

BANCO PRODUCTS (INDIA) LIMITED



**47th ANNUAL REPORT
2007-2008**



VISION
A WORLD CLASS COMPONENT MANUFACTURING
COMPANY BASED IN INDIA WITH GLOBAL ASSOCIATES



CORPORATE MISSION
DEVELOP AND SUPPLY TECHNICALLY SOUND PRODUCTS
AT COMPETITIVE PRICES, INTEGRATING
INNOVATIVE MANUFACTURING
WITH ECO-FRIENDLY TECHNOLOGIES


47th ANNUAL REPORT 2007-2008

Board of Directors	: Vimal K. Patel - Chairman Atul G. Shroff Samir K. Patel Mehul K. Patel Ram Devidayal Sudhir Munjal Pankaj M. Kadakia - (w.e.f. 19.07.2008) Kersi P. Kapadia - Executive Director (w.e.f. 26.10.2007) Shailesh A. Thakker - Executive Director & CFO (w.e.f. 19.07.2008)
Company Secretary	: Dinesh Kavthekar
Bankers	: State Bank of India Bank of Baroda HDFC Bank Ltd. Centurion Bank of Punjab Ltd.
Auditors	: Shah & Company, Chartered Accountants, Mumbai.
Registered Office	: Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda-391 410
Works	: At Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda-391 410 At Ankhi, Tal. Jambusar, Dist. Bharuch. At Zone No. 11, Holding No. 1, Birsanagar, Jamshedpur - 831 004.
Listing	: Bombay Stock Exchange Limited National Stock Exchange of India Limited

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NOTICE

Notice is hereby given that the 47th Annual General Meeting of Banco Products (India) Limited will be held on Tuesday, the 2nd September, 2008 at 10:00 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 businesses.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008 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 Samir K. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Ram Devidayal 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 Kersi P Kapadia who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office up to 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 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 Kersi P Kapadia as the Executive Director of the Company for a period of three year from 26.10.2007 to 25.10.2010 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Kersi P Kapadia and which is hereby specifically approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized 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 authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Shri Kersi P Kapadia 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 reenactment(s) thereof and/or any rules or regulations framed there under and the terms of the aforesaid Agreement between the Company and Shri Kersi P Kapadia 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 Kersi P Kapadia, the Executive Director the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Kersi P Kapadia 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 reenactment(s) thereof for the time being in force."

8. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.
 "RESOLVED THAT Shri Shailesh A. Thakker who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office up to 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."



9. 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 Shailesh A. Thakker as the Executive Director & CFO of the Company, for a period of 3 years from 19.07.2008 to 18.07.2011 on the terms and conditions as set out in the Agreement proposed to be entered into between the Company and Shri Shailesh A. Thakker and which is hereby specifically approved.
- RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized 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 authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Shri Shailesh A.Thakker 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 there under and the terms of the aforesaid Agreement between the Company and Shri Shailesh A.Thakker 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 Shailesh A.Thakker the Executive Director & CFO the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Shailesh A.Thakker 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."
10. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.
- "RESOLVED THAT Shri Pankaj Kadakia who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act,1956 and holds office up to 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."

By Order of the Board,

Vimal K. Patel
Chairman

Date : 19.07.2008
Place : Bil

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 NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.**
 2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business enumerated at Item No.6 to 10 are annexed hereto.
 3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 25th August, 2008 to Tuesday, the 2nd September, 2008 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
- "Dividend on equity shares as recommended by the Directors for the year ended March, 31,2008, when declared at the meeting, will be paid on or before 18.09.2008 :
- i. To those members whose names appear on the Company's Register of Members, after giving effect to all valid share transfers in physical form lodged with the Company and/ or Intime Spectrum Registry Ltd, Registrar and Share Transfer Agent of the Company on or before August, 24,2008.
 - ii. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statement of beneficiary ownership furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the opening hours of August, 25,2008.


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4. 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.
5. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 2001 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.
6. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate to either the Company or Company's Registrar and Transfer Agent, M/s. Intime Spectrum Registry Limited, viz name and address of the branch of the bank, MICR code of the branch, type of account and account number under the signature of the Sole/First joint holder, address to be incorporated on dividend warrants.
- (b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
7. Shareholders are requested to bring their copy of the Annual Report at the meeting. send all communications relating to their shareholding, quoting Folio No./ Client ID & DP ID, at Registered Office only.
8. 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.

By Order of the Board,

Date : 19.07.2008
Place : Bil

Vimal K. Patel
Chairman

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.
Item No. 6 & 7:

The Board of Directors of the Company has appointed Shri Kersi P Kapadia, as an Additional Director of the Company with effect from 26.10.2007, pursuant to Article No. 91 of Articles of Association of the Company. 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 the intention to propose Shri Kersi P Kapadia for appointment as Director of the Company. Consent in writing has been received from him to act as Director of the Company, if appointed.

Shri Kersi P Kapadia is Mechanical Engineer with more than 25 years of experience in the areas of Automobile and Auto Component industry with various companies such as Tata Motors Ltd, Tata Toyo etc.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 26.10.2007 appointed Shri Kersi P Kapadia as an Executive Director for a period of 3 years with effect from 26.10.2007 subject to approval of the Shareholders. The agreement entered into by the Company with Shri Kersi P Kapadia in respect of his appointment, inter alia, states the following;

1. Shri Kersi P. Kapadia is appointed as a Whole Time Director of the Company designated as the "Executive Director" with effect from 26.10.2007.



2. TENURE :

- a. The appointment of Whole Time Director is valid for a period of 3 years from 26.10.2007.
- b. The tenure of the appointment can be further extended from time to time with the mutual consent of the parties.

3. FUNCTIONS, DUTIES AND POWERS :

Subject to the supervision, direction, superintendence and control of the Board of Directors , the Whole Time Director shall perform such functions as duties as may be assigned to him by the Board of Directors from time to time as are necessary for the purpose of conducting the business and affairs of the company on such terms and conditions as may be decided from time to time including the following :

- a) Hours of work shift, weekly holidays, etc shall be regulated by the company to suit the duties entrusted to you and will be subjected to change as per the requirement of the company from time to time.
- b) During the tenure of your employment your services are liable to be transferred in any other Department, Branch, Subsidiary or related Company unit, situated at any place in India as per the requirement of the company and you shall have to work at such place in future. The decision of the Management in regard to your transfer shall be final and binding to you in all respects.
- c) The age of retirement shall be 55 years and on completion thereof the Executive Director shall be deemed to have retired from the services of the company.
- d) After confirmation, employment is subject to termination by 30 days' notice in writing on either side. The company however reserves the right to terminate your services by giving notice pay in lieu of notice. Similarly you may be allowed to leave before the expiry of notice period on payment of notice pay i.e. Basic Pay by either party.
- e) As Executive Director you will devote your full time and attention exclusively to the duties entrusted to you from time to time by the company and while in the services of the company, you will not work for any person or company in any capacity nor do any private business.
- f) As Executive Director you shall not at any time without consent of the company during the term of employment or thereafter disclose, divulge or make public except under legal obligation, any of the processes, inventions, scientific investigations, or results thereof, problems, practices, new techniques, records, suggestions, discussions, transactions or dealings of the company which ought not to be disclosed, divulged or made public whether the same may be confided or become known to you during the course of your service or otherwise nor shall you remove from the premises of the company any property, notes, drawings, or other documents or materials relating to such knowledge and information.
- g) As Executive Director you shall keep the company informed about the change, if any in your Residential Address.
- h) For any matter not covered specifically above, you will abide by the rules and / or customs and practices of the company in force and as modified from time to time.
- i) The Executive Director shall have necessary powers for the efficient management and conduct of the profitable business and affairs of the Company as are vested in him by the Board of Directors from time to time.
- j) The Executive shall perform his duties and exercise his powers within the limits prescribed in the Articles of Association of the Company and as diligently as is necessary in the best interest of the company.

4. REMUNERATION:

- a. Salary - Rs. 1,20,000/- per month in the grade of MM
- b. Perquisites: The Whole Time Director will also be entitled to the perquisites mentioned below :
Category - A :
 - i. Housing : - House Rent Allowance of Rs.30,000/- per month.
 - ii. Medical Reimbursement :- Rs. 2,333/- per month (Quarterly payment).
 - iii. Leave Travel Concession :- For self and family Rs.4500/- per month (yearly payment).
 - iv. Education Allowance : - Rs.1500/- per month.
 - v. Personal Accident Insurance-The total annual premium payable by the Company shall not exceed Rs.3500/-.


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Category - B: Other allowances :

- | | |
|----------------------------------|-----------------------|
| i. Driver's Allowance | Rs. 3000/- per month. |
| ii. Telephone Allowance : | Rs. 3500/- per month. |
| iii. Entertainment Allowance : | Rs. 1500/- per month. |
| iv. Adhoc Allowance : | Rs. 67300/- per month |
| v. Magazine & Journal Allowance: | Rs. 1467/- per month. |

Category - C:

Leave, Bonus , Provident Fund, Gratuity etc. as per the rules and Regulations of the Company as applicable from time to time.

5. The terms and conditions of the said appointment and/or agreement and payment may be altered or varied from time to time by the Board as it may, in its discretion, deem fit, within limits of the maximum amount payable to Whole Time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments reenactments made hereafter in this regard.
6. The Whole Time Director shall as long as he continues to be a Whole Time Director of the Company, shall not be liable to retire by rotation and shall not be reckoned as Director for the purpose of determining the number of directors liable to retire by rotation.
7. If at any time the Whole Time Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Whole Time Director.

The total remuneration, including the minimum remuneration, in the event of loss or inadequacy of profits of the Company, in any year, payable to Shri Kersi P Kapadia will be as per the provisions of Sections 198 , 269 , 309 read with Schedule XIII and other applicable the provisions, if any, of the Companies Act, 1956.

An abstract of the terms of remuneration as per Section 302 of the Companies Act, 1956 was sent to the members in October, 2007.

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 Sunday.

Except Shri Kersi P Kapadia, none of the other Directors is in any way concerned or interested in the proposed resolution.

The Board recommends the resolutions for adoption.

Item No. 8 & 9:

The Board of Directors of the Company has appointed Shri Shailesh A. Thakker , as an Additional Director of the Company, with effect from 19.07.2008, pursuant to Article No. 91 of Articles of Association of the Company. 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 the intentions to propose Shri Shailesh A. Thakker for appointment as Director of the Company. Consent in writing has been received from him to act as Director of the Company, if appointed.

Shri Shailesh A. Thakker is B.Com., PGDBM., ICWA., with more than 15 years of experience in the Accounts, Finance, Commercial areas with various companies such as Apollo Tyres Ltd, Deepak Nitrite Ltd etc.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 19.07.2008 appointed Shri Shailesh A. Thakker as an Executive Director & CFO for a period of 3 years with effect from 19.07.2008 subject to approval of the Shareholders. The agreement proposed to be entered into by the Company with Shri Shailesh A. Thakker in respect of his appointment , inter alia, states the following:

1. Shri Shailesh A. Thakker is appointed as the "Executive Director" with effect from 19.07.2008.
2. **TENURE :**
 - a. The appointment of Executive Director & CFO is valid for a period of 3 years from 19.07.2008.
 - b. The tenure of the appointment can be further extended from time to time with the mutual consent of the parties.
3. **FUNCTIONS, DUTIES AND POWERS :**

Subject to the supervision, direction, superintendence and control of the Board of Directors , the Executive Director shall perform such functions as duties as may be assigned to him by the Board of Directors from time to time as are necessary for the purpose of conducting the business and affairs of the company on such terms and conditions as may be decided from time to time including the following :



- a) Hours of work shift, weekly holidays, etc shall be regulated by the company to suit the duties entrusted to you and will be subjected to change as per the requirement of the company from time to time.
- b) During the tenure of your employment your services are liable to be transferred in any other Department, Branch, Subsidiary or related Company unit, situated at any place in India as per the requirement of the company and you shall have to work at such place in future. The decision of the Management in regard to your transfer shall be final and binding to you in all respects.
- c) The age of retirement shall be 55 years and on completion thereof the Executive Director shall be deemed to have retired from the services of the company.
- d) The appointment is subject to termination by 30 days' notice in writing on either side. The company however reserves the right to terminate your services by giving notice pay in lieu of notice. Similarly you may be allowed to leave before the expiry of notice period on payment of notice pay i.e. Basic Pay by either party.
- e) As Executive Director & CFO you will devote your full time and attention exclusively to the duties entrusted to you from time to time by the company and while in the services of the company, you will not work for any person or company in any capacity nor do any private business.
- f) As Executive Director & CFO you shall not at any time without consent of the company during the term of employment or thereafter disclose, divulge or make public except under legal obligation, any of the processes, inventions, scientific investigations, or results thereof, problems, practices, new techniques, records, suggestions, discussions, transactions or dealings of the company which ought not to be disclosed, divulged or made public whether the same may be confided or become known to you during the course of your service or otherwise nor shall you remove from the premises of the company any property, notes, drawings, or other documents or materials relating to such knowledge and information.
- g) As Executive Director & CFO you shall keep the company informed about the change, if any your Residential Address.
- h) For any matter not covered specifically above, you will abide by the rules and / or customs, and practices of the company in force and as modified from time to time.
- i) The Executive Director & CFO shall have necessary powers for the efficient management and conduct of the profitable business and affairs of the Company as are vested in him by the Board of Directors from time to time.
- j) The Executive shall perform his duties and exercise his powers within the limits prescribed in the Articles of Association of the Company and as diligently as is necessary in the best interest of the company.

4. REMUNERATION:

- a. Salary : Rs. 67,500/- per month in the grade of MM
- b. Perquisites : The Executive Director & CFO will also be entitled to the perquisites mentioned below:

Category - A :

- i. Housing : - House Rent Allowance of Rs.10,000/- per month.
- ii. Medical Reimbursement : - Rs. 2333/- per month (Quarterly payment).
- iii. Leave Travel Concession : -For self and family Rs.4500/- per month (yearly payment).
- iv. Education Allowance : - Rs.1500/- per month.
- v. Personal Accident Insurance :- The total annual premium payable by the Company shall not exceed Rs.1670/-.

Category - B: Other allowances :

- i. Driver's Allowance Rs. 3000/- per month.
- ii. Telephone Allowance : Rs. 3500 /- per month.
- iii. Entertainment Allowance : Rs.1500 /-per month.
- iv. Adhoc Allowance : Rs. 80,000/- per month
- v. Magazine & Journal Allowance : Rs. 1467/- per month.


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Category - C:

Leave, Bonus , Provident Fund, Gratuity etc. as per the rules and Regulations of the Company as applicable from time to time.

5. The terms and conditions of the said appointment and/or agreement and payment may be altered or varied from time to time by the Board as it may, in its discretion, deem fit, within limits of the maximum amount payable to Whole Time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments, reenactments made hereafter in this regard.
6. The Executive Director shall as long as he continues to be Executive Director of the Company, shall not be liable to retire by rotation and shall not be reckoned as Director for the purpose of determining the number of directors liable to retire by rotation.
7. If at any time the Executive Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director.

The total remuneration , including the minimum remuneration , in the event of loss or inadequacy of profits of the Company , in any year, payable to Shri Shailesh A.Thakker will be as per the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable the provisions, if any, of the Companies Act, 1956.

This may be please be treated as an abstract of the terms of remuneration as per Section 302 of the Companies Act, 1956.

The aforesaid 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 Sunday.

Except Shri Shailesh A. Thakker, none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

Item No. 10 :

The Board of Directors of the Company has appointed Shri Pankaj Kadakia , as an Additional Director of the Company, with effect from 19.07.2008, pursuant to Article No. 91 of Articles of Association of the Company. 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 the intentions to propose Shri Pankaj Kadakia for appointment as Director of the Company. Consent in writing has been received from him to act as Director of the Company, if appointed.

Except Shri Pankaj Kadakia, none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

By Order of the Board,

Date : 19.07.2008
Place : Bil

Vimal K. Patel
Chairman