

# **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**

<b>Board of Directors :</b>	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
<b>Company Secretary :</b>	Dinesh Kavthekar	
<b>Bankers :</b>	Bank of Baroda	
	State Bank of India	
	HDFC Bank Ltd.	
	Standard Chartered Bank	
<b>Auditors :</b>	Shah & Company,	
	Chartered Accountants,	
	Mumbai.	
<b>Registered Office :</b>	Bil, Near Bhaili Railway Station,	
	Padra Road, Dist.Vadodara -391 410	
<b>Works :</b>	At Bil, Near Bhaili Railway Station,	
	Padra Road, Dist. Vadodara-391 410	
	At Jamshedpur	
	At Rudrapur	
	At Waghodia (SEZ Unit)	
<b>Listing :</b>	Bombay Stock Exchange Limited	
	National Stock Exchange of India Limited	

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## NOTICE

Notice is hereby given that the 52<sup>nd</sup> Annual General Meeting of members of Banco Products (India) Limited will be held on Saturday, the 21<sup>st</sup> 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, 1<sup>st</sup> 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](mailto: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	<b>Transpek Industry Limited</b> Finance Committee - Chairman Share Transfer Committee - Member  <b>Shri Dinesh Mills Limited</b> Investors Grievance Committee - Chairman Remuneration Committee - Chairman	<b>Apcotex Industries Limited</b> Audit Committee - Chairman Shareholders' Grievance Committee - Chairman Remuneration Committee - Member <b>Gujarat State Financial Services Limited</b> 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 52<sup>nd</sup> 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
<b>Total Turnover</b>	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.

**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 "B".

**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 which has resulted in to improvement in the performance of current Financial Year.

**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 and is in operations.

**11.3 Banco Gaskets (India) Limited - Vadodara**

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.

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 Summary, 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 from part of the Annual Report.

**12. PUBLIC DEPOSITS:**

As on 31st March, 2013 no deposits were due for repayment and remained unclaimed.

**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 : 29.07.2013  
Place : Bil

**Vimal K. Patel**  
Chairman

## ANNEXURE - "A" MANAGEMENT DISCUSSION & ANALYSIS

### Introduction:

Banco Products (India) Limited has been in the business of manufacturing Radiators since last five decades. These products are considered critical components in sealing and cooling applications of Automotive, Power, Earth moving and Industrial engines.

### Industry Structure and Developments:

The Automobile Industry in India has not done very well during the last Financial Year ended on 31.03.2013 due to global and domestic subdued Economic conditions, fluctuating crude Oil, volatile Forex and rising domestic inflation.

This has resulted in to lower sales performance of the company resulting in substantial reduction in the overall sales volume/ profits for full year ended on 31.03.2013.

### Operations:

The Company has a very sound and integrated manufacturing facilities which have been upgraded and are supported by sophisticated Research and Development facilities for new projects OEM customers need.

### Strengths:

More than Fifty years of experience in our business area gives our company a sound understanding of the various applications and operating environments.

- \* Continuous Research and Development, adoption of new technology and process, quick response, innovative product development, competitive price and delivery schedule.
- \* Sound Financial disciplined working.

### Weakness:

- \* Major share comes from Automotive segment.
- \* Currently, the Automobile sector is in down word trend which has affected the performance of the Company.
- \* Competition from global majors intensifying.

### Opportunities:

- \* Developing OEM Customers overseas. Due to low cost base and good quality systems, overseas OEMs and outsourcing present a good opportunity.
  - (I) Scope of expansion in new applications within existing sectors also.
  - (II) Better opportunities in earth moving, infrastructure development and power generation sectors.

### Threats:

Competition from existing and new manufacturers. The European Markets currently are in recession and it looks to remain so for next 12 months .

The increase in prices of Petroleum products and the Inflationary pressure on the Economy in general are some of the areas of concern.

### Technology:

Banco has consistently strived to improve its Technology skills in its both manpower and physical assets . Investment in this area has yielded benefits in the past and will do so in future.

### Internal Control and its Adequacy:

The Company has successfully obtained renewal of TS-16949 certification and now started Lean 6-sigma implementation. Software for inter and intra department communication and follow up has been upgraded. For data security specifically in design section suitable software has been installed.

The system of internal control designed to provide reasonable maintenance of proper accounting records and the reliability of operational and financial information complying with statutes, safeguarding assets from unauthorized used or losses executing transaction with proper authorization ensuring compliance of corporate policies used with a view to running business. The Company has clearly defined organization structure and lines of authority. Sufficient control is exercised through monthly, quarterly and annual business review by the management Review Committee and application of Corporate Governance. An internal audit system is in place. Normal foreseeable risks to the Company's assets are adequately covered by comprehensive insurance.

The Company has , during the year engaged the services of an independent Firm of Chartered Accountants for the services of Internal Audit of operations of the Company for better control and to ensure adequacy and efficacy of the Internal Audit function.

In line with well accepted practices and objectives, the planning and internal audit is oriented towards the review of operational controls in the management risk strengths and opportunities.

The Company has an Audit Committee, which reviews the Reports of Internal and External Auditors, make suggestions for improvements, follow upon the implementation of corrective actions and keeps informed the Board of its major observation from time to time.

#### Information Technology:

Company is successfully operating SAP (ERP) system .

#### Financials :

The detailed financial analysis of the Company's operations for the year is given in the Directors' Report and therefore the same is not repeated. However, some important ratios on the Company's profitability are given below.

Particulars	Current Year 2012-2013	Previous Year 2011-2012
Net Profit to Sales (PBT) (%)	11	17
Earnings Per Share (EPS) (₹)	5	10
Cash earnings per Share (₹)	7	12
Return on Net worth (PAT) (%)	10	23
Dividend Payout Ratio(Including Dividend Tax) (%)	31	25
Retained Earnings (₹ in Crores)	35	52
Retained Earnings (%)	57	71

#### Future Strategy:

It is clear that the Company's future has to be built upon its existing strengths and over five decades of proven skills in cooling and sealing business. Fast development of new products, very high quality customer-satisfaction-management is a thrust area. The Company has been developing new markets both in India and abroad, substantially broad basing export sales, penetrating existing markets and launching new products and building 'Banco' brand too. In addition, there is an increased focus on achieving greater efficiency through cost reduction initiatives and better supply chain management. It is expected that the transfer of Gasket Division to its Own Subsidiary will get focused attention of respective management to both main lines of Products viz. Radiators.

#### Cautionary Statement :

Certain statement made in this report, are forward looking statement and actual results may differ from such expectation, projections etc as several factors would make significant difference to the Company's operations such as Economic conditions affecting demand and supply, Government's regulations, level of competitions prevailing at the relevant time etc.

## Annexure B

INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2013.

### A. CONSERVATION OF ENERGY:

The energy saving to the possible extent is being achieved through conversion of process equipments, installation of energy saving devices, effective energy management study etc.

### FORM – A

Disclosure of particulars with respect to conservation of energy

		CURRENT YEAR 2012-2013	PREVIOUS YEAR 2011-2012
<b>A. Power and Fuel Consumption</b>			
1	Electricity		
	[a] Purchased		
	No. Unit KWH	7803912	7321343
	Total amount (₹ in Lacs)	548.07	490.36
	Rate Per Unit (₹)	7.02	6.7
	[b] Own Generation		
	(I) Through Diesel Generator Unit KWH	32416	43169
	Total Amount (₹ in Lacs)	4.88	5.6
	Rate Per Unit	15.05	12.98
	(II) Through Gas Generator		
	Units	1365920	5413624
	Units Per Liter of Fuel Oil / Gas	5.23	4.89
	Cost / Unit	5.76	5.37
	[c] Wind Electricity Generator		
	Unit KWH	N.A	N.A
	Total Amount (₹ in Lacs)		
	Rate Per Unit (₹)		
2	Coal (specify quality and where used)	N.A	N.A
	Quantity (tonnes)		
	Total Amount.		
3	L D O Quantity (K.Ltr)	N.A	N.A
	Total Amount (₹ In Lacks)		
4	Other / (Natural Gas / Nitrogen Gas)		
	Quantity (Cu.Mts.)	4618419	5331417
	Total Amount (₹ In Lacks)	375.41	471.27
	Rate/Per (Cu Mtr.)(₹)	8.13	8.84
5	HI SPEED DIESEL OIL		
	Quantity (K.Ltrs)	29.81	49.2
	Total Amount (₹ In Lacks)	11.54	17.8
6	HCR Quantity (K.Ltrs)	NIL	NIL
	Total Amount (₹ In Lacks)	NIL	NIL

**B. CONSUMPTION PER UNIT OF PRODUCTION.**

Standards (if any)	Current Year	Previous Year
Product Electricity (KWH)	Not Ascertainable	

**FORM-B****A. TECHNOLOGY ABSORPTION:**

Research and Development:

1. Specific Area in which R & D activities are carried out.
  - a. Development of new generation Charged Air Coolers, Oil coolers and Radiators for various industrial and automotive applications to operate in very adverse conditions.
  - b. Development of new raw materials for improving product durability and reliability.
  - c. Continuous research on product validation process, continual improvement, import substitution and wastage control.
2. Benefit which will derive as a result of the above R&D:
  - a. The Company will add more names in its list of foreign customers.
  - b. Find customers in user industries which currently do not form part of customer base.
  - c. Competing with Global companies in the global market.
  - d. Wastage control, reduction in manufacturing cost. Value addition in the supply chain management process.

**Future Plans:**

The Company will continue its efforts in improving the quality standard of products to meet the local and global challenges.

	(₹ in Lacs)	
Expenditure on R&D	2012-2013	2011-2012
1. Capital	40.90	3.64
2. Recurring	307.70	385.66
3. Total	348.60	389.30
4. Percentage of R&D Expenditure to Total Turnover.	00.80 %	00.72%

**Technology Absorption, Adaptation and Innovation:**

Installed validation laboratory equipments for measuring life cycle of products (oil coolers, off road radiators, condensers, CAC for E-III and E IV) and development and use of new generation raw materials used for the same.

**Benefits derived as a result of above:**

- (i) Because of the Research and Development activities, the Company could develop the new processes and new products which enhance the engine life to give high heat transfer for effective cooling of engines.
- (ii) The Company is equipped to meet the stringent customer specifications thus capturing the domestic and global customers and is geared up for E-III and E-IV applications.
- (iii) Achievement of newer process and product improvements level to develop the products eco friendly and competitive.

**B. FOREIGN EXCHANGE EARNING AND OUTGO :**

	(₹ in Lacs)	
	2012-2013	2011-2012
a. Earned by way of exports	12816.56	12751.36
b. Used by way of imports/expenses	11086.01	11053.84

## REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

### 1. Company's Philosophy on Code of Corporate Governance :

Banco Products (India) Limited 's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation, across all facts of its operations. The Company's Corporate Governance philosophy has been further strengthened through its Code of Conduct, Code of Conduct for prevention of Insider Trading as also the Code of Corporate Disclosure practices leading to sharply focused and operationally efficient growth. The business operations are conducted to benefit its all stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, from time to time and as applicable.

### 2. Board of Directors :

The Board of Directors comprises of 10 (Ten) Directors. There are 5 (Five) Non-Executive Independent Directors, 4 (Four) Non-Independent Executive Directors and 01 (One) Non-Independent Non-Executive Director. A brief resume of the directors being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of companies in which they hold directorship and membership of the committees of the Board is annexed to the Notice.

The Composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosure regarding Committee position in other Public Companies as at 31.03.2013 have been made by the Directors.

The details of the names and categories of the Directors, their attendance at Board Meetings, Annual General Meetings, Number of directorships in other Companies and committee meetings etc. are given below.

#### Board Meeting and composition of Board:

During the year 2012-2013, the Board met four times on 28.05.2012, 04.08.2012, 10.11.2012 and 08.02.2013. The longest gap between any two Board Meetings did not exceed four months.

Name of Director	Category of Director	No of Board Meeting attended during 2012-2013	Whether attended last A.G.M.	Directorship held in other Domestic Public Companies	@ No of Committee Membership	
					Chairman	Member
Shri Vimal K.Patel	Executive Chairman & Promoter	4	Yes	2	—	3
Shri Atul G.Shroff	Non-Executive Independent	2	No	4	4	2
Shri Samir K.Patel	Non-Executive & Promoter	3	No	2	—	2
Shri Mehul K.Patel	Vice-Chairman & Manaing Director & Promoter	4	Yes	2	—	—
Shri Ram Devidayal	Non-Executive & Independent	4	Yes	3	3	8
Shri Mukesh D. Patel	Non-Executive & Independent	4	No	6	5	6

Shri S.K.Duggal	Non-Executive & Independent	4	Yes	1	—	—
Shri M.G.Patel	Non-Executive & Independent	3	No	2	3	2
Shri Shailesh Thakker	Executive Director & CFO	2	Yes	—	—	—
Shri Kiran Shetty	Executive Director	2	Yes	—	—	—

@ The Committees include Committees of Banco Products (India) Limited.

#### Shareholding of Directors

Name	Nos of Shares held as on 31.03.2013 of ₹ 2/- each
Shri Vimal K.Patel	55,72,836 (7.79%)
Shri Samir K.Patel	50,16,997 (7.02%)
Shri Mehul K.Patel	56,15,382 (7.85%)
Shri Atul G. Shroff	6,600
Shri Ram Devidayal	5,72,303 (0.80%)

None of the Non Executive Directors has any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration, from time to time.

#### 3. Board Procedures:

The Board Meetings are governed by structured Agenda. The Agenda along with detailed background notes are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with Chairman. The information as specified in Annexure IA to the Clause 49 of the Listing Agreement is regularly made available to the Board.

#### 4. Audit Committee:

The Board of Directors has constituted an Audit Committee, comprising three independent Non Executive Directors viz. Shri Ram Devidayal, Shri Atul G.Shroff , Shri Mukesh D Patel and Executive Promoter Director Shri Vimal K.Patel. Shri Ram Devidayal, is the Chairman of the Audit Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49II(D) of the Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee, covers the matters specified, which are as under.

##### A. The Audit Committee shall have the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employees.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if its considers necessary.

##### B. The Role of the Audit Committee shall include the followings:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustment made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualification in draft Audit Report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control system.
7. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.
8. Discussion with Internal Auditors, any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the Audit Commences, about the nature and scope of audit as well as post audit discussion to ascertain any are of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders. Shareholder (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
13. To review the following information
  - The management discussion and analysis of financial condition and results of operations;
  - Statement significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letter/letters of internal control weakness issued by the Statutory Auditors;
  - Internal Audit Reports relating to internal control weakness; and
  - The appointment, removal and terms of remuneration of Internal Auditors.
14. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

During the year 2012-2013, four Audit Committee meetings were held on 28.05.2012, 04.08.2012, 10.11.2012 and 08.02.2013 details of attendance of members are as under.

Attendance of Members at the Meetings of the Audit Committees held during 2012-2013.

<b>Name of Directors</b>	<b>Number of Meetings held</b>	<b>Meeting Attended</b>
Shri Ram Devidayal	4	4
Shri Atul G Shroff	4	2
Shri Mukesh D. Patel	4	4
Shri Vimal K Patel	4	4

Generally the Executive Director & C F O attends the meetings.

## 5. Remuneration Committee :

The Board of Directors has constituted Remuneration Committee comprising three Independent, Non Executive Directors namely, Shri Ram Devidayal, Shri Atul G Shroff, Shri Mukesh D. Patel and Executive Promoter Director Shri Vimal K Patel. Shri Ram Devidayal is Chairman of this Committee.

The Remuneration Committee has been constituted to recommend /review remuneration of the Executive Directors based on their performance and defined assessment criteria.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

### Details of Remuneration paid to Executive Directors during the year 2012-2013 are as under.

Sr. No.	Name	Designation	Total Remuneration paid by way of Salary & Perquisites (₹ in Lacs.)
1	Vimal K. Patel	Executive Promoter Director	102.46
2	Mehul K. Patel	Executive Promoter Director	100.86
3	Shailesh A. Thakker	Executive Director & CFO	63.68
4	Kiran Kumar Shetty	Executive Director	50.91

### Details of sitting fees paid to Non Executive Directors during the year 2012-2013.

Sr. No.	Name	Designation	Total sitting fees paid (₹)
1	Atul G. Shroff	Independent Non Executive Director	50000/-
2	Ram Devidayal	Independent Non Executive Director	85000/-
3	Mukesh D. Patel	Independent Non Executive Director	85000/-
4	S.K.Duggal	Independent Non Executive Director	50000/-
5	M.G.Patel	Independent Non Executive Director	37500/-

## 6. Shareholders'/Investors' Grievance Committee.:

The Board of Directors has constituted the Shareholders'/Investors' Grievance Committee, comprising of Shri A.G.Shroff, Shri Ram Devidayal, Shri Mukesh D Patel and Shri Samir K. Patel .The Chairman of the Committee is Shri A.G.Shroff. The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend, dematerialization of shares etc. The Committee oversees the performance of the Secretarial Department and the working of M/s. Link Intime India Private Ltd., the Registrar & Transfer Agent and recommends measures for overall improvement in the quality of services to the Investors.

During the year 2012-2013, two Shareholders'/Investors' Grievance Committees Meetings were held on 28.05.2012 and 10.11.2012 details of attendance of members are as under.

Attendance of Members at the Meetings of the Shareholders' Grievance Committees held during 2012-2013.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ram Devidayal	2	2
Shri Atul G Shroff	2	2
Shri Mukesh D Patel	2	2
Shri Samir K Patel	2	2

The Company has appointed Shri Upendra Joshi, the Secretarial Executive, as the Compliance officer along with the Company Secretary, as Compliance Officer.

During the period under review, one grievance was received. No grievances /complaints are outstanding and no requests for transfers and/or requests for de materialization were pending for approval as on 31.3.2013.

## 7. General Body Meetings. :

Particulars of the last 3 Annual General Meetings held are as under.

Date	Time	Place	Special Resolution
28.09.2010	10.00 a.m	At the Registered Office	- No Special Resolution.
06.09.2011	10.00 a.m	At the Registered Office	- Special Resolution
04.08.2012	10.00 a.m	At the Registered Office	- No Special Resolution

## 8. Disclosures.:

- i. Related Party transactions, comprising of contracts or arrangements with the Promoters or other Companies/entities in which the Directors are interested, are entered in the Register of Contracts and placed before Board Meeting as per Section 301 of the Companies Act, 1956. None of the transactions with any of the related parties were in conflict with the interest of the Company.
- ii There were no instances of non-compliance and no strictures and penalties have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities, on any matters related to capital markets, during the last three years.

### Mandatory Requirements:

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the listing agreements with the stock exchange.

### Non Mandatory Requirements:

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are extensively published in leading financial newspapers, uploaded on the Company's web site and also sent to the shareholders on request. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

## 9. Means of communication.:

The annual and quarterly results are regularly published by the Company in Loksatta (Gujarati) and Business Standard (English), the News Papers as per the Stock Exchange requirements.

In addition, these are also submitted to the Stock Exchanges in accordance with the Listing Agreement. Financial Results are supplied through E-Mail & posts to the Shareholders on request.

The Management Discussion and Analysis (MD&A) is a part of the Annual Report.

## 10 General Shareholder information.:

### 10.1 Annual General Meeting:

- Date and time : Saturday, the 21<sup>st</sup> September, 2013 at 10.00 a.m.
- Venue : At the Registered Office at Bil, Near Bhaili Railway Station, Padra Road, Dist. Vadodara – 391 410.

**10.2 Financial Calendar :**

Period	:	Board Meeting to approve
Un audited Financial Results for :		
Quarter ending 30.06.2013	:	By end of July,2013 or within statutory time limit
Quarter ending 30.09.2013	:	By end of October,2013 or within statutory time limit.
Quarter ending 31.12.2013	:	By end of January,2014 or within statutory time limit.
Audited Results for the year ended on 31.03.2014	:	By end of May,2014 or within statutory time limit.

**10.3 Dividend Payment Date : On or after 07.10.2013****10.4 Book Closure Dates for the purpose of dividend and AGM :**

To determine the entitlement of shareholders to receive the Dividend, if any, for the year ended 31.03.2013, the Register of Members and Share Transfer Books of the Company will remain closed from 12.09.2013 to 21.09.2013 (Both days inclusive) for the purpose of Dividend.

**10.5 Dividend Remittance:**

Dividend on Equity Shares as recommended by the Directors for the year ended 31.03.2013 when declared at the AGM, will be paid:

- 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 11.09.2013.
- 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 11.09.2013.

**10.6 Listing of Equity Shares on Stock Exchanges :** The Bombay Stock Exchange Ltd.  
National Stock Exchange of India Ltd**10.7 Stock Code**

Stock Code (BSE)	:	500039
Trading Symbol (NSE)	:	BANCOINDIA
Demat ISIN Number	:	INE213C01025

**10.8 Stock Market Data:**

Monthly High & Low Quotes basing on the closing prices and nos of shares traded during the last Financial Year on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Month	Bombay Stock Exchange Limited			National Stock Exchange of India Limited		
	Highest	Lowest	No. of Shares Traded	Highest	Lowest	No. of Shares Traded
April 2012	76.40	61.80	587,268.00	76.45	61.55	261,843.00
May 2012	71.35	61.90	91,998.00	73.00	61.60	170,351.00
June 2012	65.45	61.55	83,197.00	66.90	62.00	79,484.00
July 2012	66.50	58.10	185,554.00	66.85	58.00	322,778.00
Aug 2012	67.00	56.10	121,465.00	61.95	57.00	149,647.00
Sep 2012	65.00	56.00	117,606.00	64.80	57.00	116,598.00
Oct 2012	68.00	60.60	129,201.00	67.70	60.65	207,565.00
Nov 2012	66.25	60.75	69,768.00	66.60	58.80	185,604.00
Dec 2012	62.95	57.55	71,229.00	63.00	56.90	112,964.00
Jan 2013	61.70	54.60	89,499.00	61.10	55.00	120,247.00
Feb 2013	58.30	43.50	128,246.00	54.40	45.00	134,073.00
March 2013	48.95	40.25	94,475.00	49.90	40.40	205,508.00

### 10.9 Share Transfer System:

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

All requests for dematerialization of shares are processed and confirmation is given to the respective depositories, i.e National Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL) within statutory time limit.

### 10.10 Distribution of Shareholding as on 31.03.2013

No of Share Holding	Nos of Shareholders	Nos of Shares	Nos of Shares % to Total Capital
1 - 500	7701	1305609	1.83
501 - 1000	1722	1484137	2.08
1001 - 2000	1031	1697846	2.37
2001 - 3000	530	1461805	2.04
3001 - 4000	224	834118	1.17
4001 - 5000	149	706176	0.99
5001 - 10000	259	1864900	2.60
10001 and above	199	62164059	86.92
<b>Total</b>	<b>11815</b>	<b>71518650</b>	<b>100.00</b>

### 10.11 Distribution of Shareholding Pattern as on 31.03.2013:

Category	Nos of Shares	% of Total Capital
Promoters (including NRI, Bodies Corporate)	4,85,49,992	67.88
Non Promoters		
a. Banks and Financial Institution	2,000	-
b. Bodies Corporate	13,04,932	1.82
c. Non Residents Indians	36,37,259	5.09
d. Mutual Fund & UTI	17,80,515	2.50
e. Public	1,62,43,952	22.71
<b>Total</b>	<b>7,15,18,650</b>	<b>100.00</b>

### 10.12 Dematerialization of Shares as on 31.03.2013

About (56.72%) Equity Shares of the Company, have been Dematerialized.

The Company does not have any GDRs/ADRs/Warrants or any other convertible instruments.

### 10.13 Equity Shares in the Suspense Account

The details are as under :

	Number of Shareholders	Number of Equity Shares of Face Value of ₹ 2/- per Share.
Aggregate Number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	300	558640
Number of Shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year.	6	17100
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	6	17100
Aggregate Number of Shareholders and the outstanding shares in the suspense account at the end of the year.	294	541540

As per Clause 5A of the Listing Agreement, the Company had demated 5,58,640 Equity Shares in Banco Products (India) Limited Unclaimed Suspense Account.

The voting rights on the shares outstanding in the suspense account as on 31.03.2013 shall remain frozen till the rightful owner of such shares claims the shares.

<b>10.14 Plant locations:</b>	:	at Bil, Dist. Baroda.
	:	at Jamshedpur
	:	at Rudrapur
	:	at Waghodia (SEZ Unit)

### 10.15 Address for Correspondence.:

#### For transfer/dematerialization of shares, transmission etc :

Link Intime India Pvt Ltd.  
B – 102 & 103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Nr. Radhakrishna Char Rasta,  
Akota, Vadodara - 390 020  
Phone : (0265) 2356573  
Fax : (0265) 2356791  
E-mail : vadodara@linkintime.co.in

#### For payment of dividend and other quarries of the Company

Secretarial Dept.  
Banco Products (India) Ltd.  
Bil, Near Bhaili Rly Station,  
Padra Road, Dist. Baroda. 391 410  
Phone : (0265) 2680220/1/2  
E-Mail : sec@bancoindia.com,  
investor@bancoindia.com

### DECLARATION

#### Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct:

This is to confirm that the Company has adopted a Code of Conduct for its employees, Non Executive Directors and Executive Directors, which is also available on the Company's Web site.

I confirm that the Company has, in respect of the financial year ended 31.03.2013 received from the Senior Management Team of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management means the Chief Financial Officer, the Company Secretary and other employees in the Vice President cadre as on 31.03.2013.

**Date** : 29.07.2013  
**Place** : Baroda.

**Shailesh Thakker**  
Executive Director & CFO.



## **AUDITORS' REPORT ON CORPORATE GOVERNANCE**

TO THE MEMBERS OF  
**BANCO PRODUCTS (INDIA) LTD.**

We have examined the compliance of conditions of Corporate Governance by **BANCO PRODUCTS (INDIA) LIMITED** for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement entered into with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR SHAH & CO.,**  
Chartered Accountants  
FRN109430W

Ashish Shah  
Partner  
Membership No. 103750

Place : Mumbai  
Date : 29.07.2013

## INDEPENDENT AUDITORS' REPORT

**To the Members of  
Banco Products (India) Limited,  
Bil District, Vadodara**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Banco Products (India) Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
  - (f) Since the Central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Shah & Co.  
Chartered Accountants  
FRN: 109430W**

**ASHISH SHAH  
Partner  
M. No. 103750**

Mumbai: 27.05.2013

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Para 1 under the heading of "Report on the other – Legal and Regulatory Requirements" of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. According to the information and explanations give to us, no material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) The Inventory has been physically verified by the Management at the end of the year except stock lying with third parties in respect of which confirmations have been obtained in majority of the cases by the company.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us, the company has during the year not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) order, 2003 are not applicable for the current year.
- (b) According to the information and explanations given to us, the company has during the year not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (f) and (g) of the Companies (Auditor's Report) order, 2003 are not applicable for the current year.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have any information of any instances of major weaknesses in the aforesaid internal control systems.
- (v) (a) According to the information and explanations given to us the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the companies (cost accounting records) Rule, 2011 prescribed by the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, custom duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable.
- (c) Following disputed demands aggregating to Rs. 309.50 Lakhs have not been deposited since the matters are pending with the relevant concerned authorities.

Name of the Statute	Nature of Dues	Amount In Lacs	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty & Service Tax	261.44	Financial year 1999 till financial year 2013	1) Rs.114.86 lacs pending with CEGAT 2) Rs.146.58 lacs pending with Commissioner of Appeals
Sales Tax Act	Sales Tax	48.06	Financial year 1995 and from Financial year 2002 to 2009	1) Rs. 45.66 lacs pending with Appellate Tribunal 2) Rs. 2.40 lacs pending with Commissioner (Appeal)

- x) The company has no accumulated losses as at 31<sup>st</sup> March, 2013. The company has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks.
- (xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
- (xiv) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities and other investments, and timely entries have been made therein. All shares securities and other investments have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us, the company has not used short term borrowings for long term investment.
- (xviii) According to the information and explanations given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any monies by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For Shah & Co.**  
**Chartered Accountants**  
 FRN: 109430W

**ASHISH SHAH**  
**Partner**  
**M. No. 103750**

Mumbai: 27.05.2013

## BALANCE SHEET AS AT 31st MARCH, 2013

(₹ in Lacs)

PARTICULARS	Note No.	As at 31st March 2013	As at 31st March 2012
<b>I Equity and liabilities</b>			
<b>1 Shareholders' funds:</b>			
Share capital	3	1,430.37	1,430.37
Reserves and surplus	4	32,245.18	30,228.42
		<b>33,675.55</b>	<b>31,658.79</b>
<b>2 Non-current liabilities:</b>			
Long term borrowings	5	3,874.66	4,586.72
Deferred tax liabilities(net)	6	1,034.12	814.32
Long term provisions	7	145.42	70.68
		<b>5,054.20</b>	<b>5,471.72</b>
<b>3 Current liabilities:</b>			
Short term provisions	8	1,541.17	2,092.83
Short term borrowings	9	9,697.62	5,534.17
Trade payables	10	2,778.01	3,389.33
Other current liabilities	11	3,328.27	2,599.67
		<b>17,345.07</b>	<b>13,616.00</b>
		<b>56,074.82</b>	<b>50,746.49</b>
<b>II Assets</b>			
<b>1 Non-current assets:</b>			
Fixed assets	12		
Tangible assets		12,416.11	9,268.67
Intangible assets		175.91	70.58
Capital work-in-progress		241.89	220.69
		<b>12,833.91</b>	<b>9,559.94</b>
Non-current investments	13	18,064.62	12,971.37
Long-term loans and advances	17	4,724.13	4,945.26
		<b>22,788.75</b>	<b>17,916.63</b>
<b>2 Current assets:</b>			
Current investments	13	85.37	208.63
Inventories	14	9,227.87	7,584.43
Trade receivables	15	9,045.60	7,819.72
Cash and bank balances	16	201.14	857.65
Short-term loans and advances	17	1,892.19	6,799.49
		<b>20,452.16</b>	<b>23,269.92</b>
		<b>56,074.82</b>	<b>50,746.49</b>
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements	2.1		

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Mumbai : 27.05.2013

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Vimal K Patel

Mehul K Patel

Mukesh D Patel

Atul G Shroff

Shailesh A Thakker

Chairman &amp; Whole Time Director

Vice Chairman &amp; Managing Director

Director

Director

Executive Director and CFO

Bil - Vadodara: 25.05.2013

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013**

(₹ in Lacs)

PARTICULARS	Note No.	2012-13	2011-12
<b>I</b> Revenue from operations (gross)	<b>18</b>	47,632.47	58,908.66
Less :- Excise duty		3,855.34	4,496.22
		<b>43,777.13</b>	<b>54,412.44</b>
Other operating income		794.20	1,003.59
		<b>44,571.33</b>	<b>55,416.03</b>
<b>II</b> Other income	<b>19</b>	868.24	3,016.41
<b>III Total revenue (I+II)</b>		<b>45,439.57</b>	<b>58,432.44</b>
<b>IV Expenses</b>			
Cost of materials consumed	<b>20</b>	26,305.94	31,755.04
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>21</b>	(589.85)	280.06
Employee benefit expenses	<b>22</b>	2,488.44	2,532.30
Finance costs	<b>23</b>	868.99	795.30
Depreciation and amortisation expenses	<b>24</b>	1,573.79	1,527.10
Other expenses	<b>25</b>	9,956.30	12,273.74
<b>Total (IV)</b>		<b>40,603.61</b>	<b>49,163.54</b>
<b>V Profit before exceptional item and tax (III-IV)</b>		<b>4,835.96</b>	<b>9,268.90</b>
<b>Exceptional item:-</b>			
<b>VI Profit on slump sale</b>		-	39.51
<b>Profit before tax</b>		<b>4,835.96</b>	<b>9,308.41</b>
<b>Tax expenses</b>			
Current tax		1,131.05	2,225.00
Deferred tax		219.80	(159.76)
		<b>1,350.85</b>	<b>2,065.24</b>
<b>Profit for the period</b>		<b>3,485.11</b>	<b>7,243.17</b>
<b>Profit for the period from continuing operation before tax</b>		<b>4,835.96</b>	<b>8,242.47</b>
Tax expenses of continuing operations		1,350.85	1,828.74
<b>Profit for the period from discontinuing operation before tax</b>		-	<b>1,065.94</b>
Tax expenses of discontinuing operations		-	236.50
		<b>3,485.11</b>	<b>7,243.17</b>
<b>Earning per equity share (face value of ₹ 2 each)</b>			
<b>Basic and diluted earning per share before exceptional item</b>		<b>4.87</b>	<b>10.07</b>
<b>Basic and diluted earning per share after exceptional item</b>		<b>4.87</b>	<b>10.13</b>
Summary of significant accounting policies	<b>2</b>		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Mumbai : 27.05.2013

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Vimal K Patel

Mehul K Patel

Mukesh D Patel

Atul G Shroff

Shailesh A Thakker

Chairman &amp; Whole Time Director

Vice Chairman &amp; Managing Director

Director

Director

Executive Director and CFO

Bil - Vadodara: 25.05.2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013**

(₹ in Lacs)

	31st March 2013	31st March 2012
<b>Cash flow from operating activities</b>		
<b>Net profit/(loss) before tax</b>	<b>4,835.96</b>	<b>9,308.41</b>
Adjustments for non cash items/items required to be disclosed separately:		
Depreciation and amortisation expenses	1,573.79	1,527.10
Interest and finance charges paid	868.99	795.30
Unrealised (gain)/loss (net of loss)	39.58	15.00
(Profit)/loss on sale of fixed assets	(314.82)	(547.25)
(Profit)/loss on sale of investment	1.65	(92.66)
Interest received	(315.87)	(310.89)
Provision for dimuntion of investment	6.76	-
Dividend income from non-current investment	-	(1,729.61)
Dividend income from current investment	(11.61)	(28.10)
	<b>6,684.43</b>	<b>8,937.30</b>
<b>Operating profit before working capital changes</b>		
<b>Movement in working capital:</b>		
(Increase)/decrease in trade receivables	(1,225.88)	1,641.24
(Increase)/decrease in inventories	(1,643.44)	2,813.33
(Increase)/decrease in loans and advances	4,396.97	(8,106.67)
Increase/(decrease) in provisions	5.11	274.68
Increase/(decrease) in long term liabilities	-	(0.42)
Increase/(decrease) in other current liabilities	1,669.97	(116.98)
Increase/(decrease) in trade payables	(611.32)	59.90
Cash generated from operations	<b>9,275.84</b>	<b>5,502.38</b>
Direct tax paid (net of refunds)	(1,145.84)	(2,366.96)
<b>Net cash flow from operating activities (A)</b>	<b>8,130.00</b>	<b>3,135.42</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and capital advances	(2,700.74)	(4,332.96)
Sale of fixed assets	389.29	2,463.10
Purchase of long term investments	(5,093.25)	(1,562.82)
Sale of long term investments	-	1,706.11
Sale (Purchase) of current investment	114.85	(40.18)
Repayment of loan by subsidiary	687.39	-
Loan given during the year	(2,181.60)	-
Dividend income received from current investment	11.61	28.10
Dividend income received from non current investment	-	1,729.61
Interest received	333.30	262.92
<b>Net cash flow from investing activities (B)</b>	<b>(8,439.15)</b>	<b>253.88</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(1,787.97)	(2,134.34)
Income tax (dividend distribution tax) paid on dividend	(290.05)	(348.09)
Interest and finance charges paid	(779.37)	(795.31)
increase/(decrease) in long-term borrowings	(1,653.43)	5,632.53
increase/(decrease) in short-term borrowings	4,163.46	(5,745.85)
<b>Net cash used in financing activities (C)</b>	<b>(347.36)</b>	<b>(3,391.05)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(656.51)	(1.69)
Cash and cash equivalents at the beginning of the year	857.65	859.34
<b>Cash and cash equivalents at the end of the year</b>	<b>201.14</b>	<b>857.65</b>
Summary of significant accounting policies		

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Mumbai : 27.05.2013

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Vimal K Patel Chairman &amp; Whole Time Director

Mehul K Patel Vice Chairman &amp; Managing Director

Mukesh D Patel Director

Atul G Shroff Director

Shailesh A Thakker Executive Director and CFO

Bil - Vadodara: 25.05.2013

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**1) Corporate information**

Banco Products (India) Limited is a public company domiciled in India and incorporated under the Companies Act, 1956. Equity shares of the company are listed on two stock exchanges in India. The Company is engaged in manufacturing and selling of radiators. The company caters to both domestic and international market.

**2) Significant accounting policies**
**a. Basis of accounting**

- i) The financial statements have been prepared under the historical cost convention (except for certain fixed assets, which have been revalued) in accordance with the generally accepted accounting principles to comply with the applicable Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The Company generally follows the mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

- ii) **Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the period.

**b. Fixed assets and depreciation/amortization**

- i) Fixed Assets are stated at cost (net of cenvat/service tax credit wherever claimed) less accumulated depreciation and impairment, if any, other than land and building at Bhaili division which are shown at revalued cost. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to its working condition for its intended use including borrowing cost and incidental expenditure incurred up to the date the assets are ready for its intended use.

- ii) Depreciation on plant & machinery (except electrical installations), computers, laboratory equipments, machine tools and effluent treatment plant purchased on or after 1<sup>st</sup> October, 1982 has been provided on straight line basis and on other assets on written down value basis at the rates specified in schedule XIV of the Companies Act, 1956. Individual items of fixed assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.

- iii) Leasehold land is amortized over the period of lease.

- iv) Purchase cost and user license fees on software are amortized on straight line basis on rates of computer.

**c. Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss in the year in which an asset is identified as impaired. The impairment loss, if any, recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**d. Foreign currency transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year-end are translated at the year-end rates. Any exchange differences arising on settlement/transaction are dealt with in the statement of profit and loss except those relating to acquisition of fixed assets, which are adjusted to the cost of the asset.

**e. Investments**

Non-current Investments are stated at cost. No provision for diminution in value, if any, has been made as these are long-term investments and in the opinion of the management any decline is temporary. Current investments are stated at lower of cost and fair value.

**f. Inventories**

- i) Raw materials, stores & spares, packing materials, work-in-process and finished goods are valued at lower of cost and net realisable value. Damaged, unserviceable and inert stocks are suitably depreciated.

- ii) In determining cost of raw materials, stores & spares and packing materials weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties and taxes other than those subsequently recoverable from tax authorities.

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

- iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods.

**g. Retirement benefits**

The Company has defined contribution plan for its employee's retirement benefits comprising of provident fund. The Company contributes to provident fund for its employees. The Company has defined benefit plan comprising of gratuity fund and leave encashment entitlement. The liability for the gratuity fund and leave encashment has been determined on the basis of an independent actuarial valuation done at the year-end. Actuarial gains and losses comprise adjustments and the effects of changes in the actuarial assumptions are recognised in the statement of profit and loss as income or expense. Contribution in respect of gratuity is paid to the Life Insurance Corporation of India (LIC).

**h. Research and development**

- i) Capital expenditure related to scientific research is shown separately under the respective head of fixed assets.
- ii) Revenue expenses including depreciation are charged to the statement of profit and loss.

**i. Sales**

Revenue from sale of goods is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of returns and discounts and exclude sales tax, excise duty and other charges.

**j. Provision for current and deferred tax**

- i) Provision for current tax is calculated after taking into consideration the deduction allowable under the provisions of the Income-tax Act, 1961.
- ii) Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rate that have been enacted or substantively enacted as on the balance sheet date. The deferred tax liability is provided in the statement of profit and loss. Deferred tax assets are recognised only if there is reasonable certainty that the assets can be realised in future.

**k. Borrowing costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing cost is recognised as an expense in the period in which they are incurred.

**l. Dividend**

Dividend income is considered on receipt basis

**m. Provisions, contingent liabilities and contingent assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognised are disclosed by way of notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**n. Sundry debtors**

Sundry debtors are stated after writing off debts considered as bad. Provision is made for debts considered as doubtful, if any. Discounts due yet to be quantified at the customer level are included under the head "Current Liabilities and provisions".

**o. Earning per share**

The basic and diluted earning per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**p. Proposed dividend**

Dividend recommended by The Board of Directors is provided for in the accounts, pending approval at annual general meeting.

**q. Lease accounting**

Lease rental income is accounted on accrual basis in accordance with the lease agreement.

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**3. Shareholders' funds**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Equity Share capital</b>		
<b>Authorised</b>		
1520 lacs Equity shares ( previous year 1520 lacs) of ₹2 each	3,040.00	3,040.00
<b>Issued, subscribed and fully paid Up</b>		
715.19 lacs Equity shares (previous year 715.19 lacs) of ₹2 each	1,430.37	1,430.37
<b>Total Issued, subscribed and fully paid up share capital</b>	<b>1,430.37</b>	<b>1,430.37</b>

**3.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

	As at 31st March 2013	As at 31st March 2012
	No. of Share in Lacs	No. of Share in Lacs
Balance at the beginning of the year	715.19	715.19
Addition during the year	-	-
Deletion during the year	-	-
<b>Balance at the end of the year</b>	<b>715.19</b>	<b>715.19</b>
	Share Capital ₹ in Lacs	Share Capital ₹ in Lacs
Balance at the beginning of the year	1,430.37	1,430.37
Addition during the year	-	-
Deletion during the year	-	-
<b>Balance at the end of the year</b>	<b>1,430.37</b>	<b>1,430.37</b>

**3.2 Terms/rights attached to each equity share**

The company has only one class of share referred to as equity share having a par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing annual general meeting.

**3.3 Shares held by holding, subsidiary and other associated companies.**

	As at 31st March 2013	As at 31st March 2012
	No. of shares	No. of shares
Share held by holding company or ultimate holding company	Nil	Nil
Share held by subsidiary company or ultimate subsidiary company	Nil	Nil
	Extent of holding	Extent of holding
Share held by holding company or ultimate holding company	Nil	Nil
Share held by subsidiary company or ultimate subsidiary company	Nil	Nil

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**3.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Equity shares of ₹2 each allotted as fully paid up bonus shares by capitalising general reserve	590.95	590.95
Equity shares of ₹2 each allotted as fully paid up in terms of amalgamation without payment being received in cash.	99.45	99.45

**3.5 Share in the company held by each shareholder holding more than 5% shares specifying the no. of shares**

Name of Share holder	As at 31st March 2013 No. in Lacs (Holding in %)	As at 31st March 2012 No. in Lacs (Holding in %)
1 Vimal K.Patel	55.73 (7.79%)	55.73 (7.79%)
2 Samir K.Patel	50.17 (7.01%)	49.59 (6.93%)
3 Mehul K.Patel	56.15 (7.85%)	56.05 (7.84%)
4 Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

**4. Reserves and surplus**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Capital reserve</b>		
At the beginning and at the end of the year	0.77	0.77
	<b>0.77</b>	<b>0.77</b>
<b>Revaluation reserve</b>		
At the beginning of the year	23.70	24.86
Add:- Addition during the year (refer note 48)	40.63	-
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	(2.85)	(1.16)
<b>At the end of the year</b>	<b>61.48</b>	<b>23.70</b>
<b>Security premium reserve</b>		
At the beginning and at the end of the year	1,200.31	1,200.31
	<b>1,200.31</b>	<b>1,200.31</b>
<b>General reserve</b>		
At the beginning of the year	9,560.81	8,652.36
Add: Amount transferred from the statement of profit and loss	600.00	875.00
Add: Amount transferred from investment subsidy	-	33.45
<b>At the end of the year</b>	<b>10,160.81</b>	<b>9,560.81</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Investment subsidy</b>		
At the beginning of the year	-	33.45
Less: amount transferred to general reserve	-	(33.45)
<b>At the end of the year</b>	-	-
<b>Surplus in statement of profit and loss</b>		
At the beginning of the year	19,442.83	15,144.37
Add: Reversal of excess dividend distribution tax provision	-	8.31
Net profit after tax for the year	3,485.11	7,243.17
<b>Less : Appropriations</b>		
Proposed dividend	(1,287.35)	(1,787.97)
Dividend Tax	(218.79)	(290.05)
Transfer to general reserve	(600.00)	(875.00)
<b>At the end of the year</b>	<b>20,821.80</b>	<b>19,442.83</b>
	<b>32,245.18</b>	<b>30,228.42</b>

**5. Long term borrowings**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Foreign currency secured term loan from bank*	4,874.51	5,645.20
Less: current portion of long-term borrowing (refer note 11)	(1,499.85)	(1,058.48)
	<b>3,374.66</b>	<b>4,586.72</b>
Indian rupees secured term loan from bank #	1,000.00	-
Less: current portion of long-term borrowing (refer note 11)	(500.00)	-
	<b>500.00</b>	-
	<b>3,874.66</b>	<b>4,586.72</b>

\* Foreign currency term loan carries interest @ 3M LIBOR plus 2%. The loan is repayable within 4 years on quarterly installments. The loan is secured by hypothecation of specific movable assets of the company by way of first charge.

# Indian rupees term loan from bank carries interest @ 10.75% p.a. The loan is repayable within 2 years on quarterly installments, from the date of loan, viz. 30th January 2013. The loan is secured by hypothecation of specific movable assets of the company by way of first charge.

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**6. Deferred tax liability (net)**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Deferred tax liability</b>		
Fixed assets : impact of difference between written down value as per Income Tax Act and the financial statement.	(1,097.75)	(863.35)
	<b>(1,097.75)</b>	<b>(863.35)</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year however allowed for tax purpose on payment basis	63.63	49.03
	<b>63.63</b>	<b>49.03</b>
<b>Closing net deferred tax liability</b>	<b>(1,034.12)</b>	<b>(814.32)</b>
Opening net deferred tax liability	(814.32)	(974.08)
Charged to statement of profit and loss	219.80	159.76

**7. Long term provisions (non-current)**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Provision for gratuity (net of fund assets) (refer note 28)	57.82	-
Provision for leave encashment	87.60	70.68
	<b>145.42</b>	<b>70.68</b>

**8. Short term provisions**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Provision for gratuity (net of fund assets) (refer note 28)	29.20	12.20
Provision for leave encashment (refer note 28)	5.84	2.61
Proposed dividend	1,287.35	1,787.97
Tax on dividend	218.79	290.05
	<b>1,541.17</b>	<b>2,092.83</b>

**9. Short term borrowings (current)**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>a) Loans repayable on demand from Banks</b>		
<b>Secured loans</b>		
Cash credit facility from banks	251.24	3,273.18
Short-term loan from banks	2,350.00	-
Foreign currency loan-buyer's credit	800.00	-
Foreign currency loan-packing credit	380.31	-

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Unsecured loans</b>		
Foreign currency loan-packing credit	1,245.80	792.29
Foreign currency loan-buyer's credit	370.27	156.10
Short-term loan from banks	4,300.00	1,300.00
<b>b) Others- unsecured</b>		
Deposits from public	-	12.60
	<b>9,697.62</b>	<b>5,534.17</b>

- i) Cash credit loans are secured against first charge on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating scheduled banks
- ii) Short term loans from bank carries interest rate @ 9% to 12% p.a. during the year.
- iii) foreign currency buyer credit and packing credits are repayable within 90 to 180 days and carries interest @ LIBOR plus 2% to 3%.

**10. Trade payables**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Due to micro small and medium enterprises (note 37)	489.90	196.68
Due to others	2,288.11	3,192.65
	<b>2,778.01</b>	<b>3,389.33</b>

**11. Other current liabilities**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Current maturities of long-term debt (refer note 5)	1,999.85	1,058.48
Statutory liabilities		
Statutory liabilities- VAT payable	10.04	74.22
Statutory liabilities- Provident Fund payable	12.47	13.85
Statutory liabilities- Professional Tax payable	0.91	1.16
Statutory liabilities- TDS payable	12.43	31.00
Other payables	1,000.98	1,097.29
Unclaimed dividend	113.53	113.79
Advance received from customers	178.06	209.88
	<b>3,328.27</b>	<b>2,599.67</b>

NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013

## 12 Fixed Assets

(₹ in Lacs)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1st April 2012	Additions	Revalued during the year	Deduction Others	As at 31st March 2013	As at 1st April 2012	For the year	Deduction Others	Upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>I Tangible Assets</b>											
a. Leasehold Land	869.96	-	-	-	869.96	11.34	8.79	-	20.13	849.83	858.62
b. Freehold Land	213.77	2.54	-	18.91	197.40	-	-	-	-	197.40	213.77
c. Buildings	1,618.25	1,927.80	-	-	3,546.05	651.88	226.61	-	878.49	2,667.56	966.37
d. Plant and Equipments	11,441.86	2,618.70	40.63	184.17	13,917.02	4,658.06	1,248.44	129.91	5,776.59	8,140.43	6,779.39
e. Furniture & Fixtures	97.84	115.48	-	0.61	212.71	66.79	28.77	0.55	95.01	117.70	22.41
f. Vehicles	329.43	44.70	-	24.69	349.44	233.47	21.55	23.53	231.49	117.95	95.96
g. Office equipment	211.53	9.61	-	-	221.14	114.25	6.49	-	120.74	100.40	97.28
h. Scientific Research											
1 Building	85.25	-	-	-	85.25	42.87	4.40	-	47.27	37.98	42.38
2 Plant and Equipments	257.46	12.85	-	-	270.31	125.33	19.08	-	144.41	125.90	164.00
3 Software	31.87	25.73	-	-	57.60	12.03	4.04	-	16.07	41.53	-
4 Office Equipment	3.44	0.85	-	-	4.29	1.71	0.76	-	2.47	1.82	7.35
5 Furniture and Fixture	19.27	1.48	-	-	20.75	11.51	1.49	-	13.00	7.75	1.99
i. Others assets	30.22	1.05	-	1.54	29.73	19.85	1.48	1.47	19.86	9.87	19.01
<b>II Intangible Assets</b>											
a. Software	144.13	98.04	-	-	242.17	61.52	4.74	-	66.26	175.91	70.74
<b>Total</b>	<b>15,354.28</b>	<b>4,858.83</b>	<b>40.63</b>	<b>229.92</b>	<b>20,023.82</b>	<b>6,010.61</b>	<b>1,576.64</b>	<b>155.46</b>	<b>7431.79</b>	<b>12,592.02</b>	<b>9,339.25</b>
Previous year	17,411.46	2,224.77	-	4,286.38	15,349.86	6,852.88	1,528.26	2,370.53	6010.61	9,339.25	

## Notes

- The Company has acquired leasehold land on 16th December 2010 on lease for 99 years. The amortization per year on the same is ₹8.79 lacs (Previous Year ₹8.79 lacs)
- The borrowing cost capitalised during the year ended on 31st March 2013 was ₹27.25 lacs ( Previous Year ₹246.87 lacs)
- Other assets include Weighing machine, Air Conditioners and other equipments.

## 13. Non current investments ( Long term investments)

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Unquoted fully paid shares in subsidiaries/ indirect subsidiaries (note 31)</b>		
25,000 (P.Y.25,000) Ordinary shares of 4.54 Euro each in Netherlands Radiateur Fabriek BV.	11,194.54	11,194.54
2,259 (P.Y. 2,259) Equity shares of TShs 100000 each in Kilimanjaro Biochem Limited.	80.79	80.79
30,135 (P.Y. Nil ) Preference shares of US\$ 100 each in Lake Mineral (Mauritius) Limited.	1,475.70	-
26,750 Equity Shares ( P.Y. 1250 ) of US\$ 100 each in Lake Mineral (Mauritius) Limited.	1,673.87	62.82
35,000,000 (P.Y. 15,000,000) Equity shares of ₹ 10 each in Banco Gaskets (India) Limited.	3,500.00	1,500.00
	<b>17,924.90</b>	<b>12,838.15</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Unquoted fully paid Equity instrument in associates (note 31)</b>		
620,080 (P.Y.620,080) equity shares in Banco Aluminium Ltd.	25.35	25.35
	<b>25.35</b>	<b>25.35</b>
<b>Other investments</b>		
3,721 (P.Y.3,540) Equity shares of TShs 100000 fully paid each in Lake Cement Ltd (note 47)	114.12	107.62
1,000 (P.Y.1,000) Equity shares of ₹ 25 each fully paid Co-Operative Bank of Baroda	0.25	0.25
	<b>114.37</b>	<b>107.87</b>
	<b>18,064.62</b>	<b>12,971.37</b>
<b>Current investments (short term investments)</b>		
<b>Investment in equity and other Instruments (Quoted) (Fully Paid Up)</b>		
6,588 includes 3,294 bonus shares (P.Y.3,294) Indian Motor Parts Limited. of ₹10 each	3.14	3.14
132,700 (P.Y.132,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	13.38	13.38
511 (P.Y.511) National Hydro Power Corporation of ₹ 10 each	0.18	0.18
787 includes 472 bonus shares (P.Y.315) Oil India Limited of ₹ 10 each	3.31	3.31
400 (P.Y.400) Perfect Circle Victor Limited of ₹ 1 each	0.01	0.01
17 (P.Y.17) Talbros Eng Limited of ₹ 10 each having total investment value ₹ 462	0.00	0.00
Nil (P.Y.225) Glaxosmithkline Consumer Healthcare Limited of ₹ 10 each	-	3.65
Nil (P.Y.900) Axis Bank Limited of ₹ 10 each	-	11.85
Nil (P.Y. 600) Punjab National Bank of ₹ 10 each	-	5.51
Nil (P.Y.2,000) IVRC Limited of ₹ 2 each	-	3.33
Nil (P.Y.7,500) ITC Limited of ₹ 1 each	-	12.61
Nil (P.Y.300) Infosys Technologies Limited of ₹ 5 each	-	8.75
Nil (P.Y.320) State Bank of India of ₹ 10 each	-	8.85
Nil (P.Y.150) Larsen and Turbo Limited of ₹ 2 each	-	2.26
Nil (P.Y.2,500 of ₹ 10 each) HDFC Bank Limited of ₹ 2 each	-	11.70
Nil (P.Y. 625) Tata Steel Limited of ₹ 10 each	-	4.02
Nil (P.Y. 500) Hero Motorcorp Limited of ₹ 10 each	-	9.61
Nil (P.Y.430) Cadila Health Care of ₹ 10 each	-	4.07
Nil (P.Y. 1,770) Sun Pharmaceutical Industries Limited of ₹ 1 each	-	8.17
Nil (P.Y. 2,050) Biocon Limited of ₹ 10 each	-	7.09
5 (P.Y.5) 10.5% Non convertible Debentures of Tata Housing Development Limited of ₹ 10,00,000 each.	52.12	52.12
	<b>72.14</b>	<b>173.62</b>
<b>Investment in mutual fund-quoted, fully paid up</b>		
200,000 (P.Y.200,000) Baroda Pioneer PSU Equity Fund of ₹ 10 each	20.00	20.00
Less :- Provision for diminution of current investment (NAV as of 31st March 2013 - ₹ 13.24 lacs (P.Y. ₹ 20 lacs))	(6.77)	-
Nil (P.Y.164,089) Motilal Oswal Most Shares Midcap-100 Etf(8) of ₹ 10 each	-	13.00
Nil (P.Y.200,478) Reliance Money Manager Fund-Retails Option -Daily Dividend Plan	-	2.01
	<b>13.23</b>	<b>35.01</b>
	<b>85.37</b>	<b>208.63</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**13.1 Market value of quoted investments**

Particulars	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Equity Investments	83.10	170.46
Others	13.24	35.01
	<b>96.34</b>	<b>205.47</b>

**14. Inventories (at lower of cost or net realisable value)**

Particulars	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Raw materials	5,701.05	4,827.93
Work-in-progress	1,665.27	1,362.52
Finished goods	1,036.69	749.59
Stores and spares	643.20	536.88
Loose tools	57.70	16.48
Packing materials	123.96	91.03
	<b>9,227.87</b>	<b>7,584.43</b>

**15. Trade receivables**

Particulars	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	235.17	189.24
	<b>235.17</b>	<b>189.24</b>
Provision for doubtful receivables	-	-
<b>(A)</b>	<b>235.17</b>	<b>189.24</b>
<b>Other receivables</b>		
Unsecured, considered good	8,810.43	7,630.48
	<b>8,810.43</b>	<b>7,630.48</b>
Provision for doubtful receivables	-	-
<b>(B)</b>	<b>8,810.43</b>	<b>7,630.48</b>
Others	-	-
<b>(A+B)</b>	<b>9,045.60</b>	<b>7,819.72</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**16. Cash and bank balances**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Cash and cash equivalent</b>		
Cash on hand	19.27	8.12
<b>Balances with banks</b>		
In current accounts	61.97	67.84
In EEFC accounts	0.01	63.12
With maturity of less than 3 months	-	12.33
	<b>81.25</b>	<b>151.41</b>
<b>Other bank balance</b>		
Fixed deposits with more than 12 month original maturity	-	4.46
With original maturity between 3 to 12 months	-	556.74
Unpaid dividend	113.53	113.79
Margin money with banks	6.36	31.25
	<b>119.89</b>	<b>706.24</b>
	<b>201.14</b>	<b>857.65</b>

**17. Long term loans and advances**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Capital advances</b>		
Unsecured, considered good (refer note 32)	217.71	2,401.42
<b>Loans and advances</b>		
Loan given to Kilimanjaro Biochem Limited (refer note 31)	1,799.82	2,540.34
Other loans	2,181.60	-
Fixed deposits with more than 12 month original maturity	525.00	3.50
	<b>4,724.13</b>	<b>4,945.26</b>
<b>Short term loans and advances</b>		
<b>(Unsecured, considered good)</b>		
Security deposits	73.93	81.27
Current maturities of loan given to Kilimanjaro Biochem Limited (refer note 31)	899.91	846.78
Receivable from Banco Gaskets (India) Ltd (refer note 26)	-	4,872.64
<b>Others loans and advances</b>		
Advance tax (net of provision for taxation)	259.92	274.71
Balance with statutory authorities	159.88	183.73
Prepaid expenses	96.60	72.30
Interest receivable on deposits	31.97	49.40
Advance to vendors (trade)	340.15	375.86
Other advances	29.83	42.80
	<b>1,892.19</b>	<b>6,799.49</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**18. Revenue from operations**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>a) Sale of product</b>		
Finished goods (refer note 26)	47,632.47	58,908.66
	<b>47,632.47</b>	<b>58,908.66</b>
Less : Excise duty	3,855.34	4,496.22
	<b>43,777.13</b>	<b>54,412.44</b>
<b>b) Other operating income</b>		
Scrap sales	785.52	892.76
Export incentives	8.68	110.83
	<b>794.20</b>	<b>1,003.59</b>
	<b>44,571.33</b>	<b>55,416.03</b>
<b>18.1 Details of product sold</b>		
Copper brass radiators	12,541.15	12,372.11
Gaskets (refer note 26)	-	10,992.27
Aluminium radiators	34,936.27	35,439.41
Others	155.05	104.87
	<b>47,632.47</b>	<b>58,908.66</b>

**19. Other income**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>Interest income on</b>		
- bank deposits	52.49	77.89
- current investments	11.76	5.00
- others	251.62	228.00
<b>Dividend income on investments</b>		
-Investment in subsidiaries	-	1,729.61
-Investment in associates	6.20	21.70
-Other Investment	5.41	6.40
Profit on sale of assets	314.82	547.25
Net gain on sale of current investment	-	92.66
Other non operating income	225.94	307.90
	<b>868.24</b>	<b>3,016.41</b>

**20. Cost of raw materials and components consumed**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Inventory at the beginning of the year	4,918.96	7,603.18
Add : Purchases (net)	27,211.98	29,070.83
	<b>32,130.95</b>	<b>36,674.01</b>
Less : Inventory at the end of the year	5,825.01	4,918.96
Cost of materials consumed	<b>26,305.94</b>	<b>31,755.04</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**20.1 The above includes Material Consumption for Research and Development purpose as follows**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Raw material consumption	86.34	111.36

**20.2 Details of raw materials and components consumed**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Copper and copper alloys	5,817.61	5,181.63
Gasket materials (refer note 26)	7.89	1,062.98
Steel sheet/plates	184.92	1,419.35
Aluminium	10,878.50	10,817.58
Others	9,417.02	13,273.50
	<b>26,305.94</b>	<b>31,755.04</b>

**20.3 Value of imported and indigenious raw materials and components consumed and percentage of each to total consumption**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Imported % to total (Including canalized items at landed cost)	11,232.14	11,360.70
	42.70%	35.78%
Indigenious % to total	15,073.81	20,394.34
	57.30%	64.22%
	<b>26,305.95</b>	<b>31,755.04</b>

**21. Change in inventories of finished goods, work-in-progress and stock-in-trade.**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>Inventories at the end of the year</b>		
work-in-progress	1,665.27	1,362.52
Finished goods	1,036.69	749.59
	<b>2,701.96</b>	<b>2,112.11</b>
<b>Inventories at the begining of the year</b>		
work-in-progress	1,362.52	1,642.16
Finished goods	749.59	750.01
	<b>2,112.11</b>	<b>2,392.17</b>
<b>Changes in inventories</b>	<b>(589.85)</b>	<b>280.06</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**22. Employee benefit expenses**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Salaries wages and bonus	2,201.77	2,312.96
Company's contribution to gratuity	43.84	44.61
Company's contribution to leave encashment	43.83	45.21
Contribution to provident and other fund	76.06	84.89
Provident fund administration charges	6.84	8.00
Staff welfare expenses	116.10	36.63
	<b>2,488.44</b>	<b>2,532.30</b>

**22.1 The above includes following expenses for research and development purpose**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Salaries, wages and bonus	180.51	179.42
Company's contribution to provident fund and other funds	4.77	5.38
Welfare expenses	-	0.01
	<b>185.28</b>	<b>184.81</b>

**23. Finance cost**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Interest on loans	714.86	617.35
Interest-others	23.83	0.96
Finance charges	130.30	176.99
	<b>868.99</b>	<b>795.30</b>

**24. Depreciation and amortization expenses**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Depreciation on tangible assets	1,569.67	1,500.16
Deprecation on intangible assets	6.97	28.10
	<b>1,576.64</b>	<b>1,528.26</b>
Less : Recoupment from revaluation reserve	(2.85)	(1.16)
	<b>1,573.79</b>	<b>1,527.10</b>

**25. Other expenses**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>Manufacturing expenses</b>		
Consumption of stores and spares	1,044.24	1,280.94
Power and fuel	640.97	815.92
Labour charges	2,967.41	3,824.52

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Repair and maintenance		
Plant and machinery	799.75	912.42
Electric installation	132.00	161.91
Buildings	92.35	63.36
Sundry repairs	3.49	2.94
Factory general expenses	164.10	169.33
Insurance premium on assets	14.41	8.79
<b>Administrative expenses</b>		
Payment to auditors (refer detail below)	16.92	14.48
Rent rates and taxes	34.86	38.42
Postage and courier	26.61	41.22
Telephone expenses	30.02	37.05
Travelling and conveyance	269.70	256.46
Miscellaneous expenses	223.26	182.46
Director sitting fees	3.08	1.78
Donation	1.94	14.10
Net loss on foreign currency transaction and translations (other than considered as finance cost)	218.62	224.41
Loss on sale of current investments	1.65	-
Provision for diminution in value of current investment	6.77	-
Insurance	0.07	3.89
Commission and discount	813.28	1,366.89
Advertisement and sales promotion	30.34	39.95
Other selling expenses	653.60	456.98
Royalty to foreign collaborator	-	2.00
Transit Insurance (outward)	23.26	48.65
Freight and transport (net)	1,743.60	2,304.87
	<b>9,956.30</b>	<b>12,273.74</b>

**25.1 The above includes following expenses for research and development purpose**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Utility-Others	43.51	61.23
Other administrative and miscellounus expenses	16.03	28.26
	<b>59.54</b>	<b>89.49</b>

**25.2 Payment to auditor**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>As auditor :</b>		
Statutory audit fee	7.50	7.50
<b>In other capacity:-</b>		
Other services (certification fees)	5.70	5.48
Out of Pocket Expenses	3.72	1.50
	<b>16.92</b>	<b>14.48</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**26. Discontinuing operation:-**

The company had transferred the Gasket Manufacturing Division/Unit having its manufacturing facility at Anakhi by way of slump sale to Banco Gaskets (India) Limited (BGIL), a wholly owned subsidiary of the company as per agreement dated 31.03.2012 with effect from 31.03.2012 for a consideration of ₹4600 lacs.

The following statement shows the revenue and expenses of the discontinued operation.

(₹ in Lacs)

	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
Revenue	Nil	10,808.72
Expenses	Nil	9,322.60
Profit/(loss) from operation activities	<b>Nil</b>	<b>1,486.12</b>
Finance costs	Nil	120.97
Depreciation/amortisation	Nil	299.21
Profit/ (loss) before tax	<b>Nil</b>	<b>1,065.94</b>
Tax expenses	Nil	236.50
Profit (Loss) after tax	<b>Nil</b>	<b>829.44</b>

The carrying amounts of the total assets and liabilities disposed off on the date of sale are as follows (As per slump sales agreement between BPIL and BGIL dated 31st March, 2012)

	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
Total assets	Nil	6,786.03
Total liabilities	Nil	2,225.54
<b>Net Assets</b>	<b>Nil</b>	<b>4,560.49</b>

**27) Earning Per Share**

The following reflects the profit and share data used in the basic and diluted EPS computations:

	2012-13	2011-12
Net profit/(loss) after tax before exceptional item - ₹ in lacs	3,485.11	7,203.66
Weighted numbers of equity shares outstanding - Nos. in lacs	715.19	715.19
<b>Basic earnings per share in rupees (₹ 2/- per share)</b>	<b>4.87</b>	<b>10.07</b>
<b>Diluted earning per share in rupees (₹ 2/- per share)</b>	<b>4.87</b>	<b>10.07</b>
Net profit/(loss) after tax after exceptional item - ₹ in lacs	3,485.11	7,243.17
Weighted numbers of equity shares outstanding - Nos. in lacs	715.19	715.19
<b>Basic earnings per share in rupees (₹ 2/- per share)</b>	<b>4.87</b>	<b>10.13</b>
<b>Diluted earning per share in rupees (₹ 2/- per share)</b>	<b>4.87</b>	<b>10.13</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

28. The disclosure requirements as prescribed under the accounting standard 15(Revised) "Employee benefits are given below- Changes in present value of defined benefit obligation

	31 <sup>st</sup> March 2013 ₹ in lacs Gratuity	31 <sup>st</sup> March 2012 ₹ in lacs Gratuity	31 <sup>st</sup> March 2013 ₹ in lacs Leave encashment	31 <sup>st</sup> March 2012 ₹ in lacs Leave encashment
Opening defined benefit obligation	168.92	234.97	73.29	84.64
Current service cost	21.60	16.23	17.46	12.95
Interest cost	12.93	19.38	5.22	6.98
Benefits paid	(33.40)	(26.26)	(23.68)	(30.42)
Actuarial (gains)/losses on obligation	22.22	22.17	21.14	25.27
Liabilities transferred to Banco Gaskets (India) Ltd.	—	(97.57)	—	(26.14)
<b>Closing defined benefit obligation</b>	<b>192.27</b>	<b>168.92</b>	<b>93.43</b>	<b>73.29</b>

**Reconciliation of fair value of plan assets (Funded)**

	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
<b>Opening fair value of plan assets</b>	156.76	146.25
Expected return	11.52	13.40
Contribution by employer	20.24	23.60
Benefits paid	(33.40)	(26.26)
Actuarial gains/(losses)	1.40	(0.23)
Asset transferred to Banco Gaskets(India) Limited	(51.26)	—
<b>Closing fair value of plan assets</b>	<b>105.26</b>	<b>156.76</b>
<b>Benefit asset/liability</b>		
Present value of defined benefit obligation	192.27	168.92
Fair value of plan assets	105.26	156.76
<b>Plan assets/(liability)</b>	<b>(87.01)</b>	<b>(12.16)</b>
<b>Statement of profit and loss</b>		
<b>Net employee benefit expenses recognised in the employee cost</b>		
Current service cost	21.60	16.23
Interest cost on benefit obligation	12.94	19.38
Expected return on plan assets	(11.52)	(13.41)
Net actuarial (gain)/loss recognised in the year	20.81	22.40
<b>Net benefit expenses</b>	<b>43.83</b>	<b>44.61</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 <sup>st</sup> March 2013	31 <sup>st</sup> March 2012
Investment with Insurer	100%	100%
<b>Actuarial assumptions</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
Expected rate of return on plan assets	9.25%	9.25%
Salary escalation rate	6.00%	6.00%
Withdrawal rates	5.00% *	5.00% *
Retirement age	58 Years	58 Years
Mortality assumption is based on LIC ( 1994-1996) published table rate		
* 5% at younger ages reducing to 1% at older age		

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**29. Segment Information**

The company has identified manufacturing of automobile components as its sole primary segment. Thus, the disclosure requirements as set out in Accounting Standard 17 (AS-17) "Segment Reporting" are not applicable.

**30. Contingent liabilities.**

	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
- Service tax and excise duty demand	261.44	541.64
- Sales tax	48.06	24.96
- Letter of credit outstanding	125.54	754.68
- Counter guarantees given to the banks in respect of various Guarantees issued by the banks to third parties	2,861.16	2,481.13
- Claims from employees and former employees amount uncertainable		
- Other claims against the company not acknowledged as debts amount uncertainable		

The company is contesting the demands and the management, including its tax advisor, believes that its position is likely to be upheld in the appellate process. No tax expenses have been accrued in the financial statements for the demands raised as above. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and result of operations.

**31. Related party disclosures**
**Name of related parties and related party relationship**
**Related parties where control exists**

1. Subsidiary companies (read with clause 32 of the listing agreement)	Banco Gaskets (India) limited – 100% Lake Mineral (Mauritius) Limited- 100% Nederlandse Radiateuren Fabriek Ltd-100%
2. Indirect subsidiary company (read with clause 32 of the listing agreement)	Kilimanjaro Biochem Limited
3. Associates- under common control	Banco Aluminium Limited
4. Key Management Personnel	Shri Vimal K.Patel- Chairman and Whole Time Director Shri Mehul K.Patel- Vice chairman and Managing Director Shri Shailesh A. Thakker- Executive Director and CFO Shri Kiran Shetty- Executive Director
5. Relatives of Directors	Mrs. Hasumatiben K.Patel Mr. Kush V.Patel Mrs. Pritty V.Patel

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**
**Details of related party transactions during the year ended 31<sup>st</sup> March 2013**

Name of Related Party and Nature of Relationship	Nature of Transaction	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
Banco Aluminium Limited (under common control)	Purchase of goods	717.84	919.29
	Capital assets sold	139.72	3.16
	Sale of goods (including scrap)	22.39	24.13
	Dividend received	6.20	21.70
	Payment of rent	4.20	-
	Receipt of rent	2.04	-
	Services received	-	6.02
	Closing balance (Dr.)	Nil	5.82
Mrs Hasumatiben K Patel (relative of director)	Interest paid on deposits	0.80	1.00
	Closing balance of deposit	Nil	10.00
Kilimanjaro Biochem Limited (indirect subsidiary company)	Interest received	228.45	229.00
	Sale of goods	96.49	-
	Other reimbursement	0.61	-
	Closing balance	2,699.73	3,387.12
Nederlandse Radiateuren Fabriek B.V. (subsidiary company)	Sale of goods	3,030.57	2,512.86
	Dividend received	-	1,729.61
	Purchase of goods	19.17	-
	Closing balance	522.10	399.66
Lake Mineral (Mauritius) Limited (Subsidiary Company)	Sale of shares	—	1,535.04
	Other reimbursement	34.51	-
	Purchase of shares	3,086.75	—
Mr. Kush Patel (Relative of Director)	Salary and perquisites	2.70	3.01
Mrs. Pritty V. Patel (Relative of Director)	Payment of Rent	12.00	16.00
Banco Gaskets (India) Ltd (Subsidiary Company)	Slump Sale	—	4,600.00
	Equity investments	2,000.00	1,500.00
	Sale of goods	84.45	—
	Purchase of goods	338.86	—
	Purchase of assets	3.28	—
	Sale of assets	46.15	—
	Sale of services	55.95	—
	Reimbursement	51.27	28.27
	Closing Balance	32.78	4,872.64
Remuneration to Key Management Personnel (including perquisite)	Shri Vimal K.Patel	102.46	67.48
	Shri Mehul K.Patel	100.86	67.12
	Shri Shailesh A.Thakker	63.68	51.72
	Shri Kiran Shetty	50.91	41.70

**32. Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 545.33 Lacs (31<sup>st</sup> March 2012, ₹212.52 Lacs).

33. As far as balances of trade payables and trade receivables are concerned, the company has done reconciliation with major parties, pending formal confirmation.

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

34. In compliance with the Accounting Standard (AS-2) issued by the Institute of Chartered Accountants of India, the company has included excise duty on closing stock of finished goods amounting to ₹ 103.63 Lacs (31<sup>st</sup> March 2012, ₹ 67.65 Lacs) and the same has been claimed as expenditure. However this charge has no impact on the profit of the company for the year under review.

**35. Capitalisation of expenditure**

During the year, the company has capitalised the following expenses of revenue nature to Capital Work-in-Progress (CWIP). Consequently, expenses disclosed under respective notes are net of amount capitalised by the Company.

	2012-2013 ₹ in lacs	2011-2012 ₹ in lacs
Consumable stores	60.98	180.74
Rent and hiring charges	2.80	7.21
Repair and maintenance	18.83	17.96
Others	69.89	14.78
Interest	27.25	—
Foreign currency translation loss	49.90	—
	<b>229.65</b>	<b>220.69</b>

36. Maximum balance due during the year from Banco Aluminum Ltd, a company under the same management, is ₹ 143.02 Lacs (31<sup>st</sup> March 2012, ₹ 91.41 Lacs)

**37. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year		
Principal amount due to micro and small enterprise	489.90	196.68
Interest due on above	—	—
	<b>489.90</b>	<b>196.68</b>
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed Day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	Nil	Nil

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

38. In compliance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income", the Company has recognised deferred tax liability (net of assets) arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s).
39. Legal and professional charges include ₹2.50 Lacs (Previous Year ₹2.00 Lacs) paid to Shah and Associates, wherein some of the partners of the auditors are interested.
40. In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the Company to any material extent as at the Balance Sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".

**41. Value of imports on CIF basis.**

	2012-2013 ₹ in lacs	2011-2012 ₹ in lacs
Raw materials	10,144.05	9,966.03
Components and spares parts	249.43	302.36
Capital goods	692.03	785.45
	<b>11,086.01</b>	<b>11,053.84</b>

**42. Expenditure in foreign currency (accrual basis)**

	2012-2013 ₹ in lacs	2011-2012 ₹ in lacs
Professional fees	0.08	1.31
Commission on exports	357.25	592.69
Travelling and conveyance	15.64	11.74
Others	286.92	142.03
	<b>659.89</b>	<b>747.77</b>

43. Remittance in foreign currency on account of dividend to non-resident shareholders. The details of dividend paid in respect of shares held by non-residents on repatriation basis are as under:

	2012-2013	2011-2012
Number of non-resident shareholders	397	551
Number of equity share held by them	499,43,467	5,20,10,521
Amount remitted net of tax (₹ in lacs)	749.98	952.97
Year to which dividend relates	2011-2012	2010-2011

44. Particulars of foreign currency exposures that are not hedged by derivate instruments as on reporting date.

Currency	Payable (In"000) FC		Receivable (In"000) FC		Payable ₹ in Lacs		Receivable ₹ in Lacs	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
USD	12,923	11,945	11,977	8,959	7,077	6,156	6,560	4,597
EURO	1,273	854	1,904	1,587	891	568	1,334	1,073
GBP	1	-	13	610	-	-	11	491
					<b>7,968</b>	<b>6,724</b>	<b>7,905</b>	<b>6,161</b>

**NOTES TO STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

45. Derivative contracts entered into by the company during the year ₹Nil (Previous year ₹394.08 lacs) and outstanding as on 31st March, 2013 ₹ Nil (₹ Nil, 31st March 2012)

**46. Earning in foreign currency**

	2012-2013 ₹ in lacs	2011-2012 ₹ in lacs
Exports at FOB Value	12,816.56	12,751.36
Interest on loans	249.63	229.00
Others- Tooling	61.89	25.62

47. The contribution to the equity capital of Lake Cement Limited is in the nature of investment.
48. The company has revalued certain assets of its Bhaili Unit which has been transferred to its SEZ Unit as per requirement of domestic transfer pricing under section 92E- 92F of the Income Tax Act 1961. The difference of ₹ 40.63 lacs , between book value of assets of Bhaili Unit and fair value of equipments as per valuation report, has been transferred to revaluation reserve.
49. Pursuant to the accounting standard AS- 19 Lease, the following information is given.
- a) The company has given on lease its Dabhasa properties to an associate company for a period of 12 months. The lease rent is payable monthly in advance.
- b) Future lease rent receivable as at 31st March 2013 as per the lease agreement

	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
Not later than one year	15.90	Nil

50. The Ministry of Corporate Affairs, Government of India, vide general circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
51. Previous year's figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year.

As per our report of even date attached			
<b>For Shah &amp; Co.</b>		<b>For and on behalf of the Board,</b>	
Chartered Accountants		Vimal K Patel	Chairman & Whole Time Director
FRN : 109430W		Mehul K Patel	Vice Chairman & Managing Director
		Mukesh D Patel	Director
		Atul G Shroff	Director
<b>Ashish Shah</b>	<b>Dinesh Kavthekar</b>	Shailesh A Thakker	Executive Director and CFO
Partner	Company Secretary		
Membership No. : 103750			
Mumbai : 27.05.2013		Bil - Vadodara: 25.05.2013	



## INDEPENDENT AUDITORS' REPORT

### To the BOARD OF DIRECTORS OF BANCO PRODUCTS (INDIA) LIMITED

We have audited the accompanying consolidated financial statements of Banco Products (India) Limited, ("the Company") and its subsidiaries, which comprise of the consolidated Balance Sheet as at 31 March 2013, the consolidated statement of Profit and Loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company in accordance with the accounting principles generally accepted in India; this responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the consolidated financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March 2013;
- (ii) in the case of consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of consolidated cash flow statement, of the cash flows for the year ended on that date.

#### Other Matters

We have been furnished with the audited/unaudited accounts of the subsidiaries mentioned in annexure to this report and have relied on the audited/unaudited financials as approved by the Board of Directors of the subsidiaries and our report in so far as it relates to the amounts included in respect of the subsidiary companies is based solely on such approved audited/unaudited consolidated financial statements.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on Consolidated Financial Statements as prescribed by the Companies (Accounting Standard's) Rules, 2006.

**FOR SHAH & CO. CHARTERED ACCOUNTANTS**  
**FRN: 109430W**

**ASHISH SHAH**  
**PARTNER**  
**M. No. 103750**

**Mumbai: 27.05.2013**

## Annexure to the Auditors' Report - 31 March 2013

(Referred to in our report of even date)

The following subsidiaries have been considered for the consolidation of  
Banco Products (India) Limited

(₹ In lakhs)

Name of Company	Accounting Period	Nature of Subsidiary	Total Assets	Total Revenue
Banco Gaskets (India) Limited (Audited)	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Direct	8,235	10,277
Lake Minerals (Mauritius) Limited (Audited)	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Direct	4,956	-
Kilimanjaro Biochem Ltd. (Audited)	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	6,516	4,682
Nederlandse Radiateuren Fabriek BV (Unaudited)	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Direct	28,872	34,193
Skopimex BV	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF France Sarl	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF BVBA	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF United Kingdom Ltd	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF Handelsges. GmbH	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF Deutschland GmbH	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF Espana S.A.	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF Poland Spoz	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF Italia Srl	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-
NRF Switzerland AG	1 <sup>st</sup> April 2012 - 31 <sup>st</sup> March 2013	Indirect	-	-

**FOR SHAH & CO.**  
CHARTERED ACCOUNTANTS  
FRN: 109430W

**ASHISH SHAH**  
PARTNER  
M. No. 103750

**Mumbai: 27.05.2013**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2013**

(₹ in Lacs)

PARTICULARS	Note No.	As at 31st March 2013	As at 31st March 2012
<b>I Equity and liabilities</b>			
<b>1 Shareholders' funds:</b>			
Share capital	3	1,430.37	1,430.37
Reserves and surplus	4	45,823.84	40,910.75
		<b>47,254.21</b>	<b>42,341.12</b>
<b>2 Non current liabilities:</b>			
Long term borrowings	5	5,181.41	6,486.72
Deferred tax liabilities	6	2,361.53	1,796.83
Long term provisions	7	225.44	181.36
		<b>7,768.38</b>	<b>8,464.91</b>
<b>3 Current liabilities:</b>			
Short term provisions	8	1,560.11	2,105.82
Short term borrowings	9	12,342.03	6,516.62
Trade payables	10	7,743.73	6,760.91
Other current liabilities	11	9,107.91	6,278.52
		<b>30,753.78</b>	<b>21,661.87</b>
		<b>85,776.37</b>	<b>72,467.90</b>
<b>II Assets</b>			
<b>1 Non-current assets:</b>			
Fixed assets	12		
Tangible assets		22,904.31	19,976.29
Intangible assets		334.49	109.94
Capital work-in-progress		872.90	345.86
		<b>24,111.70</b>	<b>20,432.09</b>
Non-current investments	13	6,165.10	3,709.04
Long-term loans and advances	17	5,172.72	2,740.23
		<b>11,337.82</b>	<b>6,449.27</b>
Deferred tax assets	6	331.20	97.80
		<b>331.20</b>	<b>97.80</b>
<b>2 Current assets:</b>			
Current investments	13	85.37	208.62
Inventories	14	26,172.17	21,529.36
Trade receivables	15	19,317.19	17,798.36
Cash and bank balances	16	1,984.94	3,588.28
Short-term loans and advances	17	2,435.99	2,364.12
		<b>49,995.66</b>	<b>45,488.74</b>
		<b>85,776.37</b>	<b>72,467.90</b>
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements	2.1		

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Mumbai : 27.05.2013

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Vimal K Patel

Mehul K Patel

Mukesh D Patel

Atul G Shroff

Shailesh A Thakker

Chairman &amp; Whole Time Director

Vice Chairman &amp; Managing Director

Director

Director

Executive Director and CFO

Bil - Vadodara: 25.05.2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2013**

(₹ in Lacs)

PARTICULARS	Note No.	2012-13	2011-12
<b>I Revenue from operations (gross)</b>	<b>18</b>	107,445.30	106,382.66
Less :- Excise duty		5,030.97	4,496.21
Revenue from operations (net)		<b>102,414.33</b>	<b>101,886.45</b>
<b>II Other income</b>	<b>19</b>	840.89	998.79
<b>III Total revenue (I+II)</b>		<b>103,255.22</b>	<b>102,885.24</b>
<b>IV Expenses</b>			
Cost of materials consumed	<b>20</b>	56,810.48	55,271.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	<b>21</b>	(3,255.68)	106.95
Employee benefit expenses	<b>22</b>	13,774.88	12,440.77
Finance costs	<b>23</b>	1,335.99	849.55
Depreciation and amortisation expenses	<b>24</b>	2,889.36	2,096.10
Other expenses	<b>25</b>	23,443.62	21,906.81
<b>Total(IV)</b>		<b>94,998.65</b>	<b>92,672.01</b>
<b>V Earning profit/(loss) before tax (III-IV)</b>		<b>8,256.57</b>	<b>10,213.23</b>
Current tax		1,795.07	2,538.79
Deferred tax		331.30	21.59
		<b>2,126.37</b>	<b>2,560.38</b>
<b>Profit for the period</b>		<b>6,130.20</b>	<b>7,652.85</b>
<b>Earning per equity share (face value of ₹ 2 each)</b>		<b>8.57</b>	<b>10.70</b>
<b>Basic and diluted earning per shares</b>			
Summary of significant accounting policies	<b>2.1</b>		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Mumbai : 27.05.2013

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Chairman &amp; Whole Time Director

Vice Chairman &amp; Managing Director

Director

Director

Executive Director and CFO

Bil - Vadodara: 25.05.2013

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2013**

(₹ in Lacs)

	31st March 2013	31st March 2012
<b>Cash flow from operating activities</b>		
<b>Net profit/(loss) before tax</b>	<b>8,256.57</b>	<b>10,213.23</b>
Adjustments for non cash items/items required to be disclosed separately:		
Depreciation and amortisation expenses	2,889.36	2,096.10
Interest and finance charges paid	1,335.99	849.55
Unrealised (gain)/loss (net of loss)	-	15.00
(Profit)/loss on sale of fixed assets	(314.82)	(548.15)
(Profit)/loss on sale of investment	(1.03)	(2.62)
Provision for dimuntion of investment	6.76	-
Interest received	(90.34)	(98.91)
Effect of exchange rate difference in translation	251.26	1,539.38
Dividend income received from investment	(11.61)	(28.10)
<b>Operating profit before working capital changes</b>	<b>12,322.13</b>	<b>14,035.48</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in trade receivables	(1,518.83)	(710.23)
(Increase)/decrease in inventories	(4,642.81)	(915.87)
(Increase)/decrease in loans and advances	(818.48)	345.93
Increase/(decrease) in provisions	(18.78)	962.63
Increase/(decrease) in other current liabilities	4,992.76	1,316.28
Increase/(decrease) in trade payables	982.82	(1,236.64)
Cash generated from operations	<b>11,298.82</b>	<b>13,797.58</b>
Direct tax paid (net of refunds)	(1,549.53)	(2,932.48)
<b>Net cash flow from operating activities (A)</b>	<b>9,749.29</b>	<b>10,865.10</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets and capital advances	(4,197.23)	(5,991.16)
Sale of fixed assets	402.69	724.96
Sale of long term investments	-	81.09
Purchase of long term investments	(2,456.06)	(3,723.68)
Sale of current investment	117.52	-
Loan given	(4,370.35)	-
Dividend income received from investment	11.61	28.10
Interest received	107.46	50.94
<b>Net cash flow from investing activities (B)</b>	<b>(10,384.36)</b>	<b>(8,829.75)</b>
<b>Cash flow from financing activities</b>		
Dividend paid	(1,787.97)	(2,134.34)
Income tax (dividend distribution tax) paid on dividend	(290.05)	(348.06)
Interest and finance charges paid	(1,246.99)	(849.55)
Proceed /(repayment) in long-term borrowings	(3,468.68)	8,923.02
Proceed /(repayment) in short-term borrowings	5,825.41	(6,954.14)
<b>Net cash used in financing activities (C)</b>	<b>(968.28)</b>	<b>(1,363.07)</b>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,603.34)	672.28
Cash and cash equivalents at the beginning of the year	3,588.28	2,916.00
<b>Cash and cash equivalents at the end of the year</b>	<b>1,984.94</b>	<b>3,588.28</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	34.60	26.37
With banks		
- In current accounts	1,823.74	2,780.22
- In deposit accounts	13.07	667.90
	<b>1,871.41</b>	<b>3,474.49</b>
Summary of significant accounting policies		

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Mumbai : 27.05.2013

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Vimal K Patel Chairman &amp; Whole Time Director

Mehul K Patel Vice Chairman &amp; Managing Director

Mukesh D Patel Director

Atul G Shroff Director

Shailesh A Thakker Executive Director and CFO

Bil - Vadodara: 25.05.2013

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**1. Principles of consolidation**

The consolidated financial statements relate to Banco Products India Limited (“the Company”) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

The financial statements of the company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, and intra-group balances and intra-group transactions are fully eliminated in accordance with Accounting Standard (AS) 21 – Consolidated Financial Statements.

- 1.1** Foreign subsidiary companies are categorized as ‘non-integral foreign operation. Accordingly, all income and expense items are translated at the average rate prevailing during the period and all assets and liabilities, both monetary and non-monetary, are translated at the closing rate. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve account in accordance with Accounting Standard (AS) 11 – Effect of Changes in Foreign Exchange Rates.
- 1.2** The difference between the costs of investment in the subsidiary companies over the net assets at the time of acquisition of shares in the subsidiary companies is recognised in the financial statements as goodwill or capital reserve as the case may be.
- 1.3** As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s standalone financial statements.
- 1.4** The audited/ unaudited financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company viz. 31<sup>st</sup> March, 2013.
- 1.5** The audited/un-audited financial statements of subsidiary companies have been prepared in accordance with the generally accepted accounting principal (GAAP) of its country of incorporation. The difference between accounting policies of the company and its subsidiary companies are not material.
- 1.6** The Ministry of Corporate Affairs, Government of India, vide general circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions specified in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to exemption. Necessary information relating to the subsidiaries has been included in the consolidated financial statements.
- 1.7 The subsidiary companies considered in the consolidated financial statements are:**

Sr. No.	Name of the subsidiary companies	Country of incorporation	Proportion of ownership interest	Reporting date (date till accounts have been audited)
1	<b>Nederlandse Radiateuren Fabriek BV</b>	Netherlands	100%	30th November, 2012
	1.1 Skopimex BV	Netherlands	100%	30th November, 2012
	1.2 NRF France Sarl	France	100%	30th November, 2012
	1.3 NRF BVBA	Belgium	100%	30th November, 2012
	1.4 NRF United Kingdom Ltd	England	100%	30th November, 2012
	1.5 NRF Handelsges. GmbH	Austria	100%	30th November, 2012
	1.6 NRF Deutschland GmbH	Germany	100%	30th November, 2012
	1.7 NRF Espana S.A.	Spain	100%	30th November, 2012
	1.8 NRF Poland Spoz	Poland	100%	30th November, 2012
	1.9 NRF Italia Srl	Italy	100%	30th November, 2012
	1.10 NRF Switzerland AG	Switzerland	100%	30th November, 2012
	Note : Sr. No.1.1 to 1.10 are subsidiaries of Nederlandse Radiateuren Fabriek BV			
2	<b>Lake Mineral (Mauritius) Ltd.</b>	Mauritius	100%	31st March, 2013
	2.1 Kilimanjaro Biochem Ltd	Tanzania	100 %	31st March, 2013
	Note : Sr. No. 2.1 is Subsidiary of Lake Mineral (Mauritius) Ltd.			
3	<b>Banco Gaskets(India) Ltd.</b>	India	100%	31st March, 2013

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

### 2. Significant accounting policies

#### 2.1 Basis of accounting

- i) The financial statements have been prepared under the historical cost convention (except for certain fixed assets, which have been revalued) in accordance with the generally accepted accounting principles to comply with the applicable Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) The company generally follows the mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.
- iii) Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements.

#### 2.2 Fixed assets and depreciation

- i) In respect of Banco Products (India) Limited  
Fixed assets are stated at cost (net of cenvat /service tax credit wherever claimed) less accumulated depreciation less impairment, if any, other than land and building at Bhaili division which are shown at revalued cost. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to its working condition for its intended use including borrowing cost and incidental expenditure incurred up to the date the assets are ready for its intended use.  
Depreciation on plant & machinery (except electrical installations), computers, laboratory equipments, machine tools and effluent treatment plant purchased on or after 1<sup>st</sup> October, 1982 has been provided on straight line basis and on other assets on written down value basis at the rates specified in schedule XIV of the Companies Act, 1956. Individual items of fixed assets costing upto ₹ 5,000 are fully depreciated in the year of purchase.  
Leasehold land is amortized over the period of lease.  
Technical know-how recognised as intangible asset was stated at the consideration paid for acquisition and amortized on straight-line basis at plant & machinery rates.  
License fees on software are amortised on straight line basis on rates of computer.
- ii) In respect of Banco Gaskets (India) limited  
Depreciation on fixed assets except Plant and Machinery is provided on written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on Plant and machinery including computers is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions to the fixed assets are provided on pro-rata basis from the date on which put to use. Assets costing ₹ 5000/- or less are depreciated fully in the year of purchase.  
During the year the company has changed method for providing depreciation on Plant and Machinery including computers from written down value method to straight line method in line with the method adopted by Holding company. Intangible assets are amortized over the period of five years.
- iii) In respect of Nederlandse Radiateuren Fabriek B.V., the annual depreciation rates are as follows:

Buildings	:	2.50%
Plant & Machinery	:	10%-20%
Other operating Fixed Assets	:	20%-33.1/3%
- iv) In respect of Kilimanjaro Biochem Limited, The annual depreciation rates are as follows:

Buildings & Civil Works	:	5%
Plant & Machinery	:	10%
Motor Vehicles	:	20%
Office Equipments	:	25%
Furniture & Fittings	:	25%
Computers	:	25%

Balance in pre-operative expenses as on 1<sup>st</sup> April 2012 was ₹125.17 lacs. Out of this ₹9.80 lacs has been written off during the year and grouped in miscellaneous expenses. Balance of ₹115.37 lacs has been shown under current assets as on 31<sup>st</sup> March 2013.

#### 2.3 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss, if any, recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### 2.4 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currencies at the year-end are translated at the year-end rates. Any exchange differences arising on

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

settlement/transaction are dealt with in the statement of profit and loss except those relating to acquisition of fixed assets, which are adjusted to the cost of the asset.

**2.5 Investments**

Non-current investments are stated at cost. No provision for diminution in value, if any, has been made as these are long-term investments and in the opinion of the management any decline is temporary. Current investments are stated at lower of cost and fair value.

**2.6 Inventories**

- i) Raw materials, stores & spares, packing materials, work in progress and finished goods are valued at lower of cost or net realisable value. Damaged, unserviceable and inert stocks are suitably depreciated.
- ii) In determining cost of raw materials, stores & spares and packing materials weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties and taxes other than those subsequently recoverable from tax authorities.
- iii) Cost of finished products and work-in-process include the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads and excise duty as applicable on the finished goods.

**2.7 Retirement benefits**

The company has defined contribution plan for its employee's retirement benefits comprising of provident fund. The Company contributes to provident fund for its employees. The Company has defined benefit plan comprising of gratuity fund and leave encashment entitlement. The liability for the gratuity fund and leave encashment has been determined on the basis of an independent actuarial valuation done at the year-end. Actuarial gains and losses comprise adjustments and the effect of changes in the actuarial assumptions and are recognised in the Statement of Profit and Loss as income or expense. Contribution in respect of gratuity is paid to the Life Insurance Corporation of India (LIC).

**2.8 Research and development**

Capital expenditure related to scientific research is shown separately under the respective head of fixed assets.

Revenue expenses including depreciation are charged to the Statement of Profit and Loss.

**2.9 Sales**

Revenue from sale of goods is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are net of returns and discounts and exclude sales tax, excise duty and other charges.

In respect of **Nederlandse Radiateuren Fabriek B.V.**, Income from the supply of goods is recognised as soon as all substantial rights and risks relating to the title of the goods are transferred to the customer.

**2.10 Provision for current and deferred tax**

Provision for current tax is made after taking into consideration the deduction allowable under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from 'timing difference' between book and taxable profit is accounted by using the tax rate that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax liability is provided in the statement of profit and loss. Deferred tax assets are recognised only if there is reasonable certainty that the assets can be realised in future.

**2.11 Borrowing costs**

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalised as part of the cost of the asset. Other borrowing cost is recognised as an expense in the period in which they are incurred.

**2.12 Dividend**

Dividend income is considered on receipt basis

**2.13 Provisions, contingent liabilities and contingent assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognised are disclosed by way of notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**2.14 Trade receivables**

Trade receivables are stated after writing off debts considered as bad. Provision is made for debts considered as doubtful, if any. Discounts due yet to be quantified at the customer level are included under the head "Current Liabilities and provisions".

**2.15 Earning per share**

The basic and diluted earning per share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

**2.16 Proposed dividend**

Dividend recommended by Board of Directors is provided for in the accounts, pending approval at Annual General Meeting.

**2.17 Lease accounting**

Lease rental income is accounted on accrual basis in accordance with the lease agreement.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**3. Shareholders' funds**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Equity Share capital</b>		
1520 lacs Equity shares (previous year 1520 lacs) of ₹2 each	3,040.00	3,040.00
<b>Issued, subscribed and fully paid Up</b>		
715.19 lacs Equity shares (previous year 715.19 lacs) of ₹2 each	1,430.37	1,430.37
<b>Total Issued, subscribed and fully paid up share capital</b>	<b>1,430.37</b>	<b>1,430.37</b>

**3.1 A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

	No. of Share in Lacs	Share Capital ₹ in Lacs
Balance as of 1st April 2012	715.19	1,430.38
Addition during the year	-	-
Deletion during the year	-	-
<b>Balance as of 31st March 2013</b>	<b>715.19</b>	<b>1,430.38</b>

**3.2 Terms/rights attached to each equity share**

The company has one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

**3.3 Shares held by holding, subsidiary and other associated companies as of 31st March 2013 are as under**

	No. of shares	No. of shares
Share held by holding company or ultimate holding company	Nil	Nil
Share held by subsidiary company or ultimate subsidiary company	Nil	Nil

**3.4 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Equity shares of ₹2 each allotted as fully paid up bonus shares by capitalising general reserve	590.95	590.95
Equity shares of ₹2 each allotted as fully paid up in terms of amalgamation without payment being received in cash.	99.45	99.45

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**3.5 Share in the company held by each shareholder holding more than 5% shares specifying the no. of shares**

Name of Shareholder	As at 31st March 2013 No. in Lacs (Holding in %)	As at 31st March 2012 No. in Lacs (Holding in %)
1 Vimal K.Patel	55.73 (7.79%)	55.73 (7.79%)
2 Samir K.Patel	50.17 (7.01%)	49.59 (6.93%)
3 Mehul K.Patel	56.15 (7.85%)	56.05 (7.84%)
4 Overseas Pearl Limited	269.10 (37.63%)	269.10 (37.63%)

**4. Reserves and surplus**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Capital reserve</b>		
At the beginning and at the end of the year	0.77	0.77
	<b>0.77</b>	<b>0.77</b>
<b>Revaluation reserve</b>		
At the beginning of the year	23.70	24.86
Add:- Addition during the year	40.63	-
Less: Amount transferred to the statement of profit and loss as reduction from depreciation	(2.85)	(1.16)
<b>At the end of the year</b>	<b>61.48</b>	<b>23.70</b>
<b>Security premium reserve</b>		
At the beginning and at the end of the year	1,200.31	1,200.31
	<b>1,200.31</b>	<b>1,200.31</b>
<b>General reserve</b>		
At the beginning of the year	9,560.81	8,652.36
Add: Amount transferred from the statement of profit and loss	600.00	875.00
Add: Amount transferred from investment subsidy	-	33.45
<b>At the end of the year</b>	<b>10,160.81</b>	<b>9,560.81</b>
<b>Capital reserve on acquisition</b>		
At the beginning of the year and at the end of the year	9,617.24	9,617.24
	<b>9,617.24</b>	<b>9,617.24</b>
<b>Translation adjustment reserve</b>		
At the beginning of the year	(43.40)	(1,582.78)
Adjustment during the year	251.26	1,539.38
At the end of the year	<b>207.86</b>	<b>(43.40)</b>
<b>Investment subsidy</b>		
At the beginning of the year	-	33.45
Less: amount transferred to general reserve	-	(33.45)
<b>At the end of the year</b>	-	-
<b>Surplus in statement of profit and loss</b>		
At the beginning of the year	20,551.31	15,843.17
Add: reversal of excess dividend distribution tax provision	-	8.31
Net profit after tax for the year	6,130.20	7,652.85
Less : Appropriations	-	-
Proposed dividend	(1,287.35)	(1,787.97)
Dividend tax	(218.79)	(290.05)
Transferred to general reserve	(600.00)	(875.00)
<b>At the end of the year</b>	<b>24,575.37</b>	<b>20,551.32</b>
	<b>45,823.84</b>	<b>40,910.75</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**5. Long term borrowings**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Bank loans</b>		
Foreign currency secured term loan from bank (refer 5.1)	4,874.51	5,645.20
Less: current portion of long-term borrowing	(1,499.85)	(1,699.98)
Loans from bank (refer 5.2)	2,045.25	2,541.50
Less: current portion of long-term borrowing	(1,363.50)	-
Indian rupees secured term loan from bank (refer 5.3)	2,125.00	-
Less: current portion of long-term borrowing	(1,000.00)	-
	<b>5,181.41</b>	<b>6,486.72</b>

- 5.1** Foreign currency term loan carries interest @ 3M LIBOR plus 2%. The loan is repayable within 4 years on quarterly installments. The loan is secured hypothecation of specific movable assets of the company by way of first charge.
- 5.2** Bank loan of US\$ 50 lacs carries interest @ 3M LIBOR Plus 2%. The loan is repayable within 3 years on quarterly installments.
- 5.3** Indian rupees term loan from bank carries interest @ 10.75% p.a. The loan is repayable within 2 years on quarterly installments, from the date of loan, viz. 30th January 2013. The loan is secured by hypothecation of specific movable assets of the company by way of first charge.

**6. Deferred tax liability (net)**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Deferred tax liability</b>		
Fixed assets : impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	(2,361.53)	1,796.83
	<b>(2,361.53)</b>	<b>1,796.83</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purpose on payment basis	331.20	97.80
	<b>331.20</b>	<b>97.80</b>
<b>Closing net deferred tax liability</b>	<b>(2,030.33)</b>	<b>1,699.03</b>
Opening net deferred tax liability	1699.03	1677.44
Charged to statement of profit and loss	(331.30)	(21.59)

**7. Long term provisions**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Provision for gratuity (net of fund investment)	110.26	85.43
Provision for leave encashment	115.18	95.93
	<b>225.44</b>	<b>181.36</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**8. Short term provisions**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Provision for gratuity (net of fund investment)	46.32	24.30
Provision for leave encashment	7.65	3.50
Provision for proposed equity dividend	1,287.35	1,787.97
Tax on proposed equity dividend	218.79	290.05
	<b>1,560.11</b>	<b>2,105.82</b>

**9. Short term borrowings**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Secured</b>		
Cash credit from banks	1,281.04	3,519.31
Short-term loan from banks	3,152.54	-
Foreign currency loan-buyer's credit	800.00	-
Foreign currency loan-packing credit	671.90	-
<b>Unsecured</b>		
Foreign currency loan-packing credit	1,245.80	792.29
Foreign currency loan-buyer's credit	370.27	156.10
8.25% Optionally fully convertible debentures	520.48	748.92
Short-term loan from banks	4,300.00	1,300.00
	<b>12,342.03</b>	<b>6,516.62</b>

- i) Cash credit loans are secured against first charge on pari passu basis by way of hypothecation of the current assets both present and future in favour of participating scheduled banks.
- ii) Short term loans from bank carries interest rate @ 9 % to 12% p.a. during the year.
- iii) foreign currency buyer credit and packing credits are repayable within 90 to 180 days and carries interest @ LIBOR plus 2% to 3%.

**10. Trade payables**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Due to micro small and medium enterprises	628.32	265.28
Due to others	7,115.41	6,495.63
	<b>7,743.73</b>	<b>6,760.91</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**11. Other current liabilities**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Current maturities of long-term debt	3,863.35	1,699.98
Statutory liabilities		
- VAT/CST payable	601.30	420.62
- TDS payable	12.89	271.99
- Provident fund payable	12.47	43.19
- Professional tax payable	0.91	181.67
Other payables	4,275.39	3,139.85
Unpaid dividend	113.53	113.79
Advance received from customers	228.07	407.43
	<b>9,107.91</b>	<b>6,278.52</b>

**12 Fixed Assets**
**(₹ in Lacs)**

	GROSS BLOCK						DEPRECIATION					NET BLOCK	
	As at 1 April 2012	Additions	Revalu- ation Reserve	Trans- lation Difference	Deduction Others	At 31 March 2013	At 1 April 2012	Additions	Trans- lation Difference	Deduction Others	At 31 March 2013	At 31 March 2013	At 31 March 2012
<b>I Tangible Assets</b>													
a. Leasehold Land	872.12	-	-	(2.16)	-	869.96	10.15	8.79	-	-	18.94	851.02	861.97
b. Freehold Land	867.70	13.06	-	51.05	21.28	910.54	0.09	-	-	-	0.09	910.44	867.70
c. Buildings	9,492.02	1,995.81	-	953.05	22.58	12,418.31	5,381.50	407.86	717.20	-	6,506.56	5,911.75	4,110.53
d. Plant and Equipments	32,541.42	3,223.92	40.63	2,075.07	882.96	36,998.08	19,509.44	2,105.29	2395.82	1,060.61	22,949.95	14,048.13	13,030.38
e. Furniture & Fixtures	144.01	117.17	-	(5.43)	7.45	248.30	69.39	37.13	0.93	0.55	106.91	141.40	65.98
f. Vehicles	724.26	104.95	-	(275.83)	53.67	499.72	332.09	90.91	(17.67)	43.29	362.04	137.68	392.17
g. Office equipment	2,540.70	118.49	-	649.77	(1.52)	3,310.48	2,132.56	169.25	341.86	(0.03)	2,643.70	666.78	408.14
<b>h. Scientific Research</b>													
1 Building	85.25	-	-	-	-	85.25	42.87	4.40	-	-	47.27	37.98	42.39
2 Plant and Equipments	257.46	12.85	-	-	-	270.31	125.33	19.08	-	-	144.41	125.90	164.00
3 Office Equipment	31.87	25.73	-	-	-	57.60	12.03	4.04	-	-	16.07	41.53	7.35
4 Furniture and Fixture	3.44	0.85	-	-	-	4.29	1.71	0.76	-	-	2.47	1.82	1.99
5 Others	19.27	1.48	-	-	-	20.75	11.51	1.49	-	-	13.00	7.75	0.15
i. Other assets	34.19	3.45	-	-	(6.06)	43.70	19.85	3.18	-	1.46	21.57	22.13	23.53
<b>II Intangible Assets</b>													
a. Technical Knowhow	39.36	-	-	-	-	39.36	0.01	7.87	-	-	7.88	31.48	39.36
b. Software	144.13	180.99	-	70.11	(0.07)	395.30	61.52	29.31	1.45	(0.01)	92.29	303.01	70.57
<b>Total</b>	<b>47,797.19</b>	<b>5,798.75</b>	<b>40.63</b>	<b>3,515.63</b>	<b>980.28</b>	<b>56,171.92</b>	<b>27,710.02</b>	<b>2,889.36</b>	<b>3,439.59</b>	<b>1,105.87</b>	<b>32,933.11</b>	<b>23,238.80</b>	<b>20,086.22</b>
Previous year	42,074.60	10,124.66	-	-	4,402.07	47,797.19	27,990.38	2,096.10	-	2,375.52	27,710.96	20,086.22	14,084.21

**Notes-**

- The Company has acquired Leasehold land on 16th December 2010 on Lease for 99 years for. The amortization per year on the same is ₹8.79 Lacs
- The borrowing cost capitalised during the year ended 31March 2013 was ₹27.25 lacs. (Previous Year ₹ 246.87 lacs)
- Other Assets include Weighing Machine , Air Conditioner and other Equipments

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**13. Non current investments (long term investments)**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Unquoted fully paid Equity instrument in associates</b>		
620,080 (P.Y.620,080) Equity shares in Banco Aluminium Ltd.	25.35	25.35
	<b>25.35</b>	<b>25.35</b>
<b>Other investments</b>		
178,596 (P.Y.112,720) Equity shares of TShs 100000 fully paid each in Lake Cement Ltd	6139.50	3,683.44
1,000 (P.Y.1,000 ) Equity shares of ₹ 25 each fully paid Co- Operative Bank of Baroda	0.25	0.25
	<b>6,139.75</b>	<b>3,683.69</b>
	<b>6,165.10</b>	<b>3,709.04</b>
<b>Current investments (short term investments)</b>		
<b>Investment in equity and other instruments (quoted) (fully paid up)</b>		
6,588 includes 3,294 bonus shares (P.Y.3,294) Indian Motor Parts Limited of ₹10 each	3.14	3.14
132,700 (P.Y.132,700) Swiss Glasscoat Equipment Limited. of ₹ 10 each	13.38	13.38
511 (P.Y.511) National Hydro Power Corporation of ₹ 10 each	0.18	0.18
787 includes 472 bonus shares (P.Y.315) Oil India Limited of ₹ 10 each	3.31	3.31
400 (P.Y.400) Perfect Circle Victor Limited. of ₹ 1 each	0.01	0.01
17 (P.Y.17) Talbros Eng Limited of ₹ 10 each having total investment value ₹ 462	0.00	0.00
Nil (P.Y.225) Glaxosmithkline Consumer Healthcare Limited of ₹ 10 each	-	3.65
Nil (P.Y.900) Axis Bank Limited of ₹ 10 each	-	11.85
Nil (P.Y. 600) Punjab National Bank of ₹ 10 each	-	5.51
Nil (P.Y.2,000) IVRC Ltd of ₹ 2 each	-	3.33
Nil (P.Y.7,500) ITC Limited of ₹ 1 each	-	12.61
Nil (P.Y.300) Infosys Technologies Limited of ₹ 5 each	-	8.75
Nil (P.Y.320) State Bank of India of ₹ 10 each	-	8.85
Nil (P.Y.150) Larsen and Turbo Limited of ₹ 2 each	-	2.26
Nil (P.Y.2,500 of ₹ 10 each) HDFC Bank Limited of ₹ 2 each	-	11.70
Nil (P.Y. 625) Tata Steel Limited of ₹ 10 each	-	4.02
Nil (P.Y. 500) Hero Motorcorp Limited of ₹ 10 each	-	9.61
Nil (P.Y.430) Cadila Health Care of ₹ 10 each	-	4.07
Nil (P.Y. 1,770) Sun Pharmaceutical Industries Limited of ₹ 1 each	-	8.17
Nil (P.Y. 2,050) Biocon Limited of ₹ 10 each	-	7.09
5 (P.Y. 5) 10.5% Non convertible Debentures of Tata Housing Development Ltd of ₹ 10,00,000 each	52.12	52.12
	<b>72.14</b>	<b>173.61</b>
<b>Investment in mutual fund-quoted, fully paid up</b>		
200,000 (P.Y.200,000) Baroda Pioneer PSU Equity Fund of ₹ 10 each	20.00	20.00
Less :- Provision for diminution of Investment	(6.77)	-
Nil (P.Y.164,089) Motilal Oswal Most Shares Midcap-100 Etf(8) of ₹ 10 each	-	13.00
Nil (P.Y.200,478) Reliance Money Manager Fund-Retails Option-Daily Dividend Plan	-	2.01
	<b>13.23</b>	<b>35.01</b>
	<b>85.37</b>	<b>208.62</b>
<b>Market value of quoted investments</b>		
Equity investments	83.10	170.46
Others	13.24	35.01
	<b>96.34</b>	<b>205.47</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**14. Inventories (at lower of cost or net realisable value)**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
Raw materials	11,110.34	9,848.57
Work-in-progress	3,224.13	2,628.72
Finished goods	10,060.71	7,400.44
Stores and spares	1,524.55	1,590.93
Loose tools	58.36	16.60
Packing materials	194.08	44.10
	<b>26,172.17</b>	<b>21,529.36</b>

**15. Trade receivables**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured ,considered good	396.73	1,040.74
	<b>396.73</b>	<b>1,040.74</b>
Provision for doubtful receivables	-	-
<b>(A)</b>	<b>396.73</b>	<b>1,040.74</b>
<b>Other receivables</b>		
Unsecured ,considered good	19,116.19	16,757.62
	<b>19,116.19</b>	<b>16,757.62</b>
Provision for doubtful receivables	(195.73)	-
<b>(B)</b>	<b>18,920.46</b>	<b>16,757.62</b>
<b>(A+B)</b>	<b>19,317.19</b>	<b>17,798.36</b>

**16. Cash and bank balances**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Cash and cash equivalents</b>		
Cash on hand	34.60	26.37
<b>Balances with banks</b>		
In current accounts	1,823.74	2,780.22
In other accounts	0.01	63.12
With maturity of less than 3 months	-	12.33
<b>Other bank balances</b>		
With maturity between 3 to 12 months	-	556.74
With maturity more than 12 months	-	4.46
Margin money with banks	13.06	31.25
Unpaid dividend	113.53	113.79
	<b>1,984.94</b>	<b>3,588.28</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**17. Long term loans and advances**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>Capital advances</b>		
Unsecured, considered good	276.68	2,698.50
<b>Security deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	0.69	38.23
<b>Loans and advances</b>		
Other loans	4,370.35	-
Fixed deposits with more than 12 month maturity	525.00	3.50
	<b>5,172.72</b>	<b>2,740.23</b>

**17. Short term loans and advances**

	As at 31st March 2013 ₹ in Lacs	As at 31st March 2012 ₹ in Lacs
<b>(Unsecured, considered good)</b>		
Capital advances	-	-
Security deposits	86.70	81.27
<b>Others loans and advances</b>		
Advance tax (net of provision for taxation)	795.33	549.80
Balance with statutory authorities	338.20	204.49
Prepaid expenses	405.13	222.06
Interest receivable on deposits	32.28	49.40
Advance to vendors (trade)	577.12	518.69
Other advances	201.23	738.41
	<b>2,435.99</b>	<b>2,364.12</b>

**18. Revenue from operations**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>Sale of products</b>		
Finished goods	105,883.29	104,916.70
Less : Excise duty	5,030.97	4,496.21
	<b>100,852.32</b>	<b>100,420.49</b>
Scrap sales	1,466.51	1,355.13
Export incentives	95.50	110.83
	<b>1,562.01</b>	<b>1,465.96</b>
	<b>102,414.33</b>	<b>101,886.45</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**19. Other income**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Interest income		
- bank deposits	55.41	77.89
- current investments	11.76	5.00
- others	23.17	16.02
Dividend income on		
- Investment in associates	6.20	21.70
- Other investments	5.41	6.40
Profit on sale of assets	314.82	548.15
Net gain on sale of current investment	1.03	2.62
Other non operating income	423.09	321.01
	<b>840.89</b>	<b>998.79</b>

**20. Cost of materials consumed**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Inventory at the beginning of the year	9,892.67	10,074.98
Add : Purchases (net) during the year	58,222.23	55,089.52
	<b>68,114.90</b>	<b>65,164.50</b>
Less : Inventory at the end of the year	11,304.42	9,892.67
Cost of materials consumed	<b>56,810.48</b>	<b>55,271.83</b>

**21. Change in inventories of finished goods, work-in-progress and stock-in-trade.**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>Inventories at the end of the year</b>		
Semi-finished inventories	3,224.13	2,628.72
Finished goods	10,060.70	7,400.43
	<b>13,284.83</b>	<b>10,029.15</b>
<b>Inventories at the beginning of the year</b>		
Semi-finished inventories	2,628.72	2,890.09
Finished goods	7,400.43	7,246.01
	<b>10,029.15</b>	<b>10,136.10</b>
<b>Changes in inventories</b>	<b>(3,255.68)</b>	<b>106.95</b>

**22. Employee benefit expenses**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
Salaries wages and bonus	12,580.17	11,524.56
Company's contribution to gratuity	74.15	81.16
Company's contribution to leave encashment	43.83	50.49
Contribution to provident and other fund	882.11	739.92
Provident fund administration charges	8.77	8.00
Staff welfare expenses	185.86	36.63
	<b>13,774.89</b>	<b>12,440.77</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**23. Finance cost**

	<b>2012-2013</b> ₹ in Lacs	<b>2011-2012</b> ₹ in Lacs
Interest on loans	1,087.38	555.74
Interest-Others	25.66	30.38
Finance charges	222.95	263.43
	<b>1,335.99</b>	<b>849.55</b>

**24. Depreciation and amortization expenses**

	<b>2012-2013</b> ₹ in Lacs	<b>2011-2012</b> ₹ in Lacs
Depreciation on tangible assets	2,855.00	2,069.16
Depreciation on intangible assets	37.21	28.10
	<b>2,892.21</b>	<b>2,097.26</b>
Less : Recoupment from revaluation reserve	(2.85)	(1.16)
	<b>2,889.36</b>	<b>2,096.10</b>

**25. Other expenses**

	<b>2012-2013</b> ₹ in Lacs	<b>2011-2012</b> ₹ in Lacs
Consumption of stores and spares	1,182.72	1,291.44
Power and fuel	1,898.03	1,333.03
Labour charges	6,022.85	5,995.96
Repair and maintenance		
Plant and machinery	1,676.34	1,589.73
Electric installation	137.66	161.91
Buildings	253.61	63.36
Sundry repairs	3.49	2.94
Factory general expenses	345.49	420.62
Insurance premium on assets	69.36	52.75
Payment to auditors (refer detail below)	153.86	330.27
Rent rates and taxes	658.79	635.11
Postage and courier	36.01	41.22
Telephone expenses	188.32	187.45
Travelling and conveyance	981.02	602.99
Miscellaneous expenses	699.08	406.37
Director sitting fees	3.08	1.78
Donation	2.44	14.10
Exchange loss (net)	267.03	251.16
Loss on sale of assets	2.71	-
Insurance	112.51	82.55
Commission and discount	3,577.31	3,297.68
Advertisement and sales promotion	422.60	420.35
Other selling expenses	845.12	669.67
Provision for doubtful debts	192.35	-
Provision for diminution of investment	6.77	-
Royalty to foreign collaborator	-	2.00
Transit insurance (outward)	23.26	55.31
Freight and transport (net)	3,681.82	3,997.08
	<b>23,443.64</b>	<b>21,906.81</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**Payment to auditor**

	2012-2013 ₹ in Lacs	2011-2012 ₹ in Lacs
<b>As auditor :</b>		
Statutory audit fee	144.44	134.03
<b>In other capacity:-</b>		
Other services (certification fees)	6.20	5.48
Out of Pocket expenses	3.22	190.76
	<b>153.86</b>	<b>330.27</b>

26. Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 567.30 Lacs (31<sup>st</sup> March 2012, ₹279.62 Lacs).

**27. Contingent liabilities**

	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
- Service tax and excise duty demand	338.06	664.52
- Sales tax	55.81	55.81
- Letter of credit outstanding	125.54	754.68
- Counter guarantees given to the banks in respect of various Guarantees issued by the banks to third parties	3,019.71	2,481.13
- Claims from employees and former employees amount uncertainable		
- Other claims against the company not acknowledged as debts amount uncertainable		

The company is contesting the demands and the management, including its tax advisor, believes that its position is likely to be upheld in the appellate process. No tax expenses have been accrued in the financial statements for the demands raised as above. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and result of operations.

28. In compliance with the Accounting Standard (AS-2) issued by the Institute of Chartered Accountants of India, the company has included excise duty on closing stock of finished goods amounting to ₹ 103.63 Lacs (31<sup>st</sup> March 2012, ₹ 67.65 Lacs) and the same has been claimed as expenditure. However this charge has no impact on the profit of the company for the year under review.

29. Maximum balance due during the year from Banco Aluminum Ltd, a company under the same management, is ₹ 143.02 Lacs (31<sup>st</sup> March 2012, ₹ 91.41 Lacs)

**30. Related Party Disclosures**
**Name of related parties and related party relationship**
**Related parties where control exists**

1. Subsidiary Company (read with clause 32 of the listing agreement)	Banco Gaskets (India) limited – 100% Lake Mineral (Mauritius) Limited- 100% Nederlandse Radiateuren Fabriek Ltd-100%
2. Indirect Subsidiary Company (read with clause 32 of the listing agreement)	Kilimanjaro Biochem Limited
3. Associates- Under common control	Banco Aluminium Limited
4. Key Management Personnel	Shri Vimal K.Patel- Chairman and Whole Time Director Shri Mehul K.Patel- Vice chairman and Managing Director Shri Shailesh A. Thakker- Executive Director and CFO Shri Kiran Shetty- Executive Director
5. Relatives of Directors	Mrs. Hasumatiben K.Patel Mr. Kush V.Patel Mrs. Pritty V.Patel

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Name of Related Party and Nature of Relationship	Nature of Transaction	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
Banco Aluminium Limited (under common control)	Purchase of goods	717.84	919.29
	Capital assets sold	139.72	3.16
	Sales of goods (including scrap)	22.39	24.13
	Dividend received	6.20	21.70
	Payment of rent	4.20	-
	Receipt of rent	2.04	-
	Services received	-	6.02
	Closing balance (Dr.)	Nil	5.82
Ms Hasumatiben K Patel (relative of director)	Interest paid on deposits	0.80	1.00
	Closing balance of deposit	Nil	10.00
Mr. Kush Patel (Relative of Director)	Salary and perquisites	2.70	3.01
Mrs. Pritty V. Patel (Relative of Director)	Payment of Rent	12.00	16.00
Remuneration to Key Management Personnel (including perquisite)	Shri Vimal K.Patel	102.46	67.48
	Shri Mehul K.Patel	100.86	67.12
	Shri Shailesh A.Thakker	63.68	51.72
	Shri Kiran Shetty	50.91	41.70

**31. Earning per Shares**

	2012-2013	2011-2012
Profit available for Equity Shareholders (₹ in Lacs)	6,130.22	7,652.85
Weighted average Paid up Equity Shares – Nos.in Lacs	715.19	715.19
Earning Per Equity Share (Basic and diluted) (₹)	8.57	10.70

32. The disclosure requirements as prescribed under the Accounting Standard 15 (Revised) "Employee Benefits" are given below:

**Change in present value of defined benefit obligation**

	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
	Gratuity	Gratuity	Leave encashment	Leave encashment
Opening defined benefit obligation	266.49	332.54	99.43	84.64
Current service cost	28.80	16.23	23.30	12.95
Interest cost	20.69	19.38	7.11	6.98
Benefits paid	(46.00)	(26.26)	(31.40)	(30.42)
Actuarial (gains)/losses on obligation	37.59	22.17	24.39	25.28
Liabilities transferred to Banco Gaskets (India) Limited	-	(97.57)	-	-
<b>Closing defined benefit obligation</b>	<b>307.57</b>	<b>266.49</b>	<b>122.83</b>	<b>99.43</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**
**Reconciliation of fair value of plan assets (Funded)**

	31 <sup>st</sup> March 2013 ₹ in lacs	31 <sup>st</sup> March 2012 ₹ in lacs
<b>Opening fair value of plan assets</b>	156.76	146.25
Expected return	11.52	13.40
Contribution by employer	27.30	23.60
Benefits paid	(45.99)	(26.26)
Actuarial gains/(losses)	1.40	(0.23)
<b>Closing fair value of plan assets</b>	<b>150.99</b>	<b>156.76</b>
<b>Benefit asset/liability</b>		
Present value of defined benefit obligation	307.57	266.49
Fair value of plan assets	150.99	156.76
<b>Plan assets/(liability)</b>	<b>(156.58)</b>	<b>(109.73)</b>
<b>Net employee benefit expenses recognised in the employee cost</b>		
Current service cost	28.80	52.79
Interest cost on benefit obligation	20.70	19.38
Expected return on plan assets	(11.52)	(13.41)
Net actuarial (gain)/loss recognised in the year	36.17	22.40
<b>Net benefit expenses</b>	<b>74.15</b>	<b>81.16</b>
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
Investment with Insurer	100%	100%
<b>Actuarial assumptions</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2012</b>
Expected rate of return on plan assets	9.25%	9.25%
Salary escalation rate	6.00%	6.00%
Withdrawal rates	5.00% *	5.00% *
Retirement age	58 Years	58 Years
Mortality assumption is based on LIC (1994-1996) published table rate		
* 5% at younger ages reducing to 1% at older age		

33. The company has identified manufacturing of automobile components as its sole primary segment. thus the disclosure requirements as set out in Accounting Standard 17 (AS-17) "Segment Reporting" are not applicable.
34. In the opinion of the management, there are no indications, internal or external which could have the effect of impairment of the assets of the company to any material extent as at the Balance Sheet date, which requires recognition in terms of Accounting Standard 28 (AS-28) on "Impairment of Assets".
35. The contribution to the equity capital of Lake Cement Limited is in the nature of investment and hence the same is not considered for consolidation purposes.
36. Previous years figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year.

As per our report of even date attached

**For Shah & Co.**

Chartered Accountants

FRN : 109430W

**Ashish Shah**

Partner

Membership No. : 103750

Mumbai : 27.05.2013

**Dinesh Kavthekar**

Company Secretary

**For and on behalf of the Board,**

Vimal K Patel Chairman & Whole Time Director

Mehul K Patel Vice Chairman & Managing Director

Mukesh D Patel Director

Atul G Shroff Director

Shailesh A Thakker Executive Director and CFO

Bil - Vadodara: 25.05.2013

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies as at 31st March, 2013

(₹ in Lacs)

Sr. No.	Name of Subsidiary Company	Paid up Capital	Reserves	Total Assets	Total Liabilities	Investments (except in case of investments in the subsidiary)	Turnover/ income	Profit/ (Loss) before taxation	Provision for Taxation	Profit/ (Loss) after taxation	Proposed Dividend
1	Nederlandse Radiateuren Fabriek BV	79	24,755	28,872	7,077	3,040	34,193	(174)	(202)	27	1,051
1.1	Skopimex BV	11	251	263	-	-	-	-	-	-	-
1.2	NRF France Sarl	130	921	2,355	1,303	-	6,529	317	107	209	-
1.3	NRF BVBA	13	19	43	11	-	155	18	7	11	-
1.4	NRF United Kingdom Ltd	1,258	558	2,102	286	-	3,233	(84)	(18)	(66)	-
1.5	NRF Handelsges. GmbH	25	(261)	811	1,046	-	2,043	22	1	21	-
1.6	NRF Deutschland GmbH	72	901	1,702	729	-	7,145	427	133	294	-
1.7	NRF Espana S.A.	2,357	409	3,309	543	-	6,404	161	42	119	-
1.8	NRF Poland Spoz	13	291	853	549	-	2,409	160	31	129	-
1.9	NRF Italia Srl	7	665	1,671	998	-	3,050	106	39	67	-
1.10	NRF Switzerland AG	42	79	275	154	-	557	60	15	44	-
2.	Kilimanjaro Biochem Limited	1,479	1,018	6,516	4,020	-	4,682	1,107	305	802	-
3.	Lake Mineral (Mauritius) Limited	3,103	(195)	4,956	2,048	2,986	-	(105)	-	(105)	-
4.	Banco Gaskets (India) Limited	3,500	645	8,235	4,090	-	10,277	1,020	317	703	-

**Note : Sr. No. 1.1 to 1.10 are subsidiaries of NRF**

Exchange rate used for conversion of figures in Euro (1 to 1.10 of NRF group) ₹ 70.04 Per Euro ( 31st March 2012, ₹ 67.58 Per Euro)

Exchange rate used for conversion of figures in Tshs (No. 2 of Kilimanjaro Biochem limited) :- 0.0288 ₹ Per Tshs (31st March 2012, ₹ 0.0317 Per Tshs)

Exchange rate used for conversion of figures in US\$ (No.3 of Lake Mineral (Mauritius) Limited):- ₹ 54.54 per US\$ (31st March 2012, ₹ 50.83 Per US\$)

No. 2 of Kilimanjaro Biochem limited is subsidiary of Lake Mineral (Mauritius) Limited

No. 4 of Banco Gaskets ( India) limited is an Indian Subsidiary using Indian Rupees as functional currency



To,  
**Link Intime India Pvt. Ltd.**  
 The Registrar and Transfer Agent  
 (Unit : Banco Products (India) Limited)  
 B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,  
 Near Radhakrishna Char Rasta, Akota, Vadodara 390 020.

**Electronic Clearing Service (Credit Clearing)  
 Mandate Form**

(Shareholders' option to receive payments through Credit Clearing Mechanism)

Dividend Payment

- 1) Shareholder's Name :
- 2) Registered Folio No. :
- 3) Particulars of Bank Account :
- (A) Name of the Bank :
- (B) Name of the Branch :  
 And Address :

(C) 9-Digit Code number of the bank and branch appearing on the MICR Cheque issued by the Bank.

(D) Type of the account ( Saving, Current or Cash Credit) with MICR Code:

(E) Ledger and Ledger Folio Number :

(F) Bank Account Number (as appearing on the cheque book) :

(In lieu of the bank certificate to be obtained as under, please attach a blank cancelled cheque or photocopy of a cheque or front page of your saving bank pass book issued by your bank for verification of the above particulars)

4. Date of effect:

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete information, I would not hold Banco Products (India) Limited responsible.

Date:  
 Place:

Signature of the shareholder

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Signature of the authorized Official of the Bank.

**BANK CERTIFICATE NOT REQUIRED, IF ATTACHMENT GIVEN AS PER 3 "F" ABOVE.**

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**BANCO PRODUCTS (INDIA) LIMITED.**

Regd Office: Bil,P.O.Bhaili. Dist. Baroda - 391 410.

**PROXY**

Regd.Folio No. / Client ID No.....

I/We.....  
of.....being Member(s) of Banco Products (India) Limited hereby  
appoint.....of.....or failing  
him.....of..... my/our behalf at the 52nd Annual General Meeting of  
the Company to be held at the Registered Office of the Company at Bil, Near Bhaili Railway Station,  
Padra Road, Dist Baroda. 391 410 on 21.09.2013 at 10.00 a.m and at any adjournment thereof.

As witness my/our hand(s) this.....day of.....2013

Signed by the said.....



Note: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

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**BANCO PRODUCTS (INDIA) LIMITED.**

Regd Office: Bil,P.O.Bhaili. Dist. Baroda - 391 410.

**ATTENDANCE SLIP**

I hereby record my presence at the 52nd Annual General Meeting of Banco Products (India) Limited,  
held at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist  
Baroda. 391 410 on 21.09.2013 at 10.00 a.m.

\_\_\_\_\_  
Full Name of Member Regd. Folio No. / Client I.D. No.  
(In Block Letters)

\_\_\_\_\_  
D.P.I.D. No.

\_\_\_\_\_  
Full Name of Proxy

\_\_\_\_\_  
Member's/Proxy's Signature.

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Bil, Near Bhaili Railway Station,  
Padra Road, Dist. Baroda - 391 410.  
(Gujarat) India.