profit increased by 51 % and Net Profit by 31% as compared to previous year.

By better inventory management and cost controls, the operational results were improved compared to the previous years. Due to adverse conditions in export markets, export sales were down but domestic sales increase compensated for this.

During the current year, performance of the Company has been quite encouraging as the Company could achieve the growth of 19% in the first quarter compared to corresponding quarter of previous year. Considering the trends, the Board is confident to present better results this year, too.

The Company's quality system has been certified as confirming to ISO 9002 by RWTUV of Germany. This is a recognition of our long term commitment to improvement in Quality system of our products. In recognition of this achievement, State Bank of India has also presented an

BANCO PRODUCTS (INDIA) LIMITED

AWARD to the Company under its PROJECT UPTech QUALITY SUPPORT SCHEME.

4 DIRECTORS:

Shri K K Patel resigned as a Director of the Company due to health and personal reasons, effective from 26.11.96. The Board of Directors place on record its sincere appreciations of the valuable contribution and guidance received from him during his long tenure as Director of the Company.

Shri S.K. Patel and Shri A.G. Shroff, the Directors, retire by rotation and being eligible, offer themselves for reappointment.

5 PARTICULARS OF EMPLOYEES:

Particulars of employees as required to be furnished under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rule, 1975 is furnished at Annexure - A.

6. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

The particulars in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure - B.

7. AUDITORS:

M/s. Shah & Co., Chartered Accountants, Mumbai, Auditors of the Company retire at the conclusion of ensuing Annual General Meeting. The retiring Auditors being eligible, have expressed their willingness for reappointment.

You are requested to appoint the Auditors and fix their remuneration.

8 PUBLIC DEPOSITS:

As on 31st March, 1997, deposits amounting to Rs. 4,79,000 which were due for repayment, remained unclaimed. Out of these, deposits aggregating Rs. 84,500 have since been refunded/renewed.

9 INSURANCE:

All the properties and insurable interests of the Company including building, plant and machinery and stocks, have been adequately insured.

10 INDUSTRIAL RELATIONS:

Overall industrial relation continued to be cordial. The Directors place on record their appreciations for the continued support and co-operation of all the employees.

11 ACKNOWLEDGEMENT

The Board place on record its deep appreciation for the continued support received from Banks, Financial Institutions, Depositors staff members and workmen for furthering Company's Interest.

By order of the Board,

PLACE: BIL,
DATE: 7.8.1997

V K PATEL
CHAIRMAN



ANNEXURE - A

STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES PARTICULARS OF EMPLOYEES RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR 1996-97

SR. NO	NAME OF THE EMPLOYEE	AGE YEARS (YEAR)	DESIGNATION OF EMPLOYMENT	REMUNERATION IN RS.	QUALIFICATIONS	TOTAL EXPERIENCE YEARS.	DATE OF COMMENCEMENT	LAST EMPLOYMENT
1	P.S RAJGOPALAN	55	Executive Director	4,14,600	Diploma in Commerce	37	03.09.92	Sundram Fastners Ltd.
2	J. M. CHOUDHARY	57	Executive Director	4,89,050	B.E. (Elect)	32	02.01.96	Asea Brown Boveries Ltd.

Notes :

- 1) Remuneration includes Salary, HRA, Bonus, Contribution to P.F. Monetary Value of Perquisites.
- 2) The nature of Employment, in all cases is contractual. Other terms and conditions are as per rules of the Company.

ANNEXURE - B

INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997.

A. CONSERVATION OF ENERGY:

During the year we have installed 400 Nos. PL Lamps in place of conventional lamp which has resulted into energy saving of approximately 48000 unit per year. Further energy conservation measures have been taken in compressed air supply system in the factory by replacing reciprocating compressor to screw type compressor which has also resulted into energy saving.

We are continuing our efforts in the areas of energy conservation wherever scopes are available.

BANCO PRODUCTS (INDIA) LIMITED**B. TECHNOLOGY ABSORPTION:****RESEARCH AND DEVELOPMENT AND BENEFITS:****1. Specific area in which R & D activities are carried out.**

- a. During the year Company has developed new Gaskets by using non asbestos technology and regular production and supply has been stated to OEM Customers.
- b. Based on the world renowned Japanese technology, Company has developed graphite based cylinder head gaskets and regularly supplied to a leading OEM Customer.
- c. We have introduced a new radiator fin design specially for off road heavy duty application which will lead to grater penetration for OEM business.
- d. We have installed state of art equipment in CAD design centres for various applications in departments like Design & Development, Toolroom etc. for enhancing design and manufacturing accuracies in toolings for production of components in 3D and subsequent simplification in shapes counter matching and manufacturing.
- e. Company has set up advanced rubber injection moulding facilities alongwith full fledged R&D laboratory to cater to growing business of injection moulded rubber products.

2. Benefit which will derive as a result of the above R&D:

The Company expects to further penetrate into OEM business with the introduction of newer technology and will be also able to cater to the export market.

3. Future Plans:

The Company has continued its efforts in improving the toolings for its products, due to encouraged results derived in last year.

4 Expenditure on R & D	1996-97 (Rs.)	1995-96 (Rs.)
1. Capital		
2. Recurring	1297639	1098342
3. Total	1297639	1098342
4. Percentage of R&D Expenditure to Total Turnover.	0.18%	0.18%

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

- (i) The Company has installed the equipments with latest technologies for die manufacturing. By using this technology Company could manufacture the dies with very accurate dimensions, restricting the scrap generation and curtaining the process time.
- (ii) Benefits derived as a result of the above are product quality improvement, cost reduction, product development, import substitute etc.

D. FOREIGN EXCHANGE EARNING AND OUTGO:

	Rs. in lacs	
	1996-97	1995-96
a. Earned by way of exports	822.93	913.19
b. Used by way of imports/expenses	1073.39	938.27

AUDITORS' REPORT

To the shareholders of

BANCO PRODUCTS (INDIA) LTD

Bil. Dist. VADODARA.

We have audited the attached Balance Sheet of BANCO PRODUCTS (INDIA) LIMITED. as at 31st March, 1997 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in term of Section 227(4A) of the companies Act, 1956, and on the basis of such checks as we considered appropriate, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments, in the Annexure referred to in Paragraph 1 above, we state that

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) 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 the books.
- (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
- (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No. 2(e) and 10 in respect of non provision of Excise claim of Rs. 1,07,72,788/- note no. 7 regarding non provisions of Rs. 5,76,369/- being sundry debtors and advances considered doubtful of recovery and read together with the other notes in schedule 21, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. in the case of the Balance sheet of the state of affairs of the Company as at 31st ,March,1997.
 - ii. in the case of the Profit and Loss Account of the "PROFIT" of the Company for the year ended on that date.

FOR SHAH & COMPANY.
 CHARTERED ACCOUNTANTS
 (INDULAL H. SHAH)
 PARTNER

PLACE: MUMBAI

DATE : 9.8.1997

ANNEXURE:

Referred to in Paragraph 1 of our report of even date.

1. The Company has maintained proper records of Fixed Assets except for Furniture, Fixtures, & Office Equipments (except items wise depreciation) including quantitative details and situation of Fixed Assets. We are informed that the Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, store, spare parts and raw materials have been physically verified by the management at the end of the year except stock lying with third parties in respect of which confirmations have been obtained in the majority of the cases by the Company.
4. In our opinion and on the basis of the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material.
6. In our opinion, the valuation of stocks is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the Register maintained under Section 301 of the companies Act, 1956.