

BANCO PRODUCTS (INDIA) LIMITED



**51st ANNUAL REPORT
2011-2012**



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 Mehul K. Patel Samir K. Patel Atul G. Shroff Ram Devidayal Mukesh D. Patel S. K. Duggal M. G. Patel Shailesh A. Thakker Kiran Shetty	Chairman & Whole Time Director Vice Chairman & Managing Director (w.e.f. 28.05.2012) Director Director Director Director Director Director Executive Director & C F O Executive Director
Company Secretary	:	Dinesh Kavthekar	
Bankers	:	Bank of Baroda State Bank of India HDFC Bank Ltd. Standard Chartered Bank	
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 (upto 30.03.2012) 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 51st Annual General Meeting of Banco Products (India) Limited will be held on Saturday, the 4th August, 2012 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 31.03.2012 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 S.K.Duggal 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 resolutions as an Ordinary Resolution.

"RESOLVED THAT in partial modification of the Resolution passed in the previous Annual General Meeting held on 06.09.2011 and 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, approval be and is hereby accorded for re-designation and appointment of Shri Mehul K Patel (Whole Time Director of the Company) as Vice-Chairman & Managing Director of the Company w.e.f. 28.05.2012 on the same terms and conditions including related to payment of remuneration to Shri Mehul K. Patel for the remaining period of his Original tenure of 3 years with effect from 01.08.2011 on the terms and conditions as set out in the addendum to existing Agreement to be entered into between the Company and Shri Mehul K. Patel and which is hereby specifically approved.

RESOLVED FURTHER THAT Shri Shailesh Thakker, the Director be and is hereby severally authorized to do all the things and Deeds as may be necessary (including execution the Agreement in this regard) and to file requisite forms with the MCA/ROC, Gujarat, at Ahmedabad on behalf of the Company."

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 Transfer Books of the Company will be closed from 26.07.2012 to 04.08.2012 (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 or after 16.08.2012, 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 25.07.2012.
 - 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 25.07.2012.
4. The Members and / or Proxies are requested to bring their valid ID Proof at the time of Meeting.
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 or Current Account
 - (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 390020.
Phone No. 0265 – 2356573,/2356794, Fax No. 0265- 2356791
E-MAIL: vadodara@linkintime.co.in

Alternatively, 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 : 28th May, 2012
Place : Bil

Vimal K. Patel
Chairman

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

Item 6

The Shareholders, in its Annual General Meeting held on 06.09.2011 approved the payment of Remuneration to Shri Mehul K. Patel . Since Shri Mehul K Patel is actively involved in daily operational matters of the Company, including entire Marketing Functions of the Company, on the recommendation of Remuneration Committee, the Board of Directors has, at its meeting held on 28.05.2012 approved Modification in Designation of Shri Mehul K Patel as Vice-Chairman & Managing Director of the Company w.e.f. 28.05.2012 on the same terms and conditions including related to payment of remuneration to Shri Mehul K. Patel for the remaining period of his Original tenure of 3 years with effect from 01.08.2011 subject to approval of the Shareholders.

As previously approved, 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 Mehul 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.

The draft of the addendum to the existing agreement and existing 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.

By Order of the Board,

Date : 28th May, 2012
Place : Bil

Vimal K. Patel
Chairman



ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING.

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

Name of the Director	Shri Vimal K. Patel	Shri S.K.Duggal
Date of Birth	21.03.1953	02.12.1939
Date of Appointment	15.05.1986	22.09.2009
Specialised Expertise / Brief Profile	Shri Vimal K. Patel is one of the Promoter Director and Chairman of the Company. He is in charge of overall operations of the since more than 20 years. The Company is on growth path under his able leadership and guidance. He is associate with various industry bodies such as Federation of Gujarat Industries etc. He has expertise in the working of various areas of Business Management.	Mr. Sudeshkumar Duggal a senior IAS who has worked as CEO and Managing Director in Surat Electrical Company Ltd. and as Managing Director of Gujarat State Fertilizers Co. Ltd and Gujarat State Communication & Electronic Ltd. He also held various position with Central Govt and State Govt including Secretary to C.M and Governor.
Qualifications	M.Sc (Economics) from London School of Economics	M.Sc (Economics) from London School of Economics, IAS (Retd.)
Directorships of other Companies as on 31.03.2012	Banco Aluminium Limited Nederlandse Radiatoren Fabriek B.V Banco Foundation K K Patel Foundation Lake Minerals (Mauritius) Limited Lake Cements Limited Persang O.M Metal Pvt Ltd. Banco Gaskets (India) Limited	Munjal Auto Industries Limited
Chairman/Member of other Committees of Companies as on 31.03.2012	Banco Products (India) Ltd. Audit Committee - Member Remuneration Committee - Member Finance Committee - Member Banco Gaskets (India) Ltd. Audit Committee - Member	Nil

Name of the Director	Shri Mehul K. Patel
Date of Birth	29.10.1964
Date of Appointment	08.02.1990
Specialized Expertise / Brief Profile	Shri Mehul K. Patel is one of the Promoter Directors of the Company. He is in charge of marketing activities of the Company since more than 16 years. The Company has established itself in Domestic and Export markets under his able leadership and guidance. He has expertise in the working of various areas of Business Management.
Qualifications	M.Sc (Engineering)
Directorship in other companies as on 31.03.2012	Banco Aluminium Limited Nederlandse Radiatoren Fabriek B.V K K Patel Foundation Banco Foundation Lake Minerals (Mauritius) Limited Banco Gaskets (India) Limited
Chairman/Member of other Committees of Companies as on 31.03.2012	Banco Products (India) Limited Finance Committee - Member



DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 51st Annual Report together with the Audited Statements of Accounts for the Year ended 31.03.2012.

1. FINANCIAL RESULTS :

(₹ in Crores)

Particulars	Stand alone		Consolidated	
	Year ended on 31.03.2012	Year ended on 31.03.2011	Year ended on 31.03.2012	Year ended on 31.03.2011
Total Turnover	544	460	1,004	860
Profit Before Taxation	93	74	102	85
Less: Provision for taxation	22	15	25	19
Deferred Tax Liability	(2)	1	1	1
Profit After Tax	73	58	76	65
Add: Balance brought forward from Previous Year	151	125	159	125
Profit available for appropriation	224	183	235	190
Amount available	224	183	235	190
Appropriations:				
Transfer to General Reserve	9	7	9	7
Proposed Dividend	18	21	18	21
Provision for Tax on Proposed Dividend	3	4	3	4
Balance Carried to Balance Sheet	194	151	205	158

Note : In terms of the requisite approvals of shareholders, the Gaskets Divisions of the Company is transferred to its Own Subsidiary Company viz. Banco Gaskets (India) Limited w.e.f. 31.03.2012 and hence the Financial information of the Current Financial Year may not be comparable with that of corresponding previous Financial Year.

2. DIVIDEND:

The Board, has decided to recommend Dividend 125 % i.e. ₹ 2.50 per Equity Share of ₹ 2/- each Per Equity Share for the Financial Year ended on 31.03.2012 as compared to ₹ 3/- Per Equity Share (150%) previous year.

3. OPERATIONS:

Both Radiator and Gasket product groups, have sound manufacturing facilities which have been constantly upgraded and are supported by sophisticated Research and Development facilities for new projects or models OEM and other customers come up with. Banco has experienced over all growth of 18 % as compared to previous year.

Given below are the top and bottom line figures.

(₹ In Crores)

	Year ended on 31.03.2012	Year ended on 31.03.2011
Sales (Net)	544	460
PAT	73	58

**DOMESTIC SALES:**

During the Financial Year Company's domestic sales stands at ₹ 413 Crores against previous year ₹ 332 Crores.

EXPORT SALES:

During the Financial Year, Company's Export Sales stands at ₹ 131 Crores against previous year ₹ 128 Crores.

Overall sales mix remains as Domestic 76% (Previous Year 72%) and Export Sales 24% (Previous Year 28%).

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:

Shri Vimal K Patel and Shri S K Duggal would retire by rotation and being eligible, offer themselves for re-appointment.

The Board has, on recommendation of Remuneration Committee decided to re-designate Shri Mehul K Patel as Vice – Chairman & Managing Director of the Company w.e.f. 28.05.2012, subject to approval by Shareholders in the ensuing Annual General Meeting. The details of the proposal for approval by shareholders is included in the Notice of ensuing Annual General Meeting.

6. AUDIT COMMITTEE:

Audit Committee as constituted in terms of Section 292A of the Companies Act, 1956, and Clause 49 of the Listing Agreement, with three independent Directors viz Shri Ram Devidayal as the Chairman, Shri Atul G Shroff and Shri Mukesh D Patel as Members, and Shri Vimal Patel as member performed inter alia the work assigned to it as laid down there under, 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:

The details are furnished in Annexure ' B ' in terms of the Companies (Particulars of Employees) Rules, 1975, as amended.

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 in terms of Provisions of Companies Act, 1956 and Listing Agreement, have expressed their willingness for reappointment as Statutory Auditors of the Company. You are requested to appoint the Auditors and fix their remuneration.



11. SUBSIDIARIES.

11.1 Nederlandse Radiateuren Fabriek B.V – Netherlands

Nederlandse Radiateuren Fabriek B.V. Netherlands, and its subsidiaries, are engaged in the business of manufacturing and distribution of heat transfer products. During the Year, the Company has taken many initiatives in areas of productions, marketing and other operational areas. We expect that these initiatives will yield results in time to come. The main market of the Company which is Europe, faces challenging circumstances.

11.2 Lake Mineral (Mauritius) Limited — Mauritius

A wholly Owned subsidiary viz Lake Mineral (Mauritius) Limited was incorporated during the Year ended on 31.03.2012.

11.3 Banco Gaskets (India) Limited - Vadodara

In terms of the requisite approvals of shareholders, the Gasket Division of the Company is transferred to its Own Subsidiary Company viz. Banco Gaskets (India) Limited w.e.f. 31.03.2012.

11.4 Kilimanjaro Biochem Limited – Tanzania

During the Year under review, the Company has transferred a part of its Equity Investment in Kilimanjaro Biochem Limited to its another Wholly Owned Subsidiary viz. Lake Mineral (Mauritius) Limited – Mauritius and accordingly, it has become Subsidiary of Lake Mineral (Mauritius) Limited – Mauritius .

The Company has started its commercial production during this Financial Year. .

In terms of the Circular No. No: 5/12/2007-CL-III dated 08.02.2011 and subsequent clarification in this regard issued by Ministry of Corporate Affairs, the Balance Sheet and Profit and Loss Account and other documents of these subsidiaries are not attached with Balance Sheet of this Company. However, the Financial Summery, as required, is included and forms part of this Report. The Annual Accounts and other Financial information related to subsidiaries shall be made available to any member on request and the same are available open for inspection at the Registered Office of your Company and that of respective subsidiaries.

The accounts of the subsidiaries are consolidated with the accounts of the Company in accordance with the applicable Accounting Standards. The consolidated accounts and the consolidated financial information of the subsidiaries form part of the Annual Report.

12. PUBLIC DEPOSITS:

As on 31st March, 2012 no deposits were due for repayment and remained unclaimed and therefore due deposit have since been refunded.

13. INSURANCE:

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

14. 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.

15. 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 : 28th May, 2012
Place : Bil

Vimal K. Patel
Chairman