

BANCO PRODUCTS (INDIA) LIMITED



**50th ANNUAL REPORT
2010-2011**



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 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 50th Annual General Meeting of Banco Products (India) Limited. will be held on Tuesday, the 6th September, 2011 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 31.03.2011 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 Ramkishan A. Devidayal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Mukesh D. Patel who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modifications, the following resolutions 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 payment of remuneration and perquisites being paid or provided to Shri Vimal K. Patel as the Chairman of the Company, for a period of 3 years from 01.08.2011 to 31.07.2014 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Vimal K. Patel 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 Vimal K. Patel 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 Vimal K. Patel 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 Vimal K. Patel, the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Vimal K. Patel 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 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 payment of the remuneration and perquisites being paid or provided to Shri Mehul K. Patel as Director of the Company, for a period of 3 years from 01.08.2011 to 31.07.2014 on the terms and conditions as set out in the Agreement entered into between the Company and Shri Mehul K. Patel 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 Mehul K. Patel 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 Mehul K. Patel 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 Mehul K. Patel, the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Mehul K. Patel 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.”

9. To consider and if thought fit to pass with or without modifications, the following resolutions 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 Re-appointment of and the remuneration and perquisites being paid or provided to Shri Shailesh A. Thakker as the Executive Director of the Company, for a period of 3 years from 20.07.2011 to 19.07.2014 on the terms and conditions as set out in the Agreement 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 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 resolutions as a Special Resolution.

“RESOLVED THAT the approval of Shareholders by way of Special resolution be and is hereby given, to the appointment made by Board of Directors, in terms of the provisions Section 314 of the Companies Act, 1956 read with Director’s Relative (Office of Place of Profit) Rules, 2003 and other applicable provisions, if any, of the Companies Act, 1956 and other rules and regulations in this regard as amended from time to time, to the appointment and remuneration of Shri. Kush V. Patel, a relative of Shri . Vimal K. Patel, Shri Samir K. Patel and Shri Mehul K. Patel, Directors of the Company, to hold office or place of profit under the Company w.e.f. 01.01.2011 inter alia on the terms and conditions as detailed in the Explanatory Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary the Terms and conditions, Remuneration etc. within the applicable Statutory limits as may be applicable from time to time.”

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 to 10 is annexed hereto.
3. The Register of Members and Transfer Books of the Company will be closed from 29.08.2011 to 06.09.2011 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 14.09.2011, 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 28.08.2011.
 - 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 28.08.2011
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 B-102 & 103, Shangrila

Complex, 1ST Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020 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;
- (III) Name of Bank
- (IV) Name of Branch
- (V) Complete address of the Bank with Pin Code Number
- (VI) Account type, whether Savings Account (SA) or Current Account (CA)
- (VII) 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. 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.
9. To enable the Company to send various communication electronically, the Shareholders are requested to register/update their Email Addresses as under :
 1. In respect of those shareholders who are holding Shares in Demat Form, through their respective Depository Participant.
 2. In respect of those shareholders who are holding Shares in Physical Form, with the Registrar & Transfer Agents of the Company as per following Address along Folio Number details.

LINK INTIME INDIA PVT. LTD

(Unit Banco Products (India) Limited

B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara 390 020.

Phone No. 0265 – 2356573/2356794

E-MAIL: vadodara@linkintime.co.in

Alternatively, the such Email addresses can be provided to the Company at aforesaid Registered Office Address or at email ID investor@bancoindia.com Fax No. 0265-2680433

By Order of the Board,

Date : 14.07.2011
Place : Bil

Vimal K. Patel
Chairman

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item 7

Shri Vimal K. Patel is one of the Promoter Directors and Chairman of the Company and reputed Industrialist. He has been one of the guiding forces for the growth of the Company.

Shri Vimal K. Patel is M.Sc (Economics) from London School of Economics.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 14.07.2011 approved the payment of remuneration to Shri Vimal K. Patel for a period of 3 years with effect from 01.08.2011 subject to approval of the Shareholders. The agreement entered into by the Company with Shri Vimal K. Patel in this respect, inter alia, states the following:

The Broad Terms and Conditions of the remuneration are as under :

1. The terms and conditions of the Agreement made between Banco Products (India) Limited, (hereinafter referred as 'the Company') and Shri **Vimal K Patel** for his remuneration as Chairman of the Company, inter alia, includes the following with effect from 01.08.2011.

- I. Period of Appointment:

Three years from 01.08.2011 to 31.07.2014

- II. Remuneration:

The Chairman shall be paid remuneration as per following details.

His monthly basic salary shall be of Rs. 5,15,000 (five lacs fifteen thousand only).

In order to meet with the requirement of professional attire in the office and for his trips at different locations he shall be entitled to attire allowance of Rs. 10,000 per month for the maintenance of attire as per the company policy.

The Chairman will also be entitled to ad-hoc taxable allowances of Rs. 36,500 per month for various minor matters.

The Overall Remuneration by way Salary and Perquisites shall be within the Overall limits and Provisions of the Company Law, Schedule XIII and other applicable Rules and Regulations as may be applicable from time to time.

Minimum Remuneration:

In case in any Financial Year, during the tenure of Shri Vimal K Patel as Chairman of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the restrictions set out in Section II of part II of Schedule XIII of the Companies Act, 1956, or any other law including modifications, if any for the time being applicable or in force from time to time.

- III. Perquisites and Allowances

- (i) In addition to the salary and perquisites mentioned in II above, the Chairman shall also be entitled to perquisites and allowances like club fees, family medical insurance, leave and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Chairman
- (ii) The Chairman will be entitled to have rent-free accommodation with the monthly rental not-exceeding Rs. 2.00 lacs and in case he does not choose to have the rent-free accommodation, then he shall be paid House Rent Allowance of Rs. 2.00 lacs per month.

- (iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these are either singly or together are not taxable under the Income Tax Act of 1961, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration of perquisites aforesaid.
- (iv) The provision for use of the Company maintained car with driver for official duties and Company's supplied land line at residence and mobile telephone (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling. Personal long distance calls will be paid for by the Chairman .
- (v) Gratuity at 15 days salary for every year of completed service (applicable after completion of five years of service including the period of service already served as Chairman of the Company).
- (vi) At times for attending some formal functions, in case the Chairman is required to take his spouse with him then in such an event, the Company shall bear the cost of spouse's travel related costs.
- (vii) One club membership.
- (viii) The Chairman will be entitled to appropriate expenses for maintaining an Office at home office including computers, furniture, assistants, peons as may be required for this purpose.
- (ix) Leave travel reimbursement – air fare to any destination within India for self and family (spouse and children) twice in a block of four years.
- (x) Medical expense reimbursement for self, spouse and children up to Rs.15,000/- (Rupees fifteen thousand) per annum.
- (xi) In case where the chairman is required to be treated for medical ailment which requires surgical intervention or hospitalization, then entire costs incurred either in India or abroad will be borne by the Company. Cost for this purpose shall include all related costs for medical treatment including travel costs of yourself, attending medical staff and /or family member.

2. If the tenure of the office of the Chairman is terminated before the expiration of the Agreement, then the Chairman will be entitled to, compensation in accordance with the provisions contained in Section 318 of the Companies Act of 1956 and to the extent provided in the section
3. The Chairman so long as he functions as such, shall not be paid any sitting fees for attending the meeting of the Board of Directors or any Committee thereof.
4. This Agreement shall have a fixed term of 3 (Three) years from the date of this Agreement. It may be terminated by either party with a notice period of 3 (three) months.
5. The Chairman shall be entitled to reimbursement of all expenses including entertainment expenses that may be incurred by him on behalf of the Company or in connection with the business of the Company.

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 Vimal K. Patel 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.

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 Vimal K. Patel, Shri Samir K Patel and Shri Mehul Patel none of the other Directors is in any way concerned or interested in the Resolution.

The Board recommends the resolutions for adoption.

Item 8

Shri Mehul K. Patel is one of the Promoter Directors and reputed Industrialist with experience of more than 20 years in the Industry. . He is looking after the Marketing activities of the Company and has been one of the guiding forces for the formulating various marketing policies and initiatives.

On the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 14.07.2011 approved the payment of remuneration to Shri Mehul K. Patel for a period of 3 years with effect from 01.08.2011 subject to approval of the Shareholders. The agreement entered into by the Company with Shri Mehul K. Patel in this respect, inter alia, states the following:

Shri Mehul K. Patel is M.Sc (Engineering),

The Broad Terms and Conditions of the Remuneration are as under :

1. The terms and conditions of the Agreement made between Banco Products (India) Limited, (hereinafter referred as 'the Company') and Shri **Mehul K Patel** for his remuneration as Director of the Company, inter alia, includes the following with effect from 01.08.2011.

- I. Period of Appointment:

Three years from 01.08.2011 to 31.07.2014

- II. Remuneration :

The Director shall be paid be paid remuneration as per following details

His monthly basic salary shall be of Rs. 5,15,000 (five lacs fifteen thousand only).

In order to meet with the requirement of professional attire in the office and for his trips at different locations he shall be entitled to attire allowance of Rs. 10,000 per month for the maintenance of attire as per the company policy.

The Director will also be entitled to ad-hoc taxable allowances of Rs. 36,500 per month for various minor matters.

The Overall Remuneration by way Salary and Perquisites shall be within the Overall limits and Provisions of the Company Law, Schedule XIII and other applicable Rules and Regulations as may be applicable from time to time.

Minimum Remuneration:

In case in any Financial Year, during the tenure of Shri Mehul K Patel as Director of the Company, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the restrictions set out in Section II of part II of Schedule XIII of the Companies Act, 1956, or any other law including modifications, if any for the time being applicable or in force from time to time.

- III. Perquisites and Allowances

- (i) In addition to the salary and perquisites mentioned in II above,, the Director shall also be entitled to perquisites and allowances like club fees, family medical insurance, leave and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Director

- (ii) The Director will be entitled to have rent-free accommodation with the monthly rental not-exceeding Rs. 2.00 lacs and in case he does not choose to have the rent-free accommodation, then he shall be paid House Rent Allowance of Rs. 2.00 lacs per month.