

BANCO PRODUCTS (INDIA) LIMITED

42nd Annual Report 2002-03

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BANCO PRODUCTS (INDIA) LIMITED

42nd ANNUAL REPORT 2002-2003

Board of Directors : Mr. V. K. Patel Chairman
 Mr. A. G. Shroff
 Mr. S. K. Patel
 Mr. M. K. Patel
 Mr. P. M. Kadakia
 Mr. Ram Devidayal
 Mr. R. R. Biswas Executive Director

Company Secretary : Mukesh Khanna

Bankers : Bank of Baroda
 State Bank of India
 HDFC Bank Ltd.

Auditors : Shah & Company,
 Chartered Accountants,
 Mumbai.

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

Works : At Bil, Near Bhaili Rly. Station,
 Padra Road, Dist. Baroda - 391 410
 : At Ankhi, Tal. Jambusar, Dist. Bharuch

BANCO PRODUCTS (INDIA) LIMITED**NOTICE**

Notice is hereby given that the 42nd Annual General Meeting of Banco Products (India) Ltd. will be held on Saturday, the 2nd August, 2003 at 10:30 a.m. at its Registered Office 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, 2003 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 Mr. V.K. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. P.M. Kadakia 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 Mr. Ram Devidayal 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 subject to retirement by rotation under the Articles of Association of the Company."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the reappointment of Mr. Ravindra R Biswas as an Executive Director of the Company, for further a period from 1.9.2003 to 31.3.2006 on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Company and Mr. R.R. Biswas a copy whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said reappointment and/or remuneration and/or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or reenactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto, as may be agreed to between the Board and Shri R.R. Biswas."

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

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

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956 [including any statutory modification(s) or reenactments thereof for the time being in force], the Securities Contract (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements and all other applicable rules, regulations and guidelines and subject to the approval(s), consent(s) permission(s) or sanction(s) of the Securities and Exchange Board of India, Stock Exchanges where the shares of the Company are listed and other appropriate authorities, institutions or regulators as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any such authority while granting such approval(s), permission(s) or sanction(s) which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof constituted by the Board) the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from Vadodara Stock Exchange Ltd and The Delhi Stock Exchange Association Ltd."

9. To consider and if thought fit to pass with or without modifications, the following resolutions as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 79(A) of the Articles of Association of the Company be altered by substituting the following Article as Article 79 (A) in place and stead thereof."

- 79(A) Directors may be paid sitting fees for attending meeting of the Board or Committees thereof. The sitting fees payable to Directors for attending a meeting of the Board or Committee thereof shall be such sum as the Board may from time to time decide subject to maximum ceiling limit prescribed by the Central Government and shall be payable to all such Directors as the Board may from time to time determine."

By Order of the Board,

Date : 2.6.2003
Place : Bil

V K Patel
Chairman

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 Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 28th July, 2003 to Saturday the 2nd August, 2003. (Both days inclusive)

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3. 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.
4. 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.
5. 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.
6. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY ARE REQUESTED TO SEND THEIR QUERIES IN WRITING TO THE COMPANY AT ITS REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No.6**

The Board of Directors of the Company has appointed Mr. Ram Devidayal as an Additional Director of the Company, with effect from 27.07.2002. Pursuant to Article No. 91 of Articles of Association of the Company and in terms of Section 260 of the Companies Act, 1956, he holds office of Additional Director upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing with the requisite deposit from member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Ram Devidayal for appointment as Director of the Company. Consent in writing has been received from him, to act as a Director of the Company, if appointed.

Mr. Ram Devidayal is a Post Graduate in Commerce with Business Management as major subject, with over all 33 years of wide and varied business experience. The Board considers that his knowledge and expertise with wide and varied business experiences, would immensely benefit the Company on his appointment as a Director of the Company.

Except Mr. Ram Devidayal, none of the other Directors of the Company are, in any way, concerned or interested in this resolution.

Your Directors recommend the Resolution for approval of the members.

Item No.7.

The Board of Directors has, at its meeting held on 2nd June, 2003, reappointed Mr. Ravindra Rakhal Biswas as an Executive Director for further period from 1.3.2003 to 31.3.2006. The agreement entered into by the Company with Mr. Ravindra Rakhal Biswas in respect of his reappointment, inter alia, provides the following;

Remuneration:

- a. **Salary** : Rs.84,000/- per month in the grade of 84,000 – 4000 – 92,000. Annual increment will be paid effective from 1st April every year or from such date as may be decided by the Board.

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- b. **Perquisites** : In addition to the monthly salary, 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** : Reimbursement of all fares incurred for self and family, once in a year, subject to a ceiling of Rs.54,000/-.
- iv. **Education Allowance** : Reimbursement of Tuition Fees and other expenses, including Hostel Fees for maximum of two Children, subject to a ceiling of Rs. 1500/- per month.
- v. **Bonus** : Payment of Bonus as declared by the Company for every financial year, subject to a ceiling of Rs. 6,000/-.

Category - B :

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

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 of all out of pocket expenses** including travelling and entertainment expenses incurred by him in the course of Company's business.

Category - D :

The Executive Director shall also be eligible to the following perquisites which shall not be included in the computation of the limit of remuneration payable to him.

- i. **Contribution to Provident Fund** as per the existing rules of the Company which is not taxable under the Income Tax Act 1961.
- ii. **Gratuity** payable at a rate not exceeding 15 days' Salary for each completed year of service, as per the provision of the Group Gratuity Scheme Master Policy of L.I.C. of India taken by the Company.
- iii. **Insurance coverage under Group Personal Accident Policy** for him under table II & III of the plan of policy set by Oriental Insurance Company Ltd, the premium for such policy, shall not exceed Rs. 2000/- p.a.
- iv. **Insurance coverage under Group Mediclaim Policy** of Oriental Insurance Company Ltd. for him and his spouse as per the scheme of the Company, the premium for such policy, shall not exceed Rs. 3,000/- p.a.
- v. **Encashment of unavailed leave** at the end of the tenure.

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

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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 on Sunday.

Except Mr. Ravindra Rakhal Biswas , none of the other Directors are in any way concerned or interested in the Resolution.

The Board recommends the resolution for adoption.

Item No. 8

The Securities and Exchange Board of India (SEBI) has issued the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, (hereinafter referred to as the "Delisting Guidelines") incorporating, among other, provisions for delisting of securities of a body corporate voluntarily by a promoter or an acquirer or any other person from the Stock Exchanges.

Presently, the Company's equity shares are listed on the following three Stock Exchanges namely The Stock Exchange, Mumbai, Vadodara Stock Exchange Ltd. (the Regional Stock Exchange) and The Delhi Stock Exchange Association Ltd.

With the extensive networking of the Stock Exchange, Mumbai (BSE) and the extension of the BSE terminals to other cities as well, investors have easy access to online dealings in the Company's equity shares, whereas no transactions has been taking place at Vadodara Stock Exchange and Delhi Stock Exchange Association.

The Company's equity shares are one of the scrips which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors, since 1st April, 2001. It is also observed that the listing fee paid to Stock Exchanges other than BSE is disproportionately high compared to the no trading volumes of the Company's securities on those Exchanges. The Company has proposed this resolution, which will enable it to delist its equity shares at any time in future from all or any of the Stock Exchanges namely Vadodara Stock Exchange Ltd. and The Delhi Stock Exchange Association Ltd.

The Company's equity shares will continue to be listed on the Stock Exchange, Mumbai after the proposed delisting.

None of the Directors of the Company are, in any way, concerned or interested in this resolution.

The Board recommends the Special Resolution for adoption.

Item No. 9.

Article 79(A) of Articles of Association of the Company empowers the Board to pay a sitting fee of Rs. 250/- to the Directors attending Meeting of Board and any committee thereof. To enable to pay to the members attending the Meetings of the Board or any committees thereof within the ceiling prescribed by the Central Government, the Board proposes the Special resolution for alteration of Articles of Association of the Company. The copy of Articles of Association will be kept 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 Sunday.

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None of the Directors of the Company are, in any way, concerned or interested in this resolution.

The Board recommends the Special Resolution for adoption.

By Order of the Board,

Date : 2.6.2003
Place : Bil

V K Patel
Chairman

Annexure to the Notice of Annual General Meeting.

Information pursuant to Clause 49 of the Listing Agreement regarding appointment / reappointment of Directors.

Name of the Director	: V.K.Patel	P.M.Kadakhia	Ram Devidayal
Date of Birth	: 21.3.1953	16.9.1950	08.12.1950
Date of Appointment	: 15.4.1986	30.7.2001	27.07.2002
Specialised Expertise	: General Management	General Management	General Management
Qualifications	: M.Sc (Economics) from London School of Economics.	B.Sc (Chemical Engineering) M.S (Poly Materials) U.S.A	M.Com (Business Management)
Directorships of other Companies as on 31st March,2003	: Banco Aluminium Ltd. Ganga Investments Pvt Ltd. Snooze Products Pvt Ltd. Indus Braze Pvt Ltd. K K Patel Foundation Banco Foundation	Ashok Organic Ind Ltd. Ashok Cellulose Ltd. Ashok Alcohol & Chemicals Ltd. Shyam Alcohol & Chemicals Ltd. Mr. Dinesh Mills Ltd. Kadakhia Alkalies and Chemicals Ltd. Benzo Petro International Ltd. Ashok Pharmaceuticals Pvt Ltd.	Devidayal (Sales) Ltd.
Chairman/Member of other : Committees of Companies as on 31st March,2003	Member of Audit Committee, Shareholders' Grievance Committee & Remuneration Committee of Banco Products (I) Ltd.	Chairman of Audit Committee, Member of Shareholders' Grievance Committee & Remuneration Committee of Banco Products (I) Ltd.	Chairman of Remuneration Committee & Member of Audit Committee of Banco Products (I) Ltd.

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

To
The Members,

Your Directors have pleasure in presenting the 42nd Annual Report together with the audited statements of accounts for the year ended 31st March, 2003. Following figures summarise the operational results.

1. FINANCIAL RESULTS :**(Rs. in Lacs)**

	Year ended 31.3.2003	Year ended 31.3.2002
TOTAL TURNOVER	9435.36	9224.04
PROFIT BEFORE TAXATION	1089.43	1047.99
Less:		
Provision for taxation	304.00	290.00
Deferred Tax Liability	28.85	20.10
PROFIT AFTER TAX	756.58	737.89
Add : Prior years adjustments	—	0.20
Add : Balance brought forward from previous year	297.34	279.69
Profit available for appropriation	1053.92	1017.78
APPROPRIATIONS:		
Transfer to General Reserve	225.00	450.00
Proposed Dividend	405.65	270.44
Provision for Tax on Proposed Dividend	51.97	—
Excess Tax refund for earlier years (Net)	(1.22)	—
Deferred Tax Liability upto 2000-01	8.91	—
Deferred Tax Liability for 2001-02.	19.88	—
Balance Carried to Balance Sheet.	343.73	297.34
	1053.92	1017.78

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

The Directors are pleased to recommend payment of dividend @ 60 % (Rs. 6 /- per Share) for the year 2002-2003 to the Shareholders holding shares of the Company on 2nd August, 2003. The dividend, if approved by the Shareholders at the ensuing Annual General Meeting, will absorb Rs. 457.62 lacs, including tax and surcharge levied on dividend amount.

3. OPERATIONS:

During the year under review, the Company has registered a marginal growth of 2 % in turnover from Rs. 9224 Lacs to Rs. 9435 lacs, whereas registered a modest rise in Profit before tax of 4 % from Rs. 1048 Lacs to Rs. 1089 lacs.

The Directors have pleasure to report that during the year under review, Exports have increased from Rs. 1604 Lacs to Rs. 2083 Lacs on FOB basis and the Company has been a Net Foreign Exchange Earner to the extent of Rs. 903 Lacs as against Rs. 192 Lacs in the previous year.

Automobile sector of the Indian economy is out of recessionary conditions. The Company has been successfully marketing Aluminium Radiators and has stabilised its commercial production during the year under review. It is hoped that in the current year, the Company would be able to sell well in the Indian market. There is increasing scope for marketing of Aluminium Radiators in the Export market. With the continuing efforts on cost and expenditure controls, it is hoped that the Company will continue to perform better in the current year.

4. DIRECTORS' RESPONSIBILITY STATEMENT

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

- 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:

Mr. V.K. Patel and Mr. P.M. Kadakia, the Directors, retire by rotation and being eligible, offer themselves for reappointment.

Mr. Ram Devidayal who was appointed as an Additional Director holds office up to the date of the ensuing Annual General Meeting. The Company has received notice with requisite deposit from a member under Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a Director.

6. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report, as Annexure - A.