

**BANCO PRODUCTS (INDIA) LIMITED**



**48th ANNUAL REPORT  
2008-2009**



**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 Atul G. Shroff Samir K. Patel Mehul K. Patel Ram Devidayal Sudhir Munjal Pankaj M Kadakia Mukesh D. Patel S. K. Duggal Kersi P. Kapadia Shailesh A. Thakker	Chairman     up to 11.05.2009 up to 30.03.2009 w.e.f 27.03.2009 w.e.f 23.09.2009 Executive Director Executive Director & CFO
<b>Company Secretary</b>	:	Dinesh Kavthekar	
<b>Bankers</b>	:	Bank of Baroda State Bank of India HDFC Bank Ltd.	
<b>Auditors</b>	:	Shah & Company, Chartered Accountants, Mumbai.	
<b>Registered Office</b>	:	Bil, Near Bhaili Rly.Station, Padra Road,Dist.Baroda -391 410	
<b>Works</b>	:	At Bil, Near Bhaili Railway Station, Padra Road, Dist. Baroda-391 410  At Ankhi, Tal. Jambusar, Dist. Bharuch.  At Jamshedpur	
<b>Listing</b>	:	Bombay Stock Exchange Limited National Stock Exchange of India Limited	

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## **NOTICE**

Notice is hereby given that the 48th Annual General Meeting of Banco Products (India) Limited. will be held on Friday, the 27<sup>th</sup> November, 2009 at 10:00 a.m. at the Registered Office of the Company at Bil, Near Bhaili Railway Station, Padra Road, Dist Baroda. 391 410, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31.03.,2009 and Balance Sheet as of that date together with the reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Vimal K.Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Mehul K. Patel who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

### **SPECIAL BUSINESS:**

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

“RESOLVED THAT Shri Mukesh D.Patel who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act,1956 and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act,1956, in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

By Order of the Board,

Date : 30.09.2009  
Place : Bil

**Mehul K Patel**  
**Director**

### **NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.PROXIES SHOULD BE LODGED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business enumerated at Item No.6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company and the Register of Beneficial Owners maintained by NSDL and CDSL in respect of the Company will remain closed from Friday, the 20<sup>th</sup> November, 2009 to Friday, the 27<sup>th</sup> November, 2009 (Both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Annual General Meeting.
4. The payment of dividend, if approved at the meeting will be made on or after 09.12.2009 to the members whose names stand on the Company's Register of Member on 27.11.2009 and to the Beneficiary Owners as per the details as at the close of business hours on 27.11.2009 provided by NSDL and CDSL.

5. The identities/signatures of Members holding shares in electronic form are liable for verification with the specimen signatures as may be furnished by NSDL and CDSL to the Company. Such Members are advised to bring the identity cards issued by their Depository Participants.
6. Pursuant to the provisions of Section 205(A) and 205(C) of the Companies Act, 1956, dividends which remain unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. 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.
7. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate to either the Company or Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited, under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants.
  - (I) Name of the Sole/First Joint holder and the Folio Number.
  - (II) Particulars of Bank Account, viz;
    - (a) Name of Bank
    - (b) Name of Branch
    - (c) Complete address of the Bank with Pin Code Number
    - (d) Account type, whether Savings Account (SA) or Current Account (CA)
    - (e) Bank Account Number.
- (b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
8. Shareholders are requested to bring their copy of the Annual Report at the meeting send all communications relating to their shareholding, quoting Folio No./ Client ID & DP ID, at Registered Office only.
9. Members desirous of obtaining any information with respect of the accounts of the company are requested to send their queries in writing to the company at its Registered Office so as to reach at least seven days before the date of the meeting.



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

**Item No. 6 :**

The Board of Directors of the Company has appointed Shri Mukesh D Patel, as an Additional Directors of the Company, with effect from 27.03.2009 , pursuant to Article No. 91 of Articles of Association of the Company. In terms of Section 260 of the Companies Act,1956, he holds office of Additional Director up to the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing with the requisite deposit from member under Section 257 of the Companies Act,1956 signifying the intentions to propose Shri Mukesh D. Patel for appointment as Director of the Company. Consent in writing has been received from him to act as Director of the Company, if appointed.

Shri Mukesh D Patel is B.Sc (Chemistry), B.Sc (Chemical Engineering).

The Board commends the resolution for approval by Members.

Except Shri Mukesh D Patel, no other director is interested in the proposed resolution.

By Order of the Board,

Date : 30.09.2009

Place : Bil

**Mehul K Patel**  
**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 Vimal K. Patel	Shri Mehul K. Patel
Date of Birth	21.03.1953	29.10.1964.
Date of Appointment	15.04.1986	08.02.1990
Specialised Expertise	General Management	General Management
Qualifications	M.Sc (Economics) from London School of Economics.	M.Sc ( Engineering )
Directorships of other Companies as on 31 <sup>st</sup> March,2009	Banco Aluminium Ltd. K K Patel Foundation Banco Foundation	Banco Aluminium Limited K K Patel Foundation Banco Foundation
Chairman/Member of other Committees of Companies as on 31 <sup>st</sup> March,2009	Member of Audit Committee of Banco Products (India) Ltd.	

Name of the Director	Shri Mukesh D. Patel
Date of Birth	12.12.1949
Date of Appointment	27.03.2009
Specialised Expertise	General Management.
Qualifications	B.Sc. (Chemicstry) B.Sc (Chemical Engineering)
Directorships of other Companies as on 31 <sup>st</sup> March,2009	Transpek Finance Ltd. Universal Esters Ltd Infinity Consultants Ltd. Punjab Chemicals & Crop Protection Ltd. Shilchar Electronics Ltd. Gujarat Automotive Gears Ltd. Torential Investments Pvt Ltd. Transpek Industry Ltd.
Chairman/Member of other Committees of Companies as on 31 <sup>st</sup> March,2009	Member of Audit Committee - Transpek Industry Ltd. - Shilchar Electronics Ltd.  Chairman of Audit Committee of - Punjab Chemical & Crop Protection Ltd.  Member of Shareholders' Grievance Committee - Transpek Finance Ltd. - Punjab Chemicals & Crop Protection Ltd. - Transpek Industry Ltd.  Chairman of Shareholders' Grievance Committee of - Shilchar Electronics Ltd.  Member of Remuneration Committee of Transpek Industry Ltd.



## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 48th Annual Report together with the audited statements of accounts for the year ended 31.03.2009.

### 1. FINANCIAL RESULTS :

	Year ended 31.3.2009	Year ended 31.3.2008
		(Rs. in Lacs)
<b>TOTAL INCOME</b>	<b>29470.98</b>	30614.00
<b>PROFIT BEFORE TAXATION</b>	<b>4790.36</b>	5131.38
Less: Provision for taxation	550.26	720.00
MAT Credit Entitlement	(117.00)	-
Deferred Tax Liability	195.99	68.31
Provision for Fringe Benefit Tax	15.00	13.15
<b>PROFIT AFTER TAX</b>	<b>4146.11</b>	4329.92
Add: Balance brought forward from previous year	4643.15	2082.33
Balance taken over from Ganga Investments Pvt. Ltd. the Transferor Company.	259.84	-
Proposed Dividend of 2007-08 written back	146.13	-
Excess Provision of Tax of Previous Years	0.35	193.83
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>9195.58</b>	6606.08
<b>APPROPRIATIONS:</b>		
Transfer to General Reserve	650.00	800.00
Proposed Dividend	1072.78	994.00
Provision For Tax on Proposed Dividend	182.32	168.93
Balance Carried to Balance Sheet	7290.48	4643.15
	<b>9195.58</b>	6606.08

### 2. DIVIDEND:

The Board, has decided to recommend Dividend 75 % i.e. Rs. 1.50 per Equity Share of Rs. 2/- each for the Financial Year ended on 31.03.2009.

### 3. OPERATIONS:

During first half of the year, the company has shown good growth. However, during second half of the financial year, there was a drastic drop of the OEM production volumes in all the industry sectors, which has adversely affected the sales performance of the company resulting in drop in the overall sales volume for the full year ended on 31.03.2009. However, there is gradual improvement in production from March 2009. It is heartening to note that in spite of overall drop in the economy in general during the second half of the year, company's volume has shown only 4% drop in turnover for the full year.

Given below are the top and bottom line figures.

	Year ended on 31.03.2009	Year ended on 31.03.2008
Sales (Net)	28792	29885
PAT	4146	4330



**DOMESTIC SALES:**

During the Current Financial Year Company's domestic sales stands at Rs. 18003 lacs against previous year 19847 lacs.

**EXPORT SALES:**

During the Current Financial Year, Company's Export Sales stands at Rs. 10789 Lacs against previous year Rs. 10038 Lacs.

Overall sales mix remains as Domestic 63% (Previous Year 66%) and Export Sales 37% (Previous Year 34%)

**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:**

During the year, the Board of Directors have appointed Shri Mukesh D Patel as an additional Director on the Board in terms of Section 260 of the Companies Act, 1956.

He holds office of Director up to the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his appointment as Director with requisite deposits.

Shri S.K.Duggal has been appointed as Director of the Company in the casual vacancy created due to resignation of Shri Pankaj M. Kadakia.

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

During the period Shri Pankaj M Kadakia and Shri Sudhir Munjal, the Directors of the Company have resigned.

The Company, do place on record its appreciation towards the contribution made by them, during their tenure as directors of the Company.

Shri Vimal K.Patel and Shri Mehul K. Patel, the Directors, retire by rotation and being eligible, offer themselves for reappointment.

**6. AUDIT COMMITTEE:**

Audit Committee as constituted in terms of Section 292A of the Companies Act, 1956 and as per Clause 49 of Listing Agreement, has three independent Directors viz Shri Ram Devidayal as the Chairman, Shri Atul G Shroff and Shri Mukesh D Patel as Members, performed inter alia the work assigned to it as laid down thereunder, during the year under review.

**7. CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report, as Annexure "A". The Company is regular in payment of Listing Fees to the Stock Exchanges.

**8. PARTICULARS OF EMPLOYEES:**

Particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 is furnished as Annexure "B".



**9. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:**

The particulars in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is given in the Annexure "C".

**10. AUDITORS:**

M/s. Shah & Co., Chartered Accountants, Mumbai, Auditors of the Company retire at the conclusion of ensuing Annual General Meeting. The retiring Auditors being eligible, have expressed their willingness for reappointment and offer themselves for reappointment. You are requested to appoint the Auditors and fix their remuneration.

**11. MERGER OF GANGA INVESTMENTS PRIVATE LIMITED WITH THE COMPANY:**

The Scheme of the merger of Ganga Investment Pvt Ltd with the Company from the appointed date of 01.04.2008 was approved by the shareholders of both the companies. The petition for the sanction of the Scheme of merger was submitted to the Hon'ble High Court at Gujarat and Mumbai and accordingly the same has become effective from 18.09.2009. The effect of the Scheme has been given in the audited financial statements of the Company for the year ended 31.03.2009.

**12. SUBSIDIARY:**

During the year the Company has made investment in 998 ( representing 99.80% ) Equity Shares of Kilimanjaro Biochem Limited, Tanzania.

Kilimanjaro Biochem Limited is in process of implementing a manufacturing project.

Since, Kilimanjaro Biochem Limited has not started any commercial activity during the year, the consolidated Balance Sheet and statement u/s. 212 of the Companies Act, 1956, is not prepared.

The Annual Report of Kilimanjaro Biochem Limited is appended at the end of this Annual Report as required by the applicable legal provisions.

**13. PUBLIC DEPOSITS:**

As on 31.03.2009 no deposits were due for repayment and remained unclaimed and therefore no deposit have since been refunded.

**14. INSURANCE:**

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

**15. 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.

**16. 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 : 30.09.2009

Place : Bil

**Mehul K. Patel**  
Director

**Shailesh A. Thakker**  
Director



## ANNEXURE - "A" MANAGEMENT DISCUSSION & ANALYSIS.

### Introduction:

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

### Industry Structure and Developments:

During first half of the year, the company has shown good growth. However, during second half of the financial year, there was a drastic drop of the OEM production volumes in all the industry sectors, which has adversely affected the sales performance of the company resulting drop in the overall sales volume for the full year ended on 31.03.2009. Fortunately, production from March 2009 amongst almost all our clients is steadily picking up month after month.

### Operations:

Both Gasket and Radiator product groups, have excellent manufacturing facilities which have been upgraded and are supported by sophisticated well equipped tool room, Testing, Research and Development facilities. In spite of overall drop in the economy in general during the second half of the year, company's volume has shown only 4% drop in turnover for the full year. This could be achieved mainly due to good sales in the first half and robust Exports sales in the second half of the year.

### Strengths:

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

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

### Weakness:

- \* Major share comes from Automotive segment.
- \* Any down word trend in Automotive Sector may affect the performance of the Company
- \* Competition from global majors.

### Opportunities

- \* Developing OEM Customers overseas. Due to low cost base and good quality systems, overseas OEMs present a very good opportunity.
- \* Scope of expansion in new applications within existing sectors also.
- \* Better opportunities in earthmoving, infrastructure development and power sector.

### Threats:

Increasing metal prices and competition from existing and new manufacturers.

### Technology:

The Company's agreement with Japan Metal Gaskets Co., Japan on need based technical know how is in force for Gasket.

### 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 to latest version. 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 use 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 set up its own Internal Audit Department headed by a qualified Chartered Accountant 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:**

For strengthening its information base and for better internal control and planning. Company has successfully migrated to SAP (ERP) system during year.

#### **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.

	<u>2008-2009</u>	<u>2007-2008</u>
Net Profit to Sales (PBT) (%)	16.64	17.17
Earning Per Share (EPS)(Rs.)	5.80	6.10
Cash earning per Share (Rs.)	7.00	7.13
Return on Net worth (PAT) (%)	24.50	29.32
Dividend Payout Ratio (Including Dividend Tax) (%)	30.00	27.00
Retained Earnings (Rs. in Lacs)	2891.00	3167.00
Retained Earnings (%)	70.00	73.20

#### **Future Strategy:**

It is clear that the Company's future has to be built upon its existing strengths and over four decades of proven skills in cooling and sealing business. Fast development of new products, very high quality customer satisfaction management have become the 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. In addition, there is an increased focus on achieving greater efficiency through cost reduction initiatives, improved quality standards and better supply chain management.

#### **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.

## 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 facets 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 is consisting of Nine directors with a Non-Executive Chairman and four independent Directors as on 31.3.2009. 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 31.03.2009 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 2008-2009, the Board met six times on 17.04.2008, 23.06.2008, 19.07.2008, 30.08.2008, 24.10.2008 and 24.01.2009. 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 2008-09	Whether attended last A.G.M.	No of Directorship in domestic public Companies	No of Committee Membership	
					Chairman	Member
Shri Vimal K. Patel	Non Executive Chairman & Promoter.	6	Yes	1	–	1
Shri Atul G. Shroff	Non Executive Independent.	2	No	7	3	4
Shri Samir K. Patel	Non Executive & Promoter.	4	No	1	–	1
Shri Mehul K. Patel	Non Executive & Promoter.	5	Yes	1	–	–
Shri Ram Devidayal	Non Executive Independent Director	6	Yes	4	2	2
*Shri Sudhir Munjal	Non Executive Independent	5	Yes	3	–	1

**Shri Pankaj M. Kadakia	Non Executive Independent Director	3	No	2	–	1
***Shri Mukesh D. Patel	Non Executive Independent Director	–	No	8	2	6
****Shri S. K. Duggal	Non Executive Independent Director	–	No	1	–	–
Shri K. P. Kapadia	Executive Director	5	Yes	–	–	–
****Shri Shailesh Thakker & CFO	Executive Director	3	Yes	–	–	–

\* Resigned as Director w.e.f 11.05.2009

\*\* Resigned as Director w.e.f 30.03.2009

\*\*\* Appointed as Director w.e.f 27.03.2009

\*\*\*\* Appointed as Director w.e.f 23.09.2009

\*\*\*\*\* Appointed as Director w.e.f 19.07.2008

### Shareholding of Directors

Name	Nos of Shares held as on 31.03.2009 of Rs. 2/- each
Shri Vimal K.Patel	46,58,404 (6.56 %)
Shri Samir K.Patel	37,70,520 (5.31%)
Shri Mehul K.Patel	43,97,304 (6.19%)
Shri Atul. G. Shroff	6600

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. 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 Sudhir Munjal, Shri Mukesh D Patel and Non 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.
13. 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.
14. 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.
15. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

During the year 2008-2009, five Audit Committee meetings were held on 10.05.2008, 23.06.2008, 19.07.2008, 24.10.2008 and 24.01.2009 details of attendance of members are as under

Attendance of Members at the Meetings of the Audit Committees held during 2008-2009.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ram Devidayal	5	5
Shri Atul G Shroff	5	1
Shri Sudhir Munjal	5	4
Shri Vimal K Patel	5	5
Shri Pankaj M Kadakia	5	2

The Executive Director & C F O attends the meetings regularly.

#### 4. 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 Promoter Director Shri Vimal K. Patel.

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.

Non Executive Directors do not draw any remuneration. However, sitting fees were paid to such Non Executive Directors @ Rs. 7,500/- per Board Meeting and @ Rs. 2,500/- per Committee Meeting, during the year under review.

#### Details of sitting fees paid to Non Executive Directors during the year 2008-2009

Names of Directors	Sitting Fees ( Rs.)
Shri Atul G.Shroff	22,500/-
Shri Ram Devidayal	70,000/-
Shri Sudhir Munjal	57,500/-
Shri Pankaj M. Kadakia	32,500/-

Please refer to Annexure "B" to the Directors Report for the remuneration paid to Shri Kersi P Kapadia.. The total remuneration paid to Shaliesh A Thakker is Rs.15.51 lacs. ( Appointed as Executive Director & CFO w.e.f.19.07.2008).

There were no other pecuniary relationship or transactions of the Non Executive Director vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

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

The Board of Directors has constituted a Shareholders'/Investors' Grievance Committee, comprising of Shri A.G.Shroff, Shri Ram Devidayal, Shri Sudhir Munjal, Shri Mukesh D Patel and Shri S.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 Pvt. Ltd., the Registrar & Transfer Agent and recommends measures for overall improvement in the quality of services to the Investors.

During the year 2008-2009, four Shareholders'/Investors' Grievance Committees were held on 23.06.2008,19.07.2008,24.10.2008 and 24.01.2009 details of attendance of members are as under.





Attendance of Members at the Meetings of the Shareholders' Grievance Committees held during 2008-2009.

Name of Directors	Number of Meetings held	Meeting Attended
Shri Ram Devidayal	4	4
Shri Atul G Shroff	4	1
Shri Sudhir Munjal	4	3
Shri Samir K Patel	4	3

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, 6 (Six) grievances were received and resolved to the satisfaction of shareholders. No grievances /complaints are outstanding and no requests for transfers and/or requests for dematerialization were pending for approval as on 31.3.2009.

#### 6. General Body Meetings. :

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

Date	Time	Place	Special Resolution
05.08.2006	10.30 a.m	At the Registered Office.	- No Special Resolution
28.07.2007	10.30 a.m	At the Registered Office	- Proposal of Bonus Issue - Increase in Borrowing Power u/s 293(1)(d) - Enabling proposal u/s 293(1)(a)
02.09.2008	10.00 a.m	At the Registered Office	- No Special Resolution.

No postal ballots were conducted during the year. Presently the Company does not have any proposal that requires a postal ballot.

#### 7. 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.

## 8. 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 and also placed on website as stipulated in this regard and on EDIFAR website at [se-biedifar.nic.in](http://se-biedifar.nic.in)

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

## 9. General Shareholder information.:

### 9.1 Annual General Meeting:

- Date and time : Friday, the 27<sup>th</sup> November, 2009 at 10.00 a.m.
- Venue : At the Registered Office.

### 9.2 Financial Calendar :

<b>Un audited Financial Results for</b>	<b>:</b>	<b>Board Meeting to approve</b>
Quarter ending 30.06.2009	:	Declared in the Meeting held on 21.07.2009
Quarter ending 30.09.2009	:	By end of October,2009
Quarter ending 31.12.2009	:	By end of January,2010
Audited Results for the year ended on 31.03.2010	:	By end of June, 2010

### 9.3 Dividend Payment Date : **On or after 09.12.2009**

### 9.4 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 31.03.2009, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 20<sup>th</sup> November, 2009 to Friday, the 27<sup>th</sup> November, 2009 (Both days inclusive) for the purpose of Dividend.

### 9.5 Dividend Remittance:

The payment of dividend, if approved at the meeting will be made on or after 09.12.2009 to the members whose names stand on the Company's Register of Member on 27.11.2009 and to the Beneficiary Owners as per the details as the close of business hours on 27.11.2009 provided by NSDL and CDSL.

### 9.6 Listing of Equity Shares on Stock Exchanges: The Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd.

### 9.7 Stock Code

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



### 9.8 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.

#### Bombay Stock Exchange Limited

Month	Highest	Lowest	Total Nos of Shares Traded	Month	Highest	Lowest	Total Nos of Shares Traded
Apr - 08	39.70	29.40	998353	Oct - 08	30.95	21.65	275784
May - 08	35.70	30.75	238302	Nov - 08	27.50	16.50	159069
Jun - 08	32.50	26.10	289562	Dec - 08	22.90	17.25	190838
Jul - 08	35.70	25.05	443290	Jan - 09	26.90	18.10	105734
Aug - 08	39.00	31.20	397760	Feb - 09	21.90	14.60	169806
Sep - 08	34.00	27.00	264243	Mar - 09	20.05	16.25	171766

#### National Stock Exchange of India Limited

Month	Highest	Lowest	Total Nos of Shares Traded	Month	Highest	Lowest	Total Nos of Shares Traded
Apr - 08	35.34	32.75	601920	Oct - 08	28.32	25.72	200277
May - 08	31.76	30.53	130892	Nov - 08	23.42	21.34	89302
Jun - 08	31.12	28.73	171802	Dec - 08	20.93	19.40	107605
Jul - 08	31.44	29.20	207447	Jan - 09	21.26	19.93	62508
Aug - 08	34.25	32.46	218903	Feb - 09	19.43	18.17	40310
Sep - 08	32.59	30.45	157319	Mar - 09	17.65	17.67	64179

### 9.9 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 30 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 Nation-al Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL) within 21 days except few cases.

### 9.10 Distribution of Shareholding as on 31.03.2009:

No of Share Holding	Nos of Shareholders	Nos of Shares	% to Total Capital
Upto 5000	10564	5907952	8.32
5001 - 10000	932	3342859	4.71
10001 - 20000	323	2344200	3.30
20001 - 30000	66	839111	1.18
30001 - 40000	29	528174	0.74
40001 - 50000	14	319751	0.45
50001 -100000	42	1499301	2.11
100001 and above	41	56218652	79.19
Total	12011	71000000	100.00

**9.11 Shareholding Pattern as on 31.03.2009:**

Category	Nos of Shares	% of Total Capital
Promoters (including NRI, Bodies Corporate)	47175538	66.44
Non Promoters		
a. Banks and Financial Institution	2000	
b. Bodies Corporate	1171942	1.65
c. Non Residents Indians	4047413	5.70
d. Mutual Fund & UTI	186176	0.26
e. Public	18416931	25.94
Total	71000000	100.00

**9.12 Dematerialization of Shares as on 31.03.2009 :**

About 27027000 (38.07 %) Equity Shares of the Company, have been Dematerialized.

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

- 9.13 Plant locations** :
- : at Bil, Dist. Baroda.
  - : at Ankhi, Dist. Bharuch.
  - : at Jamshedpur

**9.13 Address for Correspondence :****For transfer/dematerialization of shares, transmission etc :**

Link Intime India Pvt Ltd.  
308, 1<sup>st</sup> Floor, Jaldhara Complex,  
Opp. Manisha Society,  
Manisha Char Rasta  
Dist. Baroda. 391 410  
Phone : (0265) 2332474  
E-mail: vadodara@intimespectrum.com,

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

Secretarial Dept.  
Banco Products (India) Ltd.  
Bil, Near Bhaili Rly Station,  
Padra Road, Old Padra Road,  
Vadodara – 390 015  
Phone : (0265) 2680220/1/2  
E-Mail : [sec@bancoindia.com](mailto:sec@bancoindia.com)  
[investor@bancoindia.com](mailto: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 Director, which is also available on the Company's Web site.

I confirm that the Company has, in respect of the financial year ended 31.03.2009 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 Office, the Company Secretary and other employees in the Vice President cadre as on 31.03.2009.

**Date: 30.09.2009**  
**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 March, 2009 as stipulated in clause 49 of the Listing Agreement entered into with the stock exchanges.

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.

Place : Mumbai  
Date : 30.09.2009

**For SHAH & CO.,**  
Chartered Accountants

**(INDULAL H. SHAH)**  
Partner  
**Membership No : 798**



## ANNEXURE "B"

Sr. No	Name	Designation Nature of Duties	Remuneration (Rs. In Lacs)	Qualification	Experience	Date of commencement of employment	Age	Last Employment and position held
1.	K. P. Kapadia	Executive Director (Operations)	30.20	B.E (Mechanical)	19Yrs	17.09.2007	53 Yrs	BCL Springs COO

**Note:**

- Gross remuneration received as shown in the statement includes Salary, Commission, Allowances, Employer's contribution to Provident Fund and Super Annuation Scheme, Leave Travel Assistance, Gratuity and reimbursement of Medical Expenses as applicable.

## ANNEXURE - C

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 31.03.2009.

**A. CONSERVATION OF ENERGY:**

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

## FORM – A

Disclosure of particulars with respect to conservation of energy.A. Power and Fuel Consumption

	CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
1. Electricity		
(a) Purchased		
No. Unit KWH	2063019	1286633
Total amount (Rs.in Lacs)	145.44	74.39
Rate per Unit(Rs.)	7.05	5.78
(b) Own generation		
(i) Through diesel generator Unit KWH	93472	81006
Total amount (Rs. in Lacs)	9.62	8.34
Rate per Unit	10.29	10.30
(ii) Through Gas Generator		
Units	5339640	6440520
Units per liter of fuel oil/gas	3.16	3.52
Cost/Unit	4.99	5.31
(c) Wind Electricity Generator		
Unit KWH	N.A	N.A
Total Amount (Rs. in Lacs)		
Rate per Unit (Rs.)		



	CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
2. Coal (specify quality and where used)	N.A	N.A
Quantity (tonnes)		
Total Amount.		
Average rate.		
3. L D O Quantity (k.ltrs)	NIL	34.00
Total Amount(Rs. in Lacs)	NIL	9.68
4. Other/(Natural Gas)		
Quantity(Cu.Mts.)	805942	886274
Total amount (Rs.in Lacs)	83.35	91.66
Rate/Per(Cu Mtr.)(Rs.)	9.66	10.34
5. HI SPEED DIESEL OIL		
Quantity (K.Ltrs)	39.23	28.14
Total Amount.(Rs.in Lacs)	11.16	9.87
6. HCR Quantity (K.Ltrs)	NIL	N.A
Total Amount (Rs. in Lacs)	NIL	N.A

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

Standards (if any)	Current Year	Previous Year
ProductElectricity (KWH)	Not Ascertainable	

**B. TECHNOLOGY ABSORPTION:**

**FORM-B**

Research and Development:

1. Specific Area in which R & D activities are carried out.
  - i. Development of new generation charge air coolers, oil coolers and heat exchangers for various industrial and automotive applications.
  - ii. Development of various Euro-III compliant Gaskets for Auto-mobile applications for OE and Export Markets.
  - iii. Development of a range of Non Asbestos, Jointing Sheets for critical applications in automobile and for other industries to suit the international standards.
  - iv. 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:
  - i. The Company will add more names in its list of foreign customers.
  - ii. Development of Non Asbestos Jointing Sheets is helping auto industry to contribute towards pollution free environment with a view to meeting Euro-II and III norms.
  - iii. Competing with Global companies in the global market.
  - iv. 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.

	(Rs in Lacs)	
Expenditure on R&D	2008-2009	2007-2008
1. Capital	8.14	147.92
2. Recurring	256.01	164.61
3. Total	264.15	312.53
4. Percentage of R&D Expenditure to Total Turnover.	0.90%	1.02%

**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 & E IV) and combination 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 engine and to support endurance of engine with lease degradation and lower the exhaust temperature.
- (ii) The company is equipped to meet the stringent customer specification thus capturing the domestic and global customers and is geared up for E-III & E-IV auto application.
- (iii) Achievement of newer process and product improvements level to develop the products eco friendly and competitive.

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

	(Rs. in lacs)	
	2008-2009	2007-2008
a. Earned by way of exports	10474.00	9846.53
b. Used by way of imports/expenses	8004.94	7311.95





## AUDITORS' REPORT

TO THE MEMBERS OF  
**BANCO PRODUCTS (INDIA) LIMITED,**  
Bil, Dist. VADODARA

1. We have audited the attached Balance Sheet of **BANCO PRODUCTS (INDIA) LIMITED**, as at 31<sup>st</sup> March 2009 and also the Profit and Loss Account and cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956. We enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, 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 purpose of our audit.
  - b) In our Opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
  - d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes in schedule 21, give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - i) In the case of Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March, 2009.
    - ii) In the case of Profit and Loss Account of the "PROFIT" of the company for the year ended on that date.

And

- iii) In the case of the cash flow statement of the cash flows for the year ended on that date.

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

Place : Mumbai  
Date : 30.09.2009

**(INDULAL H. SHAH)**  
Partner  
Membership No : 798

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Para 3 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) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. We are informed that 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 are informed that cost records are required to be maintained by the company under Section 209(1)(d) of the Companies Act 1956 from financial year 2002-2003 for certain products of the company as per notification No. G.S.R 279(E) dated 24<sup>th</sup> April, 2001. We have not reviewed the cost records maintained by the company, but we are informed that the prescribed cost records are maintained by the Company.



- (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, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.
- (c) Following disputed demands aggregating to Rs.7.48 Lacs have not been deposited since the matters are pending with the relevant concerned authorities.

Name of the Statute	Nature of Dues	Amount	Period to which the amount relates is pending	Forum where the dispute
Sales Tax Act	Sales Tax	6.06 Lacs	(F.Y.) 1995 -1996 and 2001 – 02	S.T. (A) Appellate Tribunal
Income Tax Act, 1961	Income Tax	1.42 Lacs	Assessment Years 2004 – 05 and 2005-06	ITO and CIT (A) respectively

- (x) The company has no accumulated losses as at 31<sup>st</sup> March,2009. 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, funds raised on short term basis have prima facie not been used 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 issues 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

Place : Mumbai,  
Date : 30.09.2009

**(INDULAL H. SHAH)**  
Partner  
Membership No : 798

## BALANCE SHEET AS AT 31st MARCH, 2009

(Rs. in Lacs)

PARTICULARS	SCHEDULES		AS AT 31.03.2009	AS AT 31.03.2008
<b>I SOURCES OF FUNDS</b>				
<b>(1) SHAREHOLDERS' FUNDS:</b>				
(a) Capital	1		1430.37	1420.00
(b) Reserves & Surplus	2		15504.88	12157.81
			<u>16935.25</u>	<u>13577.81</u>
Deferred Tax Liabilities			862.65	666.66
<b>(2) LOAN FUNDS:</b>				
(a) Secured Loans	3		903.70	2127.58
(b) Unsecured Loans	4		28.50	37.21
			<u>932.20</u>	<u>2164.79</u>
<b>TOTAL</b>			<u><b>18730.10</b></u>	<u><b>16409.26</b></u>
<b>II APPLICATION OF FUNDS:</b>				
<b>(1) FIXED ASSETS:</b>				
(a) Gross Block	5	12,732.78		10550.29
(b) Less: Depreciation		4,785.08		4010.61
(c) Net Block			7947.70	6539.68
(d) Capital Work in Progress			29.27	0.00
			<u>7976.97</u>	<u>6539.68</u>
<b>(2) INVESTMENTS :</b>	6		547.32	829.12
<b>(3) CURRENT ASSETS, LOANS &amp; ADVANCES:</b>				
(a) Inventories	7	5,522.30		4,296.04
(b) Sundry Debtors	8	6,458.85		7,354.67
(c) Cash & Bank Balances	9	1,055.72		147.34
(d) Loans & Advances	10	1,381.08		1,461.57
			<u>14417.95</u>	<u>13259.62</u>
LESS: CURRENT LIABILITIES & PROVISIONS:	11			
(a) Liabilities		2,706.25		2,818.87
(b) Provisions		1,505.89		1,400.29
			<u>4212.14</u>	<u>4219.16</u>
<b>NET CURRENT ASSETS</b>			<u><b>10205.81</b></u>	<u><b>9040.46</b></u>
<b>TOTAL</b>			<u><b>18730.10</b></u>	<u><b>16409.26</b></u>

As per our report of even date  
**For Shah & Co.**  
Chartered Accountants

**Indulal H. Shah** Partner  
**Dinesh Kavthekar** Company Secretary

Mumbai : 30th September, 2009

For and on behalf of the Board,

**Mehul K. Patel** Director  
**Atul G. Shroff** Director  
**Mukesh D. Patel** Director  
**Shailesh A. Thakker** Executive Director & CFO

Bil - Vadodara: 30th September, 2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rs. in Lacs)

PARTICULARS	SCHEDULES		2008-09	2007-08
<b>INCOME :</b>				
Gross Sales			31451.98	33362.64
Less: Excise Duty on Sales			2660.54	3477.61
Net Sales			28791.44	29885.03
Other Income	12		679.54	728.97
Increase / (Decrease) in Stock	13		14.33	224.90
			29485.31	30838.90
<b>EXPENDITURE :</b>				
Material Consumed	14		16083.31	17403.17
Payment to and Provision for employees	15		1494.45	1295.03
Research and Development Expenses	16		256.01	164.61
Manufacturing Expenses	17		3063.58	3080.97
Administrative and General Expenses	18		486.06	456.09
Selling and Distribution Expenses	19		2173.18	2172.53
Interest and Finance Charges	20		261.31	402.75
Depreciation		878.56		734.55
Less: Charged to Revaluation Reserve		1.51		2.18
			877.05	732.37
<b>TOTAL</b>			24694.95	25707.52
<b>PROFIT BEFORE TAX</b>			4790.36	5131.38
Provision for Current Tax		550.26		720.00
MAT Credit Entitlement		(117.00)		0.00
Provision for Fringe Benefit Tax		15.00		13.15
Provision For Deferred Tax		195.99		68.31
			644.25	801.46
<b>PROFIT AFTER TAX</b>			4146.11	4329.92
Add:				
Balance Brought Forward from Previous Year			4643.15	2082.33
Balance Taken over from GIPL transferor company			259.84	-
Excess Provision of Tax for Previous Years			0.35	193.83
Proposed divi of 2007-08 written back (note B1, Sch-21)			146.13	0.00
<b>BALANCE AVAILABLE FOR APPROPRIATIONS</b>			9195.58	6606.08
<b>APPROPRIATIONS</b>				
General Reserve			650.00	800.00
Proposed Dividend on Equity Shares			1072.78	994.00
Tax On Proposed Dividend			182.32	168.93
Transferred to Balance Sheet			7290.48	4643.15
<b>TOTAL</b>			9195.58	6606.08
<b>Earning per Share with face value of Rs. 2 each</b>			5.80	6.10
Notes forming part of the Accounts	21			

As per our report of even date

**For Shah & Co.**

Chartered Accountants

Indulal H. Shah  
PartnerDinesh Kavthekar  
Company Secretary

Mumbai : 30th September, 2009

For and on behalf of the Board,

Mehul K. Patel	Director
Atul G. Shroff	Director
Mukesh D. Patel	Director
Shailesh A. Thakker	Executive Director & CFO

Bil - Vadodara: 30th September, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009**

(Rs. in Lacs)

PARTICULARS	AMOUNT	2008-09	AMOUNT	2007-08
<b>A. CASH FLOW FROM OPERATIONS</b>				
Net Profit before tax and extra ordinary items Adjusted For		<b>4,790.36</b>		5,131.38
Depriciations	877.05		732.37	
Interest Paid	261.31		402.75	
Interest Received	(35.70)		(79.03)	
(Profit)/Loss on sale of Fixed Assets	(0.56)		(4.73)	
Dividend Received	(39.04)		(20.44)	
		<b>1,063.06</b>		1,030.92
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<b>5,853.42</b>		6,162.30
(Increase)/Decrease in Debtors	895.82		(971.08)	
(Increase)/Decrease in Inventories	(1,226.26)		(223.10)	
(Increase)/Decrease in Advances (Including Capital Advances)	45.00		(242.50)	
Increase/(Decrease) in Trade Payables	(94.47)		226.00	
		<b>(379.91)</b>		(1,210.68)
CASH GENERATED FROM OPERATIONS		<b>5,473.51</b>		4,951.62
Interest Paid	(261.31)		(403.32)	
Direct Taxes Paid ( Net of refunds)	(412.42)		(847.55)	
		<b>(673.73)</b>		(1,250.87)
NET CASH FLOW FROM OPERATING ACTIVITIES		<b>4,799.78</b>		3,700.75
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets	(2,320.28)		(1,234.73)	
Sale of Fixed Assets	4.99		7.78	
Preferential allotment of shares	-		1,017.31	
Shares acquired on amalgamation	(5.66)		-	
Loans / Advance and Trade payables on amalgamation	0.47		-	
Purchase of Investments	(414.58)		(735.06)	
Sale of Investment	702.05		-	
Dividend Received	39.04		20.44	
		<b>(1,993.97)</b>		(924.26)
NET CASH FLOW USED FOR INVESTMENT ACTIVITIES		<b>2,805.81</b>		2,776.49
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Interest received	35.70		79.03	
Dividend Paid	(869.10)		(101.41)	
Tax paid on Dividend	(147.70)		(17.24)	
Increase/(Decrease) in Borrowings	(1,223.88)		(2,998.68)	
Increase/(Decrease) in short term Borrowings	(8.71)		(8.21)	
		<b>(2,213.69)</b>		(3,046.51)
NET CASH FLOW USED FOR INVESTMENT ACTIVITIES		<b>592.12</b>		(270.02)
Cash and Cash Equivalents at Beginning of the year		<b>147.34</b>		417.36
Cash and Cash Equivalents acquired on amagmation		<b>316.26</b>		-
Cash and Cash Equivalents at End of the year		<b>1,055.72</b>		147.34

The above Cash flow statement has been prepared under the " Indirect Method" set out in Accounting Standard-3 on Cash Flow Statement by the ICAI.

As per our report of even date <b>For Shah &amp; Co.</b> Chartered Accountants		<b>For and on behalf of the Board,</b>
		<b>Mehul K. Patel</b> Director
		<b>Atul G. Shroff</b> Director
		<b>Mukesh D. Patel</b> Director
		<b>Shailesh A. Thakker</b> Executive Director & CFO
<b>Indulal H. Shah</b> Partner	<b>Dinesh Kavthekar</b> Company Secretary	
Mumbai : 30th September, 2009		Bil - Vadodara: 30th September, 2009

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in Lacs)

PARTICULARS	AS AT	
	31.03.2009	31.03.2008
<b>SCHEDULE - 1- CAPITAL</b>		
<b>Authorised:</b>		
1520 Lacs Equity Shares of Rs.2/- each (Previous Year 1500 lacs share of Rs.2/- each) (Refer Note no.B1 of Sch-21)	<b>3,040.00</b>	3,000.00
	<b>3,040.00</b>	3,000.00
<b>Issued subscribed and Paid up:</b>		
710 lacs Equity Shares of Rs.2/- each fully paid	<b>1,420.00</b>	1,420.00
<b>Less:</b>		
89.20 Lacs Equity Shares of Rs.2/- each held by erstwhile Ganga Investents Pvt. Ltd. the transferor company stands cancelled as per the scheme of amalgamation (Refer Note no.B1 of Sch-21)	(178.43)	-
<b>Add:</b>		
94.40 Lacs Equity Shares of Rs.2/- each to be issued as fully paid up to the shareholders of erstwhile Ganga Investents Pvt. Ltd. the transferor company as per the scheme of amalgamation (Refer Note no.B1 of Sch-21)	188.80	-
<b>TOTAL</b>	<b>1,430.37</b>	1,420.00

**Note:** Of Above Equity Shares :

- (a) 590.95 lacs Fully paid Equity Shares of Rs. 2/- each , have been allotted as fully paid up Bonus shares by capitalisation of General Reserve
- (b) 5.05 lacs Fully paid Equity Shares of Rs.2/- each have been allotted in terms of amalgamation without payment being received in cash

**SCHEDULE 2 - RESERVES AND SURPLUS**

PARTICULARS	AS AT	ADDITIONS	DEDUCTIONS	AS AT
	01.04.08			31.03.09
Capital Reserve	0.77 (0.77)	0.00 -	0.00 -	0.77 (0.77)
Revaluation Reserve	29.02 (31.20)	0.00 -	1.51 (2.18)	27.51 (29.02)
Share Premium	1077.31 (127.82)	123.00 <sup>(d)</sup> (949.49)	0.00 -	1200.31 (1,077.31)
Investment Subsidy	33.45 (33.45)	0.00 -	0.00 -	33.45 (33.45)
General Reserve	6374.12 (6,314.14)	578.24 <sup>(e)</sup> (800.00)	0.00 (740.02)	6952.36 (6,374.12)
Surplus in Profit and Loss Account	4643.15 (2,082.32)	5196.68 <sup>(b)</sup> (5,131.38)	2549.35 (2,570.56)	7290.48 (4,643.14)
<b>TOTAL</b>	<b>12157.82</b> <b>(8,589.70)</b>	<b>5897.92</b> <b>(6,880.87)</b>	<b>2550.86</b> <b>(3,312.76)</b>	<b>15504.88</b> <b>(12,157.81)</b>

- Note:**
- (a) Figures in bracket are of Previous Year
- (b) Transferred to Profit and Loss Account. Inclusive of Rs. 259.84 due to amalgamation
- (c) Goodwill of Rs. 148.80 Lacs created on transfer of Assets and Liabilities and reserves has been adjusted against General reserve as per the order of Honourable High court.
- (d) Rs. 123.00 Lacs on account of amalgamation.
- (e) Rs. 47.50 Lacs on account of amalgamation.

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in Lacs)

PARTICULARS		AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE 3 - SECURED LOANS</b>			
<b>Term Loan</b>			
Rupee Loan			
From Banks		204.38	471.05
<b>Working Capital Loan</b>			
Working Capital Borrowings from Schedules Banks		699.32	1656.53
<b>TOTAL</b>		<u>903.70</u>	<u>2127.58</u>
<p>1. Working Capital Loans are secured by hypothecation of Stocks and book debts of Company ranking pari - pasu in Favour of Participating Scheduled Banks.</p> <p>2. Rupee Term Loan From Standard Chartered Bank are secured by first charge of specific machinery acquired for modernisation and expansion</p>			
PARTICULARS		AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE 4 - UNSECURED LOANS</b>			
<b>Fixed Deposits</b>			
Repayable within one year Rs.0.10 Lacs (Previous Year Rs. 20.75 Lacs)		28.50	29.15
<b>Sales Tax Deferment Loan</b>			
Repayable within one year Rs.NIL Lacs (Previous Year Rs. 8.06 Lacs)		0.00	8.06
<b>TOTAL</b>		<u>28.50</u>	<u>37.21</u>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

### SCHEDULE 5 - FIXED ASSETS

(Rs. in Lacs)

Sr. No.	Particulars	GROSSBLOCK				DEPRECIATION				NETBLOCK	
		As at 01.04.2008	Additions	Deduction	As at 31.03.2009	Upto 31.03.2008	For the year	Deduction	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	Freehold Land	108.30	118.59	0.00	226.89	0.00	0.00	0.00	0.00	226.89	108.30
2	Buildings	1403.04	316.13	0.00	1719.17	549.32	94.15	0.00	643.47	1075.70	853.72
3	Plant and Machinery.	8281.24	1730.39	94.90	9916.73	3078.88	708.01	94.90	3691.99	6224.74	5202.36
4	Furniture , Fixture & office Equipments.	168.62	13.36	0.00	181.98	113.80	10.99	0.00	124.79	57.19	54.82
5	Vehicles	240.86	102.41	13.62	329.65	159.19	35.44	9.19	185.44	144.21	81.67
6	R & D Buildings	81.74	0.71	0.00	82.45	21.36	6.10	0.00	27.46	54.99	60.38
	Machinery/Equip	163.11	6.58	0.00	169.69	36.50	15.64	0.00	52.14	117.55	126.61
	Furniture	19.82	0.85	0.00	20.67	3.11	3.11	0.00	6.22	14.45	16.71
6	Other Assets	83.56	1.99	0.00	85.55	48.45	5.12	0.00	53.57	31.98	35.11
	Current Year's Total :	10550.29	2291.01	108.52	12732.78	4010.61	878.56	104.09	4785.08	7947.70	6539.68
	Previous Year's Total:	9319.24	1250.27	19.22	10550.29	3292.22	734.55	16.16	4010.61	6539.68	

1. Depreciation on Plant and Machinery and Computers Purchased after 01.10.1982 have been provided on straight line basis under section 205(2)(b) and other assets on Written down value basis under Section 205 (2) (a) at the rate specified in Schedule xiv of the Company Act, 1956. Assets Costing Rs. .05 Lacs or less are fully depreciated in the year of Purchase.
2. Intangible asset of technical knowhow has been shown under the head of Plant and Machinery
3. Other Assets include Weighing Machine, Air Conditioner and Other Equipments.

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE 6 - INVESTMENTS AT COST</b>		
<b>LONG TERM INVESTMENTS</b>		
<b>TRADE INVESTMENTS (QUOTED- FULLY PAID EQUITY SHARES) :</b>		
11000 Nos. (Previous Year 3000 Nos.) Bharati Televentures Ltd of Rs.10 each	<b>65.27</b>	5.00
5400 Nos. (Previous Year 5400 Nos.) Gas Authority of India Ltd of Rs.10 each	<b>6.05</b>	6.05
3294 Nos. (Previous Year 3294 Nos.) Indian Motor Parts Ltd. of Rs.10 each	<b>3.14</b>	3.14
500 Nos. (Previous Year 500 Nos.) Infosys Ltd. of Rs.5 each	<b>5.15</b>	5.15
7698 Nos. (Previous Year 7698 Nos.) National Thermal Power Corporation Limited of Rs. 10 each	<b>5.67</b>	5.67
400 Nos. (Previous Year 400 Nos.) Perfect Circle Victor Ltd. of Rs.1 each	<b>0.01</b>	0.01
7800 Nos. (Previous Year 3800 Nos.) Reliance Industries Ltd. of Rs.10 each	<b>81.95</b>	10.29
20695 Nos. (Previous Year 695 Nos.) Reliance Petroleum Ltd. of Rs.10 each	<b>28.14</b>	0.42
190 Nos. (Previous Year 190 Nos) Reliance Cap.I Venture Ltd.of Rs.10 each	<b>0.26</b>	0.26
3800 Nos. (Previous Year 3800 Nos) Reliance Comm. Venture Ltd.of Rs.5 each	<b>7.66</b>	7.66
285 Nos. (Previous Year 285 Nos.) Reliance Engr. Venture Ltd.of Rs.10 each	<b>1.45</b>	1.45
3800 Nos. (Previous Year 3800 Nos.) Reliance Natural Res. Ltd.of Rs.5 each	<b>0.14</b>	0.14
5000 Nos. (Previous Year NIL ) Voltamp transformer Ltd of Rs.10 each	<b>30.09</b>	0.00
10000 Nos. (Previous Year NIL ) ICICI Bank Limited of Rs.10 each	<b>50.47</b>	0.00

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE 6 - INVESTMENTS (CONTD...)</b>		
132,700 Nos. (Previous Year 87,700 Nos.) Swiss Glasscoat Equipment Ltd. of Rs. 10 each	13.38	8.77
232 Nos. (Previous Year 232 Nos.) Tata Consultancy Service Ltd. of Rs.1 each	0.99	0.99
1200 Nos. (Previous Year 1200 Nos.) Wipro Ltd. of Rs.10 each (Including 600 nos of Bonus Shares)	4.48	4.48
Sub - Total	<u>304.30</u>	<u>59.48</u>
<b>OTHER INVESTMENTS ( UN QUOTED- FULLY PAID ) :</b>		
<b>EQUITY FUND</b>		
86,847 Nos. (Previous Year 86,847 Nos.) Reliance Pharma Fund	10.00	10.00
92393 Nos. (Previous year 13,930 Nos.) HDFC Top-200 - Dividend	33.00	6.00
NIL (Previous Year 19,04,215 Nos.) ICICI Prudential Flexible Income Plan	0.00	201.34
275,026 Nos. (Previous Year 32,799 Nos.) ICICI Prudential Infrastructure Fund Plan	33.00	6.00
NIL (Previous Year 10,07,141 Nos.) LIC MF Liquid Fund	0.00	100.71
90,195 Nos. (Previous Year 12,798 Nos.) Reliance Diversified Power Divi. Plan	33.00	6.00
78,869 Nos. (Previous Year 14,436 Nos.) Reliance Growth Fund Divi. Plan	36.00	9.00
NIL (Previous Year 40,000,00 Nos.) SCF Fixed Maturity plan	0.00	400.00
188,365 Nos. (Previous Year 28,128Nos.) IDFC Equity Fund	33.00	6.00
Sub - Total	<u>178.00</u>	<u>745.05</u>
1000 Nos. (Previous Year 1000 Nos.) Co-Operative Bank of Baroda of Rs. 25 each	0.25	0.25
Sub - Total	<u>178.25</u>	<u>745.30</u>
<b>INVESTMENT IN ASSOCIATES ( UN QUOTED- FULLY PAID ) :</b>		
310,040 Nos. (Previous Year 232,500 Nos.) Banco Aluminium Ltd. of Rs. 10 each (A Company under Same Management)	25.40	24.34
998 Nos. (Previous Year NIL.) Kilimanjaro Biochem Limited- Tanzania with avg face value of Rs. 3945 each (subsidiary company)	39.37	0.00
Sub - Total	<u>64.77</u>	<u>24.34</u>
<b>TOTAL</b>	<u><u>547.32</u></u>	<u><u>829.12</u></u>
(Aggregate market price of Quoted investment excluding Mutual Fund Rs 337.00 Lacs (Previous Year Rs. 218.05 Lacs)		
Note : 45000 nos. equity shares of Swiss Glasscot Equipment Ltd. and 77,540 equity shares of Banco Alumunium Ltd. are acquired during the year on amalgamation are in the name of Ganga Investments Pvt. Ltd. the transferor Company.		
<b>SCHEDULE 7 - INVENTORIES</b>		
Raw Material (At Cost)	3679.10	2528.70
Work - in - Process (At Cost)	688.49	736.60
Finished Products (At Cost OR Market Value Which ever is Lower)	1058.93	996.49
Sundry Stores (At Cost)	95.78	34.25
<b>TOTAL</b>	<u><u>5522.30</u></u>	<u><u>4296.04</u></u>
(As per Inventory taken, Valued and Certified by the Management)		

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in Lacs)

PARTICULARS	AS AT 31.03.2009	AS AT 31.03.2008
<b>SCHEDULE 8 - SUNDRY DEBTORS (UNSECURED)</b>		
Outstanding for a period exceeding 6 months - Considered good	462.98	254.16
- Considered Doubtful	-	4.91
Other Debts - Considered good	5,995.87	7,097.10
	<u>6,458.85</u>	<u>7,356.17</u>
Less: Provision for doubtful debts. ( Refer Note No. B (6) in Schedule 21)	-	1.50
<b>TOTAL</b>	<u><u>6,458.85</u></u>	<u><u>7,354.67</u></u>
<b>SCHEDULE 9 - CASH AND BANK BALANCES</b>		
<b>Cash on hand</b>	10.76	9.09
<b>With Scheduled Banks :</b>		
i) In Other Current Accounts	129.99	134.18
ii) In Margin Deposit/Short Term Deposit	4.01	4.07
iii) FD with schedule bank ( short-Term)	910.96	0.00
<b>TOTAL</b>	<u><u>1055.72</u></u>	<u><u>147.34</u></u>
<b>SCHEDULE 10 - LOANS AND ADVANCES</b> ( UNSECURED CONSIDERED GOOD )		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	720.19	817.57
- Pre paid Expenses	36.14	47.54
- Balance with Custom and Central Excise	266.36	202.58
- Advance Income Tax Paid ( Net of Provision)	358.39	393.88
<b>TOTAL</b>	<u><u>1381.08</u></u>	<u><u>1461.57</u></u>
<b>SCHEDULE 11 - CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(A) CURRENT LIABILITIES :</b>		
Sundry Creditors - For Goods	1046.31	1304.60
Sundry Creditors - For Expenses	654.11	753.56
Sundry Creditors - For SSI Undertakings	233.67	361.53
Sundry Creditors - Others	109.94	243.77
Advances from Customers	590.77	95.65
Unclaimed Dividends	71.45	59.76
	<u>2706.25</u>	<u>2818.87</u>
<b>(B) PROVISIONS:</b>		
Proposed Dividend	1072.78	994.00
Income Tax on Proposed Dividend	182.32	168.93
For Leave Encashment	50.85	43.88
For Gratuity	199.94	193.48
	<u>1505.89</u>	<u>1400.29</u>
<b>TOTAL</b>	<u><u>4212.14</u></u>	<u><u>4219.16</u></u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>2008-09</b>	<b>2007-08</b>
<b>SCHEDULE 12 - OTHER INCOME</b>		
Miscellaneous Sales	364.77	347.36
Sales Tax Set Off and Refund	3.75	6.01
Export Incentive	109.48	88.14
Dividends Received	39.04	20.44
Interest (Tax deducted at Sources NIL) (Previous year Rs.0.14 Lacs)	35.70	79.03
Misc. Income ( Inclusive of Tax deducted at Sources Rs.1.66 Lacs) (Previous year Rs.1.43 Lacs)	69.40	46.05
Sundry Credit Balance Written back (Net)	44.81	44.58
Profit on Sale of Assets	0.56	4.73
Gain on Exchange Rate Fluctuation (Net)	12.03	92.63
<b>TOTAL</b>	<b>679.54</b>	<b>728.97</b>
<b>SCHEDULE 13 - INCREASE / (DECREASE) IN STOCKS</b>		
<b>Closing Stock</b>		
Stock in Process	688.49	736.60
Finished Goods	1058.93	996.49
	1747.42	1733.09
<b>Less:Opening Stock</b>		
Stock in Process	736.60	666.13
Finished Goods	996.49	842.06
	1733.09	1508.19
<b>TOTAL</b>	<b>14.33</b>	<b>224.90</b>
<b>SCHEDULE 14 - COST OF MATERIALS</b>		
Raw Materials (Including Packing Material) :		
Stock (Opening)	2528.70	2526.70
Add: Purchased during the year	17233.71	17405.17
	19762.41	19931.87
Less: Stock (Closing)	3679.10	2528.70
<b>TOTAL</b>	<b>16083.31</b>	<b>17403.17</b>
<b>SCHEDULE 15 - PAYMENT TO AND PROVISION FOR EMPLOYEES</b>		
Salaries, Wages and Bonus	1384.87	1172.21
Contribution to Provident and Other funds	75.39	83.44
Staff Welfare Expenses	34.19	39.38
<b>TOTAL</b>	<b>1494.45</b>	<b>1295.03</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

(Rs. in Lacs)

PARTICULARS		2008-09	2007-08
<b>SCHEDULE 16 - RESEARCH AND DEVELOPMENT EXPENSES</b>			
Raw Material Consumed		<b>108.60</b>	44.66
Salaries, Wages and Bonus	107.97		74.41
Contribution to Provident and Other funds	3.11		2.33
Staff Welfare Expenses	0.20		0.08
		<b>111.28</b>	76.82
Utility / others		<b>22.10</b>	32.59
Administrative Expenses		<b>14.03</b>	10.54
<b>TOTAL</b>		<b>256.01</b>	164.61
<b>SCHEDULE 17 - MANUFACTURING EXPENSES</b>			
Stores, Tools and Dies Consumed		<b>597.24</b>	498.81
Power, Fuel		<b>336.35</b>	375.86
Labour Charges		<b>1483.32</b>	1544.77
Repairs & Maintenance :			
(a) Plant & Machinery	426.59		445.30
(b) Electrical Installations	18.41		21.83
(c) Buildings	91.53		89.32
(d) Sundry Repairs	7.81		4.97
		<b>544.34</b>	561.42
Factory General Expenses		<b>92.25</b>	89.36
Insurance Premium on Assets		<b>10.08</b>	10.75
<b>TOTAL</b>		<b>3063.58</b>	3080.97
<b>SCHEDULE 18 - ADMINISTRATIVE &amp; GENERAL EXPENSES</b>			
Rates & Taxes		<b>10.08</b>	15.22
Rent		<b>2.80</b>	3.60
Printing and Stationery		<b>48.11</b>	41.18
Postage and Telegraph		<b>18.16</b>	17.95
Telephone		<b>32.25</b>	36.36
Directors Sitting Fees		<b>1.83</b>	1.18
Insurance		<b>0.07</b>	1.35
Travelling, Conveyance and Vehicle Expenses		<b>177.73</b>	181.66
Miscellaneous Expenses		<b>177.69</b>	117.50
Donation		<b>7.20</b>	18.73
Share issue Exps.		<b>0.00</b>	13.89
Auditors Remuneration towards :			
Audit	6.00		4.00
Certification	1.96		1.58
Out of Pocket Expenses	2.18		1.89
		<b>10.14</b>	7.47
<b>TOTAL</b>		<b>486.06</b>	456.09

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>2008-09</b>	<b>2007-08</b>
<b>SCHEDULE 19 - SELLING &amp; DISTRIBUTION EXPENSES</b>		
Commission and Discount	<b>935.47</b>	885.04
Advertisement and Sales Promotions	<b>31.58</b>	25.53
Other Selling Expenses	<b>237.28</b>	267.38
Bad Debts Written off	<b>0.00</b>	13.34
Royalty to Foreign Collaborator	<b>5.07</b>	3.84
Transit Insurance ( Out Ward)	<b>33.78</b>	32.25
Freight & Transport (Net)	<b>930.00</b>	945.15
<b>TOTAL</b>	<b>2173.18</b>	2172.53
<b>SCHEDULE 20 - INTEREST AND FINANCE CHARGES</b>		
<b>Interest</b>		
Fixed period Loans / Deposits	<b>34.59</b>	159.52
Other Loans	<b>156.70</b>	182.38
	<b>191.29</b>	341.90
<b>Finance\Bank Charges</b>	<b>70.02</b>	60.85
<b>TOTAL</b>	<b>261.31</b>	402.75

**SCHEDULE "21 : NOTES ON ACCOUNTS AND ACCOUNTING POLICIES ATTACHED TO THE BALANCE SHEET AS AT 31st, MARCH, 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

**A) ACCOUNTING POLICIES**

**1) Basis of Accounting:**

- i) The Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 except for certain fixed assets, which have been revalued.
- ii) The company generally follows the mercantile system of accounting and recognizes significant items of Income and Expenditure on accrual basis.

**2) Fixed Assets and Depreciation:**

- i) Fixed Assets are stated at cost other than Land and Building at Bhaili Division shown at revalued cost (net of cenvat/service tax credit wherever claimed) less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during installation / construction incurred up to the date the assets are ready for commercial use.
- ii) Depreciation on plant & Machinery and computers except on Electrical installation, Laboratory equipment, Machine tools and effluent treatment plant purchased after 01/10/1982 has been provided on straight line basis under section 205 (2)(b) and on other assets on written down value basis under section 205(2)(a) at the rates specified in schedule XIV of the Companies Act, 1956. Assets costing Rs. 0.05 Lac or less are fully depreciated in the year of purchase.
- iii) Technical know-how recognized as intangible asset is stated at the consideration paid for acquisition and amortized on straightline basis over a period of ten years.

**3) Foreign Currency Transactions:**

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

**4) Investments:**

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.

**5) Inventories:**

- i) Raw materials, Stores & Spares and Packing materials are valued at cost. Cost is determined on weighted average basis.
- ii) Work-in-process is valued at cost
- iii) Finished products are valued at cost or market value whichever is lower. Excise duty applicable thereon is included for valuation purpose.

**6) 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 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 Profit and Loss Account as income or expense. Contribution in respect of gratuity is paid to Life Insurance Corporation of India (LIC).

**7) Research and Development:**

- i) Capital expenditure is shown separately under the respective head of Fixed Assets.
- ii) Revenue expenses are charged to Profit & Loss Account.

**8) Sales:**

Sales are Net of Sales Returns and discounts and exclude sales tax, Excise and other charges.

**9) Contingent Liabilities:**

Contingent liabilities which are not provided for, are disclosed by way of notes

**10) Provision for Current and Deferred Tax:**

- i) Provision for Current Tax is made after taking into consideration deduction allowable under the Provision 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 Profit and Loss Account.

**11) Impairment of Assets:**

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 account in the year in which an asset is identified as impaired. The impairment loss if any recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**12) Borrowing costs:**

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

**13)** Dividend income is considered on receipt basis.

**14) Provision, 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 are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**B) NOTES ON ACCOUNTS**

- 1) (a) The scheme of Amalgamation of erstwhile Ganga Investments Pvt. Ltd. (GIPL) with the company from the Appointed Date of 01.04.2008 has been sanctioned by the High Court of Judicature at Bombay and the High Court Of Judicature at Ahmedabad vide their orders dated 13.08.2009 and 02.09.2009 respectively. The same are filed with the Registrar of Companies. Gujarat and Bombay on 18.09.2009 and 17.09.2009. Accordingly the Amalgamation become effective from the Appointed Date As per the scheme, the following Assets, Liabilities, Reserves and the credit balance in the Profit and Loss Accounts as per the last audited accounts up to 31<sup>st</sup> March, 2008 of the erstwhile Ganga Investment Pvt. Ltd. (GIPL) have been merged with the company at the end of the year.

**ASSETS:**

Investments	154.56
Cash and Bank Balances	316.26
Loans and Advances	8.77
Total Assets:	<b>479.59</b>

**LIABILITIES:**

Security Premium	123.00
General Reserve	47.50
Profit and Loss Account	259.84
Current Liabilities	0.08
Provisions	9.16
Total Liabilities:	<b>439.58</b>
Net Assets of Ganga Investments Pvt. Ltd. Taken over	<b>40.01</b>



Represented by:

Share Capital

(To be issued & allotted to the shareholders 188.80 of transferor Company)

Goodwill – Being the difference between share capital

148.80

To be issued & Net Assets

- (b) The Amalgamation had been accounted for under the “Pooling of Interest” method being an amalgamation in the nature of merger as prescribed by the Accounting Standard – 14 “Accounting for Amalgamation” issued by the Institute of Chartered Accountants of India. Pursuant to the scheme of Amalgamation as Approved by the High Court of Judicature at Bombay and the High Court of Judicature at Ahmedabad the net liabilities over the assets of Rs. 148.80 Lacs has been debited to Goodwill and adjusted against the General Reserve.
- (c) Pursuant to the scheme the company will issue 94.40 Lacs Equity Shares of Rs. 2/- each to the shareholders of Erstwhile Ganga Investments Pvt.Ltd. in the ratio of 236 Equity shares of Rs.2/- each for every one (1) fully paid Equity shares of 100/- each on completion of necessary formalities.
- (d) 89.20 Lacs Equity shares of Rs 2/- each held by erstwhile Ganga Investments Pvt. Ltd. the transferor company stands cancelled as per the scheme of Amalgamation
- (e) Subsequent to the approved scheme of Amalgamation the paid up Equity share capital of the erstwhile Ganga Investments Pvt. Ltd. of Rs.40 Lacs has been merged with the Authorised capital of the company and combined Authorised capital of Rs 30.40 crores divided in to 1520 Lacs Equity shares of Rs. 2/- each has been shown in schedule 1.
- 2) Estimated amount of contracts remaining to be executed on Capital account not provided for Rs. 289.43 Lacs (Previous year Rs. 1033.18 Lacs)
- 3) **Contingent Liabilities:**
- (a) Counter guarantees given to the Banks in respect of various guarantees issued by the Banks to the third parties Rs.104.99 Lacs (Previous year Rs. 34.50 Lacs)
- (b) Letter of Credit opened and outstanding for Rs.34.00 Lacs (Previous year Rs. 353.75 Lacs)
- (c) Claims from one of the customers against the company not acknowledged as debt Rs.22.66 Lacs (Previous year Rs.22.66 Lacs)
- (d) Other claims against the Company not acknowledged as debts amount unascertainable.
- (e) Claims from employees and former employees amount unascertainable
- (f) Claims against the company not acknowledged as debts:
- (i) Relating to Excise Duty Rs. 193.53 (Previous year Rs. NIL Lacs)
- 4) As far as balances of Creditors are concerned the company has obtained the balance confirmations on perpetual basis from most of the suppliers including all major suppliers. While in case of Debtors outstanding, Reconciliation with Major party is done However Formal confirmation is pending
- 5) Managerial Remuneration as per schedule XIII of the Companies Act, 1956 to the Executive Director is as under.

(Rs. in Lacs)

	<u>2008-09</u>	<u>2007-08</u>
Salaries and allowances	41.98	14.45
Contribution towards P.F. etc.	2.46	0.93
Perquisites	1.26	0.46
<b>TOTAL (Rs.in Lacs)</b>	<b><u>45.70</u></b>	<b><u>15.84</u></b>

The computation of net profit for the purpose of Calculation of Directors’ Remuneration under section 349 of the Companies Act, 1956 has not been enumerated since no commission has been paid to any of the Directors of the Company.

- 6) (a) Income Tax Assessments have been completed up to the assessment year 2006-07. The Assessing authority has raised an Income Tax Demand of Rs. 8.80 Lacs and the Company has already deposited the same. However, the Company has preferred an appeal against the said order. Adjustments, if any, in respect of disputed demand shall be made on disposal of appeals.
- (b) The adjusted demand of Rs. 164.43 lacs for A.Y. 2004-05 in view of Hon'ble High Court of Gujarat order setting aside the re-assessment order has been received. The assessing authority has made a fresh assessment for A.Y. 2004-05 and raised a demand of Rs. 0.92 lacs. The Company has preferred an appeal against the said order.
- (c) The CIT (A) has made an order for A.Y. 2005-06, substantially reducing the demand made by the assessing officer to Rs 0.50 Lacs However, the Income Tax Department has preferred an appeal against the said order.
- (d) Provision for Current tax has been made as per MAT under sec. 115JB of the Income Tax Act, 1961.
- (e) Sales Tax assessment has been completed up to financial year 2004-05 in respect of Bhaili and Ankhi units. Tax demand of Rs.6.06 lacs raised by assessing authority for the accounting years 1995-96, 2001-02 is disputed by the company and has preferred appeals against the said orders. Adjustment, if any, in respect of disputed demand shall be made on disposal of appeals.
- (f) The Company has made a payment of Service Tax under protest on 31/01/2008 and 07/02/2008 for Ankhi and Bhaili respectively. The details are as under:

	(Rs. in Lacs)	
	Ankhi	Bhaili
Service Tax	2.51	2.60
Edu. Cess	0.05	0.05
Sec. & Higher Edu. Cess	0.01	0.00
Total (Rs. In lacs)	<u>2.57</u>	<u>2.65</u>

This has been shown under the Loans & advances in schedule 10 in Balance with Customs & Central excise.

- 7) In compliance with the Accounting Standard AS- 2 prescribed by the Institute of Chartered Accountants of India, the company has Included Excise duty on closing stock of finished goods amounting to Rs. 81.25 Lacs (Previous Year Rs. 152.56 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.
- 8) Maximum balance due during the year from Banco Aluminum Ltd, a company under the same management Rs.31.79 Lacs (Previous year Rs. 15.62 Lacs)
- 9) The names of the small scale industrial undertakings to which the amounts are due and outstanding for more than 30 days as on 31-03-2009 are as under.

Name of SSI Unit

A.P.Engineers,Aar-Em Electronics Pvt.Ltd., Action Engineers, Akshar Engineering Works,Allied Elect. Engg. Co.,Altop Industries Ltd.,Ancee Industries,Arora Industries,Baroda Cap Liner,Baroda Metals Label Works,Bhagvati Industries,Bhagwati Metal Rolling,Bharat Corrub Industries, Biko Engineers,Chiti Chem Corporation,Dhruv Engineering,Earth Chem Industries,Electronics & Quality Development,Gayatri Spring Industries,Gears & Gear Drives,Grand Polycoats Cc.Pvt.Ltd., Gurukrupa Polymers,Hydro-Neumatics Engg. Co.,Jagmag Plastic Industries,Krishna Industries, Kriton Weld Equipments Pvt.Ltd.,Maheshwari Silver Alloys Pvt. Ltd.,Manish Plastics,Marigold Paints Pvt.Ltd.,Maruti Fabricator and Engg.Co.,Master Scales,Metal Products,Metech Industries,Microlink Solutions Pvt. Ltd.,Modern Printers,Narmada Industries,Paradise Rubber Udyog,Patel Timber Co.,Phoenix Press Parts,Pioneer Industries,Polymer Enterprise,Pooja Castings Pvt. Ltd.,Positronics Control Systems Pvt.Ltd.,Pradip Plastic Moulders,Pranav Plastic Products,Precision Technoplast Pvt. Ltd.,Prima Papers & Engineering Pvt.Ltd,Qual Cast,Rosalee Colour Pvt Ltd,S.B.Engineers,Sang Fasteners Pvt Ltd,Sarvodaya Industries,Sheetal Rubber Products,Shree Ram Wood Industries,Snehal Printing Bureau,Spareage Seals Ltd.,Sunprint Ink Industries,Taprath Polymers Pvt Ltd.,Trinity Energy System (P) Ltd.,Truthread Gauges & Tools Pvt.Ltd.,Ukay Metal Industries Ltd.,Unique



Welding Products Pvt.Ltd,Venkatsri Plast Pvt.Ltd.,Vinayak Electromech Pvt.Ltd.,VNS Chemical Industries,Wire Rings,Jalaram Box Makers Pvt. Ltd.,Emkay Lexipack,Stokvis Prostick Tapes Pvt Ltd,Brahmani Engineering,Kross International,Aditya Engineers,Metal Roducts,S.L.Harikishan & Co,Paras Enterprises,Dynaspede Integrated Systems P Ltd,Power Master Engineers Pvt Ltd,Metal Cutting Systems,Adi Controls,Divyashakti Engineering,Gujarat Ork Industries

Provision for interest on overdue amount, if any has not been made in view of Payments to be made against their supplies are as per the agreed credit terms which in no case exceeds 120 days.

The above information regarding small scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the company. The auditors have relied this upon.

- 10) The company has not received any intimation from the suppliers regarding status under the Micro, Small and medium Enterprises Development Act, 2006 and therefore no such disclosure under the said Act is considered necessary.

11) Related Party Transactions:

Accounting Standard 18(AS-18), issued by the Institute of Chartered Accountants of India, which applies to the transactions entered with related party as listed in para 3 of AS-18. Company has entered into the various transactions during the year, which are stated herein below in the manner prescribed by the above standard.

Name of Related Party & Nature of Relationship	Nature of Transaction	2008-09 Rs.in Lacs	2007-08 Rs.in Lacs
A Banco Aluminium Ltd. (Under Common Control)	Purchase of Goods	302.03	327.94
	Services Rendered	0.13	0.13
	Sales of Goods	14.28	3.77
	Services Received	2.58	0.90
	Closing Balance	CR.17.39	CR 47.93
B. Ms Hasumatiben K Patel Ms Hasumatiben K Patel	Interest paid on Fixed Deposits	1.00	1.25
	Repayment of Fixed Deposits	0.00	5.00

12) Deferred Tax Liability

	(Rs. in Lacs)	
	As at 31-03-2009	As at 31-03-2008
Opening Balance	666.66	598.35
Provided during the year	195.99	68.31
Closing Balance	862.65	666.66

Due to above compliance company has shown the liabilities higher by Rs. 862.65 Lacs (Previous year Rs. 666.66 Lacs) and Reserve & Surplus lower by the same amount as liability is provided from Profit & Loss Account or from General Reserve.

- 13) (a) Earning per Share (EPS): The Institute of Chartered Accountants of India has issued Accounting Standard 20 (AS 20) for working of Earning Per Share and accordingly the Working is given below

	For the Year Ended on 31-03-2009 Rs in Lacs	For the Year Ended on 31-03-2008 Rs in Lacs
Net Profit After Tax	4146.11	4329.92
Weighted average paid up Equity Share (Nos in Lacs.)	715	710
Earning Per Equity Share (Basic and diluted of Rs.2each)	5.80	6.10

As there is no outstanding potential dilutive Equity Shares, it is not required to workout diluted Earning Per Share.

- 14) The company is engaged mainly in manufacturing and selling of Automobile Ancillary Business only and thus is a single segment company.
- 15) From the previous year the company has adopted Accounting Standards 15 (revised 2005) "Employee Benefits". In accordance with the stipulations of the standard, the company has adjusted Rs NIL (P.Y. Rs.63.93 Lacs) towards the additional liability of Defined Benefit obligation in respect of gratuity & Leave Encashment upto 31st March 2007 against the balance of General Reserve as at 1<sup>st</sup> April 2007.

01) **DEFINED BENEFIT OBLIGATION AS AT 31ST MARCH 2009** **(Rs. in Lacs)**

	(2008-2009)		(2007-2008)	
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
<b>Present Value of Defined Benefit Obligation At beginning of the year</b>	193.48	43.88	173.05	34.29
Current Service Cost	18.36	12.22	16.25	10.32
Interest Cost	15.48	3.51	14.28	2.83
Actuarial (Gain)/Loss	(0.80)	(2.21)	16.66	8.70
Benefits Paid	(26.58)	(6.55)	(26.76)	(12.26)
	199.94	50.85	193.48	43.88

02) **RECONCILIATION OF OPENING AND CLOSING BALANCES OF FAIR VALUE OF PLAN ASSETS**

	(2008-2009)	(2007-2008)
	GRATUITY	GRATUITY
<b>Fair Value of Plan Assets At beginning of the year</b>	110.00	106.17
Expected Return on Plan Assets	9.59	8.75
Actuarial (Gain)/Loss	0.93	1.61
Employer Contribution	32.30	20.23
Benefits Paid	(26.58)	(26.76)
<b>Fair value of plan assets At year end</b>	126.24	110.00

03) **ACTUARIAL ASSUMPTION**

	2008-09	2007-08
Mortality	LIC (1994-1996) published table of Mortality Rate	LIC (1994-1996) published table of Mortality Rate
Rate of Interest	9.25 %	8.25 %
Salary Growth	6.00 %	6.25 %
Withdrawal Rates	5% at younger ages and reducing to 1% at older age according to graduated scale	5% at younger ages and reducing to 1% at older age according to graduated scale
Retirement Age	58	58
Expected return on plan assets at 31-03-2009	8.50 %	8.50 %
Base of LIC structure of interest rates on gratuity funds		



Expenses recognized during the year under the head "Payment to & provision for Employees" refer schedule No '15'

	2008-09 Gratuity	2008-09 Leave Encashment	2007-08 Gratuity	2007-08 Leave Encashment
Current Service Cost	18.36	12.22	16.25	10.32
Interest Cost	15.48	3.51	14.28	2.83
Actuarial (Gain)/Loss	(1.72)	(2.20)	16.66	8.70
Expected return on plan assets	(9.59)	-	(26.76)	(12.24)
Total Expenses/ Gain recognized in Profit & Loss Account	22.53	13.53	20.43	9.61

- 16) Legal & professional charges includes Rs. Nil (Previous year Rs. 0.60 Lac) paid to Shah & Associates, wherein some of the partners of Auditors are interested.
- 17) Previous years figures have been regrouped and reclassified wherever necessary to be in conformity with the figures of the current year
- 18) Additional information pursuant to the provision of Para 3 & 4, in part II of Schedule. VI to the Companies, Act, 1956 (As certified by the management)

#### A. QUANTITATIVE INFORMATION

	2008-09			2007-08		
	Gaskets Nos. lacs	Radiators Nos.	CFJS MT	Gaskets Nos. lacs	Radiators Nos.	CFJS MT
<b>I) REGARDING GOODS PRODUCED</b>						
Installed Capacity	800.00	882000	4000	800.00	792000	4000
Actual Production	507.24	489,579	742.25	514.61	660,766	791.34
Opening Stock (Qty)	19.13	38964	17.57	18.61	19086	23.27
Opening Stock (Value)-Rs. Lacs	209.64	763.54	23.30	272.36	549.86	19.84
Closing Stock (Qty)	18.37	28503	1.17	19.13	38964	17.57
Closing Stock (Value)-Rs. Lacs	316.26	739.55	3.12	209.64	763.54	23.30
Sales (Qty)	508.00	500040	758.65	514.09	640888	797.04
Sales (Value) - Rs. Lacs	7101.39	21104.63	408.92	6859.19	22604.26	330.51
<b>TOTAL PRODUCT</b>						
<b>SALES VALUE(A) - RS. LACS</b>			<b>28614.94</b>			<b>29793.96</b>

Notes:

- As the Company does not come under the purview of the industries (Development and Regulation) Act 1951, it is not considered necessary to furnish the licensed capacity.
- No. of items containing in the set is taken as ONE.
- Sales Qty. includes destruction, free supply as samples etc. Major of CFJS productions are used as Captive consumption.

ii) REGARDING OTHER ACTIVITIES	2008-09	2007-08
	Rs. in Lacs	Rs. in Lacs
Class of Goods (Machinery and Spares)		
Opening Stock	55.12	38.17
Purchases	273.02	91.12
Sales (B)	<b>176.50</b>	91.07
Closing Stock	182.44	55.12
iii) OTHERS SALES (C)	0.00	0.00
<b>TOTAL SALES (A+B+C)</b>	<b>28791.44</b>	<b>29885.03</b>



B. RAW MATERIAL CONSUMED	2008-09			2007-2008		
	UNIT	QTY	Rs. Lacs	UNIT	QTY	Rs. Lacs
Copper and Copper Alloys	MT	660.13	2,164.07	MT	888.66	2,974.46
Compressible Gasket Material	MT/SQM		1,844.62	MT/SQM		903.66
Steel sheets/Plates	MT	2,174.36	1,718.34	MT	2,421.91	1,650.08
Aluminium	MT	2,195.09	4,712.52	MT	3,121.38	6,285.55
Others	-		5,752.36	-		5,634.08
<b>TOTAL</b>			<b>16,191.91</b>			<b>17,447.83</b>
<b>C. DETAILS OF IMPORTED AND INDIGENEOUS RAW MATERIAL CONSUMED</b>			<b>Rs. Lacs</b>			<b>Rs. Lacs</b>
Imported Items (Including canalised items at Landed cost)			5,191.72			6,516.54
Indigeneous			11,000.19			10,931.29
<b>TOTAL</b>			<b>16,191.91</b>			<b>17,447.83</b>
<b>D. C.I.F. VALUE OF IMPORTS</b>			<b>Rs. Lacs</b>			<b>Rs. Lacs</b>
Raw Material ( Excluding Canalised Items )			6,135.53			6,181.99
Store and Spares			28.00			84.27
R & D Expenditure			7.74			-
Capital Goods			1,124.18			294.25
<b>TOTAL</b>			<b>7,295.45</b>			<b>6,560.51</b>
<b>E. EXPENDITURE IN FOREIGN CURRENCY (ACTUAL REMITTANCES)</b>			<b>Rs. Lacs</b>			<b>Rs. Lacs</b>
Technical Know How			-			26.15
Commission on Exports			626.80			650.77
Foreign Travelling			28.71			23.80
Royalty to Foreign Collobarator			5.06			3.84
Others			48.92			46.88
<b>TOTAL</b>			<b>709.49</b>			<b>751.44</b>
<b>F. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND TO NON RESEDENT SHARE HOLDERS THE DETAILS OF DIVIDEND PAID IN RESPECT OF SHARES HELD BY NON RESIDENTS ON REPATRIATION BASIS ARE AS UNDER</b>						
No. of Non-Resident Share holders			417			375
No. of Equity Shares held ( of Rs. 10 Each)			44,869,097			2,887,787
Amount remitted net of Tax - Rs. Lacs			397.16			43.32
Year to which dividend relates			2007-08			2006-07
<b>G. EARNING IN FOREIGN EXCHANGE</b>			<b>Rs. Lacs</b>			<b>Rs. Lacs</b>
F. O. B. Value of Exports			10,474.00			9,846.53

Signatory to Schedule 1 to 21

As per our report of even date <b>For Shah &amp; Co.</b> Chartered Accountants		<b>For and on behalf of the Board,</b>
		<b>Mehul K. Patel</b> Director
		<b>Atul G. Shroff</b> Director
		<b>Mukesh D. Patel</b> Director
		<b>Shailesh A. Thakker</b> Executive Director & CFO
<b>Indulal H. Shah</b> Partner	<b>Dinesh Kavthekar</b> Company Secretary	
Mumbai : 30th September, 2009		Bil - Vadodara: 30th September, 2009



## BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUSSINESS PROFILE

### 1 REGISTRATION DETAILS:

Registration No.	1039	CIN	L51100GJ1961PLC001039
Balance Sheet Date :	31.03.2009	State Code	4

### 2 CAPITAL RAISED DURING THE YEAR (Rs. In Lacs)

Capital Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Merger	10

### 3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. In Lacs)

Total Liabilities	18,730	Total Assets	18,730
<b>SOURCES OF FUNDS</b>		<b>APPLICATION OF FUNDS</b>	
Paid Up Capital	1,430	Net Fixed Assets	7,977
Reserve and Surplus	15,505	Investments	547
Secured Loans	903	Net Current Assets	10,206
Unsecured Loans	29	Miscellaneous Expenditure	-
Deferred Tax Liability	863	Accumulated Losses	-

### 4 PERFORMANCE OF THE COMPANY (Rs. In Lacs)

Turnover	31,452	Total Expenditure	24,695
Profit Before Tax	4,790	Profit After Tax	4,146
Earning Per Share in Rs.	5.8	Dividend Rs. Per Share	1.5

### 5 GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF THE COMPANY

Item Code	401693, 681290, 848410	Item Code	870891
Product Description	Gasket	Product Description	Radiators



To,  
**Link Intime India Pvt. Ltd.**  
The Registrar and Transfer Agent  
(Unit : Banco Products (India) Limited)  
308, Jaldhara Complex,  
1<sup>st</sup> Floor Opp. Manisha Society,  
Vasna Road, VADODARA – 390 015.

**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.**





**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 48th Annual General Meeting of  
the Company to be held at the Registered Office on Friday, the 27th November, 2009 at 10.00 a.m and  
at any adjournment thereof.

As witness my/our hand(s) this.....day of.....2009

Signed by the said.....

Affix  
Re. 1/-  
Revenue  
Stamp

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

**BANCO PRODUCTS (INDIA) LIMITED.**

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

**ATTENDANCE SLIP**

I hereby record my presence at the 48th Annual General Meeting of Banco Products (India) Limited,  
held at the Registered Office on Friday, the 27th November, 2009 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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**KILIMANJARO BIOCHEM LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST MARCH 2009**

<b><u>CONTENTS</u></b>	<b><u>PAGES</u></b>
Directors' report	1 - 2
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Profit and loss account	4
Balance sheet	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financial statements	8-10

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**KILIMANJARO BIOCHEM LIMITED**  
**FOR THE PERIOD ENDED 31ST MARCH 2009**

**COMPANY INFORMATION**

<b>DIRECTORS</b>	: Mr Pradeep K. Buch
	: Mr. Akhilesh P. Joshipura
<b>COMPANY SECRETARIES</b>	: Unique Financial Services Ltd.
	: P. O. Box 71 772
	: Dar es Salaam
	: TANZANIA
<b>INDEPENDENT AUDITORS</b>	: Tanna Sreekumar & Co
	<i>(Independent member of <b>Morison International</b>)</i>
	: Certified Public Accountants
	: P.O. Box 948
	: Dar es Salaam
<b>BANKERS</b>	: Bank of Baroda (T) Limited
	Diamond Trust Bank
<b>REGISTERED OFFICE</b>	: P.O. Box 40707
	: 461/158, Nkrumah Street
	: Dare es Salaam
	: Tanzania

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## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 31ST MARCH 2009**

1 The directors present their report together with the audited financial statements for the period ended 31 st March, 2009

#### **2 STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are required under the Companies Act, 2002 to prepare financial statements for each quarter that give a true and fair view of the state of affairs of the company as at the end of quarter and of the profit or loss of the company for the period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgment and estimates have been made in the preparation of the financial statements for the period ended 31 st March, 2009. The directors also confirm that the International Financial Reporting Standards and guidelines have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act, 2002. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

Nothing has come to the notice of the directors to indicate that as the company will not remain a going concern for at least 12 months from the date of this statement.

#### **3 PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS**

Land rights have been acquired and project is underway to set up a state of art plant to manufacture extra neutral alcohol. Project site is located in Mwanga District, Moshi Region, Tanzania. The company has not commenced commercial operations during this period.

During the period ended 31 st March, 2009, there is no change in the Directorship of the company.

#### **4 RELATED PARTY TRANSACTIONS**

There are no financial transactions with related parties during the period ended 31st March, 2009 except enhancement of unsecured loans to the extent of USD 9,700/- and TSH 44,536,934/- which has been settled before 31st March, 2009

#### **5 LONG TERM AND HOLDING COMPANY LOANS**

The company has received no loan from holding company during the period ended 31st March, 2009.

#### **6 FACTORS AFFECTING SOLVENCY OF THE COMPANY**

The company's solvency position is as shown by the balance sheet set out on page 6.

**7 RESULTS FOR THE YEAR**

These are set out on page 5 of the financial statements.

**8 DIVIDENDS**

Since there are no distributable reserves available, the directors do not recommend the payment of a dividend.

**9 DIRECTORS**

The directors who held office during the quarter and to date of this report are:

Name	Position	Nationality
Mr Pradeep K. Buch	Director	Indian
Mr. Akhilesh P. Joshipura	Director	Indian

**10 AUDITORS**

M/s Tanna Sreekumar & Co. have expressed their willingness to continue in office and are eligible for re-appointment.

**BY ORDER OF THE BOARD**

Director

Date: 06-04-2009

## AUDITORS' REPORT TO THE MEMBERS OF KILIMANJARO BIOCHEM LIMITED

1 We have audited the financial statements on pages 4 to 10 in accordance with International Standards on Auditing. The financial statements are in agreement with the books of account, and we obtained all the information and explanations we required for the purpose of our audit.

### 2 **Respective responsibilities of directors and auditors**

As stated on page 1, the company's directors are responsible for the preparation of the financial statements and adopting the accounting policies. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

### 3 **Basis of opinion**

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's business consistently applied and adequately disclosed.

4. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### 5 **Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's financial affairs as at 31 st March, 2009 and cash flow for the period then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 2002.

B.S. Sreekumar

**Tanna Sreekumar & Co.**

**Certified Public Accountants**

Dar es Salaam

Date: 06-04-2009

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2009

	Reference	Quarter ended 31-Mar-2009 Amt TShs ('000)	From 5-Feb-2008 TO 31-Mar-2009 Amt TShs ('000)
<b>Revenue</b>			
Revenue from business activities		–	–
<b>Total revenue</b>		–	–
<b>Operating expenses</b>			
Operating Expenses		–	–
<b>Operating (Loss) / Profit before depreciation and finance costs</b>		–	–
Non-operating Expenses		–	–
<b>(Loss) / Profit before depreciation, finance costs and tax</b>		–	–
Depreciation and amortization		–	–
Finance costs		–	–
<b>(Loss) / Profit before corporation tax</b>		–	–
<b>Corporation tax</b>	Note 3 (a)	–	–
<b>Deferred tax</b>	Note 3 (b)	–	–
		–	–

The notes on pages 8 to 10 form part of these financial statements.

The company incurred during the period ended 31.03.2009 an amount of Tshs 19,1 71,316 on various expenditure which are revenue in nature. These expenditures were incurred entirely during the process of acquiring rights for lease hold land. Orders for Plant & Machinery are yet to be placed and commercial activities will commence once Plant & Machinery has been installed and commissioned. The Unit was not commercially operational right through the period from 5th February 2008 to 31 st March 2009 and hence all the expenses have been treated as Pre-operating Expenses.



## BALANCE SHEET AS AT 31 MARCH 2009

	Reference	AsAt 31 March 2009 Amt TShs (-000)
<b>ASSETS</b>		
<b>Non - current assets</b>		
Preoperative Expenses	Note 4	19,171
Capital Work in Progress (Land &. Site Development)	Note 5	24,267
Property, plant and equipment	Note 6	7,145
<b>Current assets</b>		
Advance to Creditors	Note 7	6,500
Bank balances and cash	Note 8	45,701
		52,201
<b>Current Liabilities</b>		
Trade and other payables	Note 9	2,641
		49,559
<b>Net current assets/fliabilities)</b>		
		100,142
<b>Total assets</b>		
		100,142
<b>EQUITY AND RESERVES</b>		
Shareholders Funds	Page 6	100,142
Accumulated Loss		
<b>Shareholders' equity</b>		100.142
<b>Shareholders' funds</b>		100,142

The notes on pages 8 to 10 form part of these financial statements.

These financial statements were approved by the Directors on 06-04-2009 and signed on its behalf on the same date by:

.....  
**Signature**

**A. P. Joshipura**

.....  
**Name**

.....  
**Signature**

**Pradeep K. Buch**

.....  
**Name**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31ST MARCH 2009**

Amt TShs ('000)

	Issued share Capital <b>TShs</b>	Accumulated losses <b>TShs</b>	Advance against Share capital <b>TShs</b>	<b>Total TShs</b>
Movement during the period Loss for the period ended 31 March 2009	100,000	–	142	100,142
Balance as at 31 March 2009	<b>100,000</b>	–	<b>142</b>	<b>100,142</b>

**Issued share capital**

The company's authorized share capital is TShs 6,000,000,000 divided into 60,000 shares of TShs 100,000 each and issued and fully paid up share capital is TShs 100,000,000, divided into 1000 shares of TShs 100,000 each. The shareholders of the company are as indicated below:

Shareholder	Consideration	No. of shares	Value Per Share	Nominal value <b>Amt TShs ('000)</b>
Banco Products (I) Ltd.	Cash	998	100,000	<b>99,800</b>
Mr Pradeep K. Buch	Cash	2	100,000	200
		1,000		<b>100,000</b>

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2009

	Quarter ended 31-Mar-2009 Amt TShs ('000)	From 5-Feb-2008 TO 31-Mar-2009 Amt TShs ('000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	–	–
Adjustment for depreciation	–	–
<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>	–	–
<b>Working capital changes in:</b>		
Trade and other payables	–	(13,460)
	–	(13,460)
<b>Cash used to finance operations</b>	–	<b>(13,460)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital	90,452	100,452
Repayment of unsecured loan	(51,177)	(20,177)
<b>Net cash flow from financing activities</b>	<b>39,275</b>	<b>80,275</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Pre-operative Expenses	(2,100)	(12,580)
Land Rights	–	(7,145)
Land &.Site Development	(5,889)	(1,390)
<b>Net cash flow from Investing activities</b>	<b>(7,989)</b>	<b>(21,115)</b>
<b>NET CASH FLOW FOR THE YEAR</b>	<b>31,286</b>	<b>45,701</b>
<b>Opening cash and cash equivalents</b>	<b>14,414</b>	<b>–</b>
<b>Closing cash and cash equivalents</b>	<b>45,701</b>	<b>45,701</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE OF:-</b>		
Bank balances and cash	45,701	45,701
	<b>45,701</b>	<b>45,701</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 2009**

**1 PRINCIPAL ACCOUNTING POLICIES Accounting convention**

Transactions during the period which are denominated in foreign currencies are translated into Tanzanian Shillings at rates ruling at the transaction dates

Monetary assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Tanzanian Shillings at the rate of T Shs 1,313.73 as at 31st March 2009. The differences resulting from the translation are dealt with in the profit and loss account in the year in which they arise.

**2 GOING CONCERN**

The company has incurred Pre-operative expenses to the extent of T Shs 21,378,650/-. Plans are underway to set up the Extra Neutral Alcohol manufacturing facility in Mwanga District, Moshi Region, Tanzania during the next financial year.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not contain any adjustments that would be required if the going concern basis were invalid.

**3 TAX**

(a) There is no corporation tax charge for the year since the company has been incurring pre-operative expenses and commercial activities are yet to commence.

**(b) Deferred Tax**

Provision is made when income, expenditure or depreciation falls into different periods for accounting and for tax purpose. The provision is calculated at rates of tax current at the balance sheet date. Provision is made only when the directors consider that a tax charge or benefit is likely to crystallise in the foreseeable future.

<b>4 PRE-OPERATIVE EXPENSES</b>	<b>Quarter ended 31-Mar-2009 Amt TShs ('000)</b>	<b>From 5-Feb-2008 TO 31-Mar-2009 Amt TShs ('000)</b>
Pre-operative expenses include the following:		
Audit Fees	1,576	1,576
Bank Charges	176	721
Communication Charges	88	125
Exchange Gain	(583)	(559)
Entertainment	2	2
Govt. Legal and License Fees	1,197	1,761
Newspaper, Book & Mag Exp.	-	5
Printing & Stationery	164	438
Professional Charges	1,065	10,969
Travelling Conv. Lodging & Boarding	1,035	4,132
	<b>4.720</b>	<b>19.171</b>
<b>5 LAND &amp; SITE DEVELOPMENT</b>		
Capital Work in Progress	9.429	24.267
	<b>9.429</b>	<b>24.267</b>

**NOTES TO THE FINANCIAL STATEMENTS - (Continued)**  
**FOR THE PERIOD ENDED 31ST MARCH 2009**

	Amt TShs ('000)						
6 PROPERTY, PLANT AND EQUIPMENT	Lease Hold Land	Plant & Machinery	Fixture and Fittings	Motor Vehicles	Equipments	Capital Work in Progress	Total
<b>Cost</b>							
Additions/Transfer	7,145						7,145
Revaluation surplus	-						-
Disposal/Transfer	-						-
<b>As at 31 March 2009</b>	<b>7,145</b>						<b>7,145</b>
<b>Depreciation</b>							
Charge for the period	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-
<b>Disposal</b>	-	-	-	-	-	-	-
<b>As at 31 March 2009</b>	-	-	-	-	-	-	-
<b>Net book amount</b>							
<b>As at 31 March 2009</b>	<b>7,145</b>	-	-	-	-	-	<b>7,145</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST MARCH 2009**

	Quarter ended 31-Mar-2009 Amt TShs ('000)	From 5-Feb-2008 TO 31-Mar-2009 Amt TShs ('000)
<b>7 ADVANCE TO SUNDRY CREDITORS</b>		
Bashiru Abdul Hassani (EIA)	6,500	6,500
<b>8 Cash and Bank Balance</b>		
Cash in Hand	2,188	2,188
Bank Accounts	43,513	43,513
	<b>45,701</b>	<b>45,701</b>
<b>9 TRADE AND OTHER PAYABLES</b>		
<i>(Amounts falling due within one year)</i>		
Unique Financial Services Ltd.	300	300
Tanna Sreekumar & Co.	1,576	1,576
With Holding Tax Payable	765	765
	<b>2,641</b>	<b>2,641</b>

**10 COUNTRY OF INCORPORATION AND REGISTERED OFFICE**

The company is incorporated in Tanzania under the then Companies Ordinance, Cap 212, now Companies Act, 2002 and domiciled in Tanzania. The postal address of its registered office is:-

Kilimanjaro Biochem Limited  
P O Box 40707  
Dar Es Salaam

**11 HOLDING COMPANY**

The ultimate holding company is Banco Products (I) Limited, incorporated in India.

**12 FINANCIAL YEAR**

Company was incorporated on 5th February 2008. First financial period of the company ends on 31st March 2009.

**13 CURRENCY**

These financial statements are presented in Tanzanian Shillings.



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Printed Matter

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**BANCO PRODUCTS (INDIA) LIMITED**

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