

BANCO PRODUCTS (INDIA) LIMITED



**52nd ANNUAL REPORT
2012-2013**



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	Chairman & Whole Time Director
	Mehul K. Patel	Vice - Chairman & Managing Director
	Samir K. Patel	Director
	Atul G. Shroff	Director
	Ram Devidayal	Director
	Mukesh D. Patel	Director
	S. K. Duggal	Director
	M. G. Patel	Director
	Shailesh A. Thakker	Executive Director & C F O
	Kiran Shetty	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 Railway Station,	
	Padra Road, Dist.Vadodara -391 410	
Works :	At Bil, Near Bhaili Railway Station,	
	Padra Road, Dist. Vadodara-391 410	
	At Jamshedpur	
	At Rudrapur	
	At Waghodia (SEZ Unit)	
Listing :	Bombay Stock Exchange Limited	
	National Stock Exchange of India Limited	

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NOTICE

Notice is hereby given that the 52nd Annual General Meeting of members of Banco Products (India) Limited will be held on Saturday, the 21st September, 2013 at 10:00 a.m. at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist Vadodara. 391 410, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31.03.2013 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 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 of the member of the Company be and is hereby accorded to the Re-appointment of and the remuneration and perquisites being paid or provided to Shri Kiran Kumar Shetty as the Executive Director of the Company, for a period of 3 years from 31.07.2013 to 30.07.2016 on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Shri Kiran Kumar Shetty.

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 draft 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 Kumar 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 Kumar 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 Kumar Shetty, the remuneration and perquisites set out in the aforesaid agreement be paid or granted to Shri Kiran Kumar 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.”

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. The Register of Members and Transfer Books of the Company will be closed from 12.09.2013 to 21.09.2013 (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 07.10.2013, as under.
 - (a) 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 11.09.2013.

- (b) 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 11.09.2013.
3. The Members and/or Proxies are requested to bring their valid ID Proof at the time of Meeting.
 4. 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.
 5. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to submit the ECS Mandate Form appended on page 73 or 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.
 6. Shareholders are requested to bring their copy of the Annual Report at the meeting and send all communications relating to their shareholding, quoting Folio No./ Client ID & DP ID, at Registered Office only.
 7. 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.
 8. To enable the Company to send various communication electronically, the Shareholders are requested to register/ update their Email Addresses as under :
 - i. In respect of those shareholders who are holding Shares in Demat Form , through their respective Depository Participant.
 - ii. 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, 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 : 29.07.2013
Place : Bil

Mehul K. Patel
Vice Chairman and Managing Director

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

Item 6.

Kiran Kumar 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.

The initial tenure of the Appointment of Shri Kiran Kumar Shetty is up to 30.07.2013. On the recommendation of Remuneration Committee vide its Meeting held on 29.07.2013, the Board of Directors has, at its meeting held on 29.07.2013 approved the Re-appointment and remuneration to Shri Kiran Kumar Shetty as an Executive Director for a period of 3 years with effect from 31.07.2013 subject to approval of the Shareholders. The Draft agreement to be entered into by the Company with Shri Kiran Kumar Shetty in respect of his Re- appointment, inter alia, states the following:

1. Shri Kiran Kumar Shetty is re-appointed as a Whole Time Director of the Company designated as the "Executive Director" with effect from 31.07.2013.

2. TENURE :

- a. The re-appointment of Whole Time Director is valid for a period of 3 years from 31.07.2013 to 30.07.2016.
- b. The tenure of the re-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 him and will be subjected to change as per the requirement of the company from time to time.
- b) During the tenure of his 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 he shall have to work at such place in future. The decision of the Management in regard to his transfer shall be final and binding to him 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 30 days notice in writing on either side. The company however reserves the right to terminate his services by giving notice pay in lieu of notice. Similarly he may be allowed to leave before the expiry of notice period on payment of notice pay i.e. Basic Pay by either party.
- e) The Executive Director will devote his full time and attention exclusively to the duties entrusted to him from time to time by the company and while in the services of the company, he will not work for any person or company in any capacity nor do any private business.
- f) The Executive Director 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 him during the course of his service or otherwise nor shall he remove from the premises of the company any property, notes, drawings, or other documents or materials relating to such knowledge and information.
- g) The Executive Director shall keep the company informed about the change, if any in his Residential Address.
- h) For any matter not covered specifically above, he 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 - ₹ 1,12,000 /- 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 ₹30,000 /- per month. |
| ii. Medical Reimbursement | : | ₹ 2,333 /- per month (Quarterly payment). |
| iii. Leave Travel Concession | : | For self and family ₹4500 /- per month (yearly payment). |
| iv. Education Allowance | : | ₹1500 /- per month. |
| v. Personal Accident Insurance | : | The total annual premium payable by the Company shall not exceed ₹5350/-. |

Category - B: Other allowances :

- | | | |
|--------------------------------|---|------------------------|
| 1. Driver's Allowance | : | ₹ 7,000/- per month. |
| 2. Telephone Reimbursement | : | ₹ 3,500/- per month. |
| 3. Entertainment Allowance | : | ₹ 1,500/- per month. |
| 4. Adhoc Allowance | : | ₹ 2,30,160/- per month |
| 5 Magazine & Journal Allowance | : | ₹ 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 Kumar Shetty 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 treated as an abstract of the terms of remuneration as per Section 302 of the Companies Act, 1956.

The draft 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 Kumar Shetty, 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 : 29.07.2013
Place : Bil

Mehul K. Patel
Vice Chairman and Managing Director

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 Atul G. Shroff	Shri Manubhai G. Patel
Date of Birth	23.12.1947	28.07.1934
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 and/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 31.03.2013	Transchem Agritech Limited Transpek Industry Limited Shri Dinesh Mills Limited Excel Industries Limited	Apcotex Industries Limited Gujarat State Financial Services Limited M&CO Advisors & Consultants Pvt Limited
Chairman/Member of other Committees of Companies as on 31.03.2013	Transpek Industry Limited Finance Committee - Chairman Share Transfer Committee - Member Shri Dinesh Mills Limited Investors Grievance Committee - Chairman Remuneration Committee - Chairman	Apcotex Industries Limited Audit Committee - Chairman Shareholders' Grievance Committee - Chairman Remuneration Committee - Member Gujarat State Financial Services Limited Audit Committee - Chairman Investment Committee - Member

Name of the Director	Shri Kiran Shetty
Date of Birth	10.06.1970
Date of Appointment	31.07.2010
Specialized Expertise / Brief Profile	Shri 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 Limited, Pune.
Qualifications	Bachelor of Technology
Directorship in other companies as on 31.03.2013	Nil
Chairman/Member of other Committees of Companies as on 31.03.2013	Nil

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 52nd Annual Report together with the Audited Statements of Accounts for the Year ended 31.03.2013.

1. FINANCIAL RESULTS :

(₹ in Crores)

Particulars	Stand alone		Consolidated	
	Year ended on 31.03.2013	Year ended on 31.03.2012	Year ended on 31.03.2013	Year ended on 31.03.2012
Total Turnover	438	544	1008	1004
Profit Before Taxation	48	93	82	102
Less: Provision for taxation	11	22	18	25
Deferred Tax Liability	2	(2)	3	1
Profit After Tax	35	73	61	76
Add: Balance brought forward from previous year	194	151	205	159
Profit available for appropriation	229	224	266	235
Appropriations:				
Transfer to General Reserve	6	9	6	9
Proposed Dividend	13	18	13	18
Provision For Tax on Proposed Dividend	2	3	2	3
Balance Carried to Balance Sheet	208	194	266	205

Note : In terms of the requisite approvals of shareholders, the Gasket 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 90 % i.e. ₹1.80 per Equity Share of ₹ 2/- each Per Equity Share for the Financial Year ended on 31.03.2013 as compared to ₹2.50/- Per Equity Share (125%) previous year.

3. OPERATIONS:

The Company has 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.

Given below are the Financial figures.

(₹ In Crores)

	Year ended on 31.03.2013	Year ended on 31.03.2012*
Sales (Net)	438	544
PAT	35	72

* Note : In view of transfer of its Gasket Divisions of the Company to its Own Subsidiary Company viz. Banco Gaskets (India) Limited w.e.f. 31.03.2012 , the Financial information of the Current Financial Year is not be comparable with that of corresponding previous Financial Year.

DOMESTIC SALES:

During the Financial Year Company's domestic sales stands at ₹ 306/- Crores against previous year ₹413/- Crores.

EXPORT SALES:

During the Financial Year , Company's Export Sales stands at ₹132/- Crores against previous year ₹ 131/- Crores.

Overall sales mix remains as Domestic 70 % (Previous Year 76 %) and Export Sales 30 % (Previous Year 24 %).

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 Atul Shroff and Shri Manubhai G Patel would retire by rotation and being eligible, offer themselves for re-appointment.

Shri Kiran Shetty has been re-appointed as Executive Director of the Company w.e.f. 31.07.2013 for a further period of three years subject to approval in the ensuing Annual General Meeting. The details of the proposal for approval by shareholders are included in the Notice of ensuing Annual General Meeting.

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

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 as Annexure-A, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report. The Company is regular in payment of Listing Fees to the Stock Exchanges.

8. PARTICULARS OF EMPLOYEES:

The information required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, is provided in Annexure forming part of the Report. In terms of Section 219(1)(b) (iv) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining copy of the same may write to the Company Secretary.