

BANCO PRODUCTS (INDIA) LIMITED



**48th ANNUAL REPORT
2008-2009**



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

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

48th ANNUAL REPORT 2008-2009

Board of Directors	:	Vimal K. Patel Atul G. Shroff Samir K. Patel Mehul K. Patel Ram Devidayal Sudhir Munjal Pankaj M Kadakia Mukesh D. Patel S. K. Duggal Kersi P. Kapadia Shailesh A. Thakker	Chairman up to 11.05.2009 up to 30.03.2009 w.e.f 27.03.2009 w.e.f 23.09.2009 Executive Director Executive Director & CFO
Company Secretary	:	Dinesh Kavthekar	
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 Railway Station, Padra Road, Dist. Baroda-391 410 At Ankhi, Tal. Jambusar, Dist. Bharuch. At Jamshedpur	
Listing	:	Bombay Stock Exchange Limited National Stock Exchange of India Limited	

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NOTICE

Notice is hereby given that the 48th Annual General Meeting of Banco Products (India) Limited. will be held on Friday, the 27th November, 2009 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 business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31.03.,2009 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 Vimal K.Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Mehul K. 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 Mukesh D.Patel 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 liable to retire by rotation.”

By Order of the Board,

Date : 30.09.2009

Place : Bil

Mehul K Patel
Director

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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business enumerated at Item No.6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company and the Register of Beneficial Owners maintained by NSDL and CDSL in respect of the Company will remain closed from Friday, the 20th November, 2009 to Friday, the 27th November, 2009 (Both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
4. The payment of dividend, if approved at the meeting will be made on or after 09.12.2009 to the members whose names stand on the Company's Register of Member on 27.11.2009 and to the Beneficiary Owners as per the details as at the close of business hours on 27.11.2009 provided by NSDL and CDSL.



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) and 205(C) of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. 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. (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. Link Intime India Private Limited, under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
 - (I) Name of the Sole/First Joint holder and the Folio Number.
 - (II) Particulars of Bank Account, viz;
 - (a) Name of Bank
 - (b) Name of Branch
 - (c) Complete address of the Bank with Pin Code Number
 - (d) Account type, whether Savings Account (SA) or Current Account (CA)
 - (e) Bank Account Number.
 - (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.
8. 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.
9. 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 pursuant to Section 173(2) of the Companies Act, 1956.**Item No. 6 :**

The Board of Directors of the Company has appointed Shri Mukesh D Patel, as an Additional Directors of the Company, with effect from 27.03.2009 , 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 up to 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 Mukesh D. Patel 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 Mukesh D Patel is B.Sc (Chemistry), B.Sc (Chemical Engineering).

The Board commends the resolution for approval by Members.

Except Shri Mukesh D Patel, no other director is interested in the proposed resolution.

By Order of the Board,

Date : 30.09.2009

Place : Bil

Mehul K Patel
Director

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**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	Shri Vimal K. Patel	Shri Mehul K. Patel
Date of Birth	21.03.1953	29.10.1964.
Date of Appointment	15.04.1986	08.02.1990
Specialised Expertise	General Management	General Management
Qualifications	M.Sc (Economics) from London School of Economics.	M.Sc (-Engineering)
Directorships of other Companies as on 31 st March,2009	Banco Aluminium Ltd. K K Patel Foundation Banco Foundation	Banco Aluminium Limited K K Patel Foundation Banco Foundation
Chairman/Member of other Committees of Companies as on 31 st March,2009	Member of Audit Committee of Banco Products (India) Ltd.	

Name of the Director	Shri Mukesh D. Patel
Date of Birth	12.12.1949
Date of Appointment	27.03.2009
Specialised Expertise	General Management.
Qualifications	B.Sc. (Chemistry) B.Sc (Chemical Engineering)
Directorships of other Companies as on 31 st March,2009	Transpek Finance Ltd. Universal Esters Ltd Infinity Consultants Ltd. Punjab Chemicals & Crop Protection Ltd. Shilchar Electronics Ltd. Gujarat Automotive Gears Ltd. Torential Investments Pvt Ltd. Transpek Industry Ltd.
Chairman/Member of other Committees of Companies as on 31 st March,2009	Member of Audit Committee - Transpek Industry Ltd. - Shilchar Electronics Ltd. Chairman of Audit Committee of - Punjab Chemical & Crop Protection Ltd. Member of Shareholders' Grievance Committee - Transpek Finance Ltd. - Punjab Chemicals & Crop Protection Ltd. - Transpek Industry Ltd. Chairman of Shareholders' Grievance Committee of - Shilchar Electronics Ltd. Member of Remuneration Committee of Transpek Industry Ltd.

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

To,
The Members,

Your Directors have pleasure in presenting the 48th Annual Report together with the audited statements of accounts for the year ended 31.03.2009.

1. FINANCIAL RESULTS :

	Year ended 31.3.2009	(Rs. in Lacs) Year ended 31.3.2008
TOTAL INCOME	29470.98	30614.00
PROFIT BEFORE TAXATION	4790.36	5131.38
Less: Provision for taxation	550.26	720.00
MAT Credit Entitlement	(117.00)	—
Deferred Tax Liability	195.99	68.31
Provision for Fringe Benefit Tax	15.00	13.15
PROFIT AFTER TAX	4146.11	4329.92
Add: Balance brought forward from previous year	4643.15	2082.33
Balance taken over from Ganga Investments Pvt. Ltd. the Transferor Company.	259.84	—
Proposed Dividend of 2007-08 written back	146.13	—
Excess Provision of Tax of Previous Years	0.35	193.83
PROFIT AVAILABLE FOR APPROPRIATION	9195.58	6606.08
APPROPRIATIONS:		
Transfer to General Reserve	650.00	800.00
Proposed Dividend	1072.78	994.00
Provision For Tax on Proposed Dividend	182.32	168.93
Balance Carried to Balance Sheet	7290.48	4643.15
	9195.58	6606.08

2. DIVIDEND:

The Board, has decided to recommend Dividend 75 % i.e. Rs. 1.50 per Equity Share of Rs. 2/- each for the Financial Year ended on 31.03.2009.

3. OPERATIONS:

During first half of the year, the company has shown good growth. However, during second half of the financial year, there was a drastic drop of the OEM production volumes in all the industry sectors, which has adversely affected the sales performance of the company resulting in drop in the overall sales volume for the full year ended on 31.03.2009. However, there is gradual improvement in production from March 2009. It is heartening to note that in spite of overall drop in the economy in general during the second half of the year, company's volume has shown only 4% drop in turnover for the full year.

Given below are the top and bottom line figures.

(Rs. In Lacs)

	Year ended on 31.03.2009	Year ended on 31.03.2008
Sales (Net)	28792	29885
PAT	4146	4330

DOMESTIC SALES:

During the Current Financial Year Company's domestic sales stands at Rs. 18003 lacs against previous year 19847 lacs.

EXPORT SALES:

During the Current Financial Year, Company's Export Sales stands at Rs. 10789 Lacs against previous year Rs. 10038 Lacs.

Overall sales mix remains as Domestic 63% (Previous Year 66%) and Export Sales 37% (Previous Year 34%)

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:

During the year, the Board of Directors have appointed Shri Mukesh D Patel as an additional Director on the Board in terms of Section 260 of the Companies Act, 1956.

He holds office of Director up to the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his appointment as Director with requisite deposits.

Shri S.K. Duggal has been appointed as Director of the Company in the casual vacancy created due to resignation of Shri Pankaj M. Kadakia.

The Board is of the view that their considerable experience and business acumen would be of great value to your Company.

During the period Shri Pankaj M Kadakia and Shri Sudhir Munjal, the Directors of the Company have resigned.

The Company, do place on record its appreciation towards the contribution made by them, during their tenure as directors of the Company.

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

6. AUDIT COMMITTEE:

Audit Committee as constituted in terms of Section 292A of the Companies Act, 1956 and as per Clause 49 of Listing Agreement, has three independent Directors viz Shri Ram Devidayal as the Chairman, Shri Atul G Shroff and Shri Mukesh D Patel as Members, performed inter alia the work assigned to it as laid down thereunder, during the year under review.

7. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, a 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". The Company is regular in payment of Listing Fees to the Stock Exchanges.

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 furnished as Annexure "B".


BANCO PRODUCTS (INDIA) LIMITED
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 "C".

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 and offer themselves for reappointment. You are requested to appoint the Auditors and fix their remuneration.

11. MERGER OF GANGA INVESTMENTS PRIVATE LIMITED WITH THE COMPANY:

The Scheme of the merger of Ganga Investment Pvt Ltd with the Company from the appointed date of 01.04.2008 was approved by the shareholders of both the companies. The petition for the sanction of the Scheme of merger was submitted to the Hon'ble High Court at Gujarat and Mumbai and accordingly the same has become effective from 18.09.2009. The effect of the Scheme has been given in the audited financial statements of the Company for the year ended 31.03.2009.

12. SUBSIDIARY:

During the year the Company has made investment in 998 (representing 99.80%) Equity Shares of Kilimanjaro Biochem Limited, Tanzania.

Kilimanjaro Biochem Limited is in process of implementing a manufacturing project.

Since, Kilimanjaro Biochem Limited has not started any commercial activity during the year, the consolidated Balance Sheet and statement u/s. 212 of the Companies Act, 1956, is not prepared.

The Annual Report of Kilimanjaro Biochem Limited is appended at the end of this Annual Report as required by the applicable legal provisions.

13. PUBLIC DEPOSITS:

As on 31.03.2009 no deposits were due for repayment and remained unclaimed and therefore no deposit have since been refunded.

14. INSURANCE:

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

15. INDUSTRIAL RELATIONS:

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

16. ACKNOWLEDGEMENT:

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 : 30.09.2009

Place : Bil

Mehul K. Patel

Director

Shailesh A. Thakker

Director