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BANCO PRODUCTS (INDIA) LIMITED

For Banco Products (India) Ltd.

A handwritten signature in black ink, appearing to be "S. K. Singh", written over the text "For Banco Products (India) Ltd.".

**~~40th~~ ANNUAL REPORT
2000-2001**

BANCO PRODUCTS (INDIA) LIMITED



**40 th
ANNUAL REPORT
2000-2001**

Board of Directors	:	V.K. Patel A.G. Shroff S.K. Patel B.B. Patel M.K. Patel P.M. Kadakia R.R. Biswas	Chairman Executive Director
Bankers	:	Bank of Baroda State Bank of India HDFC Bank	
Auditors	:	Shah & Company, Chartered Accountants, Mumbai.	
Registered Office	:	Bil, Near Bhaili Rly. Station, Padra Road, Dist. Baroda - 391 410. (Gujarat) India.	

BANCO PRODUCTS (INDIA) LIMITED**NOTICE**

Notice is hereby given that the Fourtieth Annual General Meeting of Banco Products (India) Ltd. will be held on Monday, the 30th July, 2001 at 10:30 a.m. at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda - 391 410, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2001 and Balance Sheet as of that date together with the reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri M.K. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri B.B. Patel who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.
 " RESOLVED THAT Shri Ravindra Rakhal Biswas who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company. "
7. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.
 " RESOLVED THAT Shri Pankaj Manilal Kadakia who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual general Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation under the Articles of Association of the Company. "

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8. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.

" RESOLVED THAT pursuant to the provisions of Sections 198,269,309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the said Act, as amended up-to-date, Consent be and is hereby accorded to the appointment of and the remuneration and perquisites being paid or provided to Shri Ravindra Rakhal Biswas as the Executive Director of the Company, for a period of three year from 1-9-2000 to 31-8-2002 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Ravindra Rakhal Biswas and which is hereby specifically approved."

" RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the said remuneration and perquisites including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Shri Ravindra Rakhal Biswas shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modifications (s) or statutory re-enactment (s) thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Shri Ravindra Rakhal Biswas, be suitably modified to give effect to such variations or increase as the case may be. "

" RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Shri Ravindra Rakhal Biswas, the Executive Director, the remuneration and perquisites set out in the aforesaid Agreement be paid or granted to Shri Ravindra Rakhal Biswas as minimum remuneration, provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII and as may be amended from time to time or any equivalent statutory re-enactment (s) thereof for the time being in force. "

Date : 5-6-2001

Place : Bil

By Order of the Board,

V K Patel
Chairman

CERTIFIED TRUE COPY

For Banco Products (India) Ltd.


Author's Signatory

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. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the business under Item No. 6 to 8, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 16th July, 2001 to Monday, 30th July, 2001. (Both days inclusive)
4. All documents referred to in the accompanying Notice and Explanatory Statement including Articles of Association of the Company are open for inspection at its Registered Office during the office hours on all working days except Sundays and Holidays, between 11-00 a.m. and 3-00 p.m., upto the date of the Annual General Meeting.
5. The identities/signatures of Members holding shares in electronic form are liable for verification with the specimen signatures as may be furnished by NSDL and CDSL to the Company. Such Members are advised to bring the identity cards issued by their Depository Participants.
6. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, as amended with effect from 31st October, 1998, dividends for the financial year ended 31st March, 1995, and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same under sub-section (1) of the said Section, will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the said Act. According to the provisions of the said Act, as amended, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.
7. Shareholders are requested to :
 - a. bring their copy of the Annual Report at the meeting.
 - b. send all communications relating to their shareholding, quoting Folio No, at Registered Office only.
8. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY ARE REQUESTED TO SEND THEIR QUERRIES IN WRITING TO THE COMPANY AT ITS REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

BANCO PRODUCTS (INDIA) LIMITED**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item Nos. 6 & 7**

The Board of Directors of the Company have appointed Shri Ravindra Rakhal Biswas and Shri Pankaj Manilal Kadakia as Additional Directors of the Company, with effect from 1-9-2000 and 12-5-2001 respectively, pursuant to Article No. 91 of Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, they hold offices of Additional Directors upto the date of the ensuing Annual General Meeting of the Company. The Company has received notices in writing with the requisite deposits from members under Section 257 of the Companies Act, 1956 signifying their intentions to propose Shri Ravindra Rakhal Biswas and Shri Pankaj Manilal Kadakia for appointment as Directors of the Company. Consent in writing have been received from them to act as Directors of the Company, if appointed.

Shri Ravindra Rakhal Biswas is B.E (Mech), M.B.A. with over all 22 years of wide and varied business experiences, lastly as an Executive (Technical) for about one and a half years as an Incharge of Technical areas and Management of the Company.

Shri Pankaj M Kadakia is B.Sc. (Hons.), B.Sc. (Chemical Engineering) and M.S. (Poly Materials) U.S.A. and possesses rich business experiences for more than 25 years and is a Director on many Public limited Companies of repute.

The Board considers that their knowledge and expertise with wide and varied business experiences, would immensely benefit the Company on their appointment as Directors of the Company.

The Board recommends the resolutions for adoption.

Item No. 8

The Board of Directors has, at its meeting held on 29th July,2000 appointed Shri Ravindra Rakhal Biswas as an Executive Director for a period of 3 years with effect from 1st September,2000. The agreement entered into by the Company with Shri Ravindra Rakhal Biswas in respect of his appointment, inter alia, states the following ;

1. Remuneration :

- a. **Salary** - Rs. 56,000/- per month in the grade of 56000 - 4000 - 68000.
- b. **Perquisites :**

The Executive Director will also be entitled to the perquisites mentioned below :

Category - A :

- i. **Housing** : House Rent Allowance of Rs. 14,000/- per month.
- ii. **Medical Reimbursement** : Rs. 28,000/- per year OR Rs. 84,000/- over a period of three years.
- iii. **Leave Travel Concession** : For self and family once in a year, subject to a ceiling limit of Rs. 54,000/-.
- iv. **Education Allowance** : Rs. 1500/- per month for maximum of two Children.

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- v. **Personal Accident Insurance** : The total annual premium payable by the Company shall not exceed Rs. 4000/-.
- vi. **Bonus** : As per the provisions of Payment of Bonus Act.

Category - B :

- i. **Car** : Free use of Company's car with Driverness. For use of Company's car for personal purpose, he shall be billed by the Company.
- ii. **Telephone** : Free telephone connection at his residence.

Category - C :

- i. **Leave** : Leave with full pay and allowances as per the Leave Rules of the Company as applicable to Senior Management Staff.
- ii. **Reimbursement** for all out of pocket expenses incurred by him in the course of Company's business including traveling and entertainment expenses.

Category - D :

- i. **Contribution** to Provident Fund, Superannuation Fund, or Annuity Fund Scheme, as per the existing rules of the Company.
- ii. **Gratuity** payable at a rate not exceeding 15 days salary for each completed year of service.
- iii. **Encashment** of unavailed leave at the end of the tenure.

The appointment of Shri Ravindra Rakhil Biswas as an Executive Director, does not require the approval of the Central Government under Section 269 of the Companies Act, 1956, since the appointment and the remuneration payable to him, are in accordance with the conditions specified in Schedule XIII to the said Act.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

The Agreement will be open for inspection to the members at the Registered Office of the Company during 11-00 a.m. to 3-00 p.m. on any working day except Sundays and Holidays.

Except Shri Ravindra Rakhil Biswas, none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

Date : 5-6-2001

Place : Bil

CERTIFIED TRUE COPY
For Banco Products (India) Ltd.

Author's Signatory

By Order of the Board,

V K Patel
Chairman

BANCO PRODUCTS (INDIA) LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors have pleasure in presenting the 40th Annual Report together with the audited statement of accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS :

(Rs. in Lacs)

	Year ended 31.03.2001	Year ended 31.03.2000
Total Turnover	9325.33	9849.01
Profit before Taxation	885.95	1675.46
Less :		
Provision for taxation	282.00	522.50
Profit after Tax	603.95	1152.96
Add : Prior years adjustments	—	21.49
Less : Short Provision of Taxes of earlier years, written off.	(20.94)	(130.18)
Add : Balance brought forward from previous year	155.20	143.50
Profit available for appropriation	738.21	1187.77
APPROPRIATIONS :		
Transfer to General Reserve	235.00	800.00
Interim Dividend.	—	135.22
Tax on Interim Dividend.	—	14.87
Proposed Final Dividend	202.83	67.61
Provision for Tax on proposed Final Dividend	20.69	14.87
Balance carried to Balance Sheet	279.69	155.20
	738.21	1187.77

BANCO PRODUCTS (INDIA) LIMITED**2. DIVIDEND :**

The Directors are pleased to recommend payment of dividend @ 30% (Rs.3/-per Share) for the year 2000-2001 to the shareholders holding shares of the Company on 30th July, 2001. The dividend, if approved by the Shareholders at the ensuing Annual General Meeting, will absorb Rs. 223.52 lacs including Tax on Dividend.

3. OPERATIONS :

During the year under review, although the Company witnessed a decline in turnover by about 5% from Rs. 9879 Lacs to Rs. 9325 Lacs, the fall in the net profit was 47% (from Rs. 1153 Lacs to Rs. 604 Lacs) mainly on account of price reductions made to counter competition coupled with increasing input costs.

The Directors have pleasure to report that during the year under review, exports have increased from Rs. 1161.58 Lacs to Rs. 1304.90 Lacs on FOB basis and the Company has been a Net Foreign Exchange Earner for the value of Rs. 143.32 Lacs.

Recessionary conditions in the Automobile Sector continues during the current year and therefore the Company has been undertaking vigorous cost cutting measures. Simultaneously, the Company has been continuously developing new products to meet customer demand. The Directors are pleased to report that the Company is getting a better response in export markets due continuing efforts made in product quality, process improvement and product innovation. With these measures, your Directors are hopeful of improving the performance or at least maintaining the present performance during the current year.

4. DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state :-

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.

5. DIRECTORS :

During the year, the Board of Directors have appointed Shri Ravindra R Biswas and Shri Pankaj M Kadakia as additional Directors on the Board and in terms of Section 260 of the Companies Act, 1956 and they hold offices of Directors upto the date of ensuing Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956 proposing their appointment as Directors with due deposits.

Shri Ravindra R Biswas has also been appointed as an Executive Director for a period of 3 years effective from 1-9-2000 on terms and conditions mentioned in the Agreement dated 1-9-2000, subject to the approval of the Shareholders.

The Board hopes that their considerable experiences and business accumen would be of great value to your Company.

BANCO PRODUCTS (INDIA) LIMITED

Shri M.K. Patel and Shri B.B. Patel, the Directors, retire by rotation and being eligible, offer themselves for reappointment.

6. **AUDIT COMMITTEE :**

In compliance of Section 292A of the Companies Act, 1956 an Audit Committee has been constituted, comprising of Shri Pankaj M Kadakia, Shri Atul G Shroff, Shri Bhanubhai B Patel and Shri Vimal K Patel as Directors to perform inter alia various functions as required to be performed in terms of the said provisions.

7. **PARTICULARS OF EMPLOYEES :**

Particulars of Employees required to be furnished under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules 1975, are not furnished as no employee is covered therein.

8. **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 is given in the Annexure - A.

9. **AUDITORS :**

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

10. **PUBLIC DEPOSITS :**

The Company has accepted deposits from public and has complied with the provisions of the Section 58-A of the Companies Act, 1956 and Rules made thereunder. As on 31st March, 2000, deposits amounting to Rs. 4,90,600 which were due for repayment, remained unclaimed. Out of which, deposits aggregating Rs. 1,24,000 have since been refunded/renewed.

11. **INSURANCE :**

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

12. **INDUSTRIAL RELATIONS :**

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

13. **ACKNOWLEDGEMENT :**

The Board place on record its deep appreciation for the co-operation and continued support received by the Company from Share holders, Banks, Depositors and Employees during the year.

Date : 5-6-2001

Place : Bil

CERTIFIED TRUE COPY
For Banco Products (India) Ltd.

Authorised Signatory

By Order of the Board,

V K Patel
Chairman