

BANCO PRODUCTS (INDIA) LIMITED



**49th ANNUAL REPORT
2009-2010**



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



Board of Directors	:	Vimal K. Patel Atul G. Shroff Samir K. Patel Mehul K. Patel Ram Devidayal Mukesh D. Patel S. K. Duggal M. G. Patel Kersi P. Kapadia Shailesh A. Thakker Kiran Shetty	Chairman w.e.f 07.11.2009 Executive Director (upto 31.05.2010) Executive Director & C F O Executive Director (w.e.f 31.07.2010)
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 At Rudrapur	
Listing	:	Bombay Stock Exchange Limited National Stock Exchange of India Limited	

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NOTICE

Notice is hereby given that the 49th Annual General Meeting of Banco Products (India) Limited. will be held on Tuesday, the 28th September, 2010 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.,2010 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 Atul G. Shroff who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Manubhai G. 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 Kiran Shetty 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 Kiran Shetty as the Executive Director of the Company, for a period of three year from 31.07.2010 to 30.07.2013 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Kiran Shetty 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 Kiran Shetty 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 Kiran Shetty 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 Kiran Shetty the Executive Director the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Kiran Shetty 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.”

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

“RESOLVED THAT the supersession of all the Resolutions passed, earlier, consent of the Company be and is hereby granted pursuant to Section 293(1)(d) and other applicable provisions of the Companies



Act, 1956 or any Repeal or Re-enactments thereof, to the Board of Directors to borrow, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company apart from (temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), which may exceed the aggregate of the Paid up Capital and Free Reserves, that is to say, reserves not set apart for any specific purpose of the Company, from time to time provided that such amount shall not exceed Rs. 500/- Crores at any time."

By Order of the Board,

Date : 31.07.2010

Place : Bil

Vimal 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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business enumerated at Item No.6, 7 & 8 is annexed hereto.
3. The Register of Members and Transfer Books of the Company will be closed from Saturday, 18th September, 2010 to Tuesday, the 28th September, 2010 both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting. Payment of such dividend will be made on after 28th September, as under.
 - I) To all Beneficial Owners in respect of shares held in electronic form, as per the date made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 17.09.2010.
 - II) To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 17.09.2010
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 with effect from 31st October, 1998, dividends 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. Link Intime India Private Limited, 308, 1st Floor, Jaldhara Complex, Opp, Manisha Society, Manisha Char Rasta, Old Padra Road, Vadodara – 390 015 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.
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.

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 Kiran Shetty, as an Additional Director of the Company, with effect from 31.07.2010, 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 Kiran Shetty for appointment as Director of the Company. Consent in writing has been received from him to act as Director of the Company, if appointed.

Kiran Shetty is a Bachelor of Technology in Industrial engineering and has an experience of 19 years in various operational areas. He has been associated with Banco Products (I) Ltd since April 2007. Prior to this he was associated with Serck Services, UAE and Tata Toyo Radiators Ltd., Pune.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 31.07.2010 appointed Shri Kiran Shetty as Executive Director for a period of 3 years with effect from 31.07.2010 subject to approval of the Shareholders. The agreement entered into by the Company with Shri Kiran Shetty in respect of his appointment, inter alia, states the following;

1. Shri Kiran Shetty is appointed as a Whole Time Director of the Company designated as the "Executive Director" with effect from 31.07.2010.
2. **TENURE :**
 - a. The appointment of Whole Time Director is valid for a period of 3 years from 31.07.2010.
 - 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 and 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 subject to change as per the requirement of the company from time to time.
- b) During the tenure of employment the 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 shall have to work at such place in future. The decision of the Management in regard to transfer shall be final and binding 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 employment is subject to termination by 90 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:

1. Remuneration:

- a. Salary - Rs. 1,00,000/- 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.4,500/- per month (yearly payment).
- iv. Education Allowance : Rs.1,500/- per month.
- v. Personal Accident Insurance: The total annual premium payable by the Company shall not exceed Rs.5350/-.

Category - B: Other allowances :

- | | | |
|---------------------------------|---|--------------------------|
| 1. Driver's Allowance | : | Rs. 3,000/- per month. |
| 2. Telephone Allowance | : | Rs. 3,500/- per month. |
| 3. Entertainment Allowance | : | Rs. 1,500/- per month. |
| 4. Adhoc Allowance | : | Rs. 1,06,160/- per month |
| 5. Magazine & Journal Allowance | : | Rs. 1,467/- 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 Kiran Shetty will be as per the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

This may be treated as an abstract of the terms of remuneration as per 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 Sunday.

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

The Board recommends the resolutions for adoption.

Item No. 8

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors can not except with the consent of the Company in General Meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of the business, in excess of the aggregate of the Paid up Capital and Free Reserves of the Company.

At the Annual General Meeting held on 28.07.2007, Shareholders had authorized Board of Directors to borrow money, not exceeding Rs. 200/- Crores. Your Directors, considering the long term future requirements of borrowed funds, are of the view that the aforesaid limit be enhanced. In the circumstances, the consent of the Shareholders, under Section 293(1)(d) of the Companies Act, 1956 is required to enable the Board of Directors to borrow upto sum Rs. 500/- Crores, over and above aggregate of Paid up Capital and Free Reserves of the Company.

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 : 31.07.2010
Place : Bil

Vimal K. Patel
Chairman

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING.

Information pursuant to Clause 49 of the Listing Agreement regarding re-appointment of Directors.

Name of the Director	Shri Atul G. Shroff	Shri Manubhai G. Patel
Date of Birth	23.12.1947	28.07.1937
Date of Appointment	15.04.1986	07.11.2009
Specialised Expertise / Brief Profile	Mr. A. G. Shroff is Managing Director of Transpek Industry Ltd since its inception in 1965. His valued suggestions have resulted in improvement in working of the Company at various levels. The Company is growing under his able leadership.	Shri Manubhai G. Patel is a Practicing Chartered Accountant with considerable experience in the fields of Taxation, Accounts and Corporate Laws. He is Senior Partner of Manubhai & Co., Chartered Accountants, Ahmedabad. He was also member of Central Council of Institute of Chartered Accountants of India and Central Direct Tax Advisory Committee, Government of India. He has also been associated with various organizations as President/Chairman &/ or as member of Committees in the fields of Corporate Laws and Taxation.
Qualifications	Matriculation	B.Com., LL.B., FCA.
Directorships of other Companies as on 31.03.2010	Transchem Agritech Ltd. Transpek Industry (Europe) Ltd. Transpek Industry Ltd. Shri Dinesh Mills Ltd. Punjab Chemicals & Crop Protection Ltd. Excel Industries Ltd.	Apcotex Industries Ltd. Gujarat State Finance Services Ltd. Sunshield Chemicals Ltd. Aeonian Investments Company Ltd. M&CO Advisors and Consultants Pvt Ltd.
Chairman/Member of other Committees of Companies as on 31.03.2010	Transpek Industry Ltd. - Finance Committee - Chairman - Share Transfer Committee - Member - Shareholders' Grievance Committee - Member Shri Dinesh Mills Ltd. - Investors Grievance Committee - Chairman - Remuneration Committee - Member	Apcotex Industries Ltd. Audit Committee - Chairman Shareholders' Grievance Committee- Chairman Remuneration Committee - Member Gujarat State Financial Services Ltd. Audit Committee - Chairman Investment Committee - Member Sunshield Chemicals Ltd. Audit Committee - Chairman Remuneration Committee - Member Aeonian Investments Co. Ltd. Audit Committee - Chairman

Name of the Director	Shri Kiran Shetty
Date of Birth	10.06.1970
Date of Appointment	31.07.2010
Specialised Expertise	Kiran Kumar Shetty is a Bachelor of Technology in Industrial engineering and has an experience of 19 years in various operational areas. In past he was associated with Serck Services, UAE and Tata Toyo Radiators Ltd., Pune.
Qualifications	Bachelor of Technology
Directorships of other Companies as on 31.03.2010	Nil
Chairman/Member of other Committees of Companies as on 31.03.2010	Nil

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 49th Annual Report together with the audited statements of accounts for the year ended 31.03.2010.

1. FINANCIAL RESULTS : (Rs. in Lacs)

Particulars	Stand alone		Consolidated	
	Year ended on 31.03.2010	Year ended on 31.03.2009	Year ended on 31.03.2010	Year ended on 31.03.2009
Total Turnover	41731.29	29470.98	47133.89	N.A.
Profit Before Taxation	9827.83	4790.36	9893.69	N.A.
Less: Provision for taxation	1950.00	565.26	1996.54	N.A.
MAT Credit Entitlement	—	(117.00)	—	N.A.
Deferred Tax Liability	37.08	195.99	37.08	N.A.
Profit After Tax	7840.75	4146.11	7860.07	N.A.
Add : Balance brought forward from previous year	7290.48	4643.15	7290.48	N.A.
Balance taken over from GIPL the Transferor Company.	—	259.84	—	N.A.
Proposed Dividend of 2007-08 written back	—	146.13	—	N.A.
Short Provision of Tax of Previous Years	—	0.35	—	N.A.
Profit available for appropriation	15131.23	9195.58	15150.55	N.A.
Appropriations:				
Transfer to General Reserve	1000.00	650.00	1000.00	N.A.
Proposed Dividend	1430.37	1072.78	1430.37	N.A.
Provision For Tax on Proposed Dividend	237.58	182.32	237.58	N.A.
Balance Carried to Balance Sheet	12463.28	7290.48	12482.60	N.A.
Total	15131.23	9195.58	15150.55	N.A.

2. DIVIDEND:

The Board, has decided to recommend Dividend 100% i.e. Rs. 2/- per Equity Share of Rs. 2/- each for the Financial Year ended on 31.03.2010.

3. OPERATIONS:

Both Gasket and Radiator product groups, have good manufacturing facilities which have been upgraded and are supported by sophisticated Research and Development facilities for new projects or models OEM customers come up with. There is over all growth of 41% as compared to previous year.

The detailed discussion is covered in Annexure-A, forming part of this Report on Management Discussion and Analysis.

Given below are the top and bottom line figures.

(Rs. in Lacs)

	Year ended on 31.03.2010	Year ended on 31.03.2009
Sales (Net)	40715	28792
PAT	7841	4146