

43rd Annual Report 2003 - 04

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BANCO PRODUCTS (INDIA) LIMITED

BANCO PRODUCTS (INDIA) LIMITED**BANCO**

43rd ANNUAL REPORT 2003-2004

Board of Directors : Mr. V. K. Patel Chairman
 Mr. A. G. Shroff
 Mr. S. K. Patel
 Mr. M. K. Patel
 Mr. P. M. Kadakia (Upto 7-6-2004)
 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 Railway Station,
 Padra Road, Dist. Vadodara 391 410.

Works : Bil, Near Bhaili Railway Station,
 Padra Road, Dist. Vadodara 391 410.
 : At Ankhi, Tal. Jambusar,
 Dist. Bharuch.

BANCO PRODUCTS (INDIA) LIMITED**BANCO****NOTICE**

Notice is hereby given that the 43rd Annual General Meeting of Banco Products (India) Ltd. will be held on Saturday, the 7th August, 2004 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, 2004 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 A. G. Shroff 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 pursuant to the provisions of Section 16 and 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and consequently Clause 5 of the Memorandum of Association of the Company, be and is hereby altered by substituting the following clause as Clause 5 in place and stead thereof :

5: The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores) divided in to 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act 1956, following article be inserted as Article 4 of the Articles of Association of the Company.

"4. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000(Two Crores) Equity Shares of Rs. 10/- (Rupees Ten) each."

By Order of the Board

Date : 7.6. 2004
Place : Bil

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 IN ORDER TO BE EFFECTIVE.
2. Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business enumerated at Item Nos. 6 & 7 is attached herewith.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 26th July, 2004 to Saturday, the 7th August, 2004. (Both days inclusive)
4. The identities / signatures of Members holding shares in electronics 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 indentity cards issued by their Depository Participants.
5. 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, 1997 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 transferréd to the Investor Education and Protection Fund of the Central Government established under Section 205 C of the said Act. According to the provisions of the said Act, as emended, 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. Members who have not encashed the dividend warrants or not received dividend for the financial year ended 31st March, 1997 or any subsequent financial years, are requested to make the claim to the company.
6. 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.
7. 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 IT'S REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

ANNEXURE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item Nos. 6 and 7 :**

Considering the size of Company's operations and its future requirements of Capital, it is proposed to increase Authorised Share Capital of the Company from Rs. 10 Crores to Rs.20 Crores in the manner as set out in resolution No.6. and 7 of the Notice. The increased Share Capital will consist of 200,00,000 (Two Crores Shares) of Rs. 10/- each. The alterations in the Memorandum and Articles of Association of the Company are only consequent to the proposed change in the Authorised Share Capital.

Your Directors recommend the resolution for adoption.

BANCO PRODUCTS (INDIA) LIMITED

None of the Directors is concerned or interested in these resolutions.

A copy of Memorandum and Articles of Association of the Company together with the proposed alterations, is available for inspection by the members of the Company at its Registered Office between the hours of 3.00 p.m. and 5.00 p.m. on all working day of the Company.

By Order of the Board

Date : 7.6. 2004
Place : Bil

V K Patel
Chairman

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

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

Name of the Director	M. K. Patel	A. G. Shroff
Date of Birth	26.10.1964	23.12.1947
Date of Appointment	8.2.1990	15.4.1986
Specialised Expertise	General Management	General Management
Qualifications	M.Sc. (Engineering)	Matriculation
Directorships of other Companies as on 31st March, 2004	Banco Aluminium Ltd. Ganga Investments Pvt. Ltd. K. K. Patel Foundation	Transpek Industry Ltd. Transpek Marketing Ltd. Transmetal Ltd. Shri Dinesh Mills Ltd. Punjab Chemical and Pharmaceuticals Ltd. Benzo Petrochemicals Ltd. Excel Industries Ltd. Sayaji Iron and Engineering Company Ltd. Ace Zipper Industrial Co. Ltd. Onix Industries Ltd. Transpek Metadust Ltd. Transchem Agritech Pvt. Ltd. Madison Investments Pvt. Ltd. Godhuli Investments & Finance Pvt. Ltd. Vishwa Investments & Finance Ltd. Maitry Investments Pvt. Ltd. Techtran Engg. Consultants Pvt. Ltd. Unifab Packing Pvt. Ltd.



BANCO PRODUCTS (INDIA) LIMITED

Chairman / Member of
other Committees of
Companies as on 31st March,
2004

Nil

- Chairman of Shareholders's
Grievance Committee,
- Member of Audit Committee &
Remuneration Committee of
Banco Products (India) Ltd.
- Member of Share Transfer
Committee and Committee of
Directors (Bank Operations) of
of Transpek Industry Ltd.
- Member of Share Transfer
Committee, Borrowing and
Investments Committee and
Bank Account Operations
Committees of Transmetal Ltd.
- Chairman of Investors' Grievance
Committee & Member of
Remuneration Committee of
Shree Dinesh Mills Ltd.



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

To
The Members,

Your Directors have pleasure in presenting the 43rd Annual Report together with the audited statements of accounts for the year ended 31st March, 2004.

1. FINANCIAL RESULTS :

(Rs. in Lacs)

	Year ended 31.3.2004	Year ended 31.3.2003
TOTAL TURNOVER & OTHER INCOME	12024.44	9435.36
PROFIT BEFORE TAXATION	1666.50	1089.43
Less :		
Provision for taxation	463.00	304.00
Deferred Tax Liability	26.56	28.85
PROFIT AFTER TAX	1176.94	756.58
Add :		
Balance brought forward from previous year	343.72	297.34
Prior years adjustments	0.08	-
Tax refund for earlier years (net)	-	1.22
Transfer from Export Profit retention Reserve	2.25	-
Deferred Tax Liability decreased upto year 2002-2003.	83.55	-
PROFIT AVAILABLE FOR APPROPRIATION	1606.54	1055.14
APPROPRIATIONS :		
Transfer to General Reserve	125.00	225.00
Proposed Dividend	507.07	405.65
Provision for Tax on Proposed Dividend	64.96	51.97
Deferred Tax Liability for 01-02	-	28.79
Balance Carried to Balance Sheet	909.51	343.73
	1606.54	1055.14

2. DIVIDEND :

The Directors are pleased to recommend payment of dividend @ 75% (Rs.7.50/- per Share) for the year 2003-2004 to the shareholders holding shares of the Company on 7.8.2004. The Dividend, if approved by the Shareholders at the ensuing Annual General Meeting, will absorb Rs. 572.04 Lacs, including tax and surcharge levied on dividend amount.

BANCO PRODUCTS (INDIA) LIMITED**BANCO****3. OPERATIONS :**

During the year under review, the Company has registered good results on attaining turnover of Rs. 120 crores against Rs. 94 crores of previous year, Gross profit before tax of Rs. 16.6 crores against Rs. 10.9 crores of previous year and Net Profit of Rs. 11.8 crores against Rs. 7.6 crores of Previous year with Net Foreign Exchange Earnings of Rs. 10.4 crores.

The Company's new product group viz Aluminium Heat Exchanger has stabilised very well and has won sizable OEM contracts, domestically. Export sales of these products have been excellent and the Company expects this to continue.

The Indian automobile industry has recorded impressive performance especially in motorcycles, cars, commercial vehicles. Our Company hopes to participate in this growth and to register impressive results during the current year.

We are proud to announce that the quality system of our Company has been certified as confirming to TS16949 by UL, USA.

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 the detecting fraud and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.

5. DIRECTORS :

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

Shri P. M. Kadakia resigned as a Director from the Board of Directors of the Company, owing to his other preoccupation. The Board places on records its sincere appreciations for the valuable contributions and guidance received from him, during his tenure as a Director of the Company.

6. AUDIT COMMITTEE :

Audit Committee as constituted in terms of Section 292A of the Companies Act, 1956, with three independent Directors viz Shri P. M. Kadakia, as the Chairman and Shri Atul G. Shroff and Shri Ram Devidayal as Members, performed inter alia the work assigned to it as laid down thereunder, during the year under review.

BANCO PRODUCTS (INDIA) LIMITED**7. CORPORATE GOVERNANCE :**

Pursuant to Clause 49 of the Listing Agreements 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".

8. 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 is not furnished as no employee is covered therein.

9. 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 - B.

10. 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 offer themselves for reappointment.

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

11. PUBLIC DEPOSITS :

As on 31st March, 2004, deposits amounting to Rs. 49,500/- which were due for repayment, remained unclaimed. Out of these, deposits aggregating Rs. 15,000/- have since been refunded / renewed.

12. INSURANCE :

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

13. INDUSTRIAL RELATIONS

Overall industrial relation continued to be cordial. The Directors place on record their appreciation for the continued supports and co-operation received from all the employees.

14. ACKNOWLEDGEMENTS

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

By Order of the Board

Date : 7.6. 2004
Place : Bil

V K Patel
Chairman

BANCO PRODUCTS (INDIA) LIMITED**ANNEXURE - ' A '****Management Discussion & Analysis****Introduction**

Banco Products (India) Limited is in the business of manufacturing Gaskets and Radiators - both of which are considered important components in Automotive and Industrial applications. Backed by over four decades of sound manufacturing experience, the Company is continuously upgrading competencies in design, product development, quality of manufacturing, delivery performance and response time. The Company is highly focussed on the continuous improvement in order to render high degree of customer satisfaction.

Industry Structure and Developments

Indian Auto Industry during the year 2003-2004 registered a growth of above 20% in nos. over that of last year. Downward trend in Cu-brass radiator production is continuing since last six years and as expected the trend will continue with cu-brass radiators being replaced by aluminium radiators in majority of the OEM applications for all range of vehicles in Auto industry. Gasket production has shown a negligible growth over that of last year. Needless to mention that growth in Radiator and Gasket segment will substantially depend on the growth in Auto production as well as speed at which indigenisation is implemented by the vehicle manufacturers across the country. Over all growth in Indian auto industry has definitely given a boost to auto component manufacturing sector.

Our Operations

The focus at our manufacturing facilities continued to be higher productivity, shorter lead time, development of new products, lower unit costs, improving delivery performance, optimising response time, closer analysis of the market and better product reliability. There is a reasonably higher growth of in our export segment. In addition to aluminium radiators the Company has successfully productionised various aluminium heat exchanger products such as oil - coolers, charged air coolers etc.

Technology

The Company's agreement with Japan Metal Gaskets Co., Japan on need base technical know how is in force. In addition to that the Company is getting designed support from Elring Klinger, Germany for non- retorque Cylinder Head Gasket manufacturing.

Internal Control and its Adequacy

The Company has upgraded its certified quality system maintenance from QS-9000 to TS-16949. Software for inter and intra department communication and follow up has been upgraded to latest version. The system of internal control provides reasonable maintenance of proper accounting records and the reliability of financial information used with a view to running business. The Company has clearly defined organisation structure and limits of authority. Sufficient control is exercised through monthly, quarterly and annual business review by the Management Review Committee and application of Corporate Governance. An internal audit system is in place. Normal foreseeable risks to the Company's assets are adequately covered by comprehensive insurance.